新明中国控股
XINMING CHINA

XINMING CHINA HOLDINGS LIMITED
新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock code 股份代號:2699

年報
2023
ANNUAL REPORT



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CORPORATE INFORMATION
公司資料

DIRECTORS
Executive Directors
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Feng Cizhao
Mr. Zhou Fenli (appointed on 9 August 2024)
Mr. Cao Zhiqiang (appointed on 9 August 2024)

Non-executive Directors
Ms. Gao Qiaoqin
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)
Mr. Zhou Zhencun

Independent Non-executive Directors
Mr. Khor Khie Liem Alex
Mr. Chiu Kung Chak
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

AUDIT COMMITTEE
Mr. Khor Khie Liem Alex *(Chairman)*
Mr. Chiu Kung Chak
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

REMUNERATION COMMITTEE
Mr. Khor Khie Liem Alex *(Chairman)*
Mr. Chiu Kung Chak
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

NOMINATION COMMITTEE
Mr. Chen Chengshou *(Chairman)*
Mr. Khor Khie Liem Alex
Mr. Chiu Kung Chak
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

AUTHORIZED REPRESENTATIVES
Mr. Kam Chun Ying Francis
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)
Mr. Cao Zhiqiang (appointed on 5 March 2025)

COMPANY SECRETARY
Mr. Kam Chun Ying Francis

REGISTERED OFFICE
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

董事
執行董事
陳承守先生*(主席兼行政總裁)*
豐慈招先生
周奮力先生(於二零二四年八月九日獲委任)
曹志強先生(於二零二四年八月九日獲委任)

非執行董事
高巧琴女士
蔡偉康先生(於二零二五年二月二十四日辭任)
周振存先生

獨立非執行董事
許麒麟先生
趙公澤先生
劉偉樑先生(於二零二四年十二月十日辭任)
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

審核委員會
許麒麟先生*(主席)*
趙公澤先生
劉偉樑先生(於二零二四年十二月十日辭任)
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

薪酬委員會
許麒麟先生*(主席)*
趙公澤先生
蔡偉康先生(於二零二五年二月二十四日辭任)
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

提名委員會
陳承守先生*(主席)*
許麒麟先生
趙公澤先生
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

授權代表
甘俊英先生
蔡偉康先生(於二零二五年二月二十四日辭任)
曹志強先生(於二零二五年三月五日獲委任)

公司秘書
甘俊英先生

註冊辦事處
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS IN THE PRC

Block I, 5th Floor
Hengli Building
No. 5 Huang Long Road, Hangzhou
Zhejiang Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D, 7/F, Kee Shing Centre
74–76 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

COMPANY'S WEBSITE ADDRESS

http://www.xinm.com.cn

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Industrial and Commercial Bank of China, Tengzhou Branch
Agricultural Bank of China, Branch of Datong Road, Tengzhou
China Construction Bank, Branch of Datong Road, Tengzhou
Agricultural Bank of China, Taizhou Jiazhi Branch
Taizhou Bank, Hongjia Branch

AUDITOR

Global Link CPA Limited
Certified Public Accountants

LISTING INFORMATION

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
(Stock Code: 02699)

中國總部

中國浙江省
杭州市黃龍路5號
恒勵大廈
5樓I座

香港主要營業地點

香港
九龍尖沙咀
金巴利街74–76號
奇盛中心7樓D室

公司網址

http://www.xinm.com.cn

股份過戶登記總處

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行

中國工商銀行滕州支行
中國農業銀行滕州市大同路支行
中國建設銀行滕州市大同路分理處
中國農業銀行台州葭芷支行
台州銀行洪家支行

核數師

高嶺會計師有限公司
執業會計師

上市資料

本公司普通股於香港聯合交易所有限公司主板上市
(股份代號：02699)

CHAIRMAN'S STATEMENT
主席報告書

To all shareholders,

I hereby announce the annual results of Xinming China Holdings Company Limited (the "Company" or "Xinming China"), for the year ended 31 December 2023 (the "Year under Review"), on behalf of the board (the "Board") of directors (the "Director") of the Company.

Looking back at the year 2023, the real estate industry borne a hardship and difficult year, with the continued real estate market in the doldrums, real estate enterprises under great pressure, and a number of real estate enterprises defaulting on their debts or negotiating extensions. Against the backdrop of continuously strengthened housing regulation by the Central Government, the bank loan policies have resulted in loan extension and re-tightening of financing channels. During the Year under Review, the Group determined to improve the going concern issue of the Company with practical actions by attempting various methods and actively and closely following the strategic main line of assets revitalization and liabilities reduction.

The Company focused on the residential property development of Shandong Project, and completed the second and third phases of presale, with the amount of presale for the year reaching approximately RMB27.6 million. Meanwhile, the Company will continue to actively negotiate with various financial institutions to extend the repayment date or refinance its outstanding borrowings, and will proactively seek various feasible options in assets revitalization in the future, including but not limited to change of property use and sale of property in its overall strategy.

During the Year under Review, the total revenue of the Company (together with its subsidiaries, the "Group") amounted to approximately RMB418.9 million, representing an increase of approximately 412.9 million or approximately 68.1 times for the corresponding period of last year. The loss attributable to the shareholders of the Company amounted to approximately RMB526.1 million, representing a decrease of loss of approximately RMB1,724.3 million or approximately 76.6% from a loss of approximately RMB2,250.4 million for the corresponding period of last year, mainly due to a decrease in other expenses and loss on court-ordered sale of completed properties held for sale and an investment property and change in fair value of investment properties during the year ended 31 December 2022.

致各位股東：

本人謹代表新明中國控股有限公司(「本公司」或「新明中國」)董事(「董事」)會(「董事會」)欣然宣佈本公司截至二零二三年十二月三十一日止年度(「回顧年度」)之全年業績。

回顧二零二三年，房地產行業承載艱辛與艱難，房地產市場持續低迷，房企面臨巨大壓力，多家房企拖欠債務或協商延期。在中央政府持續加強住房調控的背景下，銀行貸款政策導致貸款展期及融資渠道重新收緊。回顧年度內，本集團積極抓緊盤活資產及降低負債為戰略主線，用實際行動及嘗試各種方式務求改善本公司持續經營問題。

本公司集中在山東項目住宅物業開發，經已完成第二及三期預售，全年預售金額達約人民幣27.6百萬元。本公司同時將積極繼續與多家金融機構磋商以延長償還日期或為未償還借款進行再融資，以及於日後積極尋找各種盤活資產的可行方案，包括但不限於變更房產用途及房產出售整體策略。

於回顧年度內，本公司(連同其附屬公司統稱「本集團」)的總收入約為人民幣418.9百萬元，較去年同期增加約人民幣412.9百萬元或約68.1倍。本公司股東應佔虧損約人民幣526.1百萬元，較去年同期虧損約人民幣2,250.4百萬元減少約人民幣1,724.3百萬元或約76.6%，主要由於截至二零二二年十二月三十一日止年度的其他開支及法院命令出售持作出售的已竣工物業及一項投資物業的虧損減少，以及投資物業公允價值變動所致。

During the Year under Review, loss per share was approximately RMB0.280 (2022: loss per share of approximately RMB1.198). As at 31 December 2023, total assets of the Group amounted to approximately RMB2,215.7 million (31 December 2022: approximately RMB2,626.8 million); total liabilities were approximately RMB5,175.2 million (31 December 2022: approximately RMB4,993.7 million); total negative equity was approximately RMB2,959.5 million (31 December 2022: approximately RMB2,366.9 million); and net liabilities per share were approximately RMB1.58 (31 December 2022: approximately RMB1.26).

於回顧年度內，每股虧損約為人民幣0.280元(二零二二年：每股虧損約為人民幣1.198元)。於二零二三年十二月三十一日，本集團資產總值約為人民幣2,215.7百萬元(二零二二年十二月三十一日：約人民幣2,626.8百萬元)；負債總值約為人民幣5,175.2百萬元(二零二二年十二月三十一日：約人民幣4,993.7百萬元)；負權益總值約為人民幣2,959.5百萬元(二零二二年十二月三十一日：約人民幣2,366.9百萬元)；每股負債淨值約為人民幣1.58元(二零二二年十二月三十一日：約為人民幣1.26元)。

During the Year under Review, the Group recorded property sales of approximately RMB418.9 million, representing an increase of approximately RMB412.9 million or approximately 68.1 times as compared to approximately RMB6.1 million in 2022. Total GFA of property sales delivered was approximately 63,413.5 sq.m., representing a significant increase of approximately 61,565.1 sq.m. as compared with 2022, which was mainly derived from Shandong residential projects which have to complete the legal property registration of phase 2 and 3 and recognise the sales during a year, accounting for approximately 99.1% of the Group's sales. As at 31 December 2023, the Group's property portfolio consisted of 6 property development projects in various cities in the PRC. These projects were at various stages of development, with total GFA amounting to approximately 379,000 sq.m., of which approximately 278,000 sq.m. was completed, approximately 22,000 sq.m. was under development, and approximately 79,000 sq.m. was held for future development.

於回顧年度內，本集團錄得物業銷售額約人民幣418.9百萬元，較二零二二年約人民幣6.1百萬元增加約人民幣412.9百萬元或約68.1倍。已交付物業銷售總建築面積為約63,413.5平方米，較二零二二年大幅增加約61,565.1平方米，其主要來自山東住宅項目，該等項目於年內須完成第二期及三期的法定物業登記及確認銷售，佔本集團銷售額約99.1%。於二零二三年十二月三十一日，本集團的物業組合包括位於中國不同城市的6個物業開發項目，這些項目處於不同開發階段，總建築面積約379,000平方米，其中約278,000平方米的建築面積已竣工，約22,000平方米的建築面積正在開發中，另約79,000平方米的建築面積持作未來開發。

PROSPECTS AND DEVELOPMENT STRATEGIES

Looking ahead to 2025, with the impact of the epidemic dissipated, it is expected that China's macro-economy will see an overall turnaround. Economic activities will then return to normal order, with various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate enterprises. The property market is expected to gradually stabilise and recover, and investment sentiment is expected to rebound with confidence. In the National Economic Programme of the 20th National Congress of the PRC government, the PRC government stated that it is required to maintain stable and healthy development of the real estate market, and adhere to the principle of "housing is for living in and not for speculation". As China's demographic structure gradually increases the rate of urbanisation and the economies of third and fourth tier cities are expected to grow, the development of real estate investment is expected to become the focus of the market. The Group will actively accelerate its de-stocking of completed properties while exploring feasibility of assets revitalisation, including but not limited to changing of property use and sale of properties in its entirety. Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

SUMMARY

Xinming China is still facing the most difficult time in the history of the domestic real estate industry. We will continue to adhere to our original intention, fulfil our duties with a firm belief, overcome difficulties, and focus on de-stocking and de-leveraging with dedicated efforts, thereby creating best value to our shareholders.

On behalf of the Board, I would like to take this opportunity to express the heartfelt and sincere gratitude to our management and all staff members for their persistent efforts in the previous year and to all the shareholders for their support and trust.

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, China
11 March 2025

前景展望及發展策略

展望二零二五年，隨著疫情影響消散，預計中國宏觀經濟將實現整體好轉。經濟活動繼而恢復正常秩序，多個城市在放寬限購限貸，繼而出台保交樓，信貸、發債、股權融資等「三箭齊發」措施全面利好物業開發商。房地產市場有望逐步企穩恢復，投資意慾有信心回升。中國政府在「二十大」國家經濟綱要提出房地產市場必需平穩健康發展，堅持「房住不炒」的方針。中國人口結構逐漸城鎮化比率提高，三四線城市經濟將會增速，預期房產投資發展將成市場焦點。本集團將積極加快已竣工物業庫存去化，同時探索盤活資產的可行性，包括但不限於變更房產用途及整棟房產出售，以及與不同金融機構就本集團就未償還借款進行磋商，務求改善負債及財務槓桿狀況。

總結

新明中國仍面對國內房產行業歷史上最艱難時刻，我們將繼續堅守初心，恪盡職守，堅定信念，克服困難，全力專注去存貨、降槓桿，為股東創造最佳價值。

本人謹藉此機會，代表董事會向管理層及全體員工在過去一年的努力不懈，以及全體股東的支持和信賴，表示衷心和誠摯的感謝！

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二五年三月十一日

INDUSTRY REVIEW AND OPERATION MANAGEMENT

Looking back on the PRC real estate market in 2023, according to the data published by the National Bureau of Statistics, the sales of commodity properties was RMB11.7 trillion, representing a decrease of 6.5% as compared to the same period last year, and the sales of residential properties was down by 6.0% as compared to the same period last year. Against the backdrop of continuously strengthened housing regulation by the Central Government, the bank loan policies have resulted in loan extension and re-tightening of financing channels.

During the Year under Review, the Group determined to improve the going concern issue of the Company with practical actions by attempting various methods and actively and closely following the strategic main line of assets revitalization and liabilities reduction. The Company focused on the residential property development of Shandong Project, and completed the second and third phases of presale, with the amount of presale for the year reaching approximately RMB27.6 million. Meanwhile, the Company will continue to actively negotiate with various financial institutions to extend the repayment date or refinance its outstanding borrowings, and will proactively seek various feasible options in assets revitalization in the future, including but not limited to change of property use and sale of property in its overall strategy.

BUSINESS REVIEW

During the Year under Review, the Group recorded property sales of approximately RMB418.9 million, representing an increase of approximately RMB412.9 million or approximately 68.1 times as compared to approximately RMB6.1 million in 2022, it was mainly due to the completion of residential property development of Shandong project of the second and third phases of legal property registration that was recognised as sales in accordance with International Accounting Standards. Total GFA delivered during the Year under Review was approximately 63,413.5 sq.m., which approximated to the level recorded in 2023. Property sales was the major revenue source of the Group, representing approximately 99.1% of the Group's total revenue. At the same time, various real estate developers were eager to cash in through price reduction and sales promotion which intensified competition. In this regard, the Group has actively made business adjustments and explored the use of each project, including but not limited to changing property use and selling properties in its entirety to speed up the cash-out. Such measures, however, have not yet contributed to the Group's revenue for the Year under Review.

行業回顧及經營管理

回顧二零二三年中國房地產市場，根據國家統計局公佈的數據，商品房銷售額為人民幣11.7萬億元，較去年同期減少6.5%，住房物業銷售額較去年同期減少6.0%。在中央政府持續加強住房調控的背景下，銀行貸款政策導致貸款展期及融資渠道重新收緊。

回顧年度內，本集團積極抓緊盤活資產及降負債為戰略主線，用實際行動及嘗試各種方式務求改善本公司持續經營問題。本公司集中在山東項目住宅物業開發，經已完成第二及三期預售，全年預售金額達約人民幣27.6百萬元。本公司同時將積極繼續與多家金融機構磋商以延長償還日期或為未償還借款進行再融資，以及於日後積極尋找各種盤活資產的可行方案，包括但不限於變更房產用途及房產出售整體策略。

業績回顧

回顧年度內，本集團錄得物業銷售額約人民幣418.9百萬元，較二零二二年約人民幣6.1百萬元增加約人民幣412.9百萬元或約68.1倍，主要是山東住宅物業開發項目的第二和第三期法定物業登記的住宅物業開發完成，並按國際會計準則認可計入銷售所致。回顧年度內交付的總建築面積約63,413.5平方米，與二零二三年的水平相若。物業銷售為本集團主要的收入來源，佔本集團總收入約99.1%。同時，各房地產開發商通過減價及促銷套現，從而加劇競爭。就此，本集團已積極進行業務調整並探索各個項目用途，包括但不限於變更房產用途及出售物業以加快套現，但暫未能對本集團回顧年度收入有所貢獻。

Loss attributable to the shareholders of the Company amounted to approximately RMB526.1 million, representing a decrease of loss of approximately RMB1,724.3 million or approximately 76.6% from the loss attributable to the shareholders of approximately RMB2,250.4 million in 2022, mainly due to a decrease in other expenses during the Year under Review and changes in fair value of investment properties and loss on disposal of investment property and properties held for sale in 2022. Loss per share was approximately RMB0.280 (2022: loss per share amounted to approximately RMB1.198).

本公司股東應佔虧損約人民幣526.1百萬元，較二零二二年股東應佔虧損約人民幣2,250.4百萬元，減虧約人民幣1,724.3百萬元或約76.6%，主要由於回顧年度內其他開支減少、二零二二年投資物業公允價值變動及出售投資物業及持作銷售物業虧損所致。每股虧損約人民幣0.280元(二零二二年：每股虧損約人民幣1.198元)。

During the Year under Review, the Board did not recommend payment of a final dividend for the year ended 31 December 2023.

於回顧年度內董事會不建議就截至二零二三年十二月三十一日止年度派發末期股息。

As at 31 December 2023, total assets of the Group amounted to approximately RMB2,215.7 million (31 December 2022: approximately RMB2,626.8 million); total liabilities were approximately RMB5,175.2 million (31 December 2022: approximately RMB4,993.7 million); total negative equity was approximately RMB2,959.5 million (31 December 2022: approximately RMB2,366.9 million); and net liabilities per share were approximately RMB1.58 (31 December 2022: approximately RMB1.26).

於二零二三年十二月三十一日，本集團資產總值約人民幣2,215.7百萬元(二零二二年十二月三十一日：約人民幣2,626.8百萬元)；負債總值約人民幣5,175.2百萬元(二零二二年十二月三十一日：約人民幣4,993.7百萬元)；負權益總值約人民幣2,959.5百萬元(二零二二年十二月三十一日：約人民幣2,366.9百萬元)；及每股淨負債約人民幣1.58元(二零二二年十二月三十一日：約人民幣1.26元)。

Property development

As at 31 December 2023, the Group's property portfolio consisted of 6 property development projects with an aggregate GFA of approximately 379,000 sq.m. developed and under various stages of development in various cities in the PRC.

物業開發

於二零二三年十二月三十一日，本集團物業組合包括6項物業開發項目，於中國不同城市已開發及在不同開發階段的總建築面積約379,000平方米。

The summary of the portfolio of our property development projects as at 31 December 2023 is set out in the table below:

下表為二零二三年十二月三十一日我們物業開發項目組合的概要：

			COMPLETED 已經竣工					UNDER DEVELOPMENT 開發中			FUTURE DEVELOPMENT 未來開發			
Project 項目	Location 地址	Existing use 目前用途	Site area 地盤面積 sq.m. 平方米	GFA completed 已經竣工面積 sq.m. 平方米	Saleable GFA 可銷售面積 sq.m. 平方米	Non saleable GFA 不可銷售面積 sq.m. 平方米	Saleable GFA in remaining unsold 餘下未銷售面積的可銷售面積 sq.m. 平方米	GFA under development 開發中建築面積 sq.m. 平方米	Saleable GFA 可銷售建築面積 sq.m. 平方米	Saleable GFA pre-sold 已預售的可銷售建築面積 sq.m. 平方米	Planned GFA 規劃建築面積 sq.m. 平方米	Estimated date of completion 預計竣工日期	Estimated stage of completion 預計完工階段	Equity attributable to the Group 本集團所佔權益 % %
Completed 已竣工														
Taizhou Xinming Peninsular 台州新明半島														
Phase 1 一期	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	86,667	189,387	157,005	32,382	–	–	–	–	–	–	–	100%
Phase 2 – Stage 1 二期一階段	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	66,600	121,498	111,723	9,775	–	–	–	–	–	–	–	100%
Phase 2 – Stage 2 二期二階段	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	52,540	152,624	125,824	26,800	–	–	–	–	–	–	–	100%
Xinming International Household Products Mall and Exhibition Center 新明國際家居生活廣場及展示中心	No. 8, North Section, Taizhou Boulevard, Jiaojiang District; No. 27 Building, No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號、椒江區台州大道北段8號27幢	Commercial 商用	131,768	207,908	100,151	107,757	–	–	–	–	–	–	–	100%
Xinming Lijiang Garden 新明麗江苑	Xinming Lijiang Garden, No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號新明麗江苑	Residential, commercial 住宅、商用	63,431	210,988	177,466	33,522	–	–	–	–	–	–	–	100%
Wenshang Times • Red Star Macalline Household Products Market 溫商時代－紅星美凱龍家居市場	No. 1990, East Ring Boulevard, Jiaojiang District, Taizhou City 台州市椒江區東環大道1990號	Commercial 商用	11,000	67,239	–	67,239	–	–	–	–	–	–	–	100%
Shandong Xingmeng International Commercial City 山東興盟國際商業城	Xingmeng International Commercial City, Wulitunzhuanpan, Tengzhou City, Shandong Province 山東省滕州市五裡屯轉盤興盟國際商城	Commercial 商用	89,100	88,505	86,399	2,106	6,267.7	–	–	–	–	–	–	75%
Shanghai Xinming Children's World 上海新明兒童世界	No. 699, Liuxiang Road, Nanxiang Town, Jiading District, Shanghai Municipality 上海市嘉定區南翔鎮瀏翔公路699號	Commercial 商用	39,720	186,904	138,179	48,725	45,313.7	–	–	–	–	–	–	79%
Hangzhou Xinming Children's World 杭州新明兒童世界	No. 698, Xiaohe Road, Gongshu District, Hangzhou 杭州市拱墅區小河路698號	Commercial 商用	30,499	147,754	147,754	–	–	–	–	–	–	–	–	100%
Shandong Xingmeng Yayuan 山東興盟雅園	The western side of Luban Avenue and the northern side of Jinghe West Road, Tengzhou City, Shandong Province 山東省滕州市魯班大道西側，荊河西路北側	Residential 住宅	54,826	95,402	92,130	3,272	7,809.7	–	–	–	–	–	–	75%
Under Development 開發中														
Shandong Xingmeng Yayuan 山東興盟雅園	Xingmeng International Commercial City, Wulitunzhuanpan, Tengzhou City, Shandong Province 山東省滕州市五裡屯轉盤興盟國際商城	Residential 住宅	29,206	–	–	–	–	77,000	22,000	9,863	–	–	–	75%
Total 總計			655,357	1,468,209	1,136,611	331,578	59,391.1	77,000	22,000	9,863	–			

Property sales

During the Year under Review, the Group recorded property sales of approximately RMB418.9 million, representing an increase of approximately RMB412.9 million or approximately 68.1 times as compared to approximately RMB6.1 million in 2022. Total GFA of property sales delivered during the Year under Review was approximately 63,413.5 sq.m., representing a significant increase of approximately 61,565.1 sq.m. as compared with 2022, which was mainly derived from Shandong residential projects which have to complete the legal property registration of phase 2 and 3 and recognise the sales during a year, accounting for approximately 99.1% of the Group's sales. In this regard, the Group has actively made business adjustments and explored the use of each project, including but not limited to change of use and sale of property. Such measures, however, have not yet contributed to the Group's revenue for the Year under Review.

物業銷售

於回顧年度內，本集團錄得物業銷售額約人民幣418.9百萬元，較二零二二年約人民幣6.1百萬元增加約人民幣412.9百萬元或約68.1倍。於回顧年度內交付物業銷售建築面積約63,413.5平方米，較二零二二年大幅增加約61,565.1平方米，主要來自須完成二、三期法定物業登記並確認年度內銷售的山東住宅項目，佔本集團銷售額約 99.1%。本集團已就此積極進行業務調整並探索各個項目用途，包括但不限於變更房產用途及出售，但該等措施暫未能對本集團回顧年度收入有所貢獻。

The following table summarizes the property projects of the Group sold during the Year under Review:

下表載列於回顧年度本集團物業銷售項目概要：

Project 項目	Location 位置	GFA sold 已售建築面積 sq.m. 平方米	Income 收入 RMB in million 人民幣百萬元	Average selling price 平均售價 RMB/sq.m. 人民幣／平方米
By market sale **按市場銷售**				
Taizhou Xinming Peninsular 台州新明半島	Taizhou 台州	245.1	0.7	3,005
Xinming Lijiang Garden 新明麗江苑	Taizhou 台州	99.9	0.5	4,628
Xingmeng International Commercial City 興盟國際商城	Tengzhou 滕州	63,068.5	419.3	6,649
Total 合計		63,413.5	420.5	6,632
By court-ordered sale **按法院命令出售**				
Hangzhou Xinming • Children's World 杭州新明 • 兒童世界	Hangzhou 杭州	7,302.2	56.3	7,714

Property leasing

The Group carries out property leasing business through leasing its commercial properties held for investment and leasing the sold commercial properties leased back from third parties by the Group. As at 31 December 2023, the actual area leased out was approximately 13,546.5 sq.m., representing approximately 90.2% of the Group's total investment properties held-for-lease and the sold commercial properties leased back from third parties purchasers.

During the Year under Review, the rental income was approximately RMB3.7 million, representing a decrease of approximately RMB25.4 million or 87.4% as compared to approximately RMB29.1 million in 2022.

The following table summarises the commercial properties held by the Group for investment during the Year under Review:

物業租賃

本集團通過出租我們持作投資的商業物業及出租本集團向第三方回租的已售商業物業經營物業租賃業務。於二零二三年十二月三十一日，實際租賃面積約為13,546.5平方米，佔本集團全部持作出租用途的投資物業及透過第三方買家回租的已售商業物業約90.2%。

於回顧年度內，租金收入約人民幣3.7百萬元，較二零二二年約人民幣29.1百萬元，減少約人民幣25.4百萬元或87.4%。

下表載列於回顧年度本集團持作投資的商業物業概要：

	As at 31 December 2023 於二零二三年十二月三十一日			Average occupancy rate	Rental income for the year ended 31 December 2023 截至二零二三年十二月三十一日止年度的租金收入
	Total GFA	Leasable area	Leased area		
	總建築面積	可租賃面積	已租賃面積	平均租用率	
	sq.m. 平方米	sq.m. 平方米	sq.m. 平方米	% %	RMB million 人民幣百萬元
Commercial investment properties for rental purpose					
作出租用途的商業投資物業					
No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號	101,163.31	62,163.36	28,286.78	45.5%	3.7

Note: All properties were located in the PRC, and were held under medium term lease.

附註： 所有物業均位於中國，並根據中期租賃持有。

Court ordered sale of completed properties held for sale

In August 2022, 浙江省浙商資產管理有限公司 (Zhejiang Zheshang Asset Management Company Limited*) ("Zhejiang Zheshang") filed an enforcement notice applying to 浙江省溫州市中級人民法院 (Zhejiang Wenzhou Intermediate People's Court*) (the "Wenzhou Court") for an enforcement order to auction and sell the entire ownership of the completed properties held for sale held by 杭州新明置業投資有限公司* (Hangzhou Xinming Property Investment Limited) ("Hangzhou Xinming") located at Tower 2, Xinming Commercial Centre, Gongshu District, Hangzhou City, the PRC and Xiaohe Road, Gongshu District, Hangzhou City, the PRC (the "Hangzhou Properties") since Hangzhou Xinming was unable to repay the overdue borrowings with principal amount of RMB193,250,000 owed to Zhejiang Zheshang (the "Total Outstanding Sum").

On 29 August 2022, the Wenzhou Court proceeded to hold an initial auction. Between September 2023 and December 2023, Wenshang Times received multiple auction confirmations (the "Auction Confirmations") issued by the Wenzhou Court. Under the Auction Confirmations, the Hangzhou Properties (the "Auctioned Properties") has been auctioned off and sold by the sale of 20 and 28 commercial shops respectively to independent third parties at an aggregate auction price of approximately RMB56.3 million to repay the Total Outstanding Sum.

法院命令出售持作出售的已竣工物業

於二零二二年八月，浙江省浙商資產管理有限公司(「浙江浙商」)向浙江省溫州市中級人民法院(「溫州法院」)提交申請執行命令以拍賣及出售杭州新明置業投資有限公司(「杭州新明」)持作出售位於中國杭州市拱墅區新明商業中心2幢及中國杭州市拱墅區小河路(「杭州物業」)的已竣工物業的全部所有權。由於杭州新明無法償還結欠浙江浙商之逾期借款本金額約人民幣193,250,000元(「未償還總額」)。

於二零二二年八月二十九日，溫州法院進行初次拍賣。於二零二三年九月至二零二三年十二月，溫商時代接獲溫州法院發出的多份拍賣確認書(「拍賣確認書」)。根據拍賣確認書，杭州物業(「拍賣物業」)已分別拍賣並出售20及28間商鋪予獨立第三方，總拍賣價約人民幣56.3百萬元，以償還未償還總額。

Land reserves

As at 31 December 2023, the Group's property portfolio consisted of 6 property development projects located in a number of cities throughout China. These projects were at various stages of development, with total GFA amounting to approximately 379,000 sq.m., of which approximately 278,000 sq.m. was completed, approximately 22,000 sq.m. was under development, and approximately 79,000 sq.m. was held for future development.

土地儲備

於二零二三年十二月三十一日，本集團的物業組合包括位於中國不同城市的6個物業開發項目，這些項目處於不同開發階段，總建築面積約379,000平方米，其中約278,000平方米的建築面積已竣工，約22,000平方米的建築面積正在開發中，另約79,000平方米的建築面積持作未來開發。

* *English name is for identification purpose only.*

PROSPECTS

Looking ahead to 2025, with the impact of the epidemic dissipated, it is expected that China's macro-economy will see an overall turnaround. Economic activities will then return to normal order, with various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate enterprises. The property market is expected to gradually stabilise and recover, and investment sentiment is expected to rebound with confidence.

In the National Economic Programme of the 20th National Congress of the PRC government, the PRC government stated that it is required to maintain stable and healthy development of the real estate market, and adhere to the principle of "housing is for living in and not for speculation". As China's demographic structure gradually increases the rate of urbanisation and the economies of third and fourth tier cities are expected to grow, the development of real estate investment is expected to become the focus of the market.

The Group will actively accelerate its de-stocking of completed properties while exploring feasibility of assets revitalisation, including but not limited to changing of property use and sale of properties in its entirety. Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property sales and property leasing services, which contributed approximately 99.1% and 0.9%, respectively, to the revenue during the Year under Review of approximately RMB422.6 million. Property sales, the major revenue source of the Group, increased by approximately RMB412.9 million from approximately RMB6.1 million in the same period of last year, mainly due to the completion of phases 2 and 3 of the Shandong residential project. Property leasing recorded a decrease of approximately RMB25.5 million as compared to approximately RMB29.1 million in the same period of last year.

前景展望

展望二零二五年，隨著疫情影響消散，預計中國宏觀經濟將實現整體好轉。經濟活動繼而恢復正常秩序，多個城市在放寬限購限貸，繼而出台保交樓，信貸、發債、股權融資等「三箭齊發」措施全面利好房企。房地產市場有望逐步企穩恢復，投資意慾有望信心回升。

中國政府在「二十大」國家經濟綱要提出房地產市場必需平穩健康發展，堅持「房住不炒」的方針。中國人口結構逐漸城鎮化比率提高，三四線城市經濟將會增速，預期房產投資發展將成市場焦點。

本集團將積極加快已竣工物業庫存去化，同時探索盤活資產的可行性，包括但不限於變更房產用途及整棟房產出售，以及與不同金融機構就本集團就未償還借款進行磋商，務求改善負債及財務槓桿狀況。

財務回顧

收益

本集團收益主要由物業銷售及物業租賃服務產生，於回顧年度內的收入約人民幣422.6百萬元，佔比分別約為99.1%及0.9%。物業銷售是本集團主要收入來源，較去年同期約人民幣6.1百萬元增加約人民幣412.9百萬元，主要是因為山東住宅項目二期及三期完成所致。物業租賃較去年同期約人民幣29.1百萬元減少約人民幣25.5百萬元。

Cost of sales

During the Year under Review, the Group's cost of sales was approximately RMB369.1 million, representing an increase of approximately RMB353.9 million or 23.3 times as compared to approximately RMB15.2 million in the same period of last year. Such increase was primarily attributable to an increase of the delivered properties sales during the Year under Review.

銷售成本

於回顧年度內，本集團銷售成本約人民幣369.1百萬元，較去年同期約人民幣15.2百萬元增加約人民幣353.9百萬元，增幅為23.3倍。該增幅主要原因於回顧年度內交付物業銷售增多所致。

Gross profit

During the Year under Review, gross profit amounted to approximately RMB53.4 million, representing an increase of approximately RMB33.4 million or approximately 1.67 times as compared to approximately RMB20.0 million in the same period of last year. The gross profit margin was approximately 12.6%, which decreased as compared to approximately 56.9% last year, which was mainly attributable to the sale of Shandong residential properties held for sales at a low price in face of price competition with other property developers.

毛利

於回顧年度內的毛利約人民幣53.4百萬元，較去年同期的約人民幣20.0百萬元增加約人民幣33.4百萬元或約1.67倍。毛利率約為12.6%，較去年的約56.9%有所下降，主要歸因於因應其他物業開發商的價格競爭，以低價出售持作銷售的山東住宅項目所致。

Other income and gains and losses

Other income and gains and losses during the Year under Review amounted to approximately RMB6.2 million loss, representing a decrease of approximately RMB16.6 million or approximately 72.8% as compared to a loss of approximately RMB22.7 million in the same period of last year, mainly due to the smaller exchange loss arisen during the Year under Review.

其他收入及收益及虧損

於回顧年度內的其他收入及收益及虧損約人民幣6.2百萬元虧損，較去年同期的虧損約人民幣22.7百萬元減少約人民幣16.6百萬元，減幅約72.8%，主要是由於回顧年度產生的匯兑虧損較少所致。

Selling and administrative expenses

During the Year under Review, the selling and administrative expenses amounted to approximately RMB37.7 million, representing a decrease of approximately RMB31.2 million or approximately 45.3% as compared to approximately RMB68.8 million in the same period of last year, mainly due to a decrease in administrative expenses by approximately RMB22.5 million as compared to the same period of last year through streamlining the manpower of the Group.

銷售及行政開支

於回顧年度內的銷售及行政開支約人民幣37.7百萬元，較去年同期的約人民幣68.8百萬元減少約人民幣31.2百萬元，減幅約45.3%，主要是由於本集團精簡人力，導致行政開支較去年同期減少約人民幣22.5百萬元。

Other expenses

Other expenses during the Year under Review was approximately RMB444.1 million, representing a decrease of approximately RMB179.6 million or approximately 28.8% as compared to approximately RMB623.7 million in the same period of last year, mainly due to the market of properties under development and completed properties held for sale were adversely affected by the COVID-19 pandemic and domestic commercial properties market during the year ended 31 December 2022 and an impairment provision of approximately RMB289.1 million was made during the year ended 31 December 2022 under the impact of the expected decrease of realizable value. Breakdown of other expenses are set out below:

其他開支

於回顧年度內的其他開支約人民幣444.1百萬元，較去年同期的約人民幣623.7百萬元減少約人民幣179.6百萬元，減幅約28.8%，主要是由於截至二零二二年十二月三十一日止年度，開發中物業及持作出售的已竣工物業市場受到新冠疫情及國內商業物業市場不利影響，在可變現值預期下降的影響下，於截至二零二二年十二月三十一日止年度作出減值撥備約人民幣289.1百萬元。其他開支明細載列如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Liquidated damages on borrowings	借款違約金	**314,859**	312,124
Provision for impairment of properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業減值撥備	**126,514**	289,098
Impairment losses on financial assets, net	金融資產之減值虧損淨額	**2,756**	22,505
Total	合計	**444,129**	623,727

Change in fair value of investment properties

During the Year under Review, the loss on change in fair value of investment properties amounted to approximately RMB17.9 million, representing a significant decrease of approximately RMB1,065.0 million as compared to that of approximately RMB1,082.9 million in the same period of last year. The fair value of investment properties decreased at a slower rate as compared to that in the same period of last year as the downturn in the real estate sector stabilised.

投資物業公允價值變動

於回顧年度內的投資物業公允價值變動虧損約人民幣17.9百萬元，較去年同期約人民幣1,082.9百萬元大幅減少約人民幣1,065.0百萬元。投資物業公允價值與去年同期相比下跌速度較慢，主要是由於低迷不振的房地產行業轉趨穩定所致。

Finance costs

During the Year under Review, the finance costs amounted to approximately RMB77.1 million, representing a decrease of approximately RMB7.0 million or approximately 8.3% as compared to approximately RMB84.0 million in the same period of last year, mainly due to an increase of capitalised interest of approximately RMB7.7 million as compared to the same period of last year.

融資成本

於回顧年度內的融資成本約人民幣77.1百萬元，較去年同期約人民幣84.0百萬元減少約人民幣7.0百萬元，減幅約8.3%，主要是由於資本化利息較去年同期增加約人民幣7.7百萬元所致。

Operating loss

During the Year under Review, the operating loss amounted to approximately RMB564.2 million, representing a significant decrease of loss of approximately RMB2,265.5 million or approximately 80.1% as compared to the operating loss of approximately RMB2,829.6 million in the same period of last year which was mainly due to a decrease in other expenses and loss on court-ordered sale of completed properties held for sale and an investment property and change in fair value of investment properties during the year ended 31 December 2022.

營業虧損

於回顧年度內的營業虧損約人民幣564.2百萬元，較去年同期營業虧損的約人民幣2,829.6百萬元大幅減虧約人民幣2,265.5百萬元，減幅約80.1%，主要是由於截至二零二二年十二月三十一日止年度其他開支以及法院命令出售持作出售的已竣工物業及一項投資物業虧損減少，以及投資物業公允價值變動所致。

Income tax credit/expense

During the Year under Review, the income tax expenses amounted to approximately RMB28.5 million representing an increase of approximately RMB468.5 million as compared to income tax credit of approximately RMB440.0 million in the same period of last year, mainly due to deferred tax movements.

所得税抵免／支出

於回顧年度內，所得税支出約人民幣28.5百萬元，較去年同期所得税抵免約人民幣440.0百萬元增加約人民幣468.5百萬元，主要是由於遞延税項變動所致。

Loss attributable to the shareholders

During the Year under Review, the loss attributable to the shareholders amounted to approximately RMB526.1 million, representing a decrease of loss of approximately RMB1,724.3 million or approximately 76.6% as compared to the loss of approximately RMB2,250.4 million in the same period of last year. The basic loss per share was approximately RMB0.280 (2022: loss per share of approximately RMB1.198).

股東應佔虧損

於回顧年度內股東的應佔虧損約人民幣526.1百萬元，較去年同期的虧損約人民幣2,250.4百萬元減虧約人民幣1,724.3百萬元，減幅約76.6%。每股基本虧損為約人民幣0.280元(二零二二年：每股虧損約人民幣1.198元)。

Cash flows

As at 31 December 2023, cash and bank deposits of the Group, including restricted cash, was approximately RMB1.9 million in aggregate (31 December 2022: approximately RMB8.0 million), representing a decrease of approximately RMB6.1 million or approximately 76.7%.

現金流量情況

本集團於二零二三年十二月三十一日的現金及銀行存款(包括受限制現金)共約人民幣1.9百萬元(二零二二年十二月三十一日：約人民幣8.0百萬元)減少約人民幣6.1百萬元，減幅約76.7%。

Borrowings

As at 31 December 2023, the total borrowings of the Group were approximately RMB1,279.5 million, representing a decrease of approximately RMB0.3 million as compared to approximately RMB1,279.8 million as at 31 December 2022.

The borrowings on demand and repayable within one year of the Group were approximately RMB1,279.5 million, representing a decrease of approximately RMB0.3 million as compared to approximately RMB1,279.8 million as at 31 December 2022. The decrease was due to the repayment of loan principals through the court-ordered sales which covered repayment of certain principals and default interests.

借款情況

於二零二三年十二月三十一日，本集團的借款總額約人民幣1,279.5百萬元，較二零二二年十二月三十一日的約人民幣1,279.8百萬元減少約人民幣0.3百萬元。

本集團即期及須於一年內償還的借款約人民幣1,279.5百萬元，較二零二二年十二月三十一日的約人民幣1,279.8百萬元，減少約人民幣0.3百萬元。減少主要是由於透過法院命令出售償還貸款本金，其中包括償還若干本金及違約利息所致。

Trade receivables, prepayments, other receivables and other assets

As at 31 December 2023, the sum of trade receivables, prepayments, other receivables and other assets of the Group was approximately RMB41.7 million, representing a decrease of approximately RMB15.9 million or approximately 27.6% as compared to approximately RMB57.5 million as at 31 December 2022, mainly due to the decrease in deposits with suppliers.

貿易應收款項、預付款項、其他應收款項及其他資產

於二零二三年十二月三十一日，本集團的貿易應收款項、預付款項、其他應收款項及其他資產總額約人民幣41.7百萬元，較二零二二年十二月三十一日的約人民幣57.5百萬元，減少約人民幣15.9百萬元，減幅約27.6%，主要是與供應商之按金減少所致。

Trade payables, contract liabilities and other payables and accruals

As at 31 December 2023, the sum of trade payables, contract liabilities, other payables and accruals of the Group was approximately RMB2,551.4 million, representing an increase of approximately RMB141.7 million or approximately 5.9% as compared to approximately RMB2,409.7 million as at 31 December 2022. The increase was mainly due to an increase in accrual of interest and penalties on interest, net off with a decrease of contract liabilities.

貿易應付款項、合約負債及其他應付賬款及應計費用

於二零二三年十二月三十一日，本集團的貿易應付款項、合約負債、其他應付款項及應計費用合共約人民幣2,551.4百萬元，較二零二二年十二月三十一日的約人民幣2,409.7百萬元增加約人民幣141.7百萬元，增幅約5.9%。有關增加主要是由於應計利息及罰息增加，抵銷合約負債減少所致。

Assets and liabilities

As at 31 December 2023, the total assets of the Group was approximately RMB2,215.7 million, representing a decrease of approximately RMB411.1 million as compared to approximately RMB2,626.8 million as at 31 December 2022. The total current assets was approximately RMB1,086.7 million, representing approximately 49.0% (31 December 2022: approximately 56.6%) of the total assets, with a decrease of approximately RMB401.1 million as compared to approximately RMB1,487.8 million as at 31 December 2022. The total non-current assets was approximately RMB1,129.0 million, representing approximately 51.0% (31 December 2022: approximately 43.4%) of the total assets, with a decrease of approximately RMB10.1 million as compared to approximately RMB1,139.1 million as at 31 December 2022.

資產與負債

於二零二三年十二月三十一日，本集團資產總額約人民幣2,215.7百萬元，較二零二二年十二月三十一日的約人民幣2,626.8百萬元減少約人民幣411.1百萬元。流動資產總額約人民幣1,086.7百萬元，較二零二二年十二月三十一日約人民幣1,487.8百萬元減少約人民幣401.1百萬元，佔資產總額的約49.0%(二零二二年十二月三十一日：約56.6%)。非流動資產總額約人民幣1,129.0百萬元，較二零二二年十二月三十一日的約人民幣1,139.1百萬元減少約人民幣10.1百萬元，佔資產總額的約51.0%(二零二二年十二月三十一日：約43.4%)。

As at 31 December 2023, the total liabilities of the Group was approximately RMB5,175.2 million, representing an increase of approximately RMB181.5 million as compared to approximately RMB4,993.7 million as at 31 December 2022. The total current liabilities was approximately RMB5,006.9 million, representing approximately 96.7% (31 December 2022: approximately 96.7%) of the total liabilities, with an increase of approximately RMB176.5 million as compared to approximately RMB4,830.4 million as at 31 December 2022. The total non-current liabilities was approximately RMB168.3 million, representing approximately 3.3% (31 December 2022: approximately 3.3%) of the total liabilities, with an increase of approximately RMB5.0 million as compared to approximately RMB163.3 million as at 31 December 2022.

於二零二三年十二月三十一日，本集團負債總額約人民幣5,175.2百萬元，較二零二二年十二月三十一日的約人民幣4,993.7百萬元增加約人民幣181.5百萬元。流動負債總額約人民幣5,006.9百萬元，較二零二二年十二月三十一日的約人民幣4,830.4百萬元增加約人民幣176.5百萬元，佔負債總額的約96.7%(二零二二年十二月三十一日：約96.7%)。非流動負債總額約人民幣168.3百萬元，較二零二二年十二月三十一日的約人民幣163.3百萬元增加約人民幣5.0百萬元，佔負債總額的約3.3%(二零二二年十二月三十一日：約3.3%)。

As at 31 December 2023, the net current liabilities of the Group was approximately RMB3,920.2 million, representing an increase of approximately RMB577.6 million or approximately 17.3% as compared to the net current liabilities of approximately RMB3,342.6 million as at 31 December 2022.

Current ratio

As at 31 December 2023, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 0.22:1 (31 December 2022: 0.31:1).

Gearing ratio

As at 31 December 2023, the gearing ratio of the Group was calculated based on net debt divided by the sum of total equity and net debt. The Group's net debt consists of interest-bearing bank and other borrowings and convertible bonds, less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratio of the Group was (110.0)% (31 December 2022: (186.5)%).

Convertible bonds

Pursuant to the general mandate, on 1 June 2018, the Group issued convertible bonds in amount of HK$300 million for a term of two years. The bonds bear interest at a rate of 6.5% plus 1% handling fee per annum, and the interest is payable in arrears every half year. The conversion bonds matured on 31 May 2020.

The Company was informed by Chance Talent that on 15 January 2025 that, the CB Sellers transferred the Convertible Bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics, at the total consideration of HK$31.5 million. For details, please refer to Company's announcement dated 16 January 2025.

The principal amount of HK$300 million and interests have not been settled as of the date of this report.

Significant investments

During the Year under Review, the Group has no significant investment.

Material acquisitions and disposals of subsidiaries

During the Year under Review, the Group has no material acquisitions or disposals of any subsidiaries.

於二零二三年十二月三十一日，本集團流動負債淨值約人民幣3,920.2百萬元，較二零二二年十二月三十一日的流動負債淨值約人民幣3,342.6百萬元增加約人民幣577.6百萬元，增幅約17.3%。

流動比率

於二零二三年十二月三十一日，本集團的流動比率(即流動資產除以流動負債之比率)為0.22:1(二零二二年十二月三十一日：0.31:1)。

資本負債比率

於二零二三年十二月三十一日，本集團的資本負債比率乃按債務淨額除以權益總額加債務淨額而計算。本集團的債務淨額含有計息銀行及其他借款及可換股債券減現金及現金等價物。權益總額包括母公司擁有人應佔權益及非控股權益。本集團的資本負債比率為(110.0)%(二零二二年十二月三十一日：(186.5)%)。

可換股債券

本集團於二零一八年六月一日，根據一般授權發行金額為3億港元的可換股債券，為期兩年。債券的年利率為6.5%(另加每年1%手續費)，並將每半年支付一次利息。可換股債券於二零二零年五月三十一日到期。

本公司接獲Chance Talent告知，於二零二五年一月十五日，可換股債券賣方已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券以及所有附帶的權利及應有的收益予可換股債券買方Motivational Mathematics。有關詳情，請參閱本公司日期為二零二五年一月十六日之公告。

本金金額300百萬港元及利息截至本報告日期尚未結算。

重大投資

於回顧年度內，本集團並無任何重大投資。

有關附屬公司的重大收購及出售

於回顧年度內，本集團並無任何附屬公司的重大收購及出售。

Guarantees on mortgage facilities

As at 31 December 2023, the Group provided guarantees over the mortgage loans of certain purchasers of approximately RMB28.6 million (31 December 2022: approximately RMB237.0 million).

按揭融資的擔保

於二零二三年十二月三十一日，本集團就若干買家的按揭融資提供擔保約人民幣28.6百萬元(二零二二年十二月三十一日：約人民幣237.0百萬元)。

EVENT AFTER THE END OF THE YEAR

(a) On 16 January 2025, the Company was informed by Mr. Lai Kar Yan (Derek) and Mr. Ho Kwok Leung Glen of Deloitte Touche Tohmatsu whom were appointed by Chance Talent Management Limited as joint and several receivers over the Placing Shares and the Sale Shares ("the Receivers") that on 8 January 2025 (after trading hours), the Xinxing Company Limited (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and Innovax Securities Limited ("Placing Agent") entered into the Placing Agreement, pursuant to which the Placing Agent place an aggregate of 752,137,800 Placing Shares held by the Vendor (representing approximately 40.04% of the entire issued share capital of the Company as of 8 January 2025) to the Placees at the Placing Price.

On 16 January 2025, the Company was informed by the Receivers that on 13 January 2025, the Placing Agent successfully placed all the 752,137,800 Placing Shares at the Placing Price of HK$0.011 per Placing Share to the respective Placees. The 752,137,800 Placing Shares placed under the Placing represents approximately 40.04% of the entire issued share capital of the Company as at 16 January 2025.

Details of the placing of existing shares by controlling shareholder were set out in the Company's announcements dated 16 January 2025, 21 January 2025.

(b) On 16 January 2025, the Company was informed by the Receivers that on 8 January 2025 (after trading hours), the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and the Share Purchaser entered into the Share Sale Agreement pursuant to which, the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge) agreed to sell and the Share Purchaser agreed to purchase an aggregate of 187,862,200 Sale Shares (representing 10.00% of the entire issued share capital of the Company as of 8 January 2025) at the total consideration of HK$1,983,700.

The Company was further informed by the Receivers that completion of the Share Sale took place on 16 January 2025.

年末後的事件

(a) 於二零二五年一月十六日，本公司接獲德勤•關黃陳方會計師行之黎嘉恩先生及何國樑先生告知，彼等已獲Chance Talent Management Limited委任為配售股份及銷售股份的共同及個別接管人(「接管人」)，於二零二五年一月八日(交易時段後)，Xinxing Company Limited(由接管人根據股份押記授予之權力作為其受權人行事而無須承擔個人責任)、接管人與創陞證券有限公司(「配售代理」)訂立配售協議，據此，配售代理按配售價向承配人配售賣方所持合共752,137,800股配售股份(相當於本公司截至二零二五年一月八日之全部已發行股本約40.04%)。

於二零二五年一月十六日，本公司接獲接管人告知，於二零二五年一月十三日，配售代理已按配售價每股配售股份0.011港元成功向各承配人配售全部752,137,800股配售股份。配售項下所配售之752,137,800股配售股份約佔本公司於二零二五年一月十六日之全部已發行股本的40.04%。

有關控股股東配售現有股份之詳情，載於本公司日期為二零二五年一月十六日及二零二五年一月二十一日之公告內。

(b) 於二零二五年一月十六日，本公司獲接管人告知，於二零二五年一月八日(交易時段後)，賣方(由接管人根據股份押記授予的權力作為其受權人行事而無須承擔個人責任)、接管人及股份買方訂立股份銷售協議，據此，賣方(由接管人根據股份押記授予的權力作為其受權人行事而無須承擔個人責任)及股份買方分別同意以總代價1,983,700港元出售及購買合共187,862,200股銷售股份(相當於本公司截至二零二五年一月八日之全部已發行股本約10.00%)。

本公司獲接管人進一步告知股份銷售於二零二五年一月十六日完成。

(c) On 16 January 2025, the Company was informed by Chance Talent that on 15 January 2025, Advance Day and Chance Talent ("CB Sellers") transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK$31.5 million.

(c) 於二零二五年一月十六日，本公司獲Chance Talent告知，於二零二五年一月十五日，Advance Day及Chance Talent(「可換股債券賣方」)已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券以及所有附帶的權利及應有的收益予可換股債券買方Motivational Mathematics Limited。

Assets guarantees

As at 31 December 2023, the Group has pledged or restricted deposits in the bank deposits of RMB0.5 million (31 December 2022: approximately RMB0.5 million). In addition, partial other borrowings of the Group were secured by the Group's certain properties under development, completed properties held for sale, investment properties and the equity interests in certain subsidiaries of the Group, and jointly guaranteed by the Controlling Shareholder of the Group, Mr. Chen Chengshou ("Mr. Chen"), Mr. Chen's children and the non-executive Director, Ms. Gao Qiaoqin, the Group's related company, Xinming Group Limited, and other minority shareholders of certain subsidiaries of the Group free of charge.

資產擔保

於二零二三年十二月三十一日，本集團已抵押或受限制的銀行存款為人民幣0.5百萬元(二零二二年十二月三十一日：約人民幣0.5百萬元)。此外，本集團部分其他借款以本集團若干開發中物業、持作出售的已竣工物業、投資物業及於本集團若干附屬公司的股權作抵押，並由本集團的控股股東陳承守先生(「陳先生」)、陳先生的子女、非執行董事高巧琴女士、本集團的關聯公司新明集團有限公司以及本集團若干附屬公司的其他少數股東免費共同擔保。

Capital expenditure

During the Year under Review, the Group's total capital expenditure was approximately RMB0 million (31 December 2022: approximately RMB0 million).

資本開支

於回顧年度內，本集團資本開支總額約人民幣0百萬元(二零二二年十二月三十一日：約人民幣0百萬元)。

Capital commitments

As at 31 December 2023, the capital commitments related to activities of properties under development were approximately RMB3.7 million (31 December 2022: approximately RMB5.4 million).

資本承擔

於二零二三年十二月三十一日，有關開發中物業活動的資本承擔約為人民幣3.7百萬元(二零二二年十二月三十一日：約人民幣5.4百萬元)。

Exposure to exchange rate fluctuations

The Group operates mainly in Renminbi, and certain bank deposits of the Group are denominated in Hong Kong dollars. Save as disclosed above, the Group was not exposed to any material exchange rate fluctuation risk and did not enter into foreign currency hedging policies. However, the Group will monitor closely the foreign exchange risk and may, as the case may be and depending on the trend of foreign currencies, consider to apply significant foreign currency hedging policies in the future.

匯率波動風險

本集團主要以人民幣經營業務。本集團若干銀行存款以港元計值。除上述披露者外，本集團並無承受任何重大匯率波動風險。本集團並無訂立外匯對沖政策。然而，本集團會緊密監察外匯風險及日後可能(視情況及外幣走勢而定)考慮採用重大外匯對沖政策。

Employees and remuneration policy

As at 31 December 2023, the Group has a total of 55 employees (31 December 2022: a total of 50 employees). The Group promoted the upgrading of talents, cultivated and recruited excellent talents with sales and management experience, improved the allocation system of remuneration linked to performance and maintained harmonious labor relations. The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. Moreover, the Group has also adopted a share option scheme and a share award scheme.

員工及薪酬政策

於二零二三年十二月三十一日，本集團共有僱員55人(二零二二年十二月三十一日：共有僱員50人)，本集團推動人才升級，培育招聘優秀銷售及管理經驗人才，完善薪酬表現掛鈎的分配體系和保持良好和諧勞資關係。本集團僱員的薪酬將根據其表現、工作經驗及現行市場薪酬水平釐定。此外，本集團亦採納購股權計劃及股份獎勵計劃。

Contingent liabilities

As at 31 December 2023, the Company had guarantees in respect of mortgage facilities granted to purchasers of the Group's properties of approximately RMB28.6 million (31 December 2022: approximately RMB237.0 million).

或然負債

於二零二三年十二月三十一日，本公司就本集團物業買家獲授的按揭融資提供擔保約人民幣28.6百萬元(於二零二二年十二月三十一日：約人民幣237.0百萬元)。

AUDITOR'S MODIFIED OPINION

The Auditor does not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of their report, it is not possible for them to form an opinion on these consolidated financial statements. In all other respects, in their opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師修改意見

核數師沒有就本集團的綜合財務報表發表意見，基於在本報告中無法表示意見的基礎一節所述，由於多個不確定事項的潛在相互影響及其對綜合財務報表可能產生的累計影響，彼等無法就該等綜合財務報表形成意見。在所有其他方面，彼等認為該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

Basis for disclaimer of opinion

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB592,631,000 for the year ended 31 December 2023. At 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB3,920,171,000. In addition, at 31 December 2023, the Group's borrowings of approximately RMB1,279,465,000 and the convertible bonds issued by the Group amounting approximately RMB272,662,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

無法表示意見基礎

與持續經營相關的多個重大不確定事項

誠如綜合財務報表附註2所載， 貴集團於截至二零二三年十二月三十一日止年度產生虧損淨額約人民幣592,631,000元。於二零二三年十二月三十一日， 貴集團的流動負債超過其流動資產約人民幣3,920,171,000元。此外，於二零二三年十二月三十一日， 貴集團借款約人民幣1,279,465,000元以及 貴集團已發行可換股債券約人民幣272,662,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對 貴集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

管理層一直採取多項措施，以改善　貴集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設上編製，其有效性取決於該等措施之結果，並受限於多個重大不確定事項，包括(i)成功與　貴集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為　貴集團可見將來的營運資金及承擔額外融資；(iv)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

因此，我們無法就編製綜合財務報表時採用持續經營會計基準的適當性獲取足夠的適當審計憑證。倘　貴集團未能按持續經營方式經營，而可能須作出調整以撇減　貴集團資產的賬面值至其可回收金額，並就任何可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

Details of the Audit Modification and the Management's Position, View and Assessment on the Relevant Audit Modification

In view of the detailed conditions set out in the note 2 to the consolidated financial statement for the year ended 31 December 2023 in this report, the auditor is of the view that, there's significant uncertainties that may cast significant doubt regarding the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is subject to the Group's ability to generate sufficient financial and operating cash flows. As at 31 December 2023, the Group's certain borrowings amounted to approximately RMB1,279,465,000 and convertible bonds amounted to approximately RMB272,662,000 were overdue in accordance with repayment schedules pursuant to the borrowing agreements. In view of these circumstances, in assessing whether the Group will have sufficient financial resources to continue as a going concern, the management of the Group (the "Management") has taken into full consideration of the future liquidity and performance of the Group and its available sources of finance. To mitigate the liquidity pressure and improve the cash flow position of the Group, the Management has adopted and will continue to implement various measures mentioned in this report. Therefore, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2023 on a going concern basis.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no actions will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 31 December 2023, the outstanding amount of the total principal is RMB1,279.5 million and the overdue outstanding amount of the total interests is approximately RMB458.1 million. According to the recent negotiations with various financial institutions and current market situations, the Management considers that after repayment or waive of overdue interests, the financial institutions will be willing to extend the current repayment schedule of outstanding borrowings and waive the penalty interest.

審核修訂的詳情以及管理層有關審核修訂的立場、意見及評估

鑒於本報告所載截至二零二三年十二月三十一日止年度之綜合財務報表附註2詳述的狀況，核數師認為，存在重大不確定性，可能對本集團持續經營的能力帶來重大疑慮。本集團是否能持續經營將取決於本集團產生足夠的財務及經營現金流的能力。於二零二三年十二月三十一日，本集團若干借款約人民幣1,279,465,000元及可換股債券約人民幣272,662,000元已根據借款協議的還款時間表逾期。鑒於相關情況，於評估本集團是否擁有充足財務資源繼續持續經營時，本集團的管理層(「管理層」)充分考慮本集團未來流動資金及表現以及其可用財務資源。為緩解本集團的流動資金壓力及改善現金流狀況，管理層亦已採取並將繼續執行本報告所述的各項措施。因此，董事認為，按持續經營基準編製本集團截至二零二三年十二月三十一日止年度之綜合財務報表乃恰當之舉。

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘　貴集團未能按持續經營基準經營，而可能須作出有關調整以撇減　貴集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

管理層一直與本集團現有貸款人就未償還借款的續期或延期償還進行磋商，以確保相關貸款人不會採取行動要求立即償還拖欠利息的借款，包括有交叉違約條款的借款，並希望延長未償還借款的到期日及還款時間表。截至二零二三年十二月三十一日，未償還本金總額為人民幣1,279.5百萬元，逾期未償還利息總額約為人民幣458.1百萬元。根據近期與各金融機構的磋商及目前的市場情況，管理層認為在償還或豁免逾期利息後，金融機構將願意延長目前未償還借款的還款期及豁免罰息。

Mitigation measures disclosed in the 2022 annual report of the Group 本集團二零二二年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2022 此類措施未能解決二零二二年審核修訂的原因
i. Continuously negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms; i. 繼續與本集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括有交叉違約條款的借款)；	After three consecutive years of the COVID-19 pandemic, the commercial and residential real estate business environment in the PRC has yet to fully recover. 於連續三年的新冠病毒疫情後，中國的商業及住宅房地產業務環境尚未完全恢復。
ii. Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; ii. 就尚欠借款(包括已逾期本金及利息)正與各家金融機構繼續磋商達成重續或延展還款事宜；	Banks and financial institutions in the PRC tended to adopt a more conservative and risk avoidance approach in granting new loans or extending existing loans even through providing additional real estate property held by the Group as security. 中國的銀行及金融機構在向房地產行業發放新貸款或延長現有貸款時，即使提供本集團持有的額外房地產作抵押，亦趨向採取更為保守及風險規避的方法。
iii. Continuously negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; iii. 與各家金融機構以及潛在貸款人／投資者繼續磋商及物色多種選擇為本集團可見將來的營運資金及承擔額外融資；	

Mitigation measures disclosed in the 2022 annual report of the Group 本集團二零二二年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2022 此類措施未能解決二零二二年審核修訂的原因
iv. Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and controlling capital expenditure so as to generate adequate net cash inflows; iv. 加速開發中物業及已竣工物業之預售和銷售諸如山東項目，以及控制成本和控制資本開支，從而產生充足現金流入淨額；	The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties. 本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售，並繼續銷售餘下的第9座及第16座住宅物業。 The management of the Company thinks the said presale and sale of proceed are sufficient for the completion of the remaining construction work of the Block 9 and no. 16 of Shandong Project and the costs and capital expenditure are effectively controlled to meet the balancing of receipt and payment of cashflow. Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position. 本公司管理層認為上述預售及銷售所得款項足以完成山東項目第9座及第16座的餘下建築工程，並有效控制成本及資本開支，以應付現金流的收支平衡。由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入狀況。 In addition, the Management of the Company has launched the proposal of capital re-organization and rights issue for fund raising of approximately not more than HK$84.2 million to repay the bank borrowings, also for convertible bond and other borrowings and to maintain adequate working capital for company's normal operation. For details, please refer to an announcement dated 6 December 2024. 此外，本公司管理層已推出資本重組及供股之建議，集資約不超過84.2百萬港元，以償還銀行借款、可換股債券及其他借款，並維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二四年十二月六日之公告。

Mitigation measures disclosed in the 2022 annual report of the Group 本集團二零二二年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2022 此類措施未能解決二零二二年審核修訂的原因
v. Actively looking for large property development enterprises and cooperating with investors to develop properties under development of the Group through joint efforts; and v. 積極物色大型物業開發企業並與投資者共同合作開發本集團開發中物業；及	The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations were smoothly proceeded and the management of the Company compete for new investors to participate in investing Shanghai and Taizhou's renovation works in order to accelerate the sale of commercial real estate properties more rapidly and attractively. 本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，本公司管理層爭取新投資者參與投資上海及台州的改造工程，以更快及更具吸引力地加快商業房地產物業的銷售。
vi. Actively procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project or whole commercial property at a price deemed appropriate. vi. 積極促使及與大型物業開發企業磋商有關出售個別物業開發項目或整棟商用物業的初步條款(倘認為價格合適)。	

The Action Plan in Response to the Audit Modification of the Group and the Impact of the Audit Modification on the Financial Position of the Company

In response to the uncertainties that may cast doubt regarding the Group's ability to continue as a going concern and for the purpose of the removal of the Audit Modification, the Company has adopted and intends to continue the implementation of the following measures, including but not limited to:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 31 December 2023, the outstanding amount of the total principal is RMB1,279,465,000, and convertible bonds of approximately RMB272,662,000 were overdue pursuant to the relevant borrowing agreements.

(ii) continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future. As of the date of this report, the Company intends to obtain additional financing from other financial institutions using completed residential properties of the Group on terms deemed appropriate by the Group.

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties.

本集團應對審核修訂的行動計劃及審核修訂對本公司財務狀況的影響

為應對可能對本集團持續經營的能力帶來疑慮的不確定性，且出於撤銷審核修訂之目的，本公司已採取並擬繼續執行下述的各項措施，包括但不限於：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與本集團的現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括交叉違約條款所涵蓋的借款及利息)及希望延展到期日及尚欠借款的還款時間表。截至二零二三年十二月三十一日，仍尚欠本金總額人民幣1,279,465,000元，以及根據有關借款協議已逾期的可換股債券約人民幣272,662,000元。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。截至本報告日期，本公司擬按本集團認為合適的條款，利用本集團已落成的住宅物業向其他金融機構取得額外融資。

(iii) 加速開發中物業及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。

The management of the Company thinks the said presale and sale of proceed are sufficient for the completion of the remaining construction work of the Block 9 and no. 16 of Shandong Project and the costs and capital expenditure are effectively controlled to meet the balancing of receipt and payment of cashflow. Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

本公司管理層認為上述預售及銷售所得款項足以完成山東項目第9座及第16座的餘下建築工程，並有效控制成本及資本開支，以應付現金流的收支平衡。由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入狀況。

Majority of the net proceeds from the Shandong Project has been and will be used for the repayment of the outstanding borrowings.

大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) actively procuring and formulating the preliminary terms with large property developers to sell individual property development projects or whole commercial properties at an appropriate price.

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用物業。

The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations were smoothly proceeded and the management of the Company compete for new investors to participate in investing Shanghai and Taizhou's renovation works in order to accelerate the sale of commercial real estate properties more rapidly and attractively.

本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，本公司管理層爭取新投資者參與投資上海及台州的改造工程，以更快及更具吸引力地加快商業房地產物業的銷售。

The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowings. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) actively accelerate the de-stocking of its properties by selling the residential property in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

(v) 積極加快物業庫存去化，透過配套出售山東的住宅物業以及台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position. In addition, the management of the Company has launched the proposal of capital re-organization and rights issue with view to fund-raising of approximately not more than HK$84.2 million to repay the Group's borrowings and to maintain adequate working capital for company's normal operation. For details, please refer to an announcement dated 6 December 2024.

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。此外，本公司管理層已展開資本重組及供股之建議，以籌集約不超過84.2百萬港元之資金，以償還本公司借款及維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二四年十二月六日之公告。

Under the influence of the negative property market debt crisis since 2022 onward, the nationwide sale of the residential and commercial properties has been severely and adversely affected. Therefore, the Group failed to implement its previous plans effectively, including accelerating the sale of its properties under development or completed properties as expected or the sale of the Shandong residential project to repay the borrowings during the year ended 31 December 2023.

在二零二二年以來負面房產市場債務危機的影響下，全國範圍內的住宅及商業物業的銷售已經受到嚴峻不利影響。因此，本集團未能有效執行其先前的計劃，包括於截至二零二三年十二月三十一日止年度以預期速度加快開發中物業及已竣工物業的銷售或出售山東住宅項目以償還借款。

However, in view of the global economic downturn, intensifying geopolitical deterioration but the drag on China's overall real estate market recovery after launching the series of central government policies measurement to stabilize the sound development of the real estate market on 17 May 2024 and 24 September 2024 respectively, it is expected that China's macro-economy will see an overall turnaround. Economic activities will then return to normal order, with various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate developers.

然而，鑒於全球經濟低迷，地緣政治持續惡化加劇，惟於二零二四年五月十七日及二零二四年九月二十四日分別推出一系列穩定房地產市場健康發展的中央政策措施後，拖累中國房地產市場的整體復甦，預計中國宏觀經濟將出現整體轉好。隨後經濟活動將恢復正常秩序，各城市放寬限購、限貸，隨後保證交房、信貸、發債、股權融資等「三箭齊發」措施相繼推出，均對物業開發商有利。

The property market is expected to gradually stabilise and recover, and investment sentiment is expected to rebound. In the best case scenario, assuming (i) the Company could successfully sell the whole or portion of commercial properties in Taizhou and Shanghai as a package; (ii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iii) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, it will be able to fully repay all overdue interests and principal.

預期物業市場將逐漸回穩復甦，投資氣氛有望回升。於最佳情境下，假設(i)本公司能配套出售台州及上海的全部或部分商業物業；(ii)本公司能成功延長現有借款的還款時間表；以及(iii)金融機構願意豁免逾期償還本金及／或利息的罰款，本公司將能悉數償還所有逾期利息及本金。

Even if the Company could not sell the whole or portion of commercial properties in Taizhou and Shanghai as a package, assuming (i) the Company is able to sell its residential properties in Shandong and commercial properties in Taizhou and Shanghai to individual customers; (ii) the Company is able to sell whole of commercial properties in Shanghai as a package; (iii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iv) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, the Company will be able to fully repay the overdue interest and principal of the borrowings.

儘管本公司未能成功配套出售台州及上海的全部或部分商業物業，假設(i)本公司能向個人客戶出售其山東的住宅物業及台州及上海的商業物業；(ii)本公司能配套出售上海的全部商業物業；(iii)本公司能成功延長現有借款的還款時間表；以及(iv)金融機構願意豁免逾期本金及／或利息的罰款，本公司仍能償還借款的所有逾期利息及本金。

Based on the discussions with financial institutions, the Management is confident that after repayment or waive of overdue interests, the financial institutions will be willing to extend the current repayment schedule of outstanding borrowings and waive the penalty interest. Therefore, the Directors are of the view that the action plan of the Group is reasonable and adequate to resolve the Audit Modification. Having taken into consideration of the progress update of the aforesaid action plan and relevant measures of the Company, the Directors believe that the Group will have sufficient working capital to prepare the Group's consolidated financial statements on a going concern basis.

根據與金融機構的商討，管理層有信心在償還或豁免逾期利息後，金融機構將願意延長目前尚未支付借款的時間表並豁免罰息。因此，董事認為，本集團的行動計劃屬合理並足以應對審核修訂。經考慮本公司上述行動計劃及相關措施的最新進度，董事認為本集團將具備充足營運資金以按持續經營基準編製本集團綜合財務報表。

AUDIT COMMITTEE'S VIEW ON THE AUDIT MODIFICATION

The Audit Committee has been closely communicating with the Management and the Auditor on the Audit Modification. The Management has reported regularly to the Audit Committee on the measures taken to improve the conditions of the Group's cash flow and their progress during the year. The Board and the Audit Committee have taken into account of the following actions taken by the Management prior to publication of the unaudited consolidated financial statements of the Company for the year ended 31 December 2023, including (i) renewal or extension of outstanding borrowings; (ii) additional financing; (iii) accelerating the pre-sale and sale of properties under development and completed properties; (iv) selling properties as a whole; and (v) developing properties through joint efforts of the Company and its potential investors. The Management also provides explanation to the audit committee, part of the reasons that the Company failed to remove the Audit Modification for the year ended 31 December 2023 are as follows: the total GFA of commercial and residential properties for sale in the PRC in 2023 have been sluggish since the gradual relaxation of the domestic epidemic control policy in 2022 onward. In addition, pre-sale of GFA and sales of commercial properties in 2023 were largely lower than expected due to the impact of the continued tightening of housing credit facilities by the PRC government and the deferral of bank loans as a result of the bank lending policy; and therefore, the Group failed to accelerate the presale and sale of the properties under development and completed properties.

According to the aforesaid factors and having taken into consideration of the overdue interest of the outstanding loans and the amount of the principal, the Board and the Audit Committee understood that the action plan was still ongoing as at the date of approval of the financial statements and the Company will need time for completing the action plan, in particular the disposal of investment properties which will lead to the Group receiving substantial amount of proceeds and will mitigate the Group's liquidity pressure and address the Audit Modification.

Based on the above, the Audit Committee believes the Management has used its best endeavors to act in accordance with its previous plan in order to address the Audit Modifications and the Audit Committee continues to support the Management's point of view and have been meeting regularly with the Management for monitoring the progress of its actions taken to address the Audit Modifications.

審核委員會關於審核修訂的觀點

審核委員會一直就審核修訂與管理層及核數師密切溝通。管理層已定期就改善本集團年內現金流狀況及彼等於年內進展所採取的措施向審核委員會匯報。董事會及審核委員會已計及管理層於刊發本公司截至二零二三年十二月三十一日止年度的未經審核綜合財務報表前所採取的下列行動：包括(i)重續或延長尚欠借款；(ii)額外融資；(iii)加速開發中物業及已竣工物業的預售及銷售；(iv)物業整體銷售；及(v)透過本公司及其潛在投資者共同努力開發物業。管理層亦向審核委員會作出解釋，本公司未能撤銷截至二零二三年十二月三十一日止年度的審核修訂，部分原因如下：自二零二二年起國內疫情控制政策逐步放寬，二零二三年中國總商用建築面積及待售住宅物業均一直低迷。此外，由於受中國政府持續收緊房屋信貸及銀行貸款政策導致銀行延遲貸款的影響，二零二三年的預售總建築面積及商用物業銷售大致低於預期；因此，本集團未能加速開發中物業及已竣工物業的預售及銷售。

根據以上因素並經考慮未還貸款的逾期利息及本金數額，董事會及審核委員會知悉於財務報表批准日期，行動計劃仍在進行中，且本公司將需要時間完成行動計劃，尤其是出售投資物業將會使本集團收取大量所得款項，並將緩解本集團的流動資金壓力及應對審核修訂。

根據上述者，審核委員會相信，管理層已竭盡全力根據其先前計劃行事，旨在應對審核修訂，而審核委員會繼續贊成管理層的觀點，並就監察管理層所採取的行動定期與其會面以應對審核修訂。

Given (i) the value of the investment properties owned by the Group amounted to approximately RMB936.1 million as at 31 December 2023; and (ii) residential property market is expected to rebound in 2025 and the pre-sale and sale of residential properties of the Shandong Project is ongoing, the Audit Committee agreed with the Management that despite the previous plan failed to adequately address the Audit Modification, the Company's revised action plan is reasonable and adequate to resolve the Audit Modification.

鑒於(i)本集團於二零二三年十二月三十一日所擁有的投資物業價值約為人民幣936.1百萬元；及(ii)住宅物業市場預期於二零二五年反彈，而預售及銷售山東項目的住宅物業正在進行中，審核委員會贊成管理層意見，儘管先前計劃未能充分應對審核修訂，本公司經修訂行動計劃屬合理並足以應對審核修訂。

The Audit Committee is also of the view that the Management should continue to act in the best interests of the Shareholders in implementing the actions and measures set out in the action plan with the intention of mitigating the Group's liquidity pressure and removing the Audit Modification.

審核委員會亦認為管理層應繼續以股東的最佳利益執行於行動計劃所載的行動及措施，旨在緩解本集團流動資金壓力及撤銷審核修訂。

The Company will publish further announcement(s) disclosing any developments and updates on (a) the Company's negotiations with banks and financial institutions; (b) the progress of the pre-sale and sale of properties under development and completed properties; and (c) the disposal of the residential properties in Shandong and whole or portion of commercial properties in Taizhou and Shanghai as a package.

本公司將另行刊發公告以披露有關以下事項的任何進展及更新：(a)本公司與銀行及金融機構進行的協商；及(b)開發中物業及已竣工物業的預售及銷售進度；及(c)配套出售山東的住宅物業以及台州及上海的全部或部分商業物業。

EXECUTIVE DIRECTORS

Mr. Chen Chengshou, aged 58, was appointed as an executive Director, the chairman, chief executive officer, chairman of the Nomination Committee and an authorized representative of the Company on 16 January 2014. Mr. Chen ceased to be an authorized representative of the Company as a result of his intention to concentrate on his other role on the Board on 5 February 2020. He is the founder of the Group and primarily responsible for corporate strategic planning and overall business development of the Group. Mr. Chen had over 30 years of experience in the real estate industry. He has been the chairman of the board of Taizhou City Xinming Real Estate Development Company Limited* (台州市新明房地產開發有限公司) since February 2007 and a director of certain subsidiaries of the Group. Mr. Chen has been first participated in the management of the property development business in the PRC since June 2001 when he was appointed as the chairman of Hangzhou Taoyuan Shanzhuang Property Development Limited* (杭州桃源山莊房地產開發有限公司) ("Taoyuan Property").

Mr. Chen is the chairman of Hangzhou City Chamber of Commerce for Enterprises Invested in Hangzhou* (杭州市來杭投資企業(商會)聯合會), a member of the standing committee of Federation of Industry & Commerce of Zhejiang Province* (浙江省工商聯), the vice-chairman of Hangzhou Public Diplomacy Association* (杭州公共外交協會), a member of the Eleventh Hangzhou City Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十一屆杭州市委員會), the honorary chairman of the Hangzhou City Wenzhou Chamber of Commerce* (杭州市溫州商會), the chairman of the Nationwide Taishun Entrepreneurs Fellowship Association* (全國泰順企業家聯誼會) and the vice chairman of Hangzhou City Chamber of Commerce* (杭州市總商會). He was appointed as the deputy director of the market committee of Chinese General Chamber of Commerce* (中國商業聯合會) in March 2013. He has also been a director of Wenzhou Bank since November 2012 and a part-time tutor of master degree in international business of Zhejiang University (浙江大學) since February 2014.

執行董事

陳承守先生，58歲，於二零一四年一月十六日獲任為本公司執行董事、主席、行政總裁、提名委員會主席及授權代表。於二零二零年二月五日陳先生因有意專注於其在董事會的其他角色而不再擔任本公司的授權代表。彼為本集團的創辦人，主要負責本集團的公司策略規劃及整體業務發展。陳先生於房地產行業擁有逾30年經驗。彼自二零零七年二月起為台州市新明房地產開發有限公司的董事會主席及本集團若干附屬公司的董事。陳先生自二零零一年六月獲委任為杭州桃源山莊房地產開發有限公司(「桃源房地產」)的主席時初次參與中國物業開發業務的管理。

陳先生為杭州市來杭投資企業(商會)聯合會會長、浙江省工商聯常務委員會委員、杭州公共外交協會副會長、中國人民政治協商會議第十一屆杭州市委員會委員、杭州市溫州商會榮譽會長、全國泰順企業家聯誼會會長及杭州市總商會副會長。彼於二零一三年三月獲委任為中國商業聯合會市場委員會副主任。彼亦自二零一二年十一月起擔任溫州銀行的董事及自二零一四年二月起擔任浙江大學國際商務碩士學位的兼職導師。

* *English name is for identification purpose only.*

Mr. Chen was awarded "Excellent Entrepreneur of Hangzhou* (傑出杭商)" in October 2016, "Outstanding Contribution of Entrepreneurs of Wenzhou for years 2013 to 2015* (2013–2015年度溫商回歸突出貢獻人物)" in September 2016, "Top ten in Zhejiang Real Estate Industry in the "12th Five-Year Plan"* (「十二五」浙江房地產十大風雲人物)" in June 2016, "2016 Worldwide Outstanding 30 People of Entrepreneur of Wenzhou (External)* (二零一六年世界溫商百名風雲人物－在外傑出溫商三十人)" in February 2016; "Wenzhou People of the Year* (世界溫州人年度人物)" and "One Hundred Excellent Entrepreneur of Wenzhou* (世界溫商百名風雲人物)" in December 2014; "Entrepreneur with Good Character of Hangzhou* (品質杭商)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in October 2013, "Outstanding Representative of Credible Entrepreneurs of Wenzhou* (誠信溫商傑出代表)" jointly by Promotion Department of Wenzhou Municipal Committee of the Communist Party of China* (溫州市委宣傳部) and Wenzhou Credibility Office* (溫州市信用辦公室) in August 2011, "Outstanding Builder of Socialist Undertaking* (優秀社會主義事業建設者)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in September 2010 and "Staff Caring Excellent Entrepreneur* (關愛員工優秀企業家)" jointly by Federation of Trade Union of Hangzhou* (杭州市總工會) and Hangzhou Federation of Industry and Commerce (杭州市工商聯合會) in December 2009.

陳先生於二零一六年十月獲得「傑出杭商」榮譽稱號，於二零一六年九月獲得「2013–2015年度溫商回歸突出貢獻人物」榮譽稱號，於二零一六年六月獲選為「『十二五』浙江房地產十大風雲人物」，於二零一六年二月獲得「二零一六年世界溫商百名風雲人物－在外傑出溫商三十人」榮譽稱號；於二零一四年十二月獲得「世界溫州人年度人物」和「世界溫商百名風雲人物」榮譽稱號；於二零一三年十月獲中共杭州市委及杭州市人民政府共同授予「品質杭商」稱號、於二零一一年八月獲溫州市委宣傳部及溫州市信用辦公室共同授予「誠信溫商傑出代表」稱號、於二零一零年九月獲中共杭州市委及杭州市人民政府共同授予「優秀社會主義事業建設者」稱號及於二零零九年十二月獲杭州市總工會及杭州市工商聯合會共同授予「關愛員工優秀企業家」稱號。

* *English name is for identification purpose only.*

Mr. Chen obtained a graduation certificate in administrative management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2013. Mr. Chen obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2015. Mr. Chen obtained a master's degree in business administration from Tsinghua University in April 2018.

陳先生於二零一三年七月在中國(透過網絡課程)取得華中科技大學的行政管理畢業證書。陳先生於二零一五年九月取得中國修讀長江商學院的行政人員工商管理碩士學位。陳先生於二零一八年四月取得清華大學工商管理碩士專業學位。

Mr. Chen is the spouse of Ms. Gao, who is a non-executive Director.

陳先生為非執行董事高女士的配偶。

Mr. Chen was deemed to be interested in 24,330,000 shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong)), representing 1.3% of the issued share capital of the Company. Save as disclosed, Mr. Chen does not have any interests or short positions in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

陳先生被視為擁有24,330,000股本公司股份之權益(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部),相當於本公司已發行股本1.3%。除已披露者外,陳先生並無於本公司或其相聯公司之股份中擁有任何其他權益或淡倉(定義見證券及期貨條例第XV部)。

Mr. Feng Cizhao, aged 49, was appointed as an executive Director with effect from 31 October 2015.

豐慈招先生,49歲,於二零一五年十月三十一日獲任為執行董事。

Mr. Feng graduated from Zhejiang University of Finance & Economics (浙江財經學院) and obtained his college degree in accounting in 2005, and then obtained an MBA degree from Zhejiang Gongshang University (浙江工商大學) in 2013.

豐先生於二零零五年畢業於浙江財經學院並持有會計專科學位及於二零一三年獲得浙江工商大學企業管理碩士學位。

Mr. Feng has extensive experiences in financing and management. He served as a deputy chief financial officer of Taidi Holdings Group Co. Ltd.* (泰地控股集團有限公司) from August 2011 to September 2015. He worked with the finance department of Shaoxing Wantong Real Estate* (紹興萬通房產) and Margaret Business Management Company* (瑪格麗特商業管理公司) (both subsidiaries of Taidi Group (泰地集團)) as the chief financial officer from September 2006 to July 2011. Mr. Feng acted as the head of office for Hangzhou Qingcheng Real Estate Development Co., Ltd.* (杭州青城房地產開發有限公司) from October 2002 to September 2006. He held several positions in Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司) from July 1996 to September 2002, including accountant with the planning and finance department of Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司), finance manager with the cargo container company and the automobile repair company under Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司).

豐先生具有豐富的財務金融及管理經驗。於二零一一年八月至二零一五年九月期間於泰地控股集團有限公司擔任集團財務副總監。彼於二零零六年九月至二零一一年七月期間於泰地集團下屬紹興萬通房產和瑪格麗特商業管理公司的財務部擔任財務總監。豐先生於二零零二年十月至二零零六年九月期間擔任杭州青城房地產開發有限公司的辦公室主任。彼於一九九六年七月至二零零二年九月於浙江衢州汽車運輸集團有限公司依次擔任浙江衢州汽車運輸集團有限公司計劃財務處之會計、浙江衢州汽車運輸集團有限公司下屬貨聯運集裝箱公司之財務經理以及下屬汽車修理公司之財務經理。

Mr. Zhou Fenli, aged 55, was appointed as an executive Director on 9 August 2024. He served as the senior management of various companies in China since 2006 and has accumulated over 18 years of experience in finance and corporate management. Mr. Zhou is currently the general manager and executive director of Shenzhen Qianhai Zhongmao Commercial Factoring Co., Ltd.* (深圳市前海中茂商業保理有限公司), Asia Pacific Kunpeng Financial Leasing (Shenzhen) Co., Ltd.* (亞太鯤鵬融資租賃(深圳)有限公司) and Zhunxing International Holdings (Shenzhen) Co., Ltd.* (准興國際控股(深圳)有限公司) which provide financial services in China. Mr. Zhou also currently serves as the independent non-executive director of Millennium Pacific Group Holdings Limited, a company whose shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 8147).

周奮力先生，55歲，於二零二四年八月九日獲委任為執行董事。彼自二零零六年起擔任中國多家公司的高級管理層，已於財務及企業管理方面積累逾18年的經驗。周先生現時為深圳市前海中茂商業保理有限公司、亞太鯤鵬融資租賃(深圳)有限公司及准興國際控股(深圳)有限公司總經理兼執行董事，該等公司於中國提供金融服務。周先生現時亦擔任匯思太平洋集團控股有限公司(其股份於香港聯合交易所有限公司(「聯交所」)GEM上市(股份代號：8147))獨立非執行董事。

Mr. Cao Zhiqiang, aged 40, was appointed as an executive Director on 9 August 2024. He has 15 years of experience in financial audit, bank compliance risk control and government credit financing. Mr. Cao has served as senior management positions in various Chinese enterprises, including RSM China Accounting Firm (Special General Partnership) and China Everbright Bank Co., Ltd. Hefei Branch. Mr. Cao obtained a Bachelor's Degree in Accounting from Anhui University of Finance and Economics (安徽財經大學) in China in July 2008.

曹志強先生，40歲，於二零二四年八月九日獲委任為執行董事。於財務審計、銀行合規風險控制及政府信貸融資方面擁有15年經驗。曹先生曾於多家中國企業(包括容誠會計師事務所(特殊普通合夥)及中國光大銀行股份有限公司合肥分行)擔任高級管理職務。曹先生於二零零八年七月獲得安徽財經大學會計學學士學位。

* *English name is for identification purpose only.*

NON-EXECUTIVE DIRECTORS

Ms. Gao Qiaoqin, aged 56, was appointed as a non-executive Director on 10 June 2014. She is responsible for advising on overall strategic planning of our Group, but she doesn't participate in the day-to-day management of our Group's business operation. She has over 10 years of experience in the real estate industry.

Ms. Gao obtained a graduation certificate in computer information management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2005.

Ms. Gao is the spouse of Mr. Chen, who is the chairman, executive Director and chief executive officer of the Company.

Ms. Gao was deemed to have interests in the 24,330,000 shares of the Company within the meaning of Part XV of the SFO, representing 1.3% of the issued share capital of the Company. Save as disclosed, Ms. Gao does not have any interests or short positions in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Zhou Zhencun, aged 63, was appointed as a non-executive Director on 17 November 2021. Mr. Zhou has accumulated more than 41 years of experience in trading and energy fields. He has been a deputy general manager of Central Century Energy Investment Co., Ltd.* (中部世紀能源投資有限公司) in Henan Province since August 2016. He served as the deputy general manager of China National Offshore Gas & Power (Guangdong) New Energy Co., Ltd.* (中海氣電(廣東)新能源有限公司) (formerly known as CNOOC Meizhou New Energy Co., Ltd* (中海油梅州新能源有限公司)) from July 2015 to August 2016. From August 1980 to June 2015, Mr. Zhou worked in the foreign trade department of Shantou Special Economic Zone Light Industry Material Development Company* (汕頭經濟特區輕工物資發展公司) and his last position was an operation manager. Mr. Zhou finished his high school education in Chaonan District, Shantou, Guangdong Province in July 1980.

非執行董事

高巧琴女士，56歲，於二零一四年六月十日獲任為非執行董事。彼負責就本集團的整體策略規劃提供意見，但不參與本集團業務運營的日常管理。彼於房地產行業擁有逾10年經驗。

高女士於二零零五年六月在中國(透過網絡課程)取得華中科技大學的計算機信息管理畢業證書。

高女士為本公司之主席、執行董事兼行政總裁陳先生之配偶。

高女士被視為擁有24,330,000股本公司股份之權益(定義見證券及期貨條例第XV部)，相當於本公司已發行股本1.3%。除已披露者外，高女士並無於本公司或其相聯公司之股份中擁有任何其他權益或淡倉(定義見證券及期貨條例第XV部)。

周振存先生，63歲，於二零二一年十一月十七日獲任為非執行董事。周先生在貿易及能源領域積累了超過41年的工作經驗，於二零一六年八月起在河南中部世紀能源投資有限公司擔任常務副總經理。彼自二零一五年七月至二零一六年八月擔任中海氣電(廣東)新能源有限公司(前稱中海油梅州新能源有限公司)常務副總經理。周先生於一九八零年八月至二零一五年六月期間在汕頭經濟特區輕工物資發展公司擔任外貿部，其最後擔任業務經理。周先生自一九八零年七月於廣東汕頭潮南區高中程度畢業。

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INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Khor Khie Liem Alex (formerly known as Mr. Khor Kee Lin), aged 56, was appointed as an independent non-executive Director, chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Company on 16 August 2021. He has accumulated more than 30 years of experience in the field of finance, capital market, financial reporting and financial compliance services. Mr. Khor has held CFO-equivalent positions in several SGX-listed companies, including Regional Finance Director of Showpla Asia Limited (1997–2000), Group Finance Director of TEE International Limited (2000–2002) and Group Finance Director of CFM Holdings Limited (2002–2004).

Since July 2004, Mr. Khor has founded KBS Capital Partners (Singapore) Pte. Ltd. a strategy consulting company. Mr. Khor is currently the Managing Director of KBS Capital Partners (Singapore) Pte. Ltd. ("KBS Capital"). Mr. Khor has been involved in a wide range of capital projects including IPOs, mergers and acquisitions and project financing, as well as accounting, tax, company secretarial compliance and corporate advisory services. Under Mr. Khor's leadership, KBS Capital has successfully completed numerous initial public offerings, mergers and acquisitions and project financing projects for its clients in Singapore, Malaysia and China.

Mr. Khor has been an independent non-executive director and the chairman of the audit committee of Sanai Health Industry Group Company Limited (SEHK: 01889) since February 2021. Since March 2023, he has been the chairman of the nomination committee of Pa Shun International Holdings Limited (SEHK: 00574). Mr. Khor has been an Independent Non-Executive Director and Chairman of the Audit Committee of Davis Communities Ltd (NASDAQ: DTCK) since November 2023 and has been a member of the Audit Committee of JLOGO Holdings Limited (SEHK: 8527) since April 2024.

Mr. Khor graduated from the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and was granted membership and fellow membership of ACCA in 1999 and 2002 respectively. Mr. Khor also graduated from the University of Leicester in the United Kingdom in 2004 with a master degree of Business Administration. Mr Khor is a Chartered Accountant with the Institute of Chartered Accountants of Singapore and the Malaysian Institute of Accountants.

獨立非執行董事

許麒麟先生(前稱Khor Kee Lin先生)，56歲，於二零二一年八月十六日獲委任為本公司獨立非執行董事，審核委員會及薪酬委員會主席及提名委員會成員。彼於金融、資本市場、財務報告和財務合規領域累積逾30年的經驗。許先生曾於多間新交所上市公司擔任首席財務官同等職務，包括昭和塑膠公司的區域財務總監(一九九七年至二零零零年)、特毅國際公司的集團財務總監(二零零零年至二零零二年)及祥發控股公司的集團財務總監(二零零二年至二零零四年)。

自二零零四年七月，許先生創立策略資本有限公司(一間策略顧問公司)。許先生現為策略資本有限公司(「策略資本」)的董事總經理。許先生曾參與多項資本項目，包括首次公開發售、併購及項目融資，以及會計、税務、公司秘書合規及企業顧問服務。在許先生的領導下，策略資本已為其於新加坡、馬來西亞及中國的客戶成功完成多項首次公開發售、併購及項目融資項目。

許先生自二零二一年二月起擔任三愛健康產業集團有限公司(香港聯交所：01889)的獨立非執行董事及審核委員會主席。許先生自二零二三年三月起擔任百信國際控股有限公司(香港聯交所：00574)提名委員會主席。自二零二三年十一月起擔任Davis Communities Ltd(納斯達克：DTCK)獨立非執行董事兼審核委員會主席，並自二零二四年四月起擔任任聚利寶控股有限公司(香港聯交所：8527)審核委員會成員。

許先生畢業於英國特許公認會計師公會(ACCA)，並分別於一九九九年及二零零二年獲ACCA會員及資深會員資格。許先生亦於二零零四年畢業於英國萊斯特大學，獲得工商管理碩士學位。許先生是新加坡特許會計師公會和馬來西亞會計師公會的特許會計師。

Mr. Chiu Kung Chak, aged 43, was appointed as an independent non-executive Director, a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company on 1 November 2021. He has accumulated 13 years of experience in finance and real estate market in the People's Republic of China (the "PRC"). Mr. Chiu co-founded Vision Capital Group Limited in 2014 and currently serves as its director and principal. From April 2012 to June 2014, Mr. Chiu worked as a business manager for the construction of Henderson Centre, Guangzhou. From July 2008 to February 2012, he served as a regional manager of Jiangsu Zhongli Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002309.SZ), and was responsible for overseeing business in the PRC. Mr. Chiu obtained a bachelor of arts (honours) in social policy and administration from the University of Nottingham in 2007. Mr. Chiu obtained a master degree of science in international business from the Business School of the University of Nottingham in 2008.

趙公澤先生，43歲，於二零二一年十一月一日獲委任為本公司獨立非執行董事，審核委員會成員、薪酬委員會成員及提名委員會成員。在中華人民共和國(「中國」)金融和地產市場方面積累了13年的工作經驗。趙先生為二零一四年設立的Vision Capital Group Limited的共同創始人，現時擔任其董事及負責人。趙先生於二零一二年四月至二零一四年六月就廣州恒基中心建設擔任業務經理。於二零零八年七月至二零一二年二月期間擔任深圳證券交易所上市公司江蘇中利集團股份有限公司(股份代號：002309.SZ)區域經理，負責監管中國業務。趙先生自二零零七年於諾丁漢大學取得社會政策及行政學(榮譽)文學士。趙先生於二零零八年在諾丁漢大學商學院取得國際商務理學碩士學位。

Ms. Lee Yin Man, aged 41, was appointed as an independent executive Director on 9 August 2024. She has 15 years of experience in human resources management, administration, company secretarial services and corporate communications of various companies listed on the Stock Exchange. From August 2016 to January 2018, Ms. Lee served as the human resources director of China Innovation Investment Limited (stock code: 1217). From February 2018 to December 2019, Ms. Lee served as the administration and human resources manager of Hope Life International Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1683). From January 2020 to March 2023, Ms. Lee served as the administration and human resources director of Greater Bay Convergence Services Limited. Ms. Lee holds a Bachelor of Arts Degree from the City University of Hong Kong and a Master Degree in Human Resources Management from Hong Kong Baptist University.

李彥雯女士，41歲，於二零二四年八月九日獲委任為獨立執行董事。彼於人力資源管理、行政、公司秘書服務及多家聯交所上市公司的企業通訊方面擁有15年經驗。自二零一六年八月至二零一八年一月，李女士擔任中國創新投資有限公司(股份代號：1217)人力資源總監。自二零一八年二月至二零一九年十二月，李女士擔任曠逸國際控股有限公司(其股份於聯交所主板上市(股份代號：1683))行政及人力資源經理。自二零二零年一月至二零二三年三月，李女士擔任大灣滙人力資源服務有限公司行政及人力資源總監。李女士持有香港城市大學文學學士學位及香港浸會大學人力資源管理碩士學位。

Ms. Huang Chunlian, aged 29, was appointed as an independent executive Director on 9 August 2024. She has over 7 years of experience in finance and corporate management. Ms. Huang has served as the financial director of Shenzhen Guangyi Xiangtong Trading Company Limited* (深圳市廣翊翔通貿易有限公司) since 2020. Ms. Huang obtained a Bachelor's Degree in Accounting from South China Normal University (華南師範大學) in China in 2020.

黃春蓮女士，29歲，於二零二四年八月九日獲委任為獨立執行董事。彼於財務及企業管理方面擁有逾7年經驗。自二零二零年起，黃女士擔任深圳市廣翊翔通貿易有限公司的財務總監。黃女士於二零二零年取得華南師範大學會計學學士學位。

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SENIOR MANAGEMENT

Mr. Kam Chun Ying Francis, aged 58, was appointed as one of the secretaries to the Board since July 2017 and the Company Secretary, mainly responsible for the organisation of rules of procedures of Board meeting and general meeting, as well as listing compliance supervision. Before joining the Company, Mr. Kam has been served as the qualified accountant of Chongqing Machinery & Electric Co., Ltd. (重慶機電股份有限公司) (stock code: 02722), a company listed on the main board of Hong Kong Stock Exchange, since 2008. He also served as the chief financial controller of Precision Technologies Group (PTG) Limited of UK between July 2013 and June 2019, and was responsible for finance operations and corporate compliance in both the private and listed companies within that group. Between August 1986 and April 1989, Mr. Kam worked for Deloitte Touche Tohmatsu, previously known as Deloitte Haskins Sells, as a senior account assistant. He has over 30 years of experience in corporate and finance management. He has been a member of the Hong Kong Institute of Certified Public Accountants in the United Kingdom since June 1996 and a fellow of the Chartered Association of Certified Accountants since June 2001. Mr. Kam graduated from Heriot-Watt University in the United Kingdom in November 2004 with a master's degree in business administration.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this section, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

高級管理層

甘俊英先生，58歲，於二零一七年七月起獲本公司委任為其中一位集團董秘，公司秘書，籌劃公司董事會及股東大會議程，上市合規工作。加入本公司前，甘先生於二零零八年至今為聯交所主板上市公司重慶機電股份有限公司(股份代號：02722)合資格會計師及於二零一三年七月至二零一九年六月止兼任英國Precision Technologies Group (PTG) Limited的財務總監，負責該集團私有及上市公司的財務營運及公司法規。甘先生於一九八六年八月至一九八九年四月期間擔任德勤•關黃陳方會計師行(前稱Deloitte Haskins Sells)的高級財務助理，擁有超過逾30年企業及財務管理經驗。自一九九六年六月起甘先生為香港會計師公會資深會員。自二零零一年六月起為英國特許公認會計師公會資深會員。甘先生於二零零四年十一月畢業於英國Heriot-Watt University，獲得工商管理碩士學位。

董事資料變更

除本節披露者外，概無其他須根據上市規則第13.51B(1)條予以披露的董事資料變更。

DIRECTORS' REPORT
董事會報告書

The Directors present to the shareholders the Directors' report together with the audited consolidated financial statements of the Group for the Year.

董事謹向股東提呈董事會報告書連同本集團於本年度之經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the current and continuing principal activities of the Group are property development, property investment and property leasing during the Year under Review. The principal activities and other particulars of its subsidiaries as at 31 December 2023 are set out in Note 36 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司，本集團於回顧年度之目前及持續主要業務為物業開發、物業投資以及物業租賃。其附屬公司於二零二三年十二月三十一日之主要業務及其他資料載於綜合財務報表附註36。

As required by the Schedule 5 of the Hong Kong Companies Ordinance, business review regarding business of the Group can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 4 to 6 and pages 7 to 31 respectively. An indication of possible future development in the Group's business can be found in the Management Discussion and Analysis set out on page 13 of this annual report. This discussion forms part of this Directors' report.

根據香港公司條例附表5所規定，有關本集團業務的業務回顧分別載於第4頁至第6頁主席報告及第7至第31頁管理層討論與分析。有關本集團業務未來可能發展之指引載於本年報第13頁管理層討論與分析。該討論構成本董事會報告之一部份。

BUSINESS REVIEW

業務審視

Compliance with laws and regulations

遵守法規

To the best of the knowledge of the Board and the management, the Group complied with the relevant laws and regulations which constitutes material impact on the business and operation of the Company and its subsidiaries in all material respects during the year ended 31 December 2023.

據董事會及管理層所深知，於截至二零二三年十二月三十一日止年度，本集團於各重大方面均遵守對本公司及其附屬公司業務及運營產生重大影響的相關法律及法規。

Due to the nature of the business of the Group, the Directors are of the opinion that there are no specific laws or regulations related to environmental protection which have a significant impact on the operations of the Group. Environmental protection policies and performance regarding the Group are set out in "Environmental, Social and Governance Report" on pages 91 to 126.

基於本集團業務之性質，董事認為並無有關環境保護的任何特定法律或法規會對本集團之營運造成重大影響。有關本集團環保政策及表現載於第91頁至第126頁環境、社會及管治報告書。

Relationship with employees, customers and suppliers

與僱員、客戶及供應商之關係

Remuneration packages of employees are determined generally with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including pension and performance related bonus.

僱員薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據績考表現評估及其他相關因素檢討。除薪金外，本集團另有其他員工福利，包括退休金及個人表現掛鈎花紅。

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

於中國內地營運的本集團附屬公司的僱員須參與地方市政府管理的中央退休金計劃。該等附屬公司須按其薪酬成本的若干比例向中央退休金計劃供款。供款於按照中央退休金計劃的規定應付時計入損益。

Relationship with customers is the fundamental of business. The Group fully understands this principle and thus maintains close relationship with customers to fulfil their immediate and long-term need. Given the nature of its business, the Group has no major suppliers which have a material impact on its operations, but the Group is striving to maintain fair and cooperative relationship with suppliers. Details are set out in "Environmental, Social and Governance Report".

客戶關係乃生意之根本，本集團深悉此原則，故會與客戶保持密切關係以滿足其當下及長期之需要。基於業務之性質，本集團並無對其營運有重大影響之主要供應商，惟本集團致力與供應商維持公平及合作之關係。有關詳細載於「環境、社會及管治報告書」內。

PRINCIPAL RISKS AND UNCERTAINTIES

(1) Intensified competition may materially and adversely affect our business, results of operations and financial condition

Competition within the PRC real estate industry is intense. Both domestic and overseas property developers have also entered the property development markets in cities where we have operations. Some of them may have more financial, marketing, technical or other resources than us. Competition among property developers may cause an increase in land premium and raw material costs, shortages in quality construction contractors, surplus in property supply leading to decreasing property prices, further delays in issuance of governmental approvals, and higher costs to attract or retain skilled employees. If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

(2) PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects

All of our revenue during the Year under Review was derived from our operations in the PRC. Our Group anticipates that China will remain our primary market in the foreseeable future. Accordingly, our business, prospects, results of operation and financial position are, to a significant extent, subject to the economic, political and legal developments of the PRC.

The PRC economy differs from the economies of most of the developed countries in many aspects, including political structure, PRC government involvement and control of housing policies.

主要風險及不確定事項

(1) 競爭加劇或會對我們的業務、經營業績及財務狀況造成重大不利影響

中國房地產業競爭激烈。國內外物業開發商亦已進佔我們已有業務的城市的物業開發市場。當中若干開發商可能較我們擁有更多財政、營銷、技術或其他資源。物業開發商之間的競爭或會造成地價及原材料成本增加、優質建築承包商短缺、物業供應過剩，導致房價下跌、進一步延遲發出政府批文，及吸引或挽留熟練僱員的成本增加。倘我們未能有效競爭，我們的業務、經營業績及財務狀況或會受到重大不利影響。

(2) 中國的經濟、政治及社會狀況以及政府政策可能對我們的業務及前景產生不利影響

我們於回顧年度的所有收益均來自在中國的業務。本集團預計，在可預見的未來，中國將仍然為我們的主要市場。因此，我們的業務、前景、經營業績及財務狀況在很大程度上受中國的經濟、政治及法律發展影響。

中國經濟與大多數發達國家的經濟在許多方面都有不同，包括政治架構、中國政府對房產政策干預及管制。

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For nearly three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. However, the PRC government continues to exercise significant control over the PRC economy through allocating resources, restricting capital flow and foreign exchange, setting monetary and fiscal policies, imposing industrial policies and various directives, providing government grants and other preferential treatment to particular industries and companies. The Group cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, results of operations and financial position. Moreover, even if new policies may benefit or damage the real estate developers in the long term, the Group cannot assure you the accuracy of the forecasts on the business and financial condition.

中國經濟一直由中央計劃經濟過渡至日漸以市場為導向的經濟。近三十多年來，中國政府實施經濟改革措施，利用市場力量推動中國經濟發展。然而，中國政府仍繼續通過資源分配、資本流量及外匯限制、制定貨幣及財政政策、實施行業政策及各項指令、向特定行業及公司提供政府補助及其他優惠待遇，大力控制中國經濟。本集團無法預測中國經濟、政治和社會狀況以及其法律、法規及政策變化是否會對本集團當前或未來的業務、經營業績及財務狀況產生任何不利影響。此外，即使新政策對房地產開發商長遠可能有利或有弊，本集團仍無法對業務及財務狀況有準確性預測保證。

(3) Interest rate risk may aggravate the debt costs of the Group

The main source of loan of the Group is derived from bank loans. Therefore, the benchmark interest rate announced by the People's Bank of China will directly affect the Group's debt costs. Changes in future interest rates will have a certain impact on the Group's debt costs.

(3) 利率風險可能對本集團的債務成本加重影響

本集團主要貸款來源於銀行貸款，因此中國人民銀行公佈的基準利率將直接影響本集團的債務成本，未來利率的變動將對本集團債務成本產生一定的影響。

(4) Uncertainties from the environmental policies

As the Group is subject to the intensive monitoring and control from the PRC and its environmental policies relate to production and operation, we shall comply with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, energy consumption, public health and safety, and receive inspections from the relevant national environmental protection departments. Currently, the Company has met the national environmental protection standards. However, if the national environmental policies are adjusted with higher environmental protection standards, our investment in environmental protection will increase and that may adversely affect our results of operations. We will spare no effort in minimizing the potential adverse effects on our environmental performance despite the uncertainties from the policies and environments that are impossible to predict and our inexperience of overall risk management in environmental protection. The Company's current directions, measures and analyses regarding environmental policies are set out in the ESG report.

(4) 環保政策不確定性因素

由於本集團受到中國的嚴格監控，其環保政策與生產經營相關，我們須遵守多項有關空氣、水質、廢料處理、能源耗用、公眾健康安全的環境法律和法規，並接受國家有關環保部門的檢查。本公司目前環保指標均達到國家標準。但是，如果國家的環保政策作出調整，環保標準進一步提高，對公司提出更高的環保要求，這將增加本公司的環保投入，從而可能對我們的經營業績造成不利影響。本集團的整體環保風險管理在初步學習階段，對政策和環境的不確定性因素難以預測，尋求儘量減低對本集團環保表現的潛在不利影響。有關本公司對環境政策目前實施的方針、措施和分析載於環境社會及管治報告內。

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 130.

業績及撥款

本集團於本年度之業績載於第130頁之綜合損益及其他全面收益報表。

FINAL DIVIDEND

The Board did not propose to declare a final dividend for the year ended 31 December 2023.

末期股息

本年度董事會不建議宣派截至二零二三年十二月三十一日止年度之末期股息。

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 9 April 2025 (Wednesday) to 14 April 2025 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to attend and vote at the annual general meeting ("AGM"), all transfer documents accompanied by the relevant share certificates and the transfer forms must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8 April 2025 (Tuesday).

暫停辦理股份登記

本公司將於二零二五年四月九日(星期三)至二零二五年四月十四日(星期一)(包括首尾兩天)暫停辦理股份過戶登記手續，期間概不會登記任何股份轉讓。為出席股東週年大會(「股東週年大會」)並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零二五年四月八日(星期二)下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港夏慤道16號遠東金融中心17樓。

SEGMENT INFORMATION

An analysis of the Group's revenue and profit or loss for the Year contributed by its principal activities is set out in Note 4 to the consolidated financial statements. Details of the segment information can be found in the Management Discussion and Analysis set out on pages 7 to 31 of this annual report.

分類資料

本集團按主要業務劃分之本年度收入及損益貢獻分析載於綜合財務報表附註4。分類資料詳情載於本年報第7頁至第31頁之管理層討論及分析。

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 227 and 228, which does not constitute part of the consolidated financial statements.

五年財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第227至228頁內。該概要不構成綜合財務報表的一部份。

ISSUED CAPITAL

Details of the issued capital of the Company during the Year under Review are set out in Note 27 to the consolidated financial statements.

已發行股本

本公司已發行股本於回顧年內之詳情載於綜合財務報表附註27。

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司上市證券

於本年度內，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

INVESTMENT PROPERTIES

For the year ended 31 December 2023, the details of change of the Company's and the Group's investment properties were set out in Note 14 to the consolidated financial statement.

投資物業

於截至二零二三年十二月三十一日止年度內，本公司及本集團的投資物業變動詳情載於綜合財務報表附註14。

RESERVES

Movements in the reserves of the Group and the Company during the Year are set out on page 133 and Note 37(a) to the consolidated financial statements respectively.

As at 31 December 2023, no Company's reserves is available for distribution (2022: Nil).

儲備

本集團及本公司之儲備於本年度內之變動情況分別載於第133頁及綜合財務報表附註37(a)。

於二零二三年十二月三十一日，本公司沒有可分派儲備(二零二二年：零)。

CHARITABLE DONATIONS

No charitable donations were made by the Group during the Year (2022: Nil).

慈善捐款

本集團於本年度並無作出慈善捐款(二零二二年：零)。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of Cayman Islands where the Company is incorporated.

優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的規定。

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company.

税項減免

本公司並不知悉有任何因股東持有本公司股份而使其獲得之税項減免。

MAJOR SUPPLIERS AND CUSTOMERS

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2023 and 2022. None of the suppliers individually contributed 10% or more of the Group's purchases for the years ended 31 December 2023 and 2022. All transactions between the Group and relevant suppliers and customers were carried out on normal commercial terms.

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in the major suppliers noted above.

主要供應商及客戶

截至二零二三年及二零二二年十二月三十一日止年度，概無客戶個別佔本集團收入10%或以上。截至二零二三年及二零二二年十二月三十一日止年度，概無供應商個別佔本集團採購額10%或以上。本集團與相關供應商及客戶進行之所有交易均按一般商業條款訂立。

概無董事及其緊密聯繫人或任何股東(根據董事所知擁有本公司5%以上已發行股份數目)持有上述主要供應商之任何權益。

SIGNIFICANT LITIGATION AND EVENTS

The Company does not have any significant litigation and events during the Year under review.

重大訴訟及事項

本公司於回顧年內並無任何重大訴訟及事項。

SUBSEQUENT EVENTS

The Company will hold an extraordinary general meeting on 13 March 2025 and considers and approves the following matters:

(1) Proposed capital reorganisation;

(2) Proposed rights issue on the basis of four (4) rights share for every one (1) adjusted share held the close of business on the record date on a non-underwritten basis.

(Please refer to the circular published on the website of the Stock Exchange on 25 February 2025 for details.)

期後事項

本公司將於二零二五年三月十三日舉行股東特別大會，以審議及批准下列事宜：

(1) 建議股本重組；

(2) 建議按非包銷基準於記錄日期營業時間結束時每持有一(1)股經調整股份獲發四(4)股供股股份的基準進行供股。

(詳情請參閱二零二五年二月二十五日於聯交所網站刊發的通函。)

DIRECTORS

The Directors in the year and up to the date of this Directors' Report are:

Executive Directors

Mr. Chen Chengshou *(Chairman and CEO)*
(appointed on 16 January 2014)
Mr. Feng Cizhao (appointed on 31 October 2015)

Mr. Zhou Fenli (appointed on 9 August 2024)
Mr. Cao Zhiqiang (appointed on 9 August 2024)

Non-executive Directors

Ms. Gao Qiaoqin (appointed on 10 June 2014)
Mr. Choi Clifford Wai Hong (appointed on 16 April 2021 and resigned on 24 February 2025)
Mr. Zhou Zhencun (appointed on 18 November 2021)

Independent Non-executive Directors

Mr. Khor Khie Liem Alex (appointed on 16 August 2021)

Mr. Chiu Kung Chak (appointed on 1 November 2021)

Mr. Lau Wai Leung, Alfred (appointed on 18 November 2021 and resigned on 10 December 2024)
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

According to Article 108(a) of the Articles of Association of the Company: "Notwithstanding any other provisions in these articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office."

Mr. Feng Cizhao, Mr. Cao Zhiqiang and Mr. Zhou Fenli, executive Directors, Ms. Gao Qiaoqin and Mr. Zhou Zhencun, non-executive Directors and Mr. Khor Khie Liem Alex, Mr. Chiu Kung Chak, Ms. Huang Chunlian and Ms. Lee Yin Man, independent non-executive Directors, will retire from their positions at the 2023 annual general meeting of the Company and being eligible, offer themselves for re-election.

董事

於本年度內及直至本董事會報告書日期止，本公司的董事為：

執行董事

陳承守先生*(主席及行政總裁)*
(於二零一四年一月十六日獲委任)
豐慈招先生(於二零一五年十月三十一日獲委任)
周奮力先生(於二零二四年八月九日獲委任)
曹志強先生(於二零二四年八月九日獲委任)

非執行董事

高巧琴女士(於二零一四年六月十日獲委任)
蔡偉康先生(於二零二一年四月十六日獲委任並於二零二五年二月二十四日辭任)
周振存先生(於二零二一年十一月十八日獲委任)

獨立非執行董事

許麒麟先生(於二零二一年八月十六日獲委任)
趙公澤先生(於二零二一年十一月一日獲委任)
劉偉樑先生(於二零二一年十一月十八日獲委任並於二零二四年十二月十日辭任)
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

根據本公司的組織章程細則第108(a)條：「儘管受本細則任何其他條文所規限，在每屆股東週年大會上，當時的三分之一董事或如其人數並非三或三的倍數，則最接近但不少於三分之一的董事人數的董事應輪值退任，但每名董事(包括以指定任期獲委任的董事)須至少每三年輪值退任一次。退任董事有資格重選連任。本公司可在股東大會上就任何董事的退任填補該等職位的空缺。」

執行董事豐慈招先生、曹志強先生及周奮力先生，非執行董事高巧琴女士及周振存先生，以及獨立非執行董事許麒麟先生、趙公澤先生、黃春蓮女士及李彥雯女士將於本公司二零二三年股東週年大會上輪席退任，並符合資格重選連任。

SERVICE CONTRACTS OF DIRECTORS

Mr. Chen Chengshou, an executive Director, entered into a service agreement with the Company for a term of three years from 6 July 2015 ("Listing Date"), which will renew and prolong for one year automatically after the expiry of the appointment, during which such service agreements can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Mr. Feng Cizhao, an executive Director, entered into a service agreement with the Company for a term of three years from 31 October 2015, which will renew and prolong for one year automatically after the expiry of the appointment, during which such service agreements can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Ms. Gao Qiaoqin, a non-executive Director, entered into a letter of appointment with the Company for a term of three years from the Listing Date.

Mr. Choi Clifford Wai Hong has entered into a letter of appointment with the Company as a non-executive Director, for a term of one year commencing from 16 April 2021 which may be terminated by Mr. Choi by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Choi tendered his resignation on 24 February 2025.

Mr. Khor Khie Liem Alex has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 16 August 2021 which may be terminated by Mr. Khor by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment.

Mr. Chiu Kung Chak has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 1 November 2021 which may be terminated by Mr. Chiu by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment.

董事之服務合約

執行董事陳承守先生與本公司訂立服務合同，任期自二零一五年七月六日(「上市日期」)起為期三年，並於委任期滿後自動續期及延長一年，期間有關服務合同可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。

執行董事豐慈招先生已與本公司訂立服務合同，任期自二零一五年十月三十一日起為期三年，並將於任期滿後自動續期及延長一年，有關服務合同可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。

非執行董事高巧琴女士與本公司訂立委聘函，任期均自上市日期起為期三年。

蔡偉康先生已就擔任非執行董事與本公司訂立委聘函，自二零二一年四月十六日起計為期一年，蔡先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。蔡先生於二零二五年二月二十四日請辭。

許麒麟先生已就擔任獨立非執行董事與本公司訂立委聘函，自二零二一年八月十六日起計為期一年，許先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

趙公澤先生已就擔任獨立非執行董事與本公司訂立委聘函，自二零二一年十一月一日起計為期一年，趙先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Mr. Lau Wai Leung, Alfred has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 17 November 2021 which may be terminated by Mr. Lau by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Lau tendered his resignation on 10 December 2024.

劉偉樑先生已就擔任獨立非執行董事與本公司訂立委聘函，自二零二一年十一月十七日起計為期一年，劉先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。劉先生於二零二四年十二月十日請辭。

Mr. Zhou Fenli has entered into a letter of appointment with the Company as an executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Mr. Zhou giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

周奮力先生已就擔任執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，周先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Mr. Cao Zhiqiang has entered into a letter of appointment with the Company as an executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Mr. Cao giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

曹志強先生已就擔任執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，曹先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Ms. Lee Yin Man has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Ms. Lee giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

李彥雯女士已就擔任獨立非執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，李女士透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Ms. Huang Chunlian has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Ms. Huang giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

黃春蓮女士已就擔任獨立非執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，黃女士透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

In accordance with the Articles of Association and Appendix 14 to the Listing Rules, not less than one-third of the Directors shall retire from office by rotation annually. No Directors being proposed for re- election at the AGM has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

根據組織章程細則及上市規則附錄14，每年至少三分之一的董事須輪值退任。提名於股東週年大會上膺選連任的董事概無與本公司或其任何附屬公司訂立不可由本集團於一年內終止而毋須支付賠償(法定賠償外)的服務合約。

DIRECTORS' REMUNERATION

The Directors' fees are determined by the Remuneration Committee with reference to Directors' duties, responsibilities and operating results of the Company, which are subject to the review of the Board and shareholders' approval at annual general meetings. Please refer to Note 8 to the consolidated financial statements on pages 179 to 181 of this annual report.

董事酬金

董事袍金由薪酬委員會根據董事職務，責任及本公司經營業績擬訂，經董事會審議，由股東週年大會批准。請參閱本年報第179至181頁之綜合財務報表附註8。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange. As at the date of this annual report, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required to be recorded in the register referred to therein pursuant to section 352 of the SFO; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

董事及主要行政人員於證券之權益

本公司股份於香港聯交所主板上市。於本年報日期，董事及主要行政人員於本公司及其相聯法團(按證券及期貨條例(「證券及期貨條例」)第XV部之涵義)之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所之權益或淡倉(包括根據證券及期貨條例有關條文彼等被視為或當作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條規定須列入該條例所指之登記冊內之權益或淡倉；或(c)根據載於上市規則附錄10之上市發行人董事進行證券交易之標準守則須通知本公司及香港聯交所之權益或淡倉如下：

Long positions in the shares and underlying shares

The Company

於股份及相關股份之好倉

本公司

Name of Directors 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares/ underlying shares 股份／相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比 % %
Mr. Chen Chengshou 陳承守先生	Interest of controlled corporation (Note 1) 受控制法團之權益(附註1)	24,330,000 (L)	1.3%
Ms. Gao Qiaoqin 高巧琴女士	Interest of spouse (Note 2) 配偶權益(附註2)	24,330,000 (L)	1.3%

(L): represents long positions

(L)：指好倉

Notes:

1. 24,330,000 shares are registered in the name of Xinxing Company Limited which is wholly-owned by Mr. Chen.
2. Ms. Gao is the spouse of Mr. Chen. Under the SFO, Ms. Gao is deemed to be interested in the same number of shares in which Mr. Chen is interested in.

附註：

1. 24,330,000股股份乃以Xinxing Company Limited之名義登記，該公司由陳先生全資擁有。
2. 高女士為陳先生的配偶。根據證券及期貨條例，高女士被視為於陳先生所擁有權益的相同數目股份中擁有權益。

Associated corporation – Xinxing Company Limited

相聯法團 – Xinxing Company Limited

Name of Directors 董事姓名	Nature of interest 權益性質	Number and class of securities in the associated corporation 於相聯法團的證券數目及類別	Approximate percentage of interest in the associated corporation 於相聯法團的權益概約百分比
Mr. Chen Chengshou 陳承守先生	Beneficial owner 實益擁有人	1 share (Note 1) 一股股份(附註1)	100%
Ms. Gao Qiaoqin 高巧琴女士	Interest of spouse 配偶權益	1 share (Note 2) 一股股份(附註2)	100%

Notes:

1. The disclosed interest represents the interests in the associated corporation, Xinxing Company Limited, which is held as to 100% by Mr. Chen as at the date of this annual report.

2. Ms. Gao is the spouse of Mr. Chen. By virtue of the SFO, Ms. Gao is deemed to be interested in the 1 share of Xinxing Company Limited held by Mr. Chen.

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

附註：

1. 所披露權益指於相聯法團Xinxing Company Limited的權益，而於本年報日期，Xinxing Company Limited由陳先生持有100%權益。

2. 高女士為陳先生的配偶。根據證券及期貨條例，高女士被視為於陳先生持有的Xinxing Company Limited一股股份中擁有權益。

除上文所披露者外，於本報告日期，概無本公司董事或主要行政人員於本公司或其相關法團(定義見證券與期貨條例第XV部)之股份、相關股份或債券中擁有或被視為擁有須記入根據證券及期貨條例第352條存置之登記冊或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES

The register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, as at the date of this annual report, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executives' Interest in the Securities", had notified the Company of their interests and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東於證券之權益

本公司根據證券及期貨條例第336條規定而置存之主要股東名冊表明，於本年報日期，下列股東(於「董事及主要行政人員於證券之權益」一節披露之股東除外)已知會本公司其於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部之條文須予以披露之權益及／或淡倉。

Long positions in the shares and underlying shares

於股份及相關股份之好倉

Interest in the Company

於本公司的權益

Name of substantial shareholders 主要股東姓名	Capacity/nature of interest 身份／權益性質	Number of shares/ underlying shares 股份／相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
Proyan Consultancy Limited (Note 1) 普仁顧問有限公司（附註1）	Beneficial owner 實益擁有人	187,862,200 (L)	10.0%

(L): represents long positions

(L)：指好倉

Notes:

1. Proyan Consultancy Limited is a company incorporated in Hong Kong with limited liability. Mr. Yau Yan Yuen held the entire issued share capital of Proyan Consultancy Limited and was deemed to be interested in the 187,862,200 Shares in which Proyan Consultancy Limited was interested pursuant to the SFO.

附註：

1. 普仁顧問有限公司為一間於香港註冊成立之有限責任公司。Yau Yan Yuen先生持有普仁顧問有限公司全部已發行股本，並根據證券及期貨條例被視為對普仁顧問有限公司所持有的187,862,200股股份中擁有權益。

Save as disclosed above, as at the date of this annual report, the Company had not been notified by any persons, other than Directors and chief executives of the Company, who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於本年報日期，本公司並未獲任何人士(本公司董事及主要行政人員除外)知會其於本公司股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露或須記入根據證券及期貨條例第336條本公司須存置之登記冊之權益或淡倉。

DEED OF NON-COMPETITION BY CONTROLLING SHAREHOLDERS

Each of the controlling shareholders has made an annual declaration with regard to their compliance with the terms of the deed of non-competition. The details of the deed of non-competition are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus. The deed of non-competition by controlling shareholders has taken effect from the Listing Date.

控股股東之不競爭契據

各控股股東已就其遵守不競爭契據條款作出年度聲明。不競爭契據詳情載於招股章程「與控股股東的關係」一節。有關控股股東之不競爭契據已於上市日期起生效。

DEED OF NON-COMPETITION BY EXECUTIVE DIRECTORS

Each of the executive Directors has made an annual declaration with regarding to their compliance with the terms of the deed of non-competition. The deed of non-competition by executive Directors has taken effect from the Listing Date. The INEDs had reviewed and confirmed that the executive directors of the Company have complied with the deed of non-competition and the deed of non- competition has been enforced by the Company in accordance with its terms.

執行董事之不競爭契據

本公司各執行董事已就其遵守不競爭契據條款作出年度聲明。有關執行董事之不競爭契據已於上市日期起生效。獨立非執行董事已審閱及確認本公司執行董事已遵守不競爭契據及本公司已根據其條款執行不競爭契據。

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Share Option Scheme") on 8 June 2015, which will be in force for a period of 10 years. Under the Share Option Scheme, the eligible participants of the scheme, including Directors, full-time employees, advisers, suppliers and customers to our Company or our subsidiaries, (the "Eligible Participants") may be granted options which entitle them to subscribe for shares, provided that the number of shares to be subscribed under such option together with the options granted under any other schemes initially shall not be more than 10% of the shares in issue on the Listing Date.

購股權計劃

本公司已於二零一五年六月八日採納購股權計劃(「購股權計劃」)，有效期為十年。根據購股權計劃，計劃的合資格參與者(包括本公司或我們附屬公司的董事、全職僱員、顧問、供應商以及客戶等)(「合資格參與者」)可能獲授予賦予彼等權利認購股份的購股權(與根據任何其他計劃授予的購股權合併計算)，可認購的股份數目初步不得超過上市日期已發行股份的10%。

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions the Eligible Participants have made or may make to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the Eligible Participants to improve their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long- term growth of the Group.

購股權計劃為一項股份獎勵計劃，乃為嘉許及肯定合資格參與者對本集團所作出或可能作出的貢獻而設立。購股權計劃將為合資格參與者提供於本公司持有個人權益的機會，旨在達到下列目的：(i)激勵合資格參與者為本集團的利益盡量提高工作效率；及(ii)吸引及挽留其貢獻目前或將來對本集團長期發展有利的合資格參與者，或以其他方式維持與該等合資格參與者的持續業務關係。

The maximum number of shares in respect of which options may be granted (including shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue on the Listing Date, excluding for this purpose shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company).

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限(包括已授出的已行使或尚未行使購股權所涉及的股份),合共不得超過於上市日期已發行股份總數的10%,就此而言,不包括根據購股權計劃(或本公司任何其他購股權計劃)的條款已失效的購股權原應可予發行的股份。

Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time (the "Maximum Limit"). No options shall be granted under any schemes of the Company, including the Share Option Scheme, if that will result in the Maximum Limit being exceeded.

儘管有上述規定,根據購股權計劃及本公司任何其他購股權計劃授出但有待行使的所有未行使購股權獲行使而可能於任何時間發行的股份,不得超過不時已發行股份的30%(「最高限額」)。倘根據本公司任何計劃(包括購股權計劃)授出購股權將導致超出最高限額,則不得授出該等購股權。

The Board may, at its discretion, offer to grant an option to the Eligible Participants. An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favor of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

董事會可酌情向合資格參與者提呈授出購股權。本公司於有關接納日期或之前收到承授人妥為簽署,構成接納購股權的要約文件副本,連同向本公司支付作為授出購股權的代價的1.00港元的款項後,購股權即被視為已授出及已獲承授人接納並生效。

After receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditor or the approved independent financial adviser (as the case may be) to the Company, the Company shall allot and issue the relevant number of shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the shares so allotted.

於收到通知及款項以及(如適用)本公司核數師或獲認可獨立財務顧問(視情況而定)發出的證書後,本公司須向承授人配發及發行入賬列為繳足的有關數目股份,並就已配發的股份向承授人發出股票。

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised, outstanding options and shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other schemes of the Company but subsequently cancelled) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

於任何12個月期間直至授出日期,因根據購股權計劃及本公司任何其他購股權計劃授出的購股權(包括已行使、尚未行使的購股權及根據購股權計劃或本公司任何其他計劃已授出並獲接納但於其後註銷)的購股權所涉及股份獲行使而已經及可能向各合資格參與者發行的股份總數不得超過於授出日期已發行股份的1%。

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

根據購股權計劃授出的任何特定購股權所涉股份的認購價，須為董事會全權酌情釐定的價格，惟此價格將不得低於以下最高者：(i)股份於授出日期(須為香港聯交所公開辦理證券交易業務的日子)在香港聯交所每日報價表所報的收市價；(ii)股份於緊接授出日期前五個營業日在香港聯交所每日報價表所報的平均收市價；及(iii)股份面值。

As at the date of this annual report, the total number of shares to be issued under the Share Option Scheme is 188,000,000 shares, representing 10% of the issued shares at Listing Date. No share option was granted, exercised or cancelled by the Company since the adoption of the Share Option Scheme.

於本年報日期，根據購股權計劃可發行股份總數為188,000,000股，佔上市日期已發行股份的10%。自採納購股權計劃之日起，本公司概無授出、行使或註銷購股權。

SHARE AWARD SCHEME

On 26 January 2016, the Company adopted the share award scheme (the "Scheme"), pursuant to which Bank of Communications Trustee Limited served as trustee (the "Trustee"). The Company adopted the Scheme to recognize the contribution by certain eligible participants and to attract suitable personnel for further development of the Group. Each of the Company and Mr. Chen, an executive Director and controlling shareholder of the Company, may make contribution to the trust for the purpose of vesting awarded shares to the selected participants. Pursuant to the Scheme, the Company may from time to time at its sole discretion subject to requirements under this Scheme, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase shares in the market at prevailing market price. Mr. Chen may from time to time transfer shares to the Trustee, for the purpose of vesting awarded shares to the selected participants, subject to the compliance with the requirements of the Listing Rules and all applicable laws from time to time. The Trustee will hold the awarded shares on trust for all or one or more of the eligible participants until such awarded shares are vested with the relevant selected participants in accordance with the rules of the Scheme.

股份獎勵計劃

本公司於二零一六年一月二十六日採納股份獎勵計劃(「本計劃」)，並由交通銀行信託有限公司作為受託人(「受託人」)，以嘉許若干合資格參與者所作出之貢獻，及吸引合適人才推動本集團之未來發展。為將獎勵股份歸屬獲選參與者，本公司及本公司執行董事兼控股股東陳先生均可向信託作出供款。根據本計劃，本公司可不時全權酌情根據本計劃之規定向受託人支付任何金額，並指示受託人按現時市價於市場上購買股份。為將獎勵股份歸屬獲選參與者，陳先生可不時向受託人轉讓股份，惟須遵守上市規則及所有適用法例不時之規定並受限制期間規限。受託人將以信託形式為全部或一名或多名合資格參與者持有獎勵股份，直至該等獎勵股份根據本計劃規則歸屬相關獲選參與者為止。

The Scheme is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the trust deed. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

本計劃為本公司一項酌情制訂之計劃。根據本計劃及信託契據之規則，本計劃須受董事會及受託人管理。倘董事會授出獎勵股份後會導致根據本計劃已授出之股份面值超過本公司不時已發行股本之百分之十(10%)，則不應再進一步授出獎勵股份。獲選參與者根據本計劃可獲授之最高股份數目不可超過本公司不時已發行股本之百分之一(1%)。本計劃並不構成上市規則第17章所界定之購股權計劃。

The share award scheme will remain in force for a period of 10 years since the date of adoption of the Scheme. Early termination should be done by the Board in accordance with the rules of the Scheme. On 7 April 2016, the Board resolved to award 13,716,666 awarded shares ("Awarded Shares") to 150 selected participants through the deployment of the shares of the Company. All Awarded Shares have been vested to the eligible participants. For details, please refer to the announcements of the Company dated 18 February 2016 and 7 April 2016. Apart from that, the Company has not granted, exercised or cancelled any Awarded Shares.

During the Year under Review, (i) no share options were granted, and (ii) exercised or cancelled by the Company, the Board has neither paid any funding to the trustee of the Scheme nor allowed the trustee to purchase the shares of the Company on the Stock Exchange. During the Year under Review, the trustee of the Scheme also did not purchase any shares of the Company on the Stock Exchange.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, neither the Company, nor any of its holding companies, its subsidiaries or its fellow subsidiaries was a party to any arrangement to enable the Directors and chief executives of the Company, including their spouses and children under 18 years of age, to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations, within the meaning of Part XV of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year under Review or at any time during the Year under Review, and in which a Director or an entity connected with the Director have or had, whether directly or indirectly, a material interest, nor were there any other transactions, arrangements or contracts of significance in relation to the Group's business between the Company or any of the Company's Subsidiaries and a controlling Shareholder or any of its subsidiaries.

股份獎勵計劃自採納日期起計10年之期限內有效，惟可由董事會根據該計劃規則進行提早終止。於二零一六年四月七日，董事會議決向150位獲選參與者透過調配本公司股份的形式授予13,716,666股獎勵股份(「獎勵股份」)。所有獎勵股份已歸屬予合資格參與者。詳情請參閱本公司日期為二零一六年二月十八日及二零一六年四月七日的公告。除此之外，本公司概無授出、行使或註銷任何獎勵股份。

於回顧年度內，(i)本公司概無授出購股權，及(ii)本公司並無行使或註銷購股權，董事會既沒有向該計劃之受託人支付任何資金，讓受託人可於聯交所購買本公司之股份。於回顧年度內，該計劃之受託人也沒有於聯交所購買本公司之任何股份。

董事購買股份的權利

除上文所披露者外，本公司、其任何控股公司、其附屬公司或其同系附屬公司從未訂立任何安排，使本公司董事及主要行政人員(包括彼等的配偶及未滿18歲子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份或相關股份或債券中持有任何權益或淡倉。

董事及控股股東於交易、安排或合約之權益

本公司或本公司任何附屬公司概無於回顧年度結束時或回顧年度的任何時間與本公司業務有關而董事或與董事相關聯的實體於其中有重大(無論直接或間接)之交易、安排或合約，本公司或本公司任何附屬公司及控股股東或其任何附屬公司亦無訂立與本集團業務有關之其他重大交易、安排或合約。

CONTINUING CONNECTED TRANSACTIONS

In accordance with the disclosure requirements of the continuing connected transactions in Chapter 14A of the Listing Rules of the Hong Kong, during the Year under Review, the Company has not conducted any continuing connected transactions with connected persons that are not exempted from annual reporting requirement under the Listing Rules.

The related party transactions set out in Note 32 to the consolidated financial statements are not required to be disclosed pursuant to Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

持續關連交易

按照香港上市規則第14A章有關持續關連交易的披露規定，於回顧年度內，本公司概無與關連人士進行任何未獲豁免遵守上市規則年度報告規定的持續關連交易。

載於綜合財務報表附註32所列的關連方交易並非根據上市規則第14A章須予披露的關聯交易。本公司確認已符合上市規則第14A章的披露規定。

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 for the year ended 31 December 2023.

管理合約

於截至二零二三年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

PERMITTED INDEMNITY PROVISION

Pursuant to the memorandum and bye-laws ("Bye-laws") of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Save as otherwise disclosed in this annual report, such permitted indemnity provision has been in force throughout the year ended 31 December 2023. During the year ended 31 December 2023, the Company was unable to extend Directors' and officers' liability insurance coverage which was expired on 22 June 2023 due to the suspension of trading of the shares of the Company on the Stock Exchange. As at the date of this annual report, the Company has not arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

獲准許彌償條文

根據本公司的組織章程大綱及細則(「細則」)、適用法律及法規，每名董事在執行其職務時可能招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支，均可從本公司的資產及利潤獲得彌償保證及免受損害。除本年報另有披露者外，截至二零二三年十二月三十一日止年度，有關准許彌償保證條文一直有效。截至二零二三年十二月三十一日止年度，由於本公司股份於聯交所暫停買賣，本公司未能延續已於二零二三年六月二十二日屆滿的董事及高級職員責任保險。於本年報日期，本公司並無為本集團董事及高級職員安排適當的董事及高級職員責任保險。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 December 2023, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

董事於競爭性業務之權益

截至二零二三年十二月三十一日止年度，概無董事於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the Year as required under the Listing Rules.

公眾持股量

根據本公司所得悉的公開資料及董事所知悉，本公司於本年度內已按上市規則規定維持指定數額的公眾持股量。

CHANGE OF AUDITOR

Forvis Mazars CPA Limited ("Forvis Mazars"), formerly known as "Mazars CPA Limited" has resigned as the auditor of the Company with effect from 25 November 2022 and Crowe (HK) CPA Limited ("Crowe") was appointed as the new auditor of the Company to fill the causal vacancy following the resignation of Mazars. Crowe has resigned as the auditor of the Company with effect from 13 December 2023 as auditor of the Company and Forvis Mazars was re-appointed as the new auditor of the Company with effect from 13 December 2023 to fill the causal vacancy follow the resignation of Crowe. On 13 August 2024, Mazars was resigned as the auditor of the Company and Global Links CPA Limited was appointed as the new auditor of the Company with effect from 13 August 2024 to fill in the causal vacancy following the resignation of Forvis Mazar. (Please refer to the announcement published on the website of the Stock Exchange on 25 November 2022, 13 December 2023 and 13 August 2024 respectively for details.)

By order of the Board

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, PRC
11 March 2025

更換核數師

富睿瑪澤會計師事務所有限公司(「富睿瑪澤」)(前稱「中審眾環(香港)會計師事務所有限公司」)已辭任本公司核數師,自二零二二年十一月二十五日起生效,而國富浩華(香港)會計師事務所有限公司(「國富浩華」)獲委任為本公司新核數師,以填補因富睿瑪澤辭任後的暫時空缺。國富浩華已辭任本公司核數師,自二零二三年十二月十三日起生效,而富睿瑪澤已獲重新委任為本公司新核數師,自二零二三年十二月十三日起生效,以填補因國富浩華辭任而出現的暫時空缺。於二零二四年八月十三日,富睿瑪澤辭任本公司核數師,而高嶺會計師有限公司獲委任為本公司新核數師,自二零二四年八月十三日起生效,以填補富睿瑪澤辭任後的暫時空缺。(詳情請參閱分別於二零二二年十一月二十五日、二零二三年十二月十三日及二零二四年八月十三日於聯交所網站刊發的公告。)

承董事會命

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二五年三月十一日

MISSION

The Board is committed to maintaining a high level of corporate governance and ensuring transparency in business operations, so as to enhance the operation efficiency of the Company and protect the interests of the Company and the shareholders in all respects. The Board seeks to perform strict integrity and ethics in all aspects of our business, to maintain sound risk management and internal control system and attract high-caliber members to the Board.

理念

董事會致力維持高水平的企業管治，確保本公司運作具透明度，以此促進本公司運作效率及全面保障本公司及股東的利益。董事會力求於業務的各方面均貫徹嚴謹的誠信及道德操守，以維持良好之風險管理及內部監控制度及吸納卓越之成員加入董事會。

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2023, the Board had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules applicable at the relevant time, except the disclosure in "Chairman and Chief Executive Officer" below.

To the Directors' knowledge, there is no information reasonably indicates that the Company has not complied with the code provisions of the CG Code set out in Appendix 14 to the Listing Rules at any time for the year ended 31 December 2023.

For the year ending 31 December 2023, the Company will continue to comply with the code provisions set out under the update CG Code that had come into effect on 1 January 2022, and where appropriate, explain on the deviations from any code provisions of the CG Code.

企業管治守則

截至二零二三年十二月三十一日止年度，除於下述所披露之「主席兼行政總裁」外，董事會已採納、應用及遵守於相關時間適用的上市規則附錄14的企業管治守則(「企業管治守則」)所載之守則條文。

就董事所知，並無任何數據合理顯示本公司現時或曾經於截至二零二三年十二月三十一日止年度任何時間不遵守上市規則附錄14所載的《企業管治守則》之守則條文。

截至二零二三年十二月三十一日止年度，本公司將繼續遵守已於二零二二年一月一日生效的最新企業管治守則所載的守則條文，並(倘適當)解釋偏離企業管治守則任何守則條文的情況。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries of all the Directors, each of them has confirmed that they complied with the required standards set out in the Model Code during the Year under Review.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when they possess inside information in relation to those securities. The Company is not aware of any non-compliance with the Model Code by the relevant officers and employees.

證券交易的標準守則

本公司已採納上市規則附錄C3所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事買賣本公司證券的操守準則。經向全體董事作出特定查詢後，全體董事確認彼等於回顧年度內已遵守標準守則所載的規定標準。

根據本公司要求，本公司有關高級職員及僱員亦須受標準守則約束，當其獲得有關證券內幕消息時，禁止於任何時候買賣本公司證券。本公司並無察覺有相關高級職員及僱員違反標準守則。

BOARD OF DIRECTORS

Structure

As at the date of this annual report, the Board comprised four executive Directors, two non-executive Directors and four independent non-executive Directors. The composition of the Board is as follows:

Executive Directors
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Feng Cizhao
Mr. Zhou Fenli (appointed on 9 August 2024)
Mr. Cao Zhiqiang (appointed on 9 August 2024)

Non-executive Directors
Ms. Gao Qiaoqin
Mr. Zhou Zhencun

Independent Non-executive Directors
Mr. Khor Khie Liem Alex
Mr. Chiu Kung Chak
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)

The independent non-executive Directors (the "INEDs") represent over one-third members of the Board. The profiles of all Directors are set out on pages 32 to 39 of this annual report. Save as disclosed in this annual report, there is no other relationship among members of the Board, including financial, business, family or other material/relevant relationship. The INEDs are highly experienced professionals and businessmen with a broad range of expertise and experience in accounting, finance, legal and business management and one of them has appropriate professional accounting qualification as required by the Hong Kong Stock Exchange.

The Board is responsible for directing and supervising affairs of the Company. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to affairs of the Company during the Year under Review.

董事會

架構

於本年報日期，董事會由四名執行董事、兩名非執行董事及四名獨立非執行董事組成。董事會之組成如下：

執行董事
陳承守先生*(主席及行政總裁)*
豐慈招先生
周奮力先生(於二零二四年八月九日獲委任)
曹志強先生(於二零二四年八月九日獲委任)

非執行董事
高巧琴女士
周振存先生

獨立非執行董事
許麒麟先生
趙公澤先生
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)

獨立非執行董事(「獨立非執行董事」)之人數超過董事會成員總數之三分之一。全體董事之履歷載於本年報第32頁至第39頁。除本年報所披露者外，董事會成員之間並無其他關係，包括金融、商業、家庭或其他重大／相關關係。獨立非執行董事均為極富經驗之專業人士及商界人士，在會計、金融、法律及商業管理具備豐富專業知識及經驗，其中一人更具備香港聯交所規定之合適專業會計資格。

董事會負責領導及監督本公司事務。各董事均以本公司之最佳利益為前提，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。於回顧年內，彼等已付出足夠時間及專注力以處理本公司事務。

At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company may fill the vacancy at the general meeting when a Director retires. As such, the term of office of each Director has been governed by the Articles of Association of the Company.

在每次之股東週年大會上，當時三分之一之董事(或倘董事人數並非三或三之倍數，則以最接近但不少於三分之一人數為準)須輪值退任，惟每名董事(包括獲委任特定年期者)均須最少每三年輪席退任一次。退任董事可膺選連任。本公司可於董事退任之股東大會上填補空缺。因此，各董事之任期按本公司組織章程細則而特定。

Assistance to Directors in Decision Making

During their term of office, the Directors have been informed of the business of the Group, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry where it operates as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為公司董事之法定及其他職能以及職責獲提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meeting agenda, and are supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors providing them with the opportunity to attend the meeting. For regular Board meetings, and so far as practicable for all other meetings, an agenda and accompanying board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and prepare adequately for the meeting. Senior management members are invited to attend the meeting to address to the Board members' queries. This enables the Board to have pertinent data and insight for a comprehensive and informed assessment, which helps the Board to make decision.

會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，讓其有機會出席會議。就定期舉行的董事會會議而言，及在切實可行情況下就所有其他會議而言，議程及隨附的董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，以解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

The Chairman has delegated the responsibility to the company secretary (the "Company Secretary") of the Company for drawing up and approving the agenda of the meeting for each Board meeting, taking into account of any matter proposed by each Director for inclusion in the agenda. The proceedings of the Board at its meetings are generally monitored by the Chairman who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to each Director to express his/her views and concerns.

主席已委派公司秘書(「公司秘書」)負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。董事會之議事程序一般由主席監察，以確保分配充裕時間作出討論及考慮議程內之各個項目。每位董事均獲平等機會表達意見及其關注事宜。

All Directors have full access to the advice and services of the Company Secretary to ensure the procedures, rules and regulations of the Board are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within a reasonable time after the meeting. The minutes of the Board's and the Board committees' meetings are kept by the Company, which are available for inspection by the Directors upon reasonable notice.

全體董事均可充分獲得公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。各董事會會議之詳盡記錄草稿及最終定稿將於舉行會議後的合理時間內，送交董事提供意見及記錄。董事會及董事委員會的會議之記錄由本公司存置，並可由董事發出合理通知下供其查閱。

For the year ended 31 December 2023, the Company held 2 board meetings in total. Individual attendance of each Director and committee member at the meeting held in detail is as follows:

截至二零二三年十二月三十一日止年度內，本公司共舉行兩次董事會會議。各董事及委員會的成員個別出席會議的出席率詳情如下：

		The Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	AGM 股東週年大會
Number of Meetings held	**舉行會議次數**	2	3	0	0	0
Executive Directors	**執行董事**					
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*	陳承守先生*(主席及行政總裁)*	2/2	N/A不適用	N/A不適用	0/0	0/0
Mr. Feng Cizhao	豐慈招先生	0/0	N/A不適用	N/A不適用	N/A不適用	0/0
Non-executive Directors	**非執行董事**					
Ms. Gao Qiaoqin	高巧琴女士	0/0	N/A不適用	N/A不適用	N/A不適用	0/0
Mr. Choi Clifford Wai Hong	蔡偉康先生	2/2	N/A不適用	0/0	N/A不適用	0/0
Mr. Zhou Zhencun	周振存先生	2/2	N/A不適用	N/A不適用	N/A不適用	0/0
Independent non-executive Directors	**獨立非執行董事**					
Mr. Khor Khie Liem Alex	許麒麟先生	1/2	3/3	0/0	0/0	0/0
Mr. Chiu Kung Chak	趙公澤先生	2/2	3/3	0/0	0/0	0/0
Mr. Lau Wai Leung, Alfred	劉偉樑先生	1/2	3/3	N/A不適用	N/A不適用	0/0

Works Performed

During the Year under Review, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgment on the strategy, performance and standards of conduct of the Company; had taken a leading role when potential conflict of interest arose; had served on Board committees; had approved various corporate governance related matters and policies; had ensured that the Board maintained high standards of financial and other mandatory reporting; carried out reviews on matters reported by the Board committees; and had provided adequate checks and balance to safeguard the interests of shareholders and the Company as a whole. In addition, the Board delegates to the management of the Company certain functions, including the implementation of general daily operation, strategies approved by the Board, the implementation of internal control procedures and ensuring compliance with relevant requirements and other rules and regulations.

履行之工作

於回顧年內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事亦對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事會轄下委員會委員；通過企業管治相關事宜及政策；確保董事會維持高水平之財務及其他強制申報準則；審閱董事會轄下委員會報告之事項；以及提供足夠審查及平衡以保障全體股東與本公司之整體利益。此外，董事會將若干職能下放予本公司管理層，包括進行一般日常運作、董事會批准的策略、落實內部監控程序，以及確保符合相關規定及其他規則及規例。

Other non-executive Directors have entered into letters of appointment with the Company with a term of three years respectively except non-executive Directors Mr. Choi Clifford Wai Hong and Mr. Zhou Zhencun and independent non-executive Directors Mr. Khor Khie Liem Alex, Mr. Chiu Kung Chak and Mr. Lau Wai Leung, Alfred who has a term of one year respectively.

除非執行董事蔡偉康先生和周振存先生、獨立非執行董事許麒麟先生、趙公澤先生和劉偉樑先生為期一年外，其他非執行董事均已與本公司訂立為期三年的委聘函。

During the Year under Review, the non-executive Directors and INEDs had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings.

於回顧年內，非執行董事及獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

Besides attending the meetings of the Board or the committees, in order to make timely decision and effectively implement the policies and practice of the Company, the Board had also adopted written resolutions signed by all Directors to make decision on corporate affairs from time to time.

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納經全體董事簽署之書面決議書為公司事務作出決定。

As part of the continuing process on supervising the business of the Company, the Directors, acted by the Audit Committee of the Company (the "Audit Committee"), had reviewed the adequacy of resources, qualifications and experience of the accounting staff of the Company and financial reporting functions.

作為持續監督本公司業務之程序，董事已由審核委員會(「審核委員會」)代行審閱本公司會計員工的資源、資歷及經驗以及財務匯報職能是否足夠。

Independent Non-executive Directors' Confirmation

The Company has received, from each INED, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all the INEDs are independent. The Company is in compliance with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the INEDs.

獨立非執行董事之確認

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。本公司並符合上市規則第3.10及3.10A條關於獨立非執行董事之規定。

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Chen is the chairman and the chief executive officer of the Company ("CEO"). The Group therefore does not separate the roles of the chairman and the CEO. The Board considered that Mr. Chen had in-depth knowledge and experience in the property investment and development industry and was the most appropriate person to manage the Group. Vesting the roles of both chairman and CEO in Mr. Chen has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Besides, three independent non-executive Directors of the Board had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings. Although Mr. Chen is the chairman and chief executive officer, the Company believes the Board will not make any biased decisions under Mr. Chen's influence. The Board will continue to review and consider splitting the roles of chairman and CEO of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

主席兼行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁之職位應有所區分，且不應由同一人士兼任。陳先生為本公司主席兼行政總裁(「行政總裁」)。故此本集團並無區分主席及行政總裁之職位。董事會相信陳先生於物業投資及發展行業具備淵博的學識及經驗，為最適合管理本集團之人士，由陳先生兼任主席及行政總裁的角色，可確保本集團內之貫徹領導及可令本集團之整體策略規劃更有效及具效率。董事會認為，目前的安排將不會削弱權力制衡，而這個架構將有助本公司迅速及有效地作出及執行決策。再者，董事會的三位獨立非執行董事均積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見，雖陳先生為本公司主席兼行政總裁，本公司認為董事會不會在陳先生的影響下作出偏頗的決策。董事會將持續檢討，屆時顧慮到本集團的整體情況，考慮將本公司的主席與行政總裁的職能分開是否適當及適合。

BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee (the "Remuneration Committee") and Nomination Committee (the "Nomination Committee") with defined roles and terms of reference.

董事委員會

董事會已成立審核委員會、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)，並界定其角色及職權範圍。

Audit Committee

Structure

The Company established the Audit Committee on 8 June 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C.3.4 of the CG Code as set out in Appendix 14 to the Listing Rules. The updated terms of reference of the Audit Committee are adopted on 29 December 2015, and are available on the websites of the Hong Kong Stock Exchange and the Company. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

審核委員會

架構

本公司於二零一五年六月八日成立審核委員會，並遵照上市規則第3.21條及上市規則附錄14列載之企業管治守則第C.3.4段制訂其書面職權範圍。審核委員會之最新職權範圍已於二零一五年十二月二十九日獲採納，並可於香港聯交所及本公司網站查閱。審核委員會的主要職責為就本集團財務申報程序、內部控制及風險管理制度的有效性向董事會提供獨立審查、監察審核程序及行使由董事會分配之其他職責。

All members under the Audit Committee possess diversified business experience. The chairman of the Audit Committee has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules.

審核委員會全體成員具備多元化的業務經驗。審核委員會主席具備了上市規則規定之適當專業資格、會計或相關財務管理專業知識。

As at the date of this annual report, the Audit Committee is made up of four INEDs, namely:

於本年報日期，審核委員會由四位獨立非執行董事組成，彼等為：

Mr. Khor Khie Liem Alex *(Chairman)*
Mr. Chiu Kung Chak
Ms. Lee Yin Man
Ms. Huang Chunlian

許麒麟先生*(主席)*
趙公澤先生
李彥雯女士
黃春蓮女士

Functions

The terms of reference of the Audit Committee can be found on the websites of the Company and the Hong Kong Stock Exchange. The major duties of the Audit Committee are summarized as below:

職能

有關審核委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。審核委員會之主要職責概述如下：

(i) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues relating to the resignation or dismissal of such auditor;

(i) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款、及處理任何有關該核數師辭職或辭退該核數師的問題；

(ii) to monitor the integrity of the Company's financial statements and annual reports and accounts, half year reports and, if prepared for publication, quarterly reports, and to review material comments on financial reporting contained in the statements and reports;

(ii) 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；

(iii) to review the financial controls, risk management and internal control systems of the Company, unless the risk committee otherwise under the Board or the Board itself has expressly stated that they will deal with it;

(iii) 檢討本公司的財務監控，以及(除非有另設的董事會轄下風險委員會及或董事會本身會明確處理)檢討本公司的風險管理及內部監控系統；

(iv) to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; and

(iv) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；及

(v) to consider and identify risks of the Group and review the effectiveness of the decision-making processes of the Group in crisis and emergency situations and approve the major decisions affecting the risk profile or exposure of the Group.

(v) 審議及識別本集團的風險，並審議危機及緊急情況發生時本集團的決策程序的成效，以及批准影響本集團風險概況或風險的重要決策。

Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and dispatches an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year under Review, the Audit Committee members reviewed the information memorandum with due care and discussed with the senior management of the Company during the meetings. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company and copies of the minutes were delivered to the Audit Committee members for records.

會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。於回顧年內，審核委員會成員已審慎地審閱資料備忘錄，並於會議上與本公司高級管理層成員討論。由公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員提供意見。經簽署之會議記錄由本公司存置，而會議記錄副本亦已送交審核委員會成員以作記錄。

Works Performed

The works performed by the members of Audit Committee during the Year under Review are summarized as below:

(i) to review the annual accounts and consolidated financial statements and interim accounts of the Group;

(ii) to review, discuss and agree with the Independent Auditor in respect of the audit fee for the Year under Review; the nature, scope of audit and reporting obligations for the Year under Review;

(iii) to review the effectiveness of the action plan to mitigate the Group's liquidity pressure and remove the Audit Modification;

(iv) to review and assess the adequacy and effectiveness of the financial reporting and controls, internal control procedures and risk management system of the Group;

(v) to review the corporate governance practices and monitor the progress of compliance of the CG Code and its disclosure in the Corporate Governance Report;

(vi) to review the performance of the properties of the Group for the year ended 31 December 2023;

(vii) to review the continuing connected transactions to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements in respect of these continuing connected transactions;

(viii) to review the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmers and budget; and

(ix) to discuss with the Independent Auditor with respect to the accounting principles and practices adopted by the Group, compliance with the Listing Rules and other financing reporting requirements.

履行之工作

審核委員會成員於回顧年內所履行之工作概述如下：

(i) 審閱本集團年度之賬目及綜合財務報表，以及中期賬目；

(ii) 與獨立核數師審閱、討論及同意回顧年內之核數費用；回顧年度之核數之性質、範圍及申報責任；

(iii) 審閱行動計劃的有效性以緩解本集團流動資金壓力及撤銷審核修訂；

(iv) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；

(v) 檢討企業管治常規及監控遵守企業管治守則之進度及其於企業管治報告中的披露情況；

(vi) 審閱本集團截至二零二三年十二月三十一日止年度之物業表現；

(vii) 審閱持續關連交易，以確保其乃按正常商業條款訂立，為公平合理並根據該等持續關連交易相關協議的條款進行；

(viii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；及

(ix) 就有關本集團所採納的會計原則及慣例、上市規則的合規情況及其他財務匯報規定與獨立核數師討論。

Overall, the Audit Committee is satisfied with the condition of the Company, including the corporate governance practices, internal control system, qualifications and experience of the staff in accounting and financial reporting function, and the training programmers.

整體而言，審核委員會滿意本公司之狀況，包括企業管治實務、內部監控制度以及會計及財務匯報職能方面的員工之資歷及經驗與員工所接受的培訓課程是足夠的。

One of the specific works vested upon the Audit Committee is to develop and review the corporate governance policies and practices of the Company. Upon reviewed by the Audit Committee and approved by the Board, the main policies for the corporate governance of the Company are to develop the Company itself as a sustainable and competitive company in the business sector in the interests of the Company and the shareholders as a whole, with an aim for a prudent and profitable development and long-term achievement of growth through the well-established corporate governance principles, risk monitoring management and practices. As a listed company in Hong Kong, the Company is obliged to follow the principles, code provisions and recommended best practices (if applicable) set forth in Appendix 14 to the Listing Rules as the substantial requirement on achieving high standards of corporate governance as well as a cornerstone of the corporate governance policy of the Company.

審核委員會的其中一項特定工作為發展及檢討本公司有關企業管治的政策及常規。經審核委員會審閱並由董事會批准後，本公司的主要企業管治政策乃於符合本公司及股東整體利益的情況下將本公司本身發展為一間可持續發展及具競爭力的商業公司，並旨在透過成熟的企業管治原則、風險監管、管理及常規，達致審慎及高利潤的發展以及長遠增長。作為一間香港上市公司，本公司須遵守上市規則附錄14所載的原則、守則條文及建議最佳常規(如適用)，此乃達致高水平企業管治的重大要求及本公司企業管治政策的基石。

Remuneration Committee

Structure

The Remuneration Committee has been established on 8 June 2015 with written terms of reference in compliance with Rule 3.26 of the Listing Rules and code provision B.1.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the roles to assist the Board in reviewing and determining the framework or specific policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other matters as defined by the Board.

As at the date of this annual report, the Remuneration Committee is made up of four INEDs, namely:

Mr. Khor Khie Liem Alex *(Chairman)*
Mr. Chiu Kung Chak
Ms. Lee Yin Man
Ms. Huang Chunlian

薪酬委員會

架構

薪酬委員會於二零一五年六月八日成立，並遵照上市規則第3.26條及上市規則附錄14列載之企業管治守則第B.1.3條制訂及公開其書面職權範圍。其角色為協助董事會檢討及釐定董事及高級管理層之薪酬架構或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

於本年報日期，薪酬委員會由四位獨立非執行董事組成，彼等為：

許麒麟先生*(主席)*
趙公澤先生
李彥雯女士
黃春蓮女士

Functions

The principal responsibilities of the Remuneration Committee are as follows:

(i) to make recommendations to the Board on the policy and structure of the Company for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment);

(iii) to make recommendations to the Board on the remuneration of executive and non-executive Directors; and

(iv) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company.

The terms of reference of the Remuneration Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their recommendations relating to the remuneration of other executive Directors and may also obtain independent professional advice.

職能

薪酬委員會之主要職責如下：

(i) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；

(ii) 向董事會建議個別執行董事及高級管理人員的薪酬待遇。此應包括實物福利、退休金權利及賠償金額(包括喪失或終止職務或委任的任何賠償)；

(iii) 就執行及非執行董事的薪酬向董事會提出建議；及

(iv) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致，並在其他方面對本公司而言公平合理，不致過多。

有關薪酬委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

薪酬委員會應就其他執行董事之薪酬建議諮詢主席及／或行政總裁，亦可徵詢獨立的專業意見。

Works Performed

The works performed by the members of the Remuneration Committee during the Year under Review are summarized as below:

(i) to consider and make recommendations to the Board for endorsement of the remuneration policy of the Company and letters of appointment of the Directors and senior management with major terms and conditions, to comply with the CG Code; and

(ii) to assess performance of executive Directors and consider and make recommendations to the Board on the remuneration of the Directors and senior management during the Year under Review.

(iii) Pursuant to code provision B.1.5 of the CG Code, the five highest paid employees during the year are five Directors (2022: five Directors), details of whose remuneration are set out in Note 8 to the financial statements. During the Year under Review, the remuneration paid to the senior management fell within the following band:

履行之工作

薪酬委員會成員於回顧年內所履行之工作概述如下：

(i) 就本公司薪酬政策及本公司董事及高級管理層委聘函的主要條款及條件作出考慮並提出建議予董事會作批註，以符合企業管治守則；及

(ii) 評核執行董事的表現及考慮董事及高級管理層於回顧年內的薪酬並向董事會提出建議。

(iii) 根據企業管治守則的守則條文第B.1.5條，本年度五名最高薪酬僱員為五名董事(二零二二年：五名董事)，彼等之薪酬詳情載列於財務報表附註8。於回顧年度，向高級管理層成員支付之薪酬範圍如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Directors' fees, salaries, allowances and benefits in kind	董事薪金、薪金、津貼及實物利益	**2,189**	2,174
Equity-settled share award expense	以股權結算股份獎勵開支	**–**	–
Pension scheme contributions	退休金計劃供款	**–**	–
		2,189	2,174

The number of the highest paid employees who were Directors and whose remuneration fell within the following band is as follows:

董事且薪酬介乎以下範圍之最高薪酬僱員之人數如下：

		2023 二零二三年	2022 二零二二年
Nil to HK$1,000,000	零至1,000,000港元	**5**	5
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	**–**	–
		5	5

Nomination Committee

Structure

The Nomination Committee was established on 8 June 2015 with written terms of reference in compliance with code provisions A.5.2 and A.5.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the role to lead the process and to make recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing the Company, as well as business development and requirements of the Company.

As at the date of this annual report, the Nomination Committee is made up of one executive Director and four INEDs, namely:

Mr. Chen Chengshou *(Chairman)*
Mr. Khor Khie Liem Alex
Mr. Chiu Kung Chak
Ms. Lee Yin Man
Ms. Huang Chunlian

Functions

The principal responsibilities of the Nomination Committee are as follows:

(i) to review the structure, size, composition and diversity (including but not limited to gender, age, culture and education background, ethnicity, professional experience, skills, knowledge and service term, etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the strategy of the Company;

(ii) to assess the independence of the independent non-executive Directors; and

(iii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer, taking into account the corporate strategy of the Company and the mix of skills, knowledge, experience and diversity needed in the future.

提名委員會

架構

提名委員會於二零一五年六月八日成立，並遵照上市規則附錄14列載之企業管治守則之守則條文第A.5.2條及A.5.3條制訂及公開其書面職權範圍。其職責為就委任程序作出領導及向董事會提出建議，(當不論作為額外委任或填補董事空缺發生時)，以應付本公司所面對的挑戰及機遇，以及本公司業務開發及要求。

於本年報日期，提名委員會由一位執行董事及四位獨立非執行董事組成，彼等為：

陳承守先生*(主席)*
許麒麟先生
趙公澤先生
李彥雯女士
黃春蓮女士

職能

提名委員會之主要職責如下：

(i) 至少每年檢討董事會的架構、人數、組成及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；

(ii) 評核獨立非執行董事的獨立性；及

(iii) 因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

Board Diversity Policy

The Nomination Committee has adopted a "Board Diversity Policy" for the nominations of Directors to achieve diversity on the Board. The Board deeply believes that the diversity will benefit a lot to the Company in terms of enhancing the quality of its performance. To achieve the goal of sustainable and balanced development, the Company regards the increasing diversity to the strategic goals as the key element to maintain sustainable development. The Board adheres to the principle that "talent is priority", and appoints the Directors who can contribute to the diversity of the Board. The Company devotes to find the most suitable people as the member of committee. The Company will base on the scope of diversity, not only including the education background, experience, skills, knowledge and term of appointment but also including but not limited to gender, age, culture background and race, with reference to business model and specific needs of the Company. The final determination is based on merit and contribution that the selected candidates will bring to the Board. "Board Diversity Policy" is publicly available on the website of the Company. As at the date of this annual report, the information (including gender, age and term of appointment) of the members of Board is as follows:

董事會成員多元化政策

提名委員會已就董事之提名採納《董事會成員多元化政策》以達致董事會成員多元化。董事會深信董事會成員多元化對提升公司的表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。董事會所有委任均以「唯才是用」為原則，並在考慮人選時以適當的條件充分顧及董事會成員多元化的裨益。公司致力於選擇最佳人選作為董事會成員。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族，並同時考慮本公司之業務模式及具體需要。最終將按人選的長處及可為董事會提供的貢獻而作決定。《董事會成員多元化政策》已載於本公司網站供公眾瀏覽。於本年報日期，董事會資料(包括性別、年齡、服務任期)如下：

Member **董事會成員**	**Gender** **性別**	**Age** **年齡**	**Term** (Note) **服務任期**(附註)
Mr. Chen Chengshou	Male	58	10 years and 8 months
陳承守先生	男	58歲	10年零8個月
Mr. Feng Cizhao	Male	49	9 years
豐慈招先生	男	49歲	9年
Ms. Gao Qiaoqin	Female	56	10 years and 4 months
高巧琴女士	女	56歲	10年零4個月
Mr. Zhou Zhencun	Male	63	3 years
周振存先生	男	63歲	3年
Mr. Khor Khie Liem Alex	Male	56	3 years and 2 months
許麒麟先生	男	56歲	3年零2個月
Mr. Chiu Kung Chak	Male	43	3 years
趙公澤先生	男	43歲	3年
Mr. Zhou Fenli	Male	55	2 months
周奮力先生	男	55歲	2個月
Mr. Cao Zhiqiang	Male	40	2 months
曹志強先生	男	40歲	2個月
Ms. Lee Yin Man	Female	41	2 months
李彥雯女士	女	41歲	2個月
Ms. Huang Chunlian	Female	29	2 months
黃春蓮女士	女	29歲	2個月

Note: Up to 28 February 2025

附註： 直至二零二五年二月二十八日

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one-third of the members of the Board shall be independent non-executive Directors;

(B) at least one of the members of the Board shall have obtained accounting or other professional qualifications; and

(C) members of the Board shall consist of professional talents both from PRC and Hong Kong.

For the year ended 31 December 2023, the Board has achieved the measurable objectives in the board diversity policy. The Nomination Committee will monitor the implementation of this policy and review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The terms of reference of the Nomination Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

Works Performed

The works performed by the members of Nomination Committee during the Year under Review are summarized as below:

(i) to formulate, consider and review the policy, procedures and process and criteria for the nomination of the Directors and make recommendations to the Board for its endorsement; and

(ii) review the structure, size and composition of the Board and assess on the independence of the independent non-executive Directors.

Director Nomination Policy

The director nomination policy formulated by the Nomination Committee is as follows:

This policy sets out the key selection criteria and principles of the Nomination Committee in making any such recommendations.

就實施董事會成員多元化政策而言，乃採納以下可計量目標：

(A) 至少三分之一董事會成員須為獨立非執行董事；

(B) 至少一名董事會成員須獲得會計或其他專業資格；及

(C) 董事會成員組成須包括中港兩地專業人才。

截至二零二三年十二月三十一日止年度，董事會已實現董事會成員多元化政策中的可計量目標。提名委員會將監察本政策的執行，並在適當時候檢討本政策，以確保本政策行之有效。提名委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

有關提名委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

履行之工作

提名委員會成員於回顧年內所履行之工作概述如下：

(i) 訂定、考慮及審閱提名董事的政策、程序及過程及準則，並向董事提出建議，以供其批註；及

(ii) 檢討董事會的架構、規模及組成以及評估獨立非執行董事的獨立性。

董事提名政策

提名委員會訂定的《董事提名政策》如下：

此政策旨在列明提名委員會於作出任何有關建議時所採用的主要甄選標準及原則。

Selection Criteria

The Nomination Committee shall consider the following factors, which are not exhaustive and shall be used by the Board at its discretion, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):

(a) reputation for integrity;

(b) accomplishment, experience and reputation in the business and industry;

(c) commitment in respect of time availability, interest and attention to the businesses of the Company and its subsidiaries;

(d) the diversity of the candidates in all aspects with reference to the Board Diversity Policy of the Company (as adopted and amended by the Board from time to time), including but not limited to gender, age, cultural/educational and professional background, ethnicity, professional experience, independence, skills, knowledge and length of service;

(e) in case of a candidate for an independent non-executive director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements in relation to independent non-executive directors as set out in Code Provision A.5.5 of Appendix 14 to the Listing Rules and in the "Guidance for Boards and Directors" published by the Hong Kong Stock Exchange; and

(f) any other relevant factors that may be considered by the Nomination Committee or the Board from time to time at their discretion.

Nomination Procedures

The nomination procedures to select and recommend candidates for the directorship of the Company can be summarised as follows:

(a) The chairman of the Nomination Committee will, upon his/her own motion or receipt of a nomination from a Board member (as the case may be), convene a meeting of the Nomination Committee or circulate a resolution in writing to the members of the Nomination Committee to consider the same in accordance with the terms of reference.

甄選標準

提名委員會在評估候選人是否適合任命董事或重新任命董事時，應考慮下列因素，這些因素並非詳盡無遺，董事會認為適當時候可酌情決定：

(a) 誠信的聲譽；

(b) 在商業和行業中的成就、經驗和聲譽；

(c) 對本公司及其子公司的業務給予足夠的時間、興趣和關注的承諾；

(d) 參考本公司的董事會成員多元化政策（經董事會採納並不時修訂），考慮其所有方面的多樣性，包括但不限於性別、年齡、文化／教育和專業背景、種族、專業經驗、獨立性、技能、知識及服務期長短；

(e) 就本公司獨立非執行董事候選人而言，將予評估：(i)有關候選人的獨立性（參考（其中包括）上市規則第3.13條所載的獨立性標準）；及(ii)上市規則附錄14守則條文第A.5.5條及香港聯交所公佈的「董事會及董事指引」所載的有關獨立非執行董事之指引及規定；及

(f) 提名委員會或董事會不時酌情決定的任何其他相關因素。

提名程序

甄選及推薦本公司董事候選人的提名程序可概述如下：

(a) 提名委員會主席將出於自願或於獲得董事會成員提名（視情況而定）時，召開提名委員會會議或向提名委員會成員傳閱書面決議案，以根據職權範圍考慮有關事項。

(b) For filling a casual vacancy to the Board or as an addition to the Board, the Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) to the nominated candidate and make recommendations to the Board for consideration, and the Board will then decide as to whether the nominated candidate shall be eligible to be appointed as a Director of the Company.

(c) For the re-election of Directors of the Company:

the Nomination Committee will conduct the relevant selection process and selection criteria to the director proposed to be re-appointed and make recommendations to the Board for consideration, and the Board will then decide as to whether the director shall be eligible to be re-appointed as a Director of the Company; and

if the director proposed to be re-appointed or re-elected due to retirement by rotation under the Articles of Association of the Company is an independent non-executive Director who has served the Board for more than 9 years, the Nomination Committee shall also assess whether the director has remained independent in the context of the Listing Rules, as amended from time to time (the "Listing Rules") and shall be re-elected at the next general meeting of the Company and make recommendations to the Board for consideration. The Board will then decide as to whether the director has remained independent in the context of the Listing Rules, and if so, recommend the proposed re-appointment/re-election of the director to the shareholders of the Company for consideration at the next general meeting of the Company. According to the Code Provision A.4.3 of the Appendix 14 to the Listing Rules, the circular of the Company relating to the proposed reappointment of such director shall include the reasons why the Board believes that the director is still independent and shall be re-elected.

(b) 填補董事會的臨時空缺或為董事會增補董事時，提名委員會將對獲提名的候選人執行相關甄選程序(連同相關甄選標準)，並向董事會提出推薦意見以供考慮，而董事會屆時將決定獲提名候選人是否有資格獲委任為本公司董事。

(c) 於重選本公司董事時：

提名委員會將對擬獲重選董事執行相關甄選程序及甄選標準，並向董事會提出推薦意見以供考慮，而董事會屆時將決定董事是否有資格獲重新委任為本公司董事；及

倘因根據本公司組織章程細則輪席告退而擬獲重新委任或重選的董事為服務董事會逾9年的獨立非執行董事，則提名委員會亦應評估董事就上市規則(經不時修訂)(「上市規則」)而言是否仍屬獨立及應否於本公司下屆股東大會上膺選連任，並向董事會提出推薦意見以供考慮。董事會屆時將決定董事就上市規則而言是否仍屬獨立，倘屬獨立，將於本公司下屆股東大會向本公司股東建議考慮重新委任／重選董事。根據上市規則附錄14守則條文第A.4.3條，有關擬重新委任有關董事的本公司通函應包括董事會相信董事仍屬獨立且應獲重選之理由。

Information of the Candidates

The proposed candidates will be required to submit the necessary personal information in a prescribed form by the Nomination Committee. Candidates may be required to provide additional information and documents, if deemed necessary by the Nomination Committee.

候選人資料

提名委員會將要求推薦的候選人按指定的形式提交必要的個人資料，候選人或需提供額外資料及文件(倘提名委員會認為必要)。

MANAGEMENT FUNCTIONS

Basically, the Board and its committees were responsible for the following matters during the year:

(i) oversee the general operations of the Company;

(ii) ensure effective implementation of the Board decisions and corporate governance, with the assistance of the Company Secretary;

(iii) ensure the short-term and long-term sustainability of the business;

(iv) lead the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(v) provide consistent leadership to the Company;

(vi) satisfy itself on the integrity of financial information and on robustness and defensibility of the financial controls and systems of risk management and carry out review thereon;

(vii) scrutinize the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(viii) provide constructive proposals and help on developing business strategic plan;

(ix) uphold high standards of corporate governance and compliance; and

(x) participate in the process of dealing with any conflict of interest between the Company and the Directors, his/her associates or substantial shareholders who have material interests in the transaction with the Company.

管理層職能

基本上，董事會及其委員會於本年度內負責以下事項：

(i) 監察本公司的一般營運；

(ii) 於公司秘書的協助下，確保董事會的決定及企業管治能有效實施；

(iii) 確保業務具有短期及長期的持續性；

(iv) 領導本公司管理層於達致協定方針及目標的表現以及監察表現的申報工作；

(v) 為本公司提供一致的領導；

(vi) 信納財務資料的真確性、財務監控及風險管理系統的可信性及可辯解性，並就此進行有關檢討；

(vii) 詳細檢討本公司管理層於達致協定方針及目標的表現，並監管表現的申報；

(viii) 就發展業務策略計劃書提供具建設性的建議及協助；

(ix) 保持高水平的企業管治及合規工作；及

(x) 參與處理就本公司與董事、彼等聯繫人或於本公司交易中擁有重大權益的主要股東之間的任何利益衝突的過程。

During the Year under Review, the management was mainly responsible for the following matters:

1. daily investment, management, operation and administration of the Company;
2. comply with the rules and regulations, including the Listing Rules, and implement corporate governance policy determined by the Board;
3. draw the Directors' attention on the new corporate governance requirements;
4. organize the Board and various meetings for the Directors' discussion;
5. prepare various reports to the Board for review and decision making; and
6. organize training for the Directors.

During the Year under Review, the management provided all members of the Board updates every half year in accordance with the code provision C.1.2 of the CG Code.

於回顧年內，管理層主要負責以下事項：

1. 本公司的日常投資、管理、營運及行政；
2. 遵守規例及法規(包括上市規則)以及推行董事會所釐定的企業管治政策；
3. 提請董事關注有關企業管治的新規定；
4. 組織董事會會議及各種會議供董事討論；
5. 編製各種報告供董事會審閱及決策；及
6. 為董事安排培訓。

回顧年內，管理層已根據企業管治守則之守則條文第C.1.2條向全體董事會成員提供每半年更新資料。

MULTIPLE MATERIAL UNCERTAINTIES RELATING TO GOING CONCERN

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB592,631,000 for the year ended 31 December 2023. At 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB3,920,171,000. In addition, at 31 December 2023, the Group's borrowings of approximately RMB1,279,465,000 and the convertible bonds issued by the Group amounting approximately RMB272,662,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The Management of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (ii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iii) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (iv) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，本集團於截至二零二三年十二月三十一日止年度產生虧損淨額約人民幣592,631,000元。於二零二三年十二月三十一日，本集團的流動負債超過其流動資產約人民幣3,920,171,000元。此外，於二零二三年十二月三十一日，本集團本金額約人民幣1,279,465,000元以及本集團已發行可換股債券約人民幣272,662,000元未根據借款協議之償還時間表償還，其構成違約事項。該等狀況連同綜合財務報表附註2所述其他事宜，表明存在的重大不確定性可能對本集團持續經營業務的能力帶來重大疑問。

本公司管理層已採取多項措施，以改善本集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設上編製，其有效性取決於該等措施實施之結果，並受限於多個不確定事項，包括(i)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(ii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為本集團可見將來的營運資金及承擔額外融資；(iii)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(iv)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘本集團未能按持續經營基準經營，而可能須作出有關調整以撇減本集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

During the course of audit of the consolidated financial statements of the Group for the year ended 31 December 2023, the Auditor had raised concern on the Group's ability to operate as a going concern. In order to address this concern, the Company has, among other things, taken the following measures, including but not limited to:

(i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests.

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 31 December 2023, the outstanding amount of the total principal is RMB1,279,465,000, and convertible bonds of approximately RMB272,662,000 were overdue pursuant to the relevant borrowing agreements.

(ii) Continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future.

As of the date of this report, the Company intends to obtain additional financing from other financial institutions using completed residential properties of the Group on terms deemed appropriate by the Group.

管理層有關無法表示意見的立場、意見及評估

於審核本集團截至二零二三年十二月三十一日止年度之綜合財務報表過程中，核數師已就本集團持續經營業務的能力提出關注。為解決此問題，本公司已採取以下措施(其中包括)，包括但不限於：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。

管理層一直就尚欠借款的重續或延展還款安排與現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括交叉違約條款所涵蓋的借款及利息)及希望延展到期日及尚欠借款的還款時間表。截至二零二三年十二月三十一日，仍尚欠本金總額人民幣1,279,465,000元，以及根據有關借款協議已逾期的可換股債券約人民幣272,662,000元。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。

截至本報告日期，本公司擬按本集團認為合適的條款，利用本集團已落成的住宅物業向其他金融機構取得額外融資。

(iii) Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group.

The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties.

The management of the Company thinks the said presale and sale of proceed are sufficient for the completion of the remaining construction work of the Block 9 and no. 16 of Shandong Project and the costs and capital expenditure are effectively controlled to meet the balancing of receipt and payment of cashflow. Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

Majority of the net proceeds from the Shandong Project has been and will be used for the repayment of the outstanding borrowings.

(iv) Actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price. The Company has been negotiating with certain potential purchasers and have done preliminary due diligence work regarding the sale of the whole Shanghai property development project currently at price deemed appropriate by the Group.

The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations were smoothly proceeded and the management of the Company compete for new investors to participate in investing Shanghai and Taizhou's renovation works in order to accelerate the sale of commercial real estate properties more rapidly and attractively.

The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowings. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(iii) 加速開發中及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。

本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。

本公司管理層認為上述預售及銷售所得款項足以完成山東項目第9座及第16座的餘下建築工程，並有效控制成本及資本開支，以應付現金流的收支平衡。由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入狀況。

大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用房。本公司現時已與若干潛在買方進行協商並已開展初步盡職審查工作，以按本集團認為合適的價格銷售整個上海物業開發項目。

本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，本公司管理層爭取新投資者參與投資上海及台州的改造工程，以更快及更具吸引力地加快商業房地產物業的銷售。

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) Actively accelerate the sale of its properties. The Company intends to sell the whole or portion of commercial properties in Taizhou and Shanghai at a reasonable price, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position. In addition, the management of the Company has launched the proposal of capital re-organization and right issue with view to fund raising of approximately not more than HK$84.2 million to repay the borrowings of the Group, also for convertible bond and other borrowings and to maintain adequate working capital for company's normal operation. For details, please refer to an announcement dated 6 December 2024.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2023 on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures above. The Group's ability to continue as a going concern will depend upon whether the Group is able to obtain financing when required, while the attainability will depend on the performance of the Group and whether the Group is able to generate sufficient cash flow from operations and plans to control costs, and the attainability depends on the market performance. Despite the efforts made by the Company to address the concern, the Auditor proposed the disclaimer of opinion. The management of the Company has considered the Auditor's rationale and understood their consideration in arriving the disclaimer of opinion.

(v) 積極加快物業銷售。本公司擬以合理價格出售台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。此外，本公司管理層已展開資本重組及供股之建議，以籌集約不超過84.2百萬港元之資金，以償還本集團貸款、可換股債券及其他貸款，並維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二四年十二月六日之公告。

因此，董事認為按持續基準編製本集團截至二零二三年十二月三十一日止年度的綜合財務報表屬恰當。

儘管上文所述，本集團能否獲得實現上述計劃及措施的必要資金仍存在重大不確定因素。本集團持續經營的能力將取決於本集團能否取得所需融資，而可獲得性將取決於本集團的表現及本集團能否產生充足的經營現金流量及控制成本的計劃，可獲得性取決於市場表現。儘管本公司已作出努力解決此問題，而核數師已發表無法表示意見。本公司管理層已考慮核數師的理據，並理解彼等作出無法表示意見的考慮。

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

All Directors had participated in continuous professional development to develop and refresh their knowledge and skills through suitable training. These training included but not limited to general disclosure duty related to Directors, guide on inside information disclosure, market misconduct framework, case analysis and other compliance trainings. The participation in such trainings is to ensure that their contribution to the Board remains informed and appropriate.

董事之持續專業發展

全體董事已參與持續專業發展，透過合適培訓發展及更新彼等之知識及技能。該等培訓包括但不限於有關董事一般性披露責任、內幕消息披露指引及市場失當行為的框架及案例分析等合規培訓。該等培訓之參與乃確保彼等向董事會作出知情及恰當之貢獻。

Directors	董事	Types of training 培訓類型
Executive Directors	**執行董事**	
Mr. Chen Chengshou	陳承守先生	B
Mr. Feng Cizhao	豐慈招先生	B
Non-executive Directors	**非執行董事**	
Ms. Gao Qiaoqin	高巧琴女士	B
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)	蔡偉康先生(於二零二五年二月二十四日辭任)	A and及 B
Mr. Zhou Zhencun	周振存先生	B
Independent Non-executive Directors	**獨立非執行董事**	
Mr. Khor Khie Liem Alex	許麒麟先生	B
Mr. Chiu Kung Chak	趙公澤先生	B
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)	劉偉樑先生(於二零二四年十二月十日辭任)	A and及 B

For the year ended 31 December 2023, the Directors also participated in the following training:

A: attending seminars and/or conferences and/or forums

B: reading newspapers, journals and updates relating to the latest changes and development of the economy, relevant industries, the Listing Rules, corporate governance practices, and etc.

截至二零二三年十二月三十一日止年度，董事亦有參與以下培訓：

A： 出席研討會及／或會議及／或論壇

B： 閱讀有關經濟、相關行業、上市規則、企業管治常規之最新變動及發展等之報章、刊物及更新資料

DIVIDEND POLICY

The Board of the Company has approved and adopted a dividend policy (the "Dividend Policy") on 26 February 2019. The Company considers stable and sustainable returns to the shareholders of the Company as its goal. Pursuant to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, *inter alia*:

(a) financial performance, cash flow position, business condition and strategic position of the Group

(b) actual and future demand for working capital and liquidity of the Group

(c) expected future expansion plans of the Group

(d) debt to equity ratios and the debt level of the Group

(e) retained earnings and distributable reserves of the Group

(f) the expectation of the shareholders and investors and the norm of the industry

(g) the general market conditions

(h) any restrictions on payment of dividends

(i) any other relevant factors that the Board deems appropriate

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. Pursuant to the Memorandum and Articles of the Association of the Company and all applicable laws and regulations and the factors set out below, the Board may from time to time declare payment of interim dividends or special dividends to the shareholders as appear to the Board to be justified by the financial conditions and profit of the Company. The Company in general meeting may declare final dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Board of the Company will review the Dividend Policy as appropriate from time to time.

股息政策

本公司董事會已於二零一九年二月二十六日批准及採納股息政策(「股息政策」)。本公司以提供穩定及可持續回報予本公司股東作為目標。根據股息政策，在決定是否建議派發股息及釐定股息金額時，董事會應考慮(其中包括)：

(a) 本集團的財務業績、現金流狀況、業務狀況及策略狀況

(b) 本集團的實際和未來營運及流動資金需求狀況

(c) 本集團預期未來擴展計劃

(d) 本集團的負債對權益比率及債務水準

(e) 本集團的保留盈餘和可供分派儲備

(f) 股東及投資者的期望及行業的常規

(g) 一般市場情況

(h) 任何派付股息的限制

(i) 董事會認為適當的任何其他相關因素

在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其營運資金需求及未來增長並維持其股東價值。根據本公司組織章程大綱及細則、所有適用法律及法規及下列因素，董事會可不時向股東派發其鑑於本公司的財務狀況及溢利而認為合理的中期股息或特別股息，而本公司亦可在股東大會中宣佈任何貨幣之末期股息，但任何股息均不得多於董事會所建議的款額。

本公司董事會將在有需要時檢討股息政策。

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company (the "Audit Committee") consists of four independent non-executive Directors, namely Mr. Khor Khie Liem Alex (being the chairman of the Audit Committee), Mr. Chiu Kung Chak, Ms. Lee Yin Man and Ms. Huang Chunlian. The consolidated interim and annual results and financial reports for the Year under Review of the Company have been reviewed by the Audit Committee.

審閱年度業績

本公司審核委員會(「審核委員會」)成員包括四名獨立非執行董事,即許麒麟先生(即審核委員會主席)、趙公澤先生、李彥雯女士及黃春蓮女士。審核委員會已審閱本公司回顧年內的綜合中期及年度業績及財務報告。

INDEPENDENT AUDITOR'S REMUNERATION

For the year ended 31 December 2023, the remuneration paid or payable to the Independent Auditor of the Company, Global Link CPA Limited ("Global"), was approximately HK1.90 million for audit services (2022: approximately HK1.90 million).

獨立核數師酬金

截至二零二三年十二月三十一日止年度,就核數服務已付或應付予本公司的獨立核數師高嶺會計師有限公司(「高嶺」)的酬金總額為約為1.90百萬元(二零二二年約為1.90百萬元)。

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以儘早發佈為基礎,而中期報告及年報,連同其他股價敏感資料公佈及財務披露則根據上市規則之規定而公佈。

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

管理層向董事會提供解釋、資料及最新進度,讓董事會就財務及其他事項於提交董事會審批及考慮前,可作出知情評估。

Throughout the Year under Review, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. A statement made by the Independent Auditor on their reporting responsibilities for the Year under Review is set out in this annual report.

於回顧年內,董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目,賬目須真實而公平,並根據國際會計準則理事會頒佈之國際財務報告準則而編製。獨立核數師就彼等於回顧年內之報告責任所發出之聲明已載於本年報內。

The Group's auditor has issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2023 with the basis of multiple material uncertainties relating to going concern. For details, please refer to "Management Discussion and Analysis" and Note 2 to the consolidated financial statements on pages 136 to 167.

基於與持續經營相關的多個不確定事項,本集團核數師對本集團截至二零二三年十二月三十一日止年度綜合財務報表無法表示意見。詳情請參閱「管理層討論及分析」及第136至167頁綜合財務報表附註2。

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and objectives

The Board acknowledges that it is the responsibility of the Board to maintain adequate risk management and internal control systems and to review the effectiveness of such systems on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalize the risk management of the Group, build up a standard and effective risk management system and improve the ability of risk prevention, so as to ensure that the Group could operate in a safe and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

The Board has delegated the work (with relevant authorities) of risk management and internal controls to the Audit Committee. For the year ended 31 December 2023, the Audit Committee, on behalf of the Board, oversaw the management in the design, implementation and monitoring of the risk management and internal control systems.

Main features of the risk management and internal control systems

The risk governance structure and the main responsibilities of each level of the structure of the Group are summarised as below:

Board

- Determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of risks it is willing to take in achieving the strategic objectives of the Group;
- Ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems; and
- Oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

風險管理及內部監控

方針及目標

董事會確認對風險管理及內部監控系統充分性負責，並有責任持續檢討其有效性。該風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。

風險管理政策的制定旨在使本集團的風險管理正規化，建立標準及有效風險管理系統，提升防範風險能力，從而確保本集團於安全穩定的環境中經營業務，經營管理水平可獲提升，且可達成本集團的經營策略及目標。現有慣例將被定期審閱及更新，以遵循企業管治中的最新慣例。

董事會已將風險管理及內部監控的職責(連同相關授權)轉授予審核委員會。截至二零二三年十二月三十一日止年度，審核委員會(代表董事會)監督管理層對風險管理及內部監控系統的設計、實施及監察。

風險管理及內部監控系統的主要特點

本集團之風險管治架構以及架構內各階層的主要職責簡介如下：

董事會

- 釐定本集團之業務策略與目標，及評估並釐定本集團達成策略目標時所願意接納的風險性質及程度；
- 確保本集團建立及維持合適及有效的風險管理及內部監控系統；及
- 監督管理層對風險管理及內部監控系統的設計、實施及監察。

Audit Committee

- Assists the Board to perform its responsibilities of risk management and internal control;
- Oversees the risk management and internal control systems of the Group on an ongoing basis;
- Reviews the effectiveness of the risk management and internal control systems of the Group at least once annually, which includes the reliability of financial reporting, operational effectiveness and efficiency, compliance with applicable laws and regulations, staff qualifications and experience, and adequacy of relevant budget, and such review shall cover all material controls including financial, operational and compliance control;
- Ensures the adequacy of resources, staff qualifications and experience, training programmes and relevant budget of the accounting, internal audit and financial reporting functions of the Group; and
- Considers major findings on risk management and internal control matters, and reports and makes recommendations to the Board.

Management

- Designs, implements and maintains appropriate and effective risk management and internal control systems;
- Identifies, evaluates and manages the risks that may potentially impact the major processes of the operations;
- Monitors risks and takes measures to mitigate risks in day-to-day operations;
- Gives prompt responses to, and follows up the findings on risk management and internal control matters raised by the internal audit team or the external risk management and internal control review adviser; and
- Provides confirmation to the Board and Audit Committee (there is no risk management committee) on the effectiveness of the risk management and internal control systems.

審核委員會

- 協助董事會執行其風險管理及內部監控的職責；
- 持續監督本集團的風險管理及內部監控系統；
- 最少每年檢討一次本集團的風險管理及內部監控系統是否有效。當中包括財務匯報的可靠性，營運效益及效率，適用法令及法規的遵從，員工資格與經驗，以及有關預算是否足夠，有關檢討應涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控；
- 確保本集團在會計、內部審核及財務匯報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程，以及有關預算；及
- 考慮有關風險管理及內部監控事宜的重要調查結果，並向董事會匯報及作出建議。

管理層

- 設計、實施及維持合適及有效的風險管理及內部監控系統；
- 識別、評估及管理可能對運作之主要程序構成潛在影響之風險；
- 監察風險並採取措施降低日常營運風險；
- 對內部審計團隊或外部風險管理及內部監控審閱顧問提出之有關風險管理及內部監控事宜之調查結果，作出及時的回應及跟進；及
- 向董事會及審核委員會(並無風險管理委員會)提供有關風險管理及內部監控系統是否有效的確認。

Internal Control Management Team

- Reviews the adequacy and effectiveness of the risk management and internal control systems of the Group;
- Reports to the Audit Committee the findings of the review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified;
- Reviews the risks of major investment development projects, and continuously improves the policies and standards for environmental control in accordance with the COSO internal control framework and the comprehensive risk management framework to ensure effective risk prevention and control; and
- Based on five elements, namely environment control, risk assessment, activities control, information and communication, monitoring to assess the internal control system of the Group. The methods, findings and results of the annual review have been reported to the Audit Committee and the Board.

內控管理團隊

- 審閱本集團風險管理及內部監控系統是否足夠及有效；
- 向審核委員會匯報審閱結果並向董事會及管理層作出建議，以改善制度之重大不足之處或所發現之監控缺失；
- 審查重大投資開發項目的風險，按照COSO內部控制框架和全面風險管理框架，持續改善控制環境的政策及標準，確保風險的有效防控；及
- 根據控制環境、風險評估、控制活動、信息和溝通及監督五大範疇，評估本集團之內部監控系統。年度檢討之方法、發現及結果經已向審核委員會及董事會匯報。

Process used to identify, evaluate and manage significant risks

As a routine procedure and part of the risk management and internal control systems, executive Directors and the senior management would meet at least once every three months to review the financial and operating performance of each department. The senior management of the key operating subsidiaries is also required to keep executive Directors informed of material developments of the business of the department and implementation of the strategies and policies set by the Board on a regular basis.

用於識別、評估及管理重大風險的程序

作為常規程序及部分風險管理及內部監控系統的一部分，執行董事及高級管理層將至少每三個月會見一次，以檢討各部門的財務及營運表現。主要經營附屬公司的高級管理層亦須告知執行董事部門業務的重大發展以及實施董事會定期制定的策略及政策。

The processes for identifying, evaluating and managing significant risks by the Group are summarised as follows:

本集團用於識別、評估及管理重大風險的程序簡介如下：

Risk Identification

- Identifies risks that may potentially affect the business and operations of the Group.

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact of risk on the business and the likelihood of their occurrence.

風險評估

- 使用管理層建立之評估標準，評估已識別之風險；及
- 考慮風險對業務之影響及出現之可能性。

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control procedures to prevent, avoid or mitigate the risks.

風險應對

- 透過比較風險評估之結果，排列風險優先次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control procedures are in place;
- Revises the risk management strategies and internal control procedures in case of any significant changes; and
- Reports the results of risk monitoring to the management and the Board regularly.

The Board has in place an internal audit function as required under code provision D.2.5 of the CG Code. To strengthen the risk management and internal control of the Group, the Company has engaged an independent professional adviser ("Internal Control Adviser") to perform an independent appraisal of certain subsidiary's risk management and internal control system for the year ended 31 December 2023. The scope of review for the Year included the Group's corporate level controls, human resources and payroll management of a principal operating subsidiary as well as the financial reporting and disclosure process and analysis and assessment relating to the Group's environmental, social and governance performance and reporting. The Internal Control Adviser has reported the results of internal control review and recommendations for improvement to the Audit Committee. The Group will closely follow up on each recommendation for improvement to ensure that it is implemented within a reasonable period of time. The Board, therefore, considers that the risk management and internal control procedures of the Group are adequate to meet the needs of the Company in its current business environment and that nothing has come to its attention to cause the Board to believe the risk management and internal control systems of the Group are inadequate.

Information disclosure policy

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosures are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- Designated reporting channels from different operations informing any potential inside information to designated departments;
- Designated persons and departments to determine further escalation and disclosure as required; and
- Designated persons authorised to act as spokespersons and respond to external enquiries.

風險監察及匯報

- 持續並定期監察有關風險，以及確保設有適當的內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 向管理層及董事會定期匯報風險監察的結果。

董事會已根據企業管治守則的守則條文第D.2.5條設立內部審核職能。為加強本集團的風險管理及內部監控，本公司已委聘獨立專業顧問(「內部監控顧問」)對若干附屬公司於二零二三年十二月三十一日止年度的風險管理及內部監控系統展開獨立評估。本年度檢討的範圍包括本集團的企業層面控制、一間主要營運附屬公司的人力資源及薪資管理以及財務匯報及披露流程及與本集團環境、社會及管治表現及報告有關的分析及評估。內部監控顧問已向審核委員會報告內控審閱結果及改善建議。本集團會密切跟進各改善建議，確保於合理的時間範圍內實施。董事會認為本集團的風險管理及內部監控程序有效，足以應付本公司當前業務環境的需求，且未有發現任何導致董事會相信本集團風險管理及內部監控體系並不充分之事宜。

信息披露政策

本集團訂有信息披露政策，確保能掌握潛在內幕消息並加以保密，直至按上市規則作出一致且適時的披露為止。該政策規管處理及發放內幕消息的方式，其中包括以下各項：

- 特設匯報渠道，讓不同營運單位向指定部門匯報潛在內幕消息的信息；
- 指定人士及部門按需要決定進一步行動及披露方式；及
- 指定人士為發言人，回應外界查詢。

REVIEW OF THE AUDIT COMMITTEE AND THE BOARD

The Audit Committee and the Board had reviewed the risk management and internal control of the Group for the Year under Review. They considered the risk management and internal control system were effective and adequate as they allowed the Board to monitor the overall financial position of the Group and to provide reasonable assurance that assets are safeguarded against unauthorised use or material financial misstatement; transactions were executed with authorization of the management; and the accounting records were reliable for preparing financial information used within the business or for publication and reflecting accountability for assets and liabilities.

審核委員會及董事會之審閱

審核委員會及董事會已審閱本集團回顧年內之風險管理及內部監控。彼等認為風險管理及內部監控系統屬有效及足以讓董事會監察本集團之整體財務狀況及可合理保證資產不會被未授權使用或出現重大財務錯誤陳述；交易乃根據管理層之授權簽立；及會計記錄能可靠地編製供業務內使用或作刊發之財務資料，並反映資產及負債之可表述性。

COMPANY SECRETARY

The company secretary of the Company, Mr. Kam Chun Ying Francis ("Mr. Kam"), directly reports to the chief executive officer and is responsible to the Board for ensuring that the Board procedures, applicable laws, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and arranging the induction training and professional development for the Directors.

According to Rule 3.29 of the Listing Rules, Mr. Kam has taken no less than 15 hours of relevant professional training for the year ended 31 December 2023.

公司秘書

本公司公司秘書甘俊英先生(「甘先生」)直接向行政總裁匯報，並向董事會負責，以確保遵從董事會程序、適用法律、規定及法規，且董事會活動有效率並有效地進行。彼亦負責確保董事會全面評估與本集團有關的企業管治發展及安排董事的入職培訓及專業發展。

根據上市規則第3.29條，甘先生已於截至二零二三年十二月三十一日止年度參與不少於15小時的相關專業培訓。

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association on 8 June 2015, which became effective on the Listing Date. There had been no significant changes in the constitutional documents of the Company during the year ended 31 December 2023.

章程文件的重大變更

本公司已於二零一五年六月八日採納經修訂及經重列之備忘錄及組織章程細則並於上市日期生效。本公司截至二零二三年十二月三十一日止年度之章程文件並無重大變更。

SHAREHOLDERS' RIGHTS

The Company treats all shareholders equally with a view to ensuring that their rights can be fully exercised and their legitimate interests can be safeguarded and that the shareholders' general meetings can be convened and held in strict compliance with the relevant laws and regulations. The governing structures of the Company ensure equality among all shareholders, especially the minority shareholders and that they will undertake their obligations accordingly.

股東權利

本公司平等對待所有股東，確保股東能充分行使權利。保護其合法權益：能夠嚴格按照相關法律法規的要求召集、召開股東大會。本公司的管治結構確保所有股東，特別是少數股東享有平等的權利，並承擔相應的義務。

Procedures for convening general meetings by shareholders

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東召開股東大會之程序

根據組織章程細則第64條，董事會可按其認為合適的時候召開特別股東大會。特別股東大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在存放該請求書後2個月內召開。如董事會在請求書存放日期起計21日內未有進行安排召開有關會議，則請求(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

Procedures for putting forward proposals at Shareholders' meeting

Shareholders are requested to follow Article 64 of the Articles of Association for proposing a resolution at an extraordinary general meeting. The requirements and procedures are set out in the paragraph headed the "Procedures for convening general meetings by shareholders" above.

於股東大會上提呈建議之程序

在股東特別大會上提呈決議案的股東應遵循組織章程細則第64條的規定。有關規定及程序載於上文「股東召開股東大會之程序」一段。

Procedures for nominating a candidate for election as a Director by shareholders of the Company

Pursuant to Article 113 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office of the Company. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

本公司股東提名人選參選董事之程序

根據公司章程第113條，除非一項有意提名選舉該位人士為董事的書面通知以及一項該位被推選人士簽發表明其願意選舉之書面通知已呈交至本公司總辦事處或註冊辦事處，否則概無人士(退任董事除外)有權在任何股東大會上選舉出任董事職位(除非由董事會推選)。提交該等通知之期間須由不早於指定進行該推選之股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七日結束，而向本公司發出該等通知之最短期間須為最少七日。

For details of "the procedures for nominating a candidate for election as a Director by shareholders", please visit the website of the Company.

有關「本公司股東提名人選參選董事之程序」的詳情，請瀏覽本公司網站。

SHAREHOLDERS COMMUNICATION POLICY

1. Purpose

1.1 This policy aims to set out the objective of providing shareholders with information about the Company, so that they can engage actively with the Company and exercise their rights as shareholders in an informed manner.

2. General policy

2.1 Information shall be circulated to shareholders through the financial reports of the Company (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the (i) corporate communication documents including, but not limited to, copy of annual reports, interim reports, notices of meetings, circulars, proxy forms ("Corporate Communication"); (ii) other documents issued by the Company which are published on the website of the Main Board of the Hong Kong Stock Exchange for the information or action of holders of any of its securities, including announcements, monthly returns on movements in the securities of the Company for each month and next day disclosure returns; (iii) constitutional documents of the Company and Board committees; (iv) corporate information including a list of directors ("Directors") of the Company; and (v) other corporate publications including the procedures for nominating a candidate for election as a Director by shareholders on the website of the Company.

2.2 Effectively and timely dissemination of information to shareholders shall be ensured at all times. Any question regarding this policy shall be directed to the Company Secretary or the Board of Directors of the Company.

3. Communication strategies

Shareholders' enquiries

3.1 Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail at Unit D, 7/F., Kee Shing Centre, 74–76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company Secretary is responsible for forwarding communications relating to matters within the direct responsibilities of the Board to it and communications relating to ordinary business matters, such as suggestions and inquiries, to the CEO of the Company.

3.2 Shareholders will be provided with the information of designated contact person, e-mail address and hotlines to enable them to raise any questions regarding the Company.

股東傳訊政策

1. 目的

1.1 本政策旨在載列向股東提供有關本公司的資料之目標，讓其可積極與本公司交流及以有根據的方式行使其作為股東之權利。

2. 整體政策

2.1 本公司須通過本公司之財務報告（中期報告及年度報告）、股東週年大會及可能召開之其他股東大會向股東提供資料，以及提供所有(i)公司通訊文件（包括（但不限於）年報、中期報告、大會通告、通函、代表委任表格之副本）（「公司通訊」）；(ii)本公司所發出而在香港聯交所主板之網站刊登以供其任何證券持有人參考或行動的其他文件，包括公告、每個月本公司的證券變動月報表及翌日披露報表；(iii)本公司及董事會委員會之憲章文件；(iv)公司資料，包括本公司董事（「董事」）名單；及(v)其他公司刊物，包括於本公司網站提供股東提名候選人參選董事的程序。

2.2 須時刻確保有效及適時向股東分發資料。有關本政策之任何疑問可向本公司之公司秘書或本公司董事會提出。

3. 溝通策略

股東查詢

3.1 股東可將其查詢及關注事項郵寄至香港九龍尖沙咀金巴利道74–76號奇盛中心7樓D室，註明公司秘書收，以便送交董事會。公司秘書會將有關董事會直接負責事宜的通訊轉交董事會及將有關建議及查詢等日常業務事宜的通訊轉交本公司行政總裁。

3.2 股東將獲提供指定聯絡人、電郵地址及查詢熱線等資訊讓其可就本公司提出任何疑問。

Corporate communication

3.3 Corporate Communication will be provided to shareholders in plain language and in both English and Chinese versions to facilitate their understanding.

Corporate website

3.4 A dedicated "Investor Relations" section is available on the website of the Company (http://www.xinm.com.cn). Information on the website of the Company will be updated on a regular basis.

3.5 Information released by the Company to the Hong Kong Stock Exchange is also uploaded on the website of the Company immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders' meetings

3.6 Shareholders are encouraged to attend general meetings or if they fail to do so, to appoint proxies to attend and vote at such meetings on their behalf.

3.7 Appropriate arrangements for annual general meetings shall be in place to encourage shareholders' participation.

3.8 The process of a general meeting of the Company will be monitored and reviewed on a regular basis, and changes will be made if necessary to ensure compliance with shareholders' needs.

3.9 The members of the Boards (especially the Chairman or the representative of the Board committee), appropriate management executives and external auditors will attend annual general meetings and answer shareholders' questions.

4. Shareholder privacy

4.1 The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law.

公司通訊

3.3 公司通訊將會以中、英文以淺白語言提供予股東，以便股東理解。

公司網站

3.4 本公司網站(http://www.xinm.com.cn)設有「投資者關係」一欄。本公司網站的資料會定期更新。

3.5 本公司向香港聯交所發放的資料亦於其後隨即上載本公司網站。有關資料包括財務報表、業績公佈、通函及股東大會通告及相關說明文件等。

股東大會

3.6 鼓勵股東參與股東大會，或如其無法出席股東大會，則委任代表代其出席股東大會及於會上表決。

3.7 股東週年大會將訂有適當安排以鼓勵股東參與。

3.8 本公司股東大會之過程將獲得監察及定期檢討，如有需要，會作出更改，以確保能配合股東需要。

3.9 董事會成員(特別是董事會委員會主席或其代表)、適當的管理行政人員及外聘核數師，將出席股東週年大會，回答股東提問。

4. 股東私隱

4.1 本公司肯定股東私隱的重要性，除非法律要求，否則在未得其同意的情況下，不會披露股東資料。

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a website (http://www.xinm.com.cn) to make the corporate information available on the internet to facilitate its communication with shareholders and to provide the public investors with important information, including corporate governance structure and terms of reference of Board committees.

The Company welcomes comments from investors and shareholders, and invites them to share their views and suggestions at:

investorcontact@yahoo.com

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東(包括機構投資者)定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有網頁(http://www.xinm.com.cn)，使股東可透過互聯網取得公司資料，加強與股東之溝通，並提供重要資料予公眾投資者，包括企業管治架構以及董事會轄下委員會之職權範圍。

本公司歡迎投資者及股東提出意見，並誠邀彼等分享意見及建議，電郵地址為：

investorcontact@yahoo.com

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In accordance with Appendix C2 – Environmental, Social and Governance ("ESG") Reporting Guide ("ESG Reporting Guide") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Xinming China Holdings Company (the "Company") and its subsidiaries (collectively as the "Group" or "we") is pleased to present its Environmental, Social and Governance Report (the "ESG Report" or the "Report") for the year ended 31 December 2023. In this report, the Group has strictly followed the mandatory disclosure requirements and "comply or explain" provisions set out in the ESG Reporting Guide to disclose ESG matters during the reporting period. The Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Scope and duration of the report

The information presented in this ESG Report covers the period from 1 January 2023 to 31 December 2023 (the "Reporting Period", "Year" or "2023"). The information contained in this report was collected and compiled through various channels, including but not limited to the Group's internal control policies, factual evidence of ESG-related measures implementation, key performance indicators ("KPIs") as set out in the ESG Guide, and quantitative data on the Group's annual performance in its business operations and ESG management. The scope of the Report during the Year is the same as the period from 1 January 2022 to 31 December 2022 ("Last Year", or "2022"), including:

- The Group's headquarter office in Hangzhou;
- Shandong Xingmeng Property Limited ("Shandong Xingmeng") Office; and
- Shandong Xingmeng project company and its property development projects.

關於環境、社會及管治報告

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄C2－環境、社會及管治(「ESG」)報告指引(「ESG報告指引」),新明中國控股有限公司(「本公司」)及其附屬公司(統稱「本集團」或「我們」)欣然提呈截至二零二三年十二月三十一日止年度的環境、社會及管治報告(「ESG報告」或「本報告」)。在本報告中,本集團已嚴格依循ESG報告指引所載的強制披露規定及「不遵守就解釋」條文,對報告期內的環境、社會及管治事項進行披露。本報告以中文及英文刊發於聯交所網站。倘中英版本間出現不符,概以中文版為準。

匯報範圍及報告期

本環境、社會及管治報告中所呈述的資料涵蓋二零二三年一月一日至二零二三年十二月三十一日期間(「報告期」、「本年度」或「二零二三年」)。本報告所載資料的收集與整理途徑多樣,包括但不限於本集團的內部監控政策;執行環境、社會及管治相關措施的事實證據;環境、社會及管治指引所載的關鍵績效指標(「KPI」),以及本集團在其業務運營及環境、社會及管治管理方面的年度表現量化數據。本年度的報告範圍與二零二二年一月一日至二零二二年十二月三十一日期間(「去年度」或「二零二二年」)相同,包括:

- 本集團位於杭州的總部辦公室;
- 山東興盟置業投資有限公司(「山東興盟」)辦公室;及
- 山東興盟項目公司及其物業開發項目。

Reporting standards

The Group has prepared, evaluated and presented relevant information in this report with reference to the ESG Reporting Guide. Details regarding corporate governance are separately contained in the section headed "Corporate Governance Report". The following four principles outlined in the ESG Reporting Guide have been incorporated into this Report.

1. Materiality: The ESG Report should cover the Company's prominent impact on the economy, environment and society, or such scopes that substantively influence stakeholder assessment and decisions. We identified material sustainability issues and disclosed relevant information through stakeholder engagement.

2. Quantitative: The ESG Report should disclose KPIs in quantitative terms. We disclosed KPIs in the Report with quantitative measures whenever feasible and provide explanatory notes stating the standards, methodologies, assumptions and source of conversion factors used in calculating the relevant data.

3. Balance: The ESG Report should present a balanced picture of each of these issues in an objective manner, be they positive or negative, to ensure a comprehensive picture of performance is reasonably reflected. The Report identified and elaborated both the achievements and the challenges faced by the Group in the Year.

4. Consistency: The ESG Report should disclose information in a consistent manner so that stakeholders can analyse and assess the Company's performance in different periods of time. The company should explain the change(s) to any of its methods. Unless otherwise specified, the Report adopted consistent methodologies to compare the KPIs of different areas for the Year and 2022, so that stakeholders can compare our performance.

報告準則

本集團已參照ESG報告指引，在本報告中編製、評估並呈列相關資料。有關企業管治的詳情個別載於「企業管治報告書」一節。ESG報告指引所概述的以下四項原則已被納入本報告中。

1. 重要性：ESG報告應涵蓋反映公司對經濟、環境及社會的顯著影響，或實質上影響持份者評估及決定的範疇。我們透過持份者參與來識別重大可持續發展議題並披露相關資料。

2. 量化：ESG報告應以可計量的方式披露關鍵績效指標。我們在可行情況下，以量化方式披露關鍵績效指標於本報告內，並在解釋性批註中列明了計算相關數據時的標準、方法、假設，以及主要換算因素的來源。

3. 平衡：ESG報告應以客觀態度持平地描述每項議題，無論屬於正面或負面，以確保合理地反映公司的整體績效。本報告識別並闡述本集團在本年度所獲得的成就及所面對的挑戰。

4. 一致性：ESG報告應使用一致方式披露信息，以便持份者分析及評估公司於不同時間的表現。公司應就任何方法的變化作出解釋。除特別指明外，本報告採用一致的方法比較不同範疇在本年度及二零二二年的關鍵績效指標，以便持份者對我們的表現作比較。

BUILDING A SUSTAINABLE FUTURE
Sustainability governance structure

To integrate sustainable development management into the Group's corporate governance framework, the Group established an ESG Committee in 2018, which is primarily responsible for annual ESG data collection and reporting matters, identifying and assessing potential ESG-related risks of the Group, and developing and monitoring business-related ESG objectives. The Board is the ultimate decision-making body for the sustainable development framework and bears overall responsibility for sustainability matters. It oversees the Group's sustainable development direction and strategy, ensures the effectiveness of risk management (including climate and ESG-related risks) and internal control systems, and establishes and reviews sustainability goals. The ESG group also reports to the Board on a regular basis of the progress of ESG work and targets for review and assessment. Set out below are members and individual responsibilities of our ESG group:

建立可持續發展未來
可持續發展管治架構

為了將可持續發展管理納入本集團的企業管治架構，本集團自二零一八年起成立了ESG小組，主要負責年度ESG數據收集及報告事宜、識別及評估本集團ESG相關的潛在風險、制定及監察與業務相關的ESG目標。董事會為可持續發展架構的最終決策單位，肩負可持續發展事宜的整體責任，負責監督本集團的可持續發展方向和策略，確保風險管理(包括氣候及ESG相關風險)和內部監控系統的有效性，以及制定與檢討可持續發展目標。ESG小組需定期向董事會匯報ESG工作及目標的進展，以作檢討及評估之用。以下為我們的ESG小組成員及個別職責：



ESG risk management

The Board and the risk management committee have jointly developed the Group's risk management policies. Each department and person in charge of risk are required to report the Risk Management and Internal Control Evaluation Checklist to the internal control and audit department every six months, which will then analyze and provide opinion on the list to identify significant risks that may potentially affect the business and operations of the Group, and report the same to the risk management committee to determine the risk exposure as a whole. Any material ESG risks identified in the process will also be notified to the ESG group to further assess the potential impact of the risks. Subsequently, we determined the risk response policies and internal control procedures to prevent, avoid or mitigate the risks. For details of risk management and internal control, please refer to the section headed "Corporate Governance Report", and for details of the principal risks and uncertainties we have identified, please refer to the section headed "Directors' Report".

環境、社會及管治風險管理

董事會與風險管理委員會已共同制定本集團的風險管理政策。各部門或風險負責人每半年需要向內控審計部上報《風險管理及內部監控評估清單》，由內審部分析有關意見，識別可能對本集團業務及營運構成潛在影響之重大風險，並向風險管理委員會匯報，釐定整體風險水平。倘若當中發現任何重要的ESG風險亦會向ESG小組通報，進一步評估風險帶來的潛在影響。及後，透過釐定風險應對方案及內部監控程序以防止、避免或降低風險。有關風險管理及內部監控詳情請參閱「企業管治報告書」一節，而我們已識別的主要風險及不確定事項詳情請參閱「董事會報告書」一節。

Stakeholder engagement

The Group values stakeholder engagement and actively maintains close communication with various stakeholders through diverse and open communication channels. By understanding and responding to stakeholders' needs and expectations regarding both internal and external interests, the Group formulates its sustainable development strategy and identifies ESG risks and opportunities. Through these efforts, the Group is committed to creating lasting value for its stakeholders.

持份者參與

本集團重視各持份者的參與，通過搭建多元化且暢通的溝通管道，積極與各持份者保持密切的聯繫和溝通，了解並回應持份者對本集團內部及外部利益相關方的需要和期望，從而擬定本集團的可持續發展策略，辨識本集團的環境、社會及管治風險與機遇，致力為利益相關方創造恒久的價值。

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
Internal stakeholders **內部持份者**	Shareholders and investors 股東及投資者	• Return on investment 投資回報 • Financial stability and sustainability 財政穩定及持續性 • Information disclosure and transparency 信息披露及透明度 • Corporate governance 公司管治 • Risk control 風險控制	• Periodic reporting 定期報告 • Annual General Meeting 股東週年大會 • Company's website and email 公司網站及電郵
	Employees 員工	• Employment rights and interests 僱傭權益 • Compensation and benefits 薪酬及福利 • Occupational safety and health 職業安全及健康 • Training and career development 培訓及事業發展	• Regular meetings and training 定期會議及培訓 • Performance assessment 績效考核 • Employee activity 員工活動 • Internal communication 內部通訊

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
External stakeholders **外部持份者**	Customers 客戶	• Property quality 房產質量 • Protection of customer privacy and rights 客戶隱私及權益的保護 • Business ethics 商業道德	• Customer service hotline and email 客戶服務熱線及電郵 • Direct communication 直接溝通 • Customer satisfaction survey 客戶滿意度調查
	Suppliers 供應商	• Supplier management 供應商管理 • Honesty and integrity 誠信廉潔 • Environmental protection 環境保護	• Public bidding 公開招標 • Standard procurement procedures 標準的採購程序 • Direct communication 直接溝通 • On-site inspection 實地考察 • E-mail and telephone 電郵及電話 • Meetings 會議
	Professional organizations 專業機構	• Environmental protection and social responsibility 環境保護及社會責任 • Regulated ethics and business practices 規範的操守及營商手法	• Questionnaires and online participation 問卷及在線參與 • Telephone discussion 電話討論
	Government and regulators 政府及監管機關	• Compliance with laws, regulations and policies 遵守法律、規例及政策 • Occupational health and safety 職業健康及安全 • People's welfare 人民福祉 • Employment 就業情況 • Tax payment in accordance with laws 依法納稅	• Monitor compliance with relevant laws and regulations 監察遵守相關法律及規例 • Routine reporting and tax payments 例行報告和稅務繳納 • E-mail and telephone 電郵及電話
	Communities 社區	• Community engagement 社區參與 • Care for the environment 愛護環境	• Company's website 公司網站 • Mass media 大眾傳媒

ESG materiality assessment

To continuously improve the Group's sustainability performance, during this Reporting Period, the Group continued to implement annual reviews and conduct materiality assessments. This helps us identify and prioritise matters of importance to stakeholders, gradually building their trust in us. Selected stakeholders were invited to participate in electronic questionnaire surveys to determine their views on key ESG issues of the Group. A materiality assessment was conducted to help more accurately and objectively understand the concerns and changing demands of various stakeholders, further advancing the Group's sustainable business strategy. The specific process for materiality assessment is as follows:

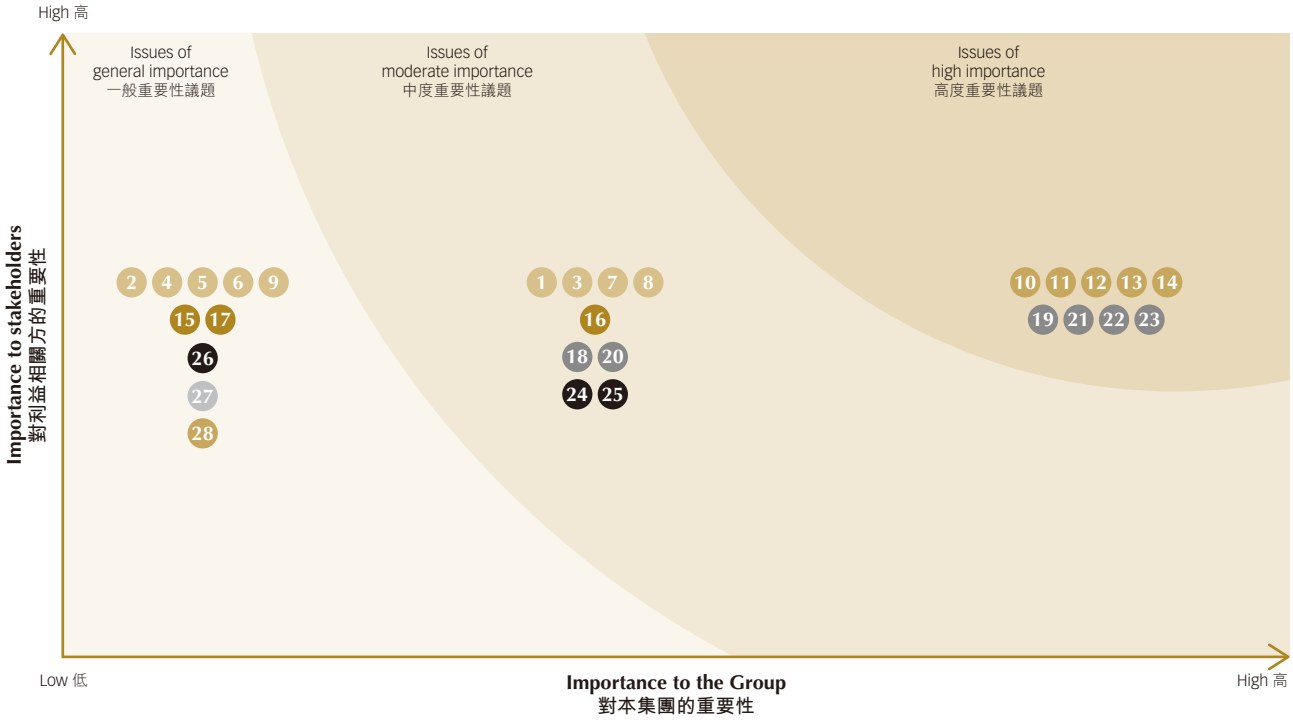
環境、社會及管治的重要性評估

為不斷優化本集團的可持續發展工作表現，本集團在本報告期內繼續實施年度檢討，開展重要性評估，有助我們識別和優先處理持份者重視的事項，從而逐漸建立持份者對我們的信任。選定的持份者受邀參與電子問卷調查，確定持份者對本集團環境、社會及管治關鍵問題的看法，並對本集團進行實質性評估，有助更準確、客觀地了解各利益相關方的關注點以及訴求變化，進一步推動集團的可持續業務策略，具體重要性評估過程如下：



The chart below presents the results of this materiality assessment: 下圖列式了本次重要性評估的結果：

Materiality assessment matrix
重要性分析矩陣



Environmental protection
環境保護

1 Air emissions
空氣排放
2 Greenhouse gas emissions
溫室氣體排放
3 Hazardous waste
有害廢棄物
4 Non-hazardous waste
無害廢棄物
5 Energy Use
能源使用
6 Water resources
水資源
7 Materials used
材料使用
8 Protection of the environment and natural resources
保護環境及天然資源
9 Climate change
氣候變化

Employment and labor practices
僱傭及勞動常規

10 Employee diversity and equal opportunities
員工多元化和平等機會
11 Employee compensation
員工待遇
12 Occupational health and safety
職業健康和安全
13 Employee development/training
員工發展／培訓
14 Illegal labor
不合法勞工
28 Promotion of local employment
促進當地就業

Operations
營運

15 Supply chain selection and monitoring
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17 Environmental friendliness of products and services
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Product liability
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18 Product health and safety
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20 Marketing and promotion
營銷和推廣
21 Intellectual property
知識產權
22 Customer information and privacy
顧客信息和私隱
23 Product and service labels
產品和服務標籤

Anti-corruption
反貪污

24 Corrupt practices
腐敗行為
25 Anti-corruption policy and reporting
反貪污政策及舉報
26 Anti-corruption training
反貪污培訓

Social responsibility
社會責任

27 Community support
社區支持

According to the materiality matrix, ESG issues positioned in the upper right corner of the matrix are considered relatively important by both the Group and external stakeholders. Currently, employee diversity and equal opportunities, occupational health and safety, employee development/training, illegal labor practices, employee compensation, customer satisfaction, product and service labeling, intellectual property rights, and customer information and privacy have been identified as issues of high importance for the Group. The issues above are classified as key elements in driving the Group's sustainable business development, and we will elaborate on them further in the following sections.

根據重要性矩陣顯示，於矩陣靠右上方的環境、社會及管治議題，相對本集團和外部持份者同樣認為比較重要。目前識別出員工多元化和平等機會、職業健康和安全、員工發展／培訓、不合法勞工、員工賠償、客戶滿意度、產品和服務標籤、知識產權及顧客信息和私隱為本集團的高重要性事宜。上述議題被歸類為推動本集團可持續發展業務的主要元素，我們將在下文各章節中對其進一步闡述。

Report feedback

We consistently value stakeholder opinions and consider them fundamental to our continuous improvement. Both Chinese and English versions of this Report have been uploaded to the website of the Hong Kong Stock Exchange. If you have any comments or suggestions regarding this Report and our sustainability efforts, please write to Unit D, 7/F, Kee Shing Centre, 74-76 Kimberly Road, Kowloon, Hong Kong.

報告反饋

我們一貫重視持份者的寶貴意見，並視之為我們持續改進的基礎。本報告的中英文版本已上載於香港聯交所網站。如　閣下對本報告以及我們的可持續發展工作有任何意見及建議，歡迎致函至香港九龍金巴利道74–76號奇盛中心7樓D室。

CREATING VALUES FOR THE ENVIRONMENT

The Group understands the urgency of climate change and other environmental crises, and therefore is committed to promoting green, low-carbon practices by integrating environmental protection into daily operations and minimizing environmental impact in regular operations to fulfill its commitments. We strictly comply with People's Republic of China laws and regulations regarding air and greenhouse gas emissions, water and land pollution, and waste generation, including but not limited to the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and the Regulations on Environmental Protection Management for Construction Projects. During the Year, we are not aware of any significant violations of environmental protection laws and regulations.

為環境創造價值

本集團明白氣候變化和其他環境危機的緊迫性，因此致力提倡綠色低碳，將環保融入日常業務，在日常營運中最大限度地減少對環境的影響，從而履行其承諾。我們堅守中華人民共和國法律及法規有關廢氣及溫室氣體排放、向水及土地的排污、廢棄物產生等的規定，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國節約能源法》、《中華人民共和國環境影響評價法》及《建設項目環境保護管理條例》。本年度，我們並不知悉任何有關重大違反法律及法規的環保事宜。

Energy and gas emissions management

The Group's main business is property development, with all real estate development work carried out by third-party contractors, therefore the Group does not directly generate air, water, and construction waste pollution from construction work. For the Year, the Group's main energy consumption and gas emissions sources were from fuel used for vehicles and electricity consumed by office, and tenants in the commercial areas. Due to the increase in electricity consumption by commercial area tenants, the Group's total greenhouse gas emission intensity increased compared to 2022.

能源及氣體排放管理

本集團主要業務為物業開發，由此所有房地產開發工程均由第三方承建商負責，因此本集團沒有直接產生因建築工程所引致的空氣、水及建築廢料污染。本年度本集團的主要能源消耗及氣體排放來源為車輛使用的燃料和辦公室及商業區租戶的用電。由於商業區租戶的用電量增加，與二零二二年相比，本集團溫室氣體排放總量密度有所增大。

Energy and gas emissions performance[1, 2] 能源及氣體排放表現[1, 2]	2023 二零二三年	2022 二零二二年	Unit 單位
Gas emissions **氣體排放**			
Nitrogen oxides (NO_x) 氮氧化物(NO_x)	1.23	1.09	kg 公斤
Sulphur oxides (SO_x) 硫氧化物(SO_x)	0.04	0.04	kg 公斤
Particular matter (PM) 懸浮顆粒(PM)	0.09	0.07	kg 公斤
Greenhouse gas emissions **溫室氣體排放**			
Scope 1 (Direct emissions) 範圍1(直接排放)	9.14	8.19	tonnes of CO_2 equivalent 公噸二氧化碳當量
Scope 2 (Indirect emissions) 範圍2(間接排放)	420.60	354.97	tonnes of CO_2 equivalent 公噸二氧化碳當量
Total emissions (Scopes 1 and 2) 總排放量(範圍1及2)	429.74	363.16	tonnes of CO_2 equivalent 公噸二氧化碳當量
Intensity of greenhouse gas emissions 溫室氣體排放密度	2.46	2.08	kg of CO_2 equivalent/m^2 公斤二氧化碳當量／平方米

1 Regarding the disclosure of air and greenhouse gas emissions, the referenced materials include, but are not limited to, the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard" published by the World Resources Institute and the World Business Council for Sustainable Development, the "Notice on Managing Greenhouse Gas Emission Reporting for the Power Generation Industry 2023–2025" issued by China's Ministry of Ecology and Environment, the global warming potential values from the "Sixth Assessment Report" published by the Intergovernmental Panel on Climate Change, and the "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

1 有關廢氣及溫室氣體排放的披露，參照的資料包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、中國生態環境部發佈的《關於做好2023–2025年發電行業溫室氣體排放報告管理有關工作》、各國政府間因氣候變化而成立的專門委員會所發佈的《第六次評估報告》內的全球升溫可能值及聯交所發佈的《如何準備環境、社會及管治報告－附錄二：環境關鍵績效指標匯報指引》。

2 As our real estate development projects are outsourced to the contractors, the contractors' data on partial construction projects has not been collected and disclosed.

2 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。

Due to the increase in electricity consumption by commercial area tenants, compared with 2022, the Group's total energy consumption intensity increased.

由於商業區租戶的用電量增加，與二零二二年相比，本集團能源消耗總量密度有所增大。

Energy and gas emissions performance[2, 3] 能源及氣體排放表現[2, 3]	2023 二零二三年	2022 二零二二年	Unit 單位
Energy consumption **能源消耗**			
Unleaded petrol 無鉛汽油	29.23	25.57	MWh 兆瓦時
Liquefied petroleum gas 液化石油氣	5.01	5.43	MWh 兆瓦時
Electricity purchased 外購電力	737.51	622.43	MWh 兆瓦時
Total energy consumption 能源消耗總量	771.75	653.43	MWh 兆瓦時
Intensity of energy consumption 能源消耗密度	4.42	3.75	kWh/m² 千瓦時／平方米

2 As our real estate development projects are outsourced to the contractors, the contractors' data on partial construction projects has not been collected and disclosed.

2 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。

3 The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.

3 單位換算的計算方法乃參考國際能源署刊發的《能源統計手冊》。

Water management

The Group is committed to green and low-carbon practices. For domestic sewage and construction wastewater generated during project construction period, we require contractors to implement wastewater prevention measures during construction period, including setting up wastewater sedimentation tanks to collect various types of industrial wastewater for dust suppression on site, and require timely removal to prevent the problem of groundwater contamination from rainfall, ensuring effective reduction of resource consumption and proper recycling. We also strengthen awareness of water conservation among employees through promotional and educational efforts, including posting water-saving reminders in offices and enhancing inspections of all faucets to ensure they are tightly closed, with immediate handling of any leaks to reduce overall water consumption. During the Year, we did not encounter any difficulties in sourcing suitable water.

用水管理

本集團致力實踐綠色低碳，對於項目施工期所產生的生活污水和建設施工廢水，我們要求承建商於施工期間採取廢水防治措施，包括設置廢水沉澱池以收集各類生產廢水作場地增濕道路抑塵使用，並需要及時清運以防止因雨水淋浴而導致地下水污染的問題，確保能有效地減少資源消耗並妥善循環利用。而我們亦加強宣傳及教育員工節約用水的意識，除了於辦公室貼上節水提示外，亦加強檢查所有水龍頭是否緊密關閉，並立即處理所有洩漏，從而減少整體耗水量。本年度，我們在求取適用水源方面並無任何困難。

The Group's water consumption intensity in 2023 and 2022 was similar.

本集團二零二三年及二零二二年的耗水密度相若。

Data on water use 用水數據	2023 二零二三年	2022 二零二二年	Unit 單位
Total water consumption 總耗水量	18,402.00	18,327.00	m^3 立方米
Water consumption intensity 耗水密度	0.11	0.11	m^3/m^2 立方米／平方米

Waste management

The Group adheres to compliant waste disposal and is committed to recycling practices. For solid waste generated during project construction, including domestic and construction waste, sealed transportation is required. Waste must not only be collected separately but also stored in waterproof garbage bins to prevent exposure, scattering, or leakage, with final collection and disposal handled daily by the municipal environmental sanitation department. The Group also recycles collected waste based on its usability; for example, construction waste such as broken bricks and residue can be reused as foundation filling materials, while other materials like timber, floor mortar, concrete, metal products, steel, plastic products, and hardware must be transported to designated locations for processing. When applicable, waste is sent to recycling stations or waste collection points for recycling implementation.

For domestic waste from daily office activities, including but not limited to non-hazardous waste such as office paper waste, proper classification and disposal are implemented. Our operations do not generate significant packaging materials or hazardous waste. To continuously strengthen waste management, we will gradually enhance paperless office operations, including moving document processing and expense approval processes online to reduce office paper usage and consumption, thereby conserving forest resources.

廢棄物管理

本集團堅持合規處理廢棄物並致力實踐循環利用，對於項目施工期所產生的固體廢物，包括生活垃圾和建築垃圾在運輸過程需要使用密封化處理，不單需要分類收集，亦需要使用不透水的垃圾桶存放以防止曝露、散落或滲漏的情況發生，最後由市政環境衛生部每天負責收集清理。本集團亦根據廢棄物可使用程度，經收集後進行重複利用，例如建築廢料、碎磚石、殘渣可以重用作為填築地基物料，但其他類型的材料例如木材、落地砂漿、混凝土、金屬製品、鋼材、塑膠製品、小五金等物料，則需要運至指定地點處理。若適用，更會把垃圾分配到回收站或廢品收集站處理，實行循環再用。

對於源於日常辦公活動的生活垃圾，包括但不限於辦公日常的廢紙等無害廢棄物，亦會妥善分類及棄置。我們運營中不會產生重大的包裝物和有害廢棄物。為持續加強廢棄物管理，我們將逐步加強辦公室的無紙化營運模式，包括把公文處理及費用審批等流程轉移至在線處理，以減少辦公用紙的使用和消耗，以節約林木資源。

The Group's non-hazardous waste intensity in 2023 and 2022 was similar.

本集團二零二三年及二零二二年的無害廢棄物密度相若。

Waste[4] 廢棄物[4]	2023 二零二三年	2022 二零二二年	Unit 單位
Non-hazardous waste **無害廢棄物**			
Office waste paper 辦公廢紙	0.22	0.12	tonnes 公噸
Food waste 廚餘	–	0.20	tonnes 公噸
Total amount of non-hazardous waste 無害廢棄物總量	0.22	0.32	tonnes 公噸
Non-hazardous waste intensity 無害廢棄物密度	0.001	0.002	kg/m^2 公斤／平方米

4 Since we outsource our real estate development projects to contractors, the contractor's data on some projects cannot be collected and disclosed. Since other property companies are responsible for processing non-hazardous waste including but not limited to domestic garbage and food waste, relevant data cannot be collected.

4 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。由於其他物業公司負責處理包括但不限於生活垃圾和廚餘等無害廢棄物，故相關數據無法收集。

Project environment and resources management

The Group is committed to responding to the nation's carbon neutrality goals and aims to utilize resources efficiently and effectively. We strictly implement current emission reduction and energy-saving measures, striving to minimize losses during production processes, achieve sustainable development, and create long-term value for stakeholders and communities. To minimize the environmental impact of property development projects, we engage professional environmental consultants to conduct environmental impact assessments for approval regarding air emissions, wastewater, solid waste, environmental risks, noise, and ecological impacts during construction process and after construction project completion. If construction sites undergo significant changes in scale or nature, we must submit updated environmental assessment reports to government agencies for approval and report to relevant local government authorities. All projects will only proceed with development after securing approvals.

項目環境及資源管理

本集團致力回應國家制定的碳中和目標並以充分有效利用資源為宗旨，嚴格執行目前的減排節能措施，盡量降低生產過程中的損耗，實現可持續發展，為持份者及社區創造長遠價值。為了盡量減低物業項目開發對環境的影響，我們會委託專業環境顧問就施工過程中及建築項目完成後所產生的廢氣、污水、固體廢物、環境風險、噪音及對生態環境的影響進行環境影響評估作審批，若相關項目的建築工地在規模或性質上有重大變更，我們必須向政府機構提交更新的環境評估報告以作審批，並上報當地相關政府機關，所有項目會確保取得審批後才會進行項目開發。

To minimize air pollution, noise pollution, wastewater, and waste emissions, during the tender process, we require partnering contractors to comply with China's relevant environmental protection and safety laws and regulations, and prioritize contractors who propose construction plans that incorporate technologies for reducing environmental pollution. Furthermore, we make regular inspections to the construction site to verify whether the performance of the contractor meets our requirements, so as to ensure that we are able to identify problems in a timely manner and make rectification immediately. Upon project completion, the Group will apply to relevant government authority for the acceptance of environmental inspection to ensure that all requirements are compliant with national and project standards. The Group is aware of the inevitable generation of exhaust and noise during the construction process, so we are committed to requiring the outsourced contractor to take the following effective measures to reduce carbon emission generated from projects and reduce the impact on the environment.

為了盡力降低空氣污染、噪音污染、廢水和廢物排放，在招標過程中，我們要求合作的承包商遵守中國有關的環境保護及安全之法律及法規，並盡量優先採用包含降低環境污染技術的施工方案的承包商。此外，我們亦會定期巡查建築地盤，檢查承包商的表現是否合符規定要求，以確保我們能及時發現問題，並立刻作出糾正措施。而在竣工後，本集團會向相關政府部門申請環境驗收，確保所有要求都符合國家及項目規定。本集團明白在施工過程中無可避免會製造廢氣及噪音，所以我們致力要求負責開發工程的外包承建商採用以下有效的措施以減少項目所產生的碳排放及降低對環境的影響。

Exhaust processing

- In order to prevent dust pollution during the construction process, a closed fence shall be built up around the construction site during construction, and a dust-proof net shall be installed outside;
- The roads at the construction site shall be paved or mobile sprinklers, movable fog guns, tower crane sprays and other equipment shall be in place to spray the ground to reduce dust;
- Application of airtight storage or fence and use of dust-proof cloth to cover building materials that are easily to generate dust;
- A car washing platform shall be set up to clean the transport vehicles in time to prevent from dusting due to mud and dust.

廢氣處理

- 為防止施工過程中出現揚塵污染，在施工建設期間工地會以檔板圍封，並對外設置防塵網；
- 工地內的車行道採用硬化或加設移動灑水車、移動霧炮、塔吊等噴灑地面之設備，減低揚塵情況；
- 採用密閉儲存方式、加設圍擋及使用防塵布覆蓋及存放容易產生揚塵的建築物料；
- 設置洗車平台以及時清洗運輸車輛，保持車輛清潔，防止車輛因沾上泥塵而導致揚塵。

Noise management

- Low-noise equipment shall be used as far as possible, the speed of excavators, loading and unloading vehicles to enter and leave the site shall be limited;
- Reasonable arrangement and allocation processes shall be applied to the construction hours to avoid simultaneous and long-term operation of a large number of high-noise equipment;
- Temporary sound barriers shall be equipped around the construction site to reduce the impact of noise on the surroundings;
- Rational construction hours shall be planned to avoid working during lunch break, and prohibit construction after ten o'clock in the evening and during special periods (such as periods during high school entrance examination and college entrance examination).

Sewage treatment

- A sedimentation tank shall be set up at the vehicle washing platform, and sewage may only be discharged or reused after treatment;
- Oil-repellent pool shall be set up in the canteen, and sundries and grease shall be cleaned on a regular basis to prevent waterway blockage and secondary pollution of water sources;
- Toxic or hazardous wastes for earthwork backfilling are not allowed to avoid contamination of groundwater and soil quality.

Green office

The Group's main energy emissions come from daily office operations. To fulfill our commitment to environmental protection, we are dedicated to reducing operational emissions as our goal, including but not limited to greenhouse gas emissions, energy consumption, water consumption, and waste generation, etc. We actively implement various energy-saving and emission-reduction measures across our offices in different locations, doing our utmost to gradually reduce exhaust emissions, greenhouse gas emissions, waste generation, and water consumption, thereby contributing to environmental protection. Meanwhile, the Group has established environmental protection requirements for all suppliers, including third-party contractors responsible for real estate development projects, to reduce the carbon footprint of our supply chain.

噪音管理

- 盡量採用低噪聲設備，挖掘機、裝卸車輛進出場地限速行駛；
- 妥善安排及分配施工工序，避免大量的高噪聲設備同時及長時間施工；
- 在施工現場周圍建設臨時聲障，希望可以減弱噪音對鄰近環境的影響；
- 規劃合理施工時間，避免於午休時間作業，在晚間十點後及特殊時期(如中、高考期間)禁止施工。

污水處理

- 在車輛清洗處設置沉澱池，經處理後的污水方可排放或重用；
- 食堂設置隔油池，並定期清淘雜物和油脂，防止水道堵塞及水源二次污染；
- 禁止將有毒或有害廢棄物用作土方回填，以免污染地下水及土質。

綠色辦公室

本集團的主要能源排放為辦公室日常營運，為了落實對環境保護的承諾，我們致力以減少營運排放作為目標，包括但不限於溫室氣體排放、能源消耗、耗水，以及廢棄物的產生等，積極透過在各地營運的辦公室實施多項節能減排的措施，盡我們最大所能逐步減少廢氣排放、溫室氣體排放、廢棄物量、用水量等，為環境保護作出貢獻。同時，本集團對所有供應商，包括負責房地產開發工程的第三方承建商制定相關環保要求，以減少供應鏈的碳足跡。

Carbon reduction and energy conservation

- Employees are encouraged to close electronics and office equipment not in use and set up automatic turn-off time for printers and screens in the office in advance to reduce energy consumption;
- Light emitting diode ("LED") lamps were applied to office in Hangzhou to improve resources efficiency and reduce electricity consumption;
- Employees are encouraged to reduce arrangement for business travel and try to adopt video or phone meetings to reduce carbon emission;
- Signs or notices on the importance of energy conservation are posted in the office area to improve employees' environmental awareness;
- Water saving notices are posted in restrooms and pantries to remind employees to turn off the taps after use to avoid water waste.

減碳節能

- 鼓勵員工關閉非使用中的電器及辦公設備，而預先為辦公室的打印機及顯示熒幕設置自動關閉時間，以減少能源消耗；
- 杭州的辦公室已採用發光二極管燈(「LED」)以提升資源效能，節約用電；
- 鼓勵職員減少差旅安排，盡可能採用視訊或電話模式進行在線會議，減少產生碳排放；
- 辦公室範圍張貼了節能重要性之標誌或告示以提高職員的環保意識；
- 洗手間及茶水間張貼了節水告示以提醒員工於使用後關緊水龍頭，避免浪費水資源。

Waste reduction and reuse

- Employees are encouraged to use electronic tools such as email and instant messaging software to communicate internally and externally to reduce paper consumption;
- Employees are encouraged to use recyclable cups and cutlery instead of disposable cutlery;
- Employees are encouraged to print or photocopy on both sides;
- Employees are encouraged to reuse stationery such as old envelops and folders.

減廢重用

- 鼓勵員工使用電郵、實時通訊軟件等電子工具對內外溝通，以減少紙張消耗；
- 鼓勵員工使用可循環再用的杯及餐具，代替即棄餐具；
- 鼓勵員工雙面打印或影印；
- 鼓勵員工重用文具，例如舊信封、文件夾。

Climate change

The Group deeply understands the urgency of climate change, and in response to society's growing concern about climate change and related issues, the Group has increased its attention to the risks brought by climate change and is committed to addressing these challenges and closely monitoring the potential impacts of climate change on our business and operations. Following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") framework, the Group identifies and conducts climate risk assessments and strives to manage potential climate-related risks that may affect our business activities.

Physical Risks

Extreme weather events such as typhoons, heavy rain, storms, and extreme cold or hot weather may pose safety risks to the Group's real estate properties and project works and affect project development progress. To address the potential impacts of physical risks, the Group has developed various emergency response plans according to the Environmental and Safety Civilization Management System. These plans clearly define the emergency organization structure and responsibilities of each member, assess potential risks based on extreme weather conditions, and design emergency handling procedures and rescue plans to minimize potential impacts on our operations.

Transition Risks

To actively achieve carbon neutrality goals, governments in project locations may establish new environmental regulations and stricter emission requirements. To comply with stricter regulations, we expect our operational costs for projects will increase. In response, from local project managers to the board of directors, we regularly monitor existing and emerging climate-related trends, policies, and regulations to avoid increased costs, regulatory fines, or reputational damage due to delayed responses.

氣候變化

本集團深明氣候變化的緊迫性，同時為響應社會對氣候變化及相關議題日益增加的關注，本集團亦提高關注氣候變化所帶來的風險，致力於應對此挑戰並密切監察氣候變化對我們業務及營運的潛在影響。本集團根據氣候相關財務資料披露工作小組(「TCFD」)框架的建議，識別及開展氣候風險評估工作並致力管理可能影響本集團業務活動的潛在氣候相關風險。

實體風險

極端天氣事件如颱風、暴雨、風暴及極端寒冷或酷熱天氣，可能會對本集團的房地產物業及項目工程產生安全風險並影響項目開發進度，為了應付實體風險帶來的潛在影響，本集團按照《環境及安全文明管理制度》特製各類應急預案，明確應急組織架構及各成員的職責，根據極端天氣事件狀況評估事故潛在風險，設計應急處理程序及救援方案，盡最大限度地降低對我們的潛在影響。

過渡風險

為了積極實現碳中和目標，項目所在地的政府或會定立新的環境法規和更嚴格的排放要求，為應對更嚴格監管，我們投資在項目上的營運成本預計將會上升。就此，我們從各地項目負責人至董事會定期監控與氣候相關的現有及新興趨勢、政策及法規，以避免因延遲響應而導致成本增加、違規罰款或影響聲譽。

CREATING OPPORTUNITIES FOR OUR EMPLOYEES

Employment practices

The Group firmly believes that talents are the cornerstone of maintaining sustainable development, so it attaches great importance to the contributions of its employees to us. At the same time, it is committed to providing diversified training and development opportunities for each employee, striving to create a healthy and safe working environment for employees, and promoting the common development of the company and employees. The Group strictly abides by the relevant employment laws and regulations, such as Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and Social Insurance Law of the People's Republic of China. During the Year, the Group was not aware of any material violation of related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Recruitment, promotion, and dismissal

The Group continuously optimizes its labor management system and human resources management framework, and it has established a sound employee rights supervision and protection system, including HR policies such as the Employee Handbook to attract and retain talent. To ensure fair and transparent recruitment and promotion processes, we recruit talent through job fairs, recruitment websites, internal promotions, or internal referrals. The Group strictly complies with all laws and regulations, adhering to equal employment principles to ensure all employees legally enjoy various rights and fair treatment. The Group values talent and believes that regular performance evaluations and reviews provide opportunities for employees to discuss their performance and career development with supervisors, which helps enhance employee competitiveness and explore unlimited potential. Employees who perform exceptionally well in evaluations and meet promotion criteria will have opportunities for position advancement and salary increases under fair competition.

為員工創造機會

僱傭常規

本集團深信人才是維持可持續發展的基石，因此高度重視員工對我們的貢獻，同時致力於為每位員工提供多元化培訓及發展機會，努力為員工創造健康安全的工作環境，促進公司與員工共同發展。本集團一直嚴格遵守相關僱傭法律法規例如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國職業病防治法》及《中華人民共和國社會保險法》等。本年度，本集團並不知悉任何與本集團有關違反薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視、其他待遇及福利相關法律法規之重大違規情況。

招聘、晉升及解僱

本集團持續優化勞工管理制度和人力資源管理架構，目前已建立良好的員工權益監督及保障體系，包括《員工手冊》等人力資源政策去吸引及挽留人才。為了保證招聘及晉升程序均以公平及公開的方式進行，我們會透過招聘會、招聘網站、內部晉升或內部推薦等途徑招攬人才。本集團嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇。本集團珍視人才價值，相信透過定期進行的表現評核及檢討，讓員工有機會與主管討論其表現及事業發展，有助提升員工的競爭力，發掘無限潛能。在評核當中表現優異且符合晉升條件的員工會在公平競爭的情況下，獲得職位晉升和加薪的機會。

The Group does not tolerate unfair and illegal dismissals, ensuring dismissal procedures are fair and transparent, with written notice provided to employees within the legally required notice period. Employees have the right to freely choose resignation under legal conditions. Employees must complete work handover and resignation procedures after providing legally required notice periods and obtaining department leader approval. We also conduct exit interviews with departing employees to help management better understand employee needs and improve the overall work environment.

本集團絕不容忍不公平及非法解僱，確保解僱程序公平公開，並在法規要求的通知期內以書面形式通知員工。而員工在合符法規條件情況下，擁有自由選擇離職的權利。員工需要向我們提供法規要求的通知期並經部門領導批准後，完成工作交接及離職程序。我們亦會對離職員工進行離職面談，有助管理層更好地了解僱員的需求及改善整體工作環境。

Compensation and benefits

To further attract and retain experienced talented professionals, the Group continuously improves its employee compensation and benefits system, offering fair and competitive market remuneration packages that align with employees' experience, qualifications, and titles. Additionally, we conduct annual performance evaluations and salary reviews based on market conditions, company and individual performance, and provide discretionary year-end bonuses, directly reflecting employees' value contributions to the Group. The Group cares for its employees and has established a series of benefits including: meal allowances, transportation allowances, communication allowances, and holiday bonuses on public holidays. We implement a 5-day work week, and in addition to statutory annual leave, we provide sick leave, personal leave, national statutory holiday leave, marriage leave, maternity leave, bereavement leave, and work injury leave based on individual needs. We focus on employees' physical and mental development and actively promote work-life balance by regularly organizing birthday celebrations and employee trips to continuously enhance employee motivation, sense of belonging, and team cohesion, which helps improve work efficiency in the long run.

薪酬及福利

為了進一步吸納及挽留經驗豐富的優秀人才，本集團不斷完善員工薪酬福利體系，提供與員工經驗、資格及職銜相符、既公平又具市場競爭力的薪酬待遇。同時，我們每年都會進行表現評核，並根據市場情況、公司及個人表現進行薪資檢討及提供酌情年終花紅，讓員工在集團貢獻的價值有更直接的體現。本集團關愛員工，設立了一系列的福利包括：工作餐補助金、交通補貼，通訊補貼及節假日發放過節費等，同時實行5天工作週，而除法定年假以外，亦會因應個人需要給予病假、事假、國家法定節日假、婚假、產假、喪假、及工傷假等假期。我們關注員工身心發展，積極倡導工作與生活的平衡，因此定期為員工舉行生日慶祝活動及組織員工旅行遊玩，藉以持續增進員工間的積極性，歸屬感及團隊凝聚力，長遠有助提升員工工作效率。

Diversity, equal opportunity, and anti-discrimination

The Group is committed to creating a diverse workforce and healthy work environment, strictly complying with all laws and regulations while adhering to equal employment principles. We ensure all employees legally enjoy various rights and fair treatment, protecting the values, religious beliefs, and privacy of employees of different nationalities, races, genders, and cultural backgrounds from infringement.

多元化、平等機會及反歧視

本集團致力於打造多元化的工作團隊及健康的工作環境，並嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇，保障不同國籍、種族、性別、文化背景的員工的價值觀、宗教信仰和隱私不受侵犯。

As of 31 December 2023, the Group had a total of 39 employees, with all of them working in Mainland China. The breakdowns of them by different categories are set out as follows:

截至二零二三年十二月三十一日，本集團共有39名員工，全部於中國內地任職，按不同性質劃分之員工分佈如下：

Employee were classified **員工分佈**	**2023** **二零二三年**	**2022** **二零二二年**	**Unit** **單位**
By gender **按性別劃分**			
Male 男性	21	20	Number of individuals 人數
Female 女性	18	20	Number of individuals 人數
By contract category **按合約類型劃分**			
Full-time 全職	39	40	Number of individuals 人數
Part-time 兼職	–	–	Number of individuals 人數
By employment category **按僱傭類別劃分**			
Senior management 高級管理層	4	5	Number of individuals 人數
Middle management 中級管理層	10	9	Number of individuals 人數
General and other personnel 一般及其他員工	25	26	Number of individuals 人數
By age **按年齡劃分**			
18–25 18至25歲	4	1	Number of individuals 人數
26–35 26至35歲	7	20	Number of individuals 人數
36–45 36至45歲	20	13	Number of individuals 人數
46–55 46至55歲	8	5	Number of individuals 人數
Over 56 56歲或以上	0	1	Number of individuals 人數

For the year ended 31 December 2023, the Group's employee turnover rate is 36%[5] in Mainland China. The breakdowns of them by different categories are set out as follows:

二零二三年十二月三十一日止年度，本集團於中國內地的員工流失比率為36%[5]，按不同性質劃分之員工流失比率如下：

Employee turnover rate[6] 員工流失比率[6]	2023 二零二三年	2022 二零二二年	Unit 單位
By gender **按性別劃分**			
Male 男性	43	5	%
Female 女性	28	25	%
By age **按年齡劃分**			
18–25 18至25歲	–	–	%
26–35 26至35歲	57	30	%
36–45 36至45歲	40	–	%
46–55 46至55歲	25	–	%
Over 56 56歲或以上	–	–	%

5 The total employee turnover rate is calculated by dividing the total number of employees who resigned during the Year by the number of employees at the end of the Year, and then multiplying by 100%.

6 The employee turnover rate by category is calculated by dividing the number of employees of that category who resigned during the Year by the number of employees of that category at the end of the Year, and then multiplying by 100%.

5 總僱員流失率是按年內總離職僱員人數除以年末的僱員人數，再乘以100%計算。

6 各類別的僱員流失率是按年內該類別的離職僱員人數除以年末該類別的僱員人數，再乘以100%計算。

Occupational health and safety

The Group places great emphasis on the occupational safety of its employees and strictly complies with the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, the Regulations on Work-Related Injury Insurance, and other applicable laws and regulations with significant impact on the Group. As a property development company, we mainly hire outsourced construction contractors for project management, hence we assume limited potential responsibility for the construction workers on our property projects.

However, as a responsible property developer, the Group has established a safety management system, undertaken supervisory responsibilities, and maintained project safety. In addition to ensuring that employees involved in projects and requiring site access participate in mandatory health and safety training, including the safe use of lifting machinery, working at heights, safety management, and site management, we also arrange for the Chief Engineer's Office to conduct monthly on-site inspections to ensure that all required safety measures are implemented at our project sites. The Group also details policies and procedures related to occupational safety in the Employee Handbook for all employees to reference, ensuring the effective implementation of safety policies. The Group takes all appropriate measures to safeguard the health and safety of employees in the workplace, resulting in no recorded work-related injuries during the Year. Furthermore, the Group is not aware of any major safety incidents or work-related fatalities in the past three years.

職業健康與安全

本集團十分重視員工的職業安全並嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》和《工傷保險條例》及其他對本集團適用且有重大影響的法律法規。作為物業開發企業，我們主要聘用外包建築承包商為項目進行施工管理，因此我們對物業項目的施工工人只能承擔有限度的潛在責任。

然而，作為有責任的物業開發商，本集團已建立安全管理制度，承擔監察責任並維護項目安全，除了確保參與工程項目且需要進入工地的員工均參與強制性的健康與安全培訓，包括安全使用起重機械、高空作業、安全管理和工地管理等，亦安排總師辦每月會進行實地巡查，確保項目工地已執行我們所要求的各項安全措施。本集團亦於《員工手冊》中詳細列明了職業安全相關的政策及程序供所有員工參考，務求安全政策得以落實執行。本集團採取一切適當措施保障員工在工作場所內的健康與安全，因此本年度並未有任何工傷記錄。而本集團於過去三年並不知悉有發生過任何重大安全事故或因工作關係而導致死亡的事件。

Development and training

The Group firmly believes that cultivating talent promotes continuous professional development and sustainable corporate growth. Therefore, it is committed to providing employees with various training programs to enhance their skills and develop their careers. At the same time, the Group continuously promotes and improves training resources to further enhance the quality of talent development. The Employee Handbook also stipulates regulations regarding continuous training.

Induction training

The Group provides induction training for all new employees, helping them quickly understand their job responsibilities and become familiar with the Group's background, work model, and corporate culture. Additionally, during the probation period, the Group assigns instructors to assist new employees in mastering job-related skills as soon as possible. The instructors also participates in the general assessment of new employees and is responsible for evaluating interns for regular employment.

External training

To encourage employees to actively engage in self-improvement activities, we offer external training subsidies based on departmental needs or business requirements. We firmly believe that external training not only aids employee development but also brings new cultures and ideas that help continuously enhance the Group's competitiveness.

人才培育

本集團深信透過培養人才，可推動持續專業發展及公司可持續發展，因此致力為僱員提供各類的培訓課程，以助提升技能並發展職業。同時，本集團不斷促進完善培訓課程資源，以持續提高人才培養質量。本集團亦於《員工手冊》中訂明有關持續培訓的規定。

入職培訓

本集團為每位新入職員工提供入職培訓，有助加快員工了解其職位的責任和熟習本集團的背景、工作模式及企業文化，同時本集團亦會於新員工試用期間委派輔導員，協助新員工盡快掌握崗位技能。輔導員亦會參與新員工的日常評估及擁有轉正考評的責任。

外部培訓

我們為了鼓勵員工主動參與自我增值的活動，提供因應職能部門需要或業務要求的外部培訓津貼。我們深信外部培訓不但有助員工的發展，同時能帶來新的文化與理念，有助本集團競爭力持續提升。

Percentage of employees trained[7, 8] 員工受訓百分比[7, 8]	2023 二零二三年	2022 二零二二年	Unit 單位
Percentage of employees trained by gender **按性別劃分的受訓百分比**			
Male 男	80.00	83.33	%
Female 女	20.00	16.67	%
Percentage of employees trained by category **按僱員類別劃分的受訓百分比**			
Senior management 高級管理層	30.00	25.00	%
Middle management 中級管理層	70.00	75.00	%
General and other personnel 一般及其他員工	–	–	%

7 The data excludes employees who have left the company.

8 Details of trained employees by category are calculated by dividing the number of employees in that category by the total number of employees in training during the Year, and then multiplying by 100%.

7 數據不包括離職員工。

8 各類別受訓僱員明細是按年內該類別的受訓僱員人數除以年內總受訓僱員人數，再乘以100%計算。

Number of training hours of employees[9] 員工培訓時數[9]	2023 二零二三年	2022 二零二二年	Unit 單位
Employee Training Analysis[10] **員工培訓分析[10]**			
Total number of training hours 總培訓時數	18.00	23.00	hours 小時
Average number of training hours 平均培訓時數	0.46	0.58	hours/person 小時／人
Number of training hours by gender[11] **按性別劃分的平均受訓時數[11]**			
Male 男	0.76	1.00	hours/person 小時／人
Female 女	0.11	0.15	hours/person 小時／人
Number of training hours by employee category[11] **按僱員類別劃分的平均受訓時數[11]**			
Senior management 高級管理層	2.00	1.60	hours/person 小時／人
Middle management 中級管理層	1.00	1.67	hours/person 小時／人
General and other personnel 一般及其他員工	–	–	hours/person 小時／人

9 The data excludes employees who have left the company.

10 The average number of training hours completed per employee is calculated by dividing the total number of training hours during the Year by the total number of employees at the end of the Year.

11 The average number of training hours by employee category is calculated by dividing the number of training hours for that employee category during the Year by the number of employees in that category at the end of the Year.

9 數據不包括離職員工。

10 每名僱員完成受訓的平均時數是按年內總受訓時數除以年末總僱員人數計算。

11 各類別僱員的平均受訓時數是按年內該類別僱員的受訓時數除以年末該類別的僱員人數計算。

Labor standards

The Group adheres to the principles of reasonable and lawful recruitment and strictly complies with laws and regulations such as Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Child Labor. We are firmly against any form of forced labor or child labor. The Group has established a comprehensive recruitment process and employment procedures. During the recruitment process, the Human Resources Department clearly outlines the job requirements and qualifications, and verifies the applicant's valid identification documents to ensure the applicant meets the legal employment age and eligibility criteria, and does not violate any relevant laws. Furthermore, before signing employment contracts, the Group provides a comprehensive and detailed explanation of the employment terms to ensure that employees fully understand the contract and sign it voluntarily, thereby ensuring that all employees work of their own free will. We strictly prohibit the use of child labor or forced labor. If any violations of hiring child or forced labor are discovered, we will immediately terminate the labor contract, investigate the cause, and hold the responsible parties accountable, imposing appropriate penalties on violators.

During the Year, the Group did not observe any cases of child labor, forced labor, or illegal labor in its operations.

勞工準則

本集團秉持合理合法招聘的準則並嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動法合同》和《禁止使用童工規定》等法律法規，堅決杜絕任何理由的強制勞動及僱傭童工行為。同時本集團已建立的完善招聘流程及僱用程序，人力資源部於招聘過程中會明確列出招聘要求及崗位任職要求，並會審核應聘者的有效身份證明文件，以確保該應聘者達到法定就業年齡並具有就業資格，並且未觸犯相關法律規定。此外，本集團在與員工簽署勞動合同前，會對有關僱傭條款作出全面及詳細的解釋，以確保員工在簽約前充分了解合約的內容，並在自願的情況下簽訂勞動合同，確保所有僱員均於自願情況下勞動或工作，堅決杜絕使用童工和強制勞工。如發現任何違規聘用童工或強制勞工的情況，我們會立即終止其勞動合同，查明原因及追究責任，對違規員工作出適當處罰。

本年度，本集團沒有在其營運中發現任何有關童工、強迫勞工或非法勞工的違例個案。

CREATING VALUES FOR OUR CUSTOMERS

Supply chain management and quality control

The Group has established a comprehensive supplier evaluation system to ensure that major construction contractors and material suppliers are qualified. Qualified third-party contractors are responsible for all project construction work, including excavation, structural construction, equipment installation, and operational work. By outsourcing construction to professional contractors, we can mitigate some of the risks related to raw material cost fluctuations and engineering personnel management. During the Year, we worked with 79 major suppliers, all operating in China (2022: 49 major suppliers operating in China).

To ensure that the tendering process is fair, just, transparent, and in compliance with the Group's requirements and applicable Chinese laws and regulations, the Group's Cost Management Department has set up tendering documents and established a series of evaluation criteria to select contractors. Contractors must provide certifications such as qualification certificates and safety production licenses. In addition to evaluating the bidding materials, we also consider factors such as contractor size, qualifications, reputation, track record, quotation, and environmental and social considerations. Understanding the increasing importance of environmental protection, the Group prioritize contractors that offer pollution reduction solutions. Meanwhile, our tendering documents require suppliers to sign a Migrant Workers' Rights Protection Agreement, ensuring they are aware of and fulfill their social responsibility regarding labor rights. During the Year, 1 contractor was engaged in our construction projects (2022: 28 contractors were engaged in our construction projects).

為客戶創造價值

供應鏈管理及質量控制

本集團已建立完善的供應商評估系統，確保主要建築承包商及建築材料供應商均為合資格供應商。而合資格的第三方建築承包商則負責我們全部的項目建築工程，包括地基挖掘、主體結構建設、設備安裝及工程作業，我們認為透過將建築工程外包予專業的建築承包商可降低部份原材料成本波動及工程人員管理的風險，本年度與我們合作共79個主要供應商均於中國營運(二零二二年：49個主要供應商均於中國營運)。

而為確保招標程序能公平、公正及公開以及滿足本集團的要求和相關中國法律及法規，本集團成本管理部的招投標團隊亦制定了招標文件及設定一系列評估準則甄選承包商。建築承包商必須提供其單位資質證書及安全生產許可證等文件，過程除對其投標資料進行詳細評估，亦會考慮承包商規模、資質、聲譽、類似項目的往績、報價、環境及社會等多種因素。本集團理解環境保護對社會公眾漸趨重要，因此盡可能優先選用提供降低污染技術方案的承包商，同時亦在部份招標檔中要求供應商簽定《民工權益保障承諾書》，確保其知悉及履行在勞工權益的社會責任。本年度建築項目委聘1個承建商(二零二二年：建築項目委聘28個承建商)。

Strict procurement of materials

The Group strictly monitors project quality and cost control. As for construction materials, since contractors procure most of the construction materials such as steel and cement for our property development projects, we require them to purchase materials that meet standard specifications and are from designated brands and manufacturers. Where Chinese laws and regulations mandate that contractors must procure certain materials through tendering, we require them to include our selected brands or manufacturers in the tender documents. We also monitor the tender process to ensure that the selected material suppliers meet the compliance standards.

To ensure the stability, reliability, and compliance of procured materials with national safety and environmental standards, we collaborate with supervision companies to conduct random inspections. We verify material certificates, user manuals, performance test reports, and quality assurance documents before including them in our qualified materials list. Furthermore, the Group only directly procures equipment such as windows, air conditioning systems, and elevators from qualified suppliers in our database, prioritizing equipment with less environmental impact or higher energy efficiency. During the Year, the Group was not aware of any major suppliers that caused significant impacts in terms of business ethics, environmental protection, or labor practices.

Monitoring project quality

The Group strictly adheres to Chinese laws and regulations by hiring construction supervision companies and assigning them to oversee various project aspects to ensure quality standards are met. The Cost Management Department sets up a series of control indicators related to cost, quality, and construction progress during the preliminary planning stage based on the overall construction cost budget. The Chief Engineer's Office, consisting of experienced and qualified engineers and construction technicians, supervises the construction quality, progress, and budget control of each project. Monthly on-site inspections are conducted to check the progress and quality of construction materials. We also conduct annual reviews of the overall performance of all ongoing projects to ensure cost, quality, and progress meet our targets. The Group's management performs performance assessments of projects every six months. If any subcontractor fails to meet the required standards, the Group reserves the right to terminate the contract and replace the contractor to maintain high product quality.

嚴格採購物料

本集團嚴格監控項目的質量及成本的控制，對於建築物料，由於承建商於我們的物業開發項目中採購絕大部份的建築材料，如鋼材及水泥等，因此我們會要求承建商採購合乎標準規格及指定的品牌和製造商的建築物料，如因相關中國法律及法規規定承建商須透過招標採購特定種類的建築材料，我們亦會要求有關承建商在招標文件中列入我們選定的品牌或製造商，並監察招標過程，確保選定的建築材料供應商具備合規的資格。

為了保證所採購的物料具有穩定可靠的質量及符合相關國家生產安全及環保標準，我們聯同監理公司會先抽查檢驗承建商提供的物料合格證、使用說明書、性能檢測報告質保資料後再確認並列入合資格物料清單，同時本集團亦只會從合資格供應商數據庫內的供應商進行直接採購如門窗、空調系統及電梯等設備，並優先考慮採購對環境影響較少或能源效益更高的設備。本年度，本集團並不知悉任何主要供應商在商業道德、環境保護及勞工常規方面造成任何重大的影響。

監控項目質量

本集團堅守中國法律及法規規定聘請建設監理公司，並委派監理公司監察各環節令項目質量確保達標。成本管理部於初步規劃階段將按照總建設成本預算設立有關成本、質量及施工進度的一系列進度控制指標，資深及合資格的工程師和建築技術人員組成的總師辦，於施工過程中監管各項目施工質量、施工進度及控制項目預算，同時每月進行實地巡查項目情況及檢查建築材料質量，並根據既定的項目指標監督施工進度，亦會為所有在建的項目整體表現作年度檢討，確保所產生的成本、質量及施工進度達標，本集團管理層亦會每半年對項目表現進行績效考核。若發現任何外包承建商未能按所要求的標準完成，本集團會保留權利，經過適當程序終止合約及替換其他承包商以維持良好的產品質量。

Customer service

The Group places a high emphasis on brand development and responsibility, striving to enhance brand value and customer satisfaction by continuously improving service management at all project stages.

客戶服務

本集團高度重視品牌建設和品牌責任，致力提升品牌價值，以提升客戶滿意度，因此不斷完善各項目階段服務管理。

Phase One: Project development
第一階段：項目發展

- During the planning stage, we listen to customer feedback and expectations regarding project design and pass this information to the real estate planning team, who discuss it with designers, architects, and contractors.
  在項目計劃階段，聽取客戶對項目設計的相關意見及期望，把意見交予地產策劃團隊，讓他們與設計師、建築師及承辦商商討。

Phase Two: Quality inspection of building
第二階段：樓宇檢質

- To meet local building requirements and customer expectations, a professional team conducts regular inspections to ensure compliance with predefined control indicators.
  為達到當地建築要求及客戶期望，專業團隊負責定時巡視檢查工程項目，確保符合預先訂立的控制指標。

Phase Three: Property delivery
第三階段：交樓

- According to the Regulations on the Quality Management of Construction Projects, the Regulations on the Registration and Registration of Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, and the Interim Provisions on the Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, real estate developers must report to the county or county level where the project is located. The real estate development authorities of the above local people's governments submit applications for completion acceptance and record filing. Therefore, we will only deliver the project after confirming receipt of the acceptance notice and completion certificate to ensure that the project quality complies with legal and regulatory requirements.
  根據《建設工程質量管理條例》、《房屋建築工程和市政基礎設施工程竣工驗收備案管理辦法》及《房屋建築工程和市政基礎設施工程竣工驗收暫行規定》，房地產開發商須向項目所在縣級或以上地方人民政府的房地產開發主管部門提交申請，用作房屋竣工驗收及備案。因此我們於確認收到驗收合格通知及竣工證明書後才會作出交付，確保項目質量符合法律及法規規定。

Phase Four: After-sales service
第四階段：售後服務

- We have a professional customer service team and a complete complaint mechanism to follow up on relevant issues raised by customers and maintain close contact with customers, which helps deeply understand customer needs and improve service standards. In addition, appropriate warranty periods are reserved for customers after delivery, which is 1 to 5 years from the date of delivery, and the quality warranty scope should include foundation engineering, main structure engineering, floor waterproofing engineering, bathrooms with waterproofing requirements, leakage prevention of rooms and exterior walls, heating and cooling systems, drainage pipes, equipment installation and decoration works, etc. All complaints will be handled carefully and followed up. We received no complaints about our property and property sales services during the Year (2022: 0 case).
  我們設有專業的客戶服務團隊與完善的投訴機制，跟進客戶提出的相關問題，與客戶保持緊密聯繫，有助深入了解客戶需要並有提升服務水平，另外，交付後亦為客戶預留適當的保修期，即交付日起為期1年至5年，而質量保修範圍應該包括地基礎工程、主體結構工程、層面防水工程、有防水要求的衛生間、房間和外墻面的防滲漏、供熱與供冷系統、排水管道、設備安裝和裝修工程等。所有投訴我們都會謹慎處理及跟進。我們於本年度沒有接到有關我們的物業及銷樓服務的投訴(二零二二年：0宗)。

Compliant promotion

The Group strictly complies with the Advertising Law of the People's Republic of China and the Measures for the Administration of Internet Advertising of the People's Republic of China and other laws and regulations. Instructions must pass internal approval and obtain approval from relevant government departments before they can be released. All sales and promotion materials will be carefully checked by the sales department to confirm that sufficient and accurate content has been disclosed in compliance with regulations before they are released and made available to the public for customer reference to make purchasing decisions. At the same time, department employees must abide by the Sales Field Management Manual compiled by the Group and conduct reasonable sales promotions with customers to maintain business ethics.

During the Year, the Group was not aware of any material violation of the relevant laws and regulations in relation to the health and safety, advertising, labeling and privacy of the property and service provided by the Group. In addition, relevant disclosure requirements are not applicable to the Group because the nature of the Group's businesses does not involve the product recall and the significant intellectual property right.

Privacy protection

The Group is committed to protecting data privacy and prohibits any unauthorized disclosure of customer information. When signing sales contracts with customers, we include confidentiality clauses to ensure their privacy is safeguarded. Additionally, all employees must sign confidentiality agreements upon joining the Group, adhering to strict privacy regulations and managing confidential information with care to strengthen privacy protection. During the Year, the Group was not aware of any complaints related to the disclosure of customer information.

合規宣傳

本集團嚴格遵循《中華人民共和國廣告法》及《中華人民共和國互聯網廣告管理辦法》等法律法規，所提供的售樓說明書均需要通過內部審批並獲得有關政府部門審批才可發佈，而所有銷售及推廣資料，亦會由銷售部仔細檢查並確定已合規披露充分及準確內容的情況後，才會對外發佈並供客戶參考以作選購決定。同時部門員工必須遵守本集團定制的《銷售案場管理手冊》，與客戶進行合理推銷宣傳，以維持商業道德。

本集團並不知悉有關本集團所提供有關我們物業及服務之健康與安全、廣告、標籤及私隱事宜方面的法律及法規發生任何重大違規情況。此外，本集團的業務性質不涉及產品回收及重大的知識產權事宜，因此相關披露並不適用。

保護私隱

本集團致力保護資料私隱，嚴禁一切洩露客戶隱私的行為。因此與客戶簽訂銷售合同時，我們會與客戶簽訂保密條款，以保證客戶的隱私受到保護。同時，每位員工在加入本集團時需要簽訂保密協議，員工須嚴謹遵守私隱規定及保密義務並謹慎管理機密資料，以加強保障客戶私隱。本年度，本集團並不知悉有接獲因洩露客戶資料而引致的投訴。

MAKING CONTRIBUTIONS TO THE SOCIETY

Anti-corruption

The Group upholds a corporate culture of integrity and opposes any unethical business practices such as corruption, bribery, extortion, fraud, and money laundering, while strictly complying with local laws and regulations. In accordance with the Law against Unfair Competition of the People's Republic of China, the Criminal Law of the People's Republic of China, and the Interim Provisions on the Prohibition of Commercial Bribery, the Group compiled an Employee Code of Conduct to specify employees' responsibilities and obligations, clarify how to handle conflicts of interest, and raise awareness of self-discipline and integrity.

The Group continues to establish and improve a sound and honest internal control and management system. In addition to monitoring daily management operations and related special projects, it also regularly organizes anti-corruption education and training for directors and employees to improve management and employees' awareness of ethics and corruption issues. In addition, the Group has established a comprehensive reporting channel to ensure that all employees report any relevant suspicious behavior in a safe, reliable and confidential manner. Suspicious incidents will be prudent and comprehensively investigated. If it is confirmed that it is an illegal act, we will transfer the relevant person to the judicial authority in accordance with the law. The Group strictly implements systems and procedures to ensure that the internal control system can effectively identify violations and promptly prevent and stop them. The audit department also regularly reviews relevant anti-corruption policies. The Group has a sound organizational structure and policies in place to maintain high standards of corporate governance and an ethical corporate culture.

During the Year, the Group was not aware of any violations involving bribery, extortion, fraud, or money laundering by the Group or its employees, nor was it involved in any corruption lawsuits.

Connecting with the community

The Group highly values social responsibility and is committed to engaging and contributing to the community as part of our strategic development. The Group has established relevant policies. By encouraging employees to participate in social welfare activities during and outside of work hours, we aim to enhance their sense of corporate social responsibility, foster positive values, and help create more value for the community. Meanwhile, we actively listen to community feedback and incorporate their needs into our construction projects, maintaining our corporate social responsibility and working towards creating a sustainable future for the local people and the communities.

為社會作出貢獻

防貪反腐

本集團堅守誠實守信的企業文化，堅決反對任何不符合商業道德的事件如貪污、賄賂、勒索、欺詐及洗錢等違規行為，並嚴格遵守各地法律法規。本集團根據《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》及《關於禁止商業賄賂行為的暫行規定》制定《員工職務行為準則》以規範日常運營中員工的責任和義務，明確公司對員工處理利益衝突情況的要求，提高員工自我廉潔自律的警覺性。

本集團持續建立健全廉潔的內部監控管理體系，除了對日常管理經營及相關專項作出監察外，同時定期向董事及員工組織反貪污教育及培訓，以提高管理層及員工對道德操守及貪污議題的關注。此外，本集團已設立完善的舉報途徑，確保所有員工以安全、可靠及保密的方式舉報任何相關可疑行為，發現可疑事件將審慎進行全面調查。若確認是違法行為，我們會依法把有關人士移送司法機關處理。本集團嚴格執行制度流程，以確保內部監控系統能夠有效識別違規行為並及時預防與制止。審計部門亦定期檢討相關的反腐敗政策。本集團設有健全的組織架構及政策，以維持高水平的企業管治及符合道德的企業文化。

本年度，本集團並不知悉我們或我們的員工有任何賄賂、勒索、欺詐與洗黑錢的違規行為，亦不涉及於任何貪污訴訟案件。

聯繫社區

本集團高度重視社會責任並致力於通過各種社會參與及貢獻方式，鼓勵及支持社區作為我們策略發展的一部分。本集團已制定相關政策。透過鼓勵僱員於工作及工餘時間參與社會公益活動，有助增強僱員的企業社會責任感，建立積極正面的價值觀，協助社區創造更多價值。同時我們亦積極聆聽社區的聲音和意見，藉此將人民需求融入我們的建設項目當中，以維持企業社會責任及致力於為當地人民和社會創造可持續的未來。

INDEX OF THE ESG REPORTING GUIDE OF HONG KONG EXCHANGES AND CLEARING LIMITED

香港交易及結算所有限公司ESG報告指引內容索引

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關鍵績效指標A1.5	描述所訂立的排放量目標及為達到這些目標所採取的步驟。	綠色辦公室	101–102
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste management, Green office	98–99, 101–102
關鍵績效指標A1.6	描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	廢棄物管理、綠色辦公室	98–99, 101–102

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect A2: Use of Resources **層面A2：資源使用**			
General Disclosure	Policies on the efficient use of resources including energy, water, and other raw materials.	Creating values for the environment	95–103
一般披露	有效使用資源(包括能源、水及其他原材料)的政策。	為環境創造價值	95–103
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and gas emissions management	96–97
關鍵績效指標A2.1	按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	能源及氣體排放管理	96–97
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water management	97–98
關鍵績效指標A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	用水管理	97–98
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green office	101–102
關鍵績效指標A2.3	描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	綠色辦公室	101–102
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water management, Green office	97–98, 101–102
關鍵績效指標A2.4	描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	用水管理、綠色辦公室	97–98, 101–102
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Our business does not involve in using any packaging materials	N/A
關鍵績效指標A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	我們的業務並未涉及使用任何包裝材料	不適用
Aspect A3: The Environment and Natural Resources **層面A3：環境及天然資源**			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Creating values for the environment	95–103
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	為環境創造價值	95–103
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and resources management	99–101
關鍵績效指標A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	項目環境及資源管理	99–101

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Aspect A4: Climate Change **層面A4：氣候變化**			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change	103
一般披露	識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	氣候變化	103
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change	103
關鍵績效指標A4.1	描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	氣候變化	103
B. Social **B. 社會** **Employment and Labour Practices** **僱傭及勞工常規** **Aspect B1: Employment** **層面B1：僱傭**			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment practices	104–107
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	僱傭常規	104–107
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment practices	104–107
關鍵績效指標B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	僱傭常規	104–107
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment practices	104–107
關鍵績效指標B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	僱傭常規	104–107

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B2: Health and Safety **層面B2：健康與安全**			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and safety	108
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	職業健康與安全	108
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational health and safety	108
關鍵績效指標B2.1	過去三年(包括匯報年度)每年因工亡故的人數及比率。	職業健康與安全	108
KPI B2.2	Lost days due to work injury.	Occupational health and safety	108
關鍵績效指標B2.2	因工傷損失工作日數。	職業健康與安全	108
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational health and safety	108
關鍵績效指標B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	職業健康與安全	108
Aspect B3: Development and Training **層面B3：發展及培訓**			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training	109–111
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	人才培育	109–111
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Development and training	109–111
關鍵績效指標B3.1	按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	人才培育	109–111
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and training	109–111
關鍵績效指標B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	人才培育	109–111

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B4: Labor Standards **層面B4：勞工準則**			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labor standards	111
一般披露	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	勞工準則	111
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labor standards	111
關鍵績效指標B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	勞工準則	111
KPI B4.2	Description of steps taken to eliminate such non-compliance practices when discovered.	Labor standards	111
關鍵績效指標B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	勞工準則	111
Operating Practices **營運慣例** **Aspect B5: Supply Chain Management** **層面B5：供應鏈管理**			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management and quality control	112
一般披露	管理供應鏈的環境及社會風險政策。	供應鏈管理及質量控制	112
KPI B5.1	Number of suppliers by geographical region.	Supply chain management and quality control	112
關鍵績效指標B5.1	按地區劃分的供應商數目。	供應鏈管理及質量控制	112
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management and quality control	112
關鍵績效指標B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	供應鏈管理及質量控制	112
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management and quality control	112
關鍵績效指標B5.3	描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	供應鏈管理及質量控制	112
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management and quality control	112
關鍵績效指標B5.4	描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	供應鏈管理及質量控制	112

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B6: Product Responsibility **層面B6：產品責任**			
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Creating values for our customers	112–115
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	為客戶創造價值	112–115
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our business does not involve any recall of the product	N/A
關鍵績效指標B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	我們的業務並未涉及產品回收	不適用
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer service	114
關鍵績效指標B6.2	接獲關於產品及服務的投訴數目以及應對方法。	客戶服務	114
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not material for the purpose of the operation of the Group	N/A
關鍵績效指標B6.3	描述與維護及保障知識產權有關的慣例。	知識產權對本集團之營運而言並不重大	不適用
KPI B6.4	Description of quality assurance process and recall procedures.	Supply Chain Management and Quality Control; the Group does not involve any recall of the product	112
關鍵績效指標B6.4	描述質量檢定過程及產品回收程序。	供應鏈管理及質量控制；本集團不涉及產品回收	112
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy protection	115
關鍵績效指標B6.5	描述消費者資料保障及隱私政策，以及相關執行及監察方法。	保護私隱	115

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B7: Anti-corruption **層面B7：反貪污**			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption	116
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	防貪反腐	116
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	116
關鍵績效指標B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	防貪反腐	116
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	116
關鍵績效指標B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	防貪反腐	116
KPI B7.3	Description of anti-corruption training provided to directors and staff.	The Group did not provide anti-corruption training for the Board or employees during the Year	N/A
關鍵績效指標B7.3	描述向董事及員工提供的反貪污培訓。	本集團於本年度並沒有向董事會或員工提供反貪污培訓	不適用
Aspect B8: Community Investment **層面B8：社區投資**			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Connecting with the community	116
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	聯繫社區	116
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	No resources were utilized as community investment during the Year	N/A
關鍵績效指標B8.1	專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	本年度並沒有動用資源作社區投資	不適用
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	No resources were utilized as community investment during the Year	N/A
關鍵績效指標B8.2	在專注範疇所動用資源(如金錢或時間)。	本年度並沒有動用資源作社區投資	不適用

Global Link CPA Limited

To the members of Xinming China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB592,631,000 for the year ended 31 December 2023. At 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB3,920,171,000. In addition, at 31 December 2023, the Group's borrowings of approximately RMB1,279,465,000 and the convertible bonds issued by the Group amounting approximately RMB272,662,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

致新明中國控股有限公司股東
(於開曼群島註冊成立的有限公司)

無法表示意見

我們並無就 貴集團之綜合財務報表發表意見，由於在吾等報告中「無法表示意見基礎」一節所述事項之重要性，我們未能取得充足適當的審核憑證為該等綜合財務報表之審核意見提供基礎。在所有其他方面，我們認為，該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

無法表示意見基礎

與持續經營相關的多個重大不確定事項

誠如綜合財務報表附註2所載， 貴集團於截至二零二三年十二月三十一日止年度產生虧損淨額約人民幣592,631,000元。於二零二三年十二月三十一日， 貴集團的流動負債超過其流動資產約人民幣3,920,171,000元。此外，於二零二三年十二月三十一日， 貴集團尚欠借款約人民幣1,279,465,000元以及 貴集團已發行可換股債券約人民幣272,662,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對 貴集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

管理層已採取多項措施，以改善　貴集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設上編製，其有效性取決於該等措施實施之結果，並受限於多個不確定事項，包括(i)成功與　貴集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為　貴集團可見將來的營運資金及承擔額外融資；(iv)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘　貴集團未能按持續經營基準經營，而可能須作出有關調整以撇減　貴集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

董事及肩負管治責任者就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及維持董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

在編製綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非 貴公司董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

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

肩負管治責任者須負責監督 貴集團之財務報告流程。

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

核數師就審計綜合財務報表須承擔的責任

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basic for an audit opinion on the consolidated financial statements.

我們的責任為根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則對 貴集團的綜合財務報表進行審計，並發出核數師報告。然而，由於吾等報告「無法表示意見的基礎」一節所述事項，我們未能就該等綜合財務報表審核意見提供基準取得充分恰當之審核憑證。

We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

我們僅向 閣下作為整體報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行該守則中的其他道德責任。

Global Link CPA Limited
Certified Public Accountants

高嶺會計師有限公司
執業會計師

Hong Kong, 11 March 2025

香港，二零二五年三月十一日

The engagement director on the audit resulting in this independent auditor's report is:
Au Yeung Ming Yin Gordon
Practising Certificate number: P08219

出具本獨立核數師報告的審計工作之委託董事是：
歐陽銘賢
執業證書編號：P08219

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	**收益**	5	**422,580**	35,198
Cost of sales	銷售成本		**(369,140)**	(15,187)
Gross profit	毛利		**53,440**	20,011
Other income and gains and losses	其他收入及收益及虧損	6	**(6,186)**	(22,738)
Selling and distribution costs	銷售及分銷成本		**(4,496)**	(13,206)
Administrative expenses	行政支出		**(33,165)**	(55,634)
Other expenses	其他開支		**(440,315)**	(599,391)
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	18	**(34,641)**	(280,788)
Loss on court-ordered sale of investment properties	法院命令出售投資物業虧損	14	**–**	(686,597)
Changes in fair value of investment properties	投資物業之公允價值變動	14	**(17,900)**	(1,082,900)
Changes in fair value of convertible bonds	可換股債券之公允價值變動		**(3,814)**	(24,336)
Finance costs	融資成本	7	**(77,079)**	(84,044)
Loss before income tax	**除所得稅前虧損**	7	**(564,156)**	(2,829,623)
Income tax (expenses) credit	所得稅(支出)抵免	10	**(28,475)**	440,019
Loss for the year and total comprehensive loss for the year	**年內虧損及年內全面虧損總額**		**(592,631)**	(2,389,604)
Loss for the year and total comprehensive loss for the year attributable to:	**以下人士應佔年內虧損及年內全面虧損總額：**			
Owners of the Company	本公司擁有人		**(526,121)**	(2,250,428)
Non-controlling interests	非控股權益		**(66,510)**	(139,176)
			(592,631)	(2,389,604)
Loss per share attributable to owners of the Company	**本公司擁有人應佔每股虧損**	12		
Basic and Diluted (RMB)	基本和攤薄(人民幣)		**(0.280)**	(1.198)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2023 於二零二三年十二月三十一日

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	13	**684**	698
Investment properties	投資物業	14	**918,200**	936,100
Deferred tax assets	遞延稅項資產	16	**210,093**	202,268
			1,128,977	1,139,066
Current assets	**流動資產**			
Properties under development	開發中物業	17	**441,699**	709,464
Completed properties held for sale	持作出售的已竣工物業	18	**601,487**	712,804
Trade receivables	貿易應收款項	19	**1,426**	1,245
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	20	**40,233**	56,291
Restricted deposits	受限制存款	21	**520**	522
Cash and cash equivalents	現金及現金等價物	21	**1,335**	7,434
			1,086,700	1,487,760
Current liabilities	**流動負債**			
Trade payables	貿易應付款項	22	**483,698**	340,017
Other payables and accruals	其他應付款項及應計費用	23	**1,873,330**	1,449,765
Contract liabilities	合約負債	24	**194,332**	619,895
Interest-bearing bank and other borrowings	計息銀行及其他借款	25	**1,279,465**	1,279,755
Tax payable	應付稅項		**903,384**	872,084
Convertible bonds	可換股債券	26	**272,662**	268,848
			5,006,871	4,830,364
Net current liabilities	**流動負債淨值**		**(3,920,171)**	(3,342,604)
Total assets less current liabilities	**總資產減流動負債**		**(2,791,194)**	(2,203,538)
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延稅項負債	16	**168,322**	163,347
NET LIABILITIES	**負債淨值**		**(2,959,516)**	(2,366,885)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2023 於二零二三年十二月三十一日

			2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
EQUITY	**權益**			
Issued capital	已發行股本	27	**14,880**	14,880
Reserves	儲備		**(2,770,911)**	(2,244,790)
			(2,756,031)	(2,229,910)
Non-controlling interests	非控股權益		**(202,485)**	(136,975)
TOTAL DEFICIT	**虧絀總額**		**(2,959,516)**	(2,366,885)

The consolidated financial statements on pages 130 to 224 were approved and authorised for issue by the Board of Directors on 11 March 2025 and signed on its behalf by

第130頁至第224頁綜合財務報表於二零二五年三月十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

Chen Chengshou
陳承守
Director
董事

Feng Cizhao
豐慈招
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
			Reserves 儲備									
		Issued capital	Share premium	Merger reserve	Capital reserve	Share award scheme reserve	Financial assets at FVOCI reserve	Accumulated losses	Total reserves	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	合併儲備	資本儲備	有關股份獎勵計劃的儲備	按公允價值計入其他全面收益儲備的金融資產	累計虧損	儲備總額	總計	非控股權益	權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	(529,285)	5,638	20,518	2,201	22,719
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(2,250,428)	(2,250,428)	(2,250,428)	(139,176)	(2,389,604)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**14,880**	**496,155**	**81,491**	**(45,756)**	**4,533**	**(1,500)**	**(2,779,713)**	**(2,244,790)**	**(2,229,910)**	**(136,975)**	**(2,366,885)**
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	**(526,121)**	**(526,121)**	**(526,121)**	**(66,510)**	**(592,631)**
At 31 December 2023	於二零二三年十二月三十一日	**14,880**	**496,155**	**81,491**	**(45,756)**	**4,533**	**(1,500)**	**(3,305,834)**	**(2,770,911)**	**(2,756,031)**	**(203,485)**	**(2,959,516)**

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
OPERATING ACTIVITIES	**經營活動**		
Loss before income tax	除所得稅前虧損	**(564,156)**	(2,829,623)
Adjustments for:	就下列各項作出調整：		
Bank interest income	銀行利息收入	**(178)**	(53)
Changes in fair value of convertible bonds	可換股債券之公允價值變動	**3,814**	24,336
Changes in fair value of investment properties	投資物業之公允價值變動	**17,900**	1,082,900
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**14**	48
Finance costs	融資成本	**77,079**	84,044
Impairment of completed properties held for sale	持作出售的已竣工物業減值	**19,474**	207,254
Impairment of properties under development	開發中物業減值	**107,040**	81,844
Impairment of financial assets, net	金融資產減值淨額	**2,756**	22,505
Interest penalties	罰息	**314,859**	312,124
Loss on court-ordered sale of an investment property	法院命令出售投資物業的虧損	**–**	686,597
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	**34,641**	280,788
Operating cash flows before changes in working capital	**營運資金變動前經營現金流量**	**13,243**	(47,236)
Changes in working capital:	營運資金變動：		
Properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業	**186,641**	(117,993)
Trade receivables	貿易應收款項	**(366)**	29,422
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	**13,487**	136,664
Restricted deposits	受限制存款	**2**	(196)
Trade payables	貿易應付款項	**143,681**	17,804
Other payables and accruals	其他應付款項及應計費用	**(15,367)**	(196,019)
Contract liabilities	合約負債	**(425,563)**	186,994
Cash generated from (used in) operations	**營運所得(所用)現金**	**(84,242)**	9,440
Income tax paid	已付所得稅	**(25)**	(11,116)
Net cash used in operating activities	**經營活動所用現金淨額**	**(84,267)**	(1,676)

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
INVESTING ACTIVITY	**投資活動**			
Bank interest income	銀行利息收入		**178**	53
Net cash from investing activity	**投資活動產生的現金淨額**		**178**	53
FINANCING ACTIVITIES	**融資活動**			
New loan raised	已籌集的新貸款	23(a)	**117,280**	–
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款		**(290)**	(1,162)
Repayment of loan	償還貸款	23(a)	**(39,000)**	(10,000)
Net cash from (used in) financing activities	**融資活動產生(所用)的現金淨額**		**77,990**	(11,162)
Net decrease in cash and cash equivalents	**現金及現金等價物減少淨額**		**(6,099)**	(12,785)
Cash and cash equivalents at beginning of year	**年初現金及現金等價物**		**7,434**	20,219
Cash and cash equivalents at end of year, represented by cash and bank balances	**年末現金及現金等價物(以現金及銀行結餘呈列)**	21	**1,335**	7,434

1. GENERAL INFORMATION

Xinming China Holdings Limited (the "Company") was incorporated in the Cayman Islands on 16 January 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. In the opinion of the directors of the Company, the ultimate holding company is Xinxing Company Limited and the ultimate controlling shareholder is Mr. Chen Chengshou (the "Controlling Shareholder"). The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, properties development and properties leasing.

1. 一般資料

新明中國控股有限公司(「本公司」)於二零一四年一月十六日在開曼群島根據開曼群島法律第22章公司法註冊成立為獲豁免有限公司。本公司董事認為本公司的最終控股公司為Xinxing Company Limited及最終控股股東為陳承守先生(「控股股東」)。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處位於Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事於投資控股、物業開發及物業租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Going concern

The Group incurred a net loss of approximately RMB592,631,000 for the year ended 31 December 2023. At 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB3,920,171,000.

At 31 December 2023, the Group's borrowings of approximately RMB1,279,465,000 and convertible bonds of approximately RMB272,662,000 were overdue pursuant to the relevant borrowing agreements.

2. 重大會計政策資料

合規聲明

本綜合財務報表已根據由國際會計準則委員會(「國際會計準則委員會」)頒佈之國際財務報告準則(「國際財務報告準則」,其為國際會計準則委員會頒佈之所有適用個別國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋的統稱)及香港公司條例之披露規定編製。本綜合財務報表亦符合聯交所證券上市規則(「上市規則」)之適用披露規定。

持續經營

截至二零二三年十二月三十一日止年度,本集團產生虧損淨額約人民幣592,631,000元。於二零二三年十二月三十一日,本集團流動負債超過其流動資產約人民幣3,920,171,000元。

於二零二三年十二月三十一日,根據相關借款協議,本集團借款約為人民幣1,279,465,000元及可換股債券約為人民幣272,662,000元均逾期。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

(ii) continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future. As of the date of this report, the Company negotiated with current and other banks and financial institutions using the lands held by the Group as guarantees on the additional financing.

2. 重大會計政策資料(續)

持續經營(續)

所有上述情況表示存在可能對本集團持續經營能力產生重大懷疑的重大不確定性。

鑒於該等情況，於評估本集團是否擁有充足財務資源繼續持續經營時，本公司董事已充分考慮本集團未來流動資金及表現以及其可用財務資源。本集團已採取若干措施以緩解流動資金壓力及改善其財務狀況，其中包括但不限於以下各項：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與本集團現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括有交叉違約條款所涵蓋的借款及利息)及希望達成延展到期日及尚欠借款的還款時間表。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。截至本報告日期，本公司以本集團持有的土地作為擔保，與現有及其他銀行及金融機構磋商，以獲得額外融資。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. The sale of the phase 3 of Shandong Project was completed. The pre-sale of the phase 4 of Shandong residential project has commenced since September 2023. Majority of the net proceeds from Shandong project has been and will be used for the repayment of the outstanding borrowing.

(iv) actively procuring and formulating the preliminary terms with large property developer to sale individual property development project or whole commercial property at an appropriate price. The Company has been negotiating with certain potential purchaser regarding the sale of the whole Shanghai property development project. The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(v) actively accelerate the de-stocking of its properties. The Company sells the residential property in Shandong and the whole or portion of commercial properties in Taizhou, Hangzhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised IFRSs that are relevant to the Group's operation and effective from the current year.

2. 重大會計政策資料(續)

持續經營(續)

(iii) 加速開發中及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。而第三期山東項目銷售經已完成。第四期山東住宅項目預售自二零二三年九月開展。大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用房。本公司已與若干潛在買方進行協商，以銷售整個上海物業開發項目。管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) 積極加快物業庫存去化。本公司配套出售山東的住宅物業以及台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

除另有註明外，所有數值均四捨五入至最接近之千位數。

綜合財務報表乃按照與本集團於二零二三年的綜合財務報表所採用會計政策一致的基準編製，惟採用下列與本集團業務有關及於本年度生效的新訂／經修訂國際財務報告準則除外。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Adoption of new/revised IFRSs

In the current year, the Group has applied the following new amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

A summary of the significant accounting policies adopted by the Group is set out below.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for investment properties and convertible bonds which are measured at fair value.

2. 重大會計政策資料(續)

採用新訂／經修訂國際財務報告準則

於本年度，本集團已首次應用以下由國際會計準則委員會頒佈的新訂及經修訂國際財務報告準則，該等準則強制於本集團於二零二三年一月一日開始的年度期間生效，以編製綜合財務報表：

國際財務報告準則第17號（包括二零二零年六月及二零二一年十二月國際財務報告準則第17號之修訂本）	保險合約
國際會計準則第8號之修訂本	會計估計的定義
國際會計準則第12號之修訂本	產生自單一交易的資產及負債相關的遞延稅項
國際會計準則第12號之修訂本	國際稅制改革－第二支柱模型規則
國際會計準則第1號及國際財務報告準則實務報告第2號之修訂本	會計政策的披露

本年度應用新訂及經修訂國際財務報告準則對本集團本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載列的披露資料並無重大影響。

本集團採用之重大會計政策概要如下。

計量基準

綜合財務報表乃以歷史成本為計量基準編製，惟投資物業及可換股債券以公允價值計量。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

2. 重大會計政策資料(續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力運用對投資對象的權力(即賦予本集團現有能力以主導投資對象的相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象過半數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權利時會考慮所有相關事實及情況，包括：

(a) 與投資對象其他投票持有人的合約安排；

(b) 其他合約安排所產生的權利；及

(c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期間編製，並採用貫徹一致的會計政策。附屬公司業績自本集團取得控制權之日綜合入賬並直至該控制權終止之日為止。

損益及其他全面收益各組成部分乃歸屬於本公司擁有人及非控股權益，即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易之所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (Continued)

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRSs.

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

Business combinations and goodwill

(i) Acquisition method of accounting for business combinations not under common control

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

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

2. 重大會計政策資料(續)

綜合賬目基準(續)

非控股權益單獨由本公司擁有人呈列於綜合損益及其他全面收益表及綜合財務狀況表的權益中。屬現時擁有權權益且於清盤時讓持有人有權按比例分佔被收購方資產淨值的非控股權益，可初步按公允價值或現時擁有權工具應佔被收購方可識別資產淨值的已確認金額比例計量。此計量基準視乎每項收購基準而作出選擇。其他類別的非控股權益初步按公允價值計量，惟國際財務報告準則規定的另一項計量基準除外。

倘有事實及情況顯示上文所述三個控制因素中有一個或以上出現變動，則本集團將重新評估是否仍控制投資對象。附屬公司之擁有權權益變動(並無喪失控制權的情況下)被視為以權益交易入賬。

業務合併及商譽

(i) 非共同控制下的業務合併的收購會計法

當本集團收購一項業務時，會根據合約條款，於收購日期的經濟環境及相關條件，評估將承擔的金融資產及負債，以作出合適分類及指定。此舉包括在所收購方主合約中分割出嵌入式衍生工具。

倘業務合併分階段進行，則先前持有的股權以收購日期的公允價值重新計量，而任何收益或虧損於損益表中確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations and goodwill (Continued)

(i) Acquisition method of accounting for business combinations not under common control (Continued)

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

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

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

2. 重大會計政策資料(續)

業務合併及商譽(續)

(i) 非共同控制下的業務合併的收購會計法(續)

收購方將轉讓的任何或然代價於收購日期按公允價值確認。分類為資產或負債的或然代價根據公允價值的變動以公允價值計量，並於損益中確認。分類為權益的或然代價毋須重新計量，其後結算於權益入賬。

商譽初始按成本計量，即已轉讓代價、非控股權益的已確認金額及本集團先前持有的被收購方股權的任何公允價值總額，與所收購可識別資產淨值及所承擔負債之間的差額。倘該代價與其他項目的總和低於所收購資產淨值的公允價值，該等差額於重新評估後，於損益表內確認為議價購買收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值可能減值時，則會更頻繁地進行測試。本集團每年於十二月三十一日就商譽進行年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations and goodwill (Continued)

(i) Acquisition method of accounting for business combinations not under common control (Continued)

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

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

(ii) Merger method of accounting for business combinations under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

2. 重大會計政策資料(續)

業務合併及商譽(續)

(i) 非共同控制下的業務合併的收購會計法(續)

減值是通過評估與商譽有關的現金產生單位(現金產生單位組別)的可收回金額釐定。當現金產生單位(現金產生單位組別)的可收回金額低於賬面金額時，則會確認減值虧損。已就商譽確認的減值虧損不得於其後期間撥回。

倘商譽被分配至現金產生單位(或現金產生單位組別)而該單位內的部份業務已售出，則在釐定出售的收益或虧損時，與售出業務相關的商譽會計入該業務的賬面值。在該等情況下售出的商譽，會根據售出業務的相對價值及現金產生單位的保留份額進行計量。

(ii) 共同控制下的業務合併的合併會計法

綜合財務報表包含發生共同控制合併的合併實體或業務的財務報表，猶如該等財務報表自合併實體或業務首次受控制方控制當日起即已合併。

合併實體或業務的資產淨值按控制方角度的現有賬面值進行合併。在控制方持續擁有權益的情況下，共同控制合併時並無就商譽的代價或收購方所佔被收購方的可識別資產、負債及或然負債的公允淨值之權益超出成本的部分確認任何金額。

綜合損益及其他全面收益表包括各合併實體或業務自最早呈列日期起或自該等合併實體或業務首次受共同控制日期起(如有較短期間)(不論共同控制合併日期)的業績。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations and goodwill (Continued)

(ii) Merger method of accounting for business combinations under common control (Continued)

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous financial reporting period or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using the merger accounting is recognised as an expense in the period in which it is incurred.

Fair value measurement

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

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

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

2. 重大會計政策資料(續)

業務合併及商譽(續)

(ii) 共同控制下的業務合併的合併會計法(續)

綜合財務報表的比較數字已按有關實體或業務於上一個財務報告期間期末或其首次受共同控制時(以較短者為準)已合併的假設呈列。

受共同控制合併所產生而須採用合併會計法入賬的交易成本(包括專家服務費、註冊費、向股東提供信息涉及的費用、將原屬獨立的業務合併經營產生的成本或虧損等)於產生期間確認為開支。

公允價值計量

本集團於各報告期末按公允價值計量其投資物業及可換股債券。公允價值為市場參與者於計量日期在有序交易中出售資產所收取之價格或轉讓負債所支付之價格。公允價值計量乃根據假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產公允價值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者，所產生之經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值技術，以盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement (Continued)

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

Level 1 (highest level):	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 (lowest level):	unobservable inputs for the asset or liability.

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

Impairment of non-financial assets (other than goodwill)

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

2. 重大會計政策資料(續)

公允價值計量(續)

所有於綜合財務報表中計量或披露公允價值之資產及負債，乃按對整體公允價值計量具重大影響之最低層輸入值分類至下述之公允價值等級：

第一級（最高水平）：	根據本集團於計量日期可獲得的相同資產或負債於活躍市場的報價(未經調整)；
第二級：	除第一級包含的報價外，無論是資產或負債直接的或是間接的可觀察輸入資料；
第三級（最低水平）：	資產或負債的不可觀察輸入資料。

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大之最低層輸入值)確定等級結構中是否發生不同的等級轉移。

非金融資產減值(商譽除外)

倘有跡象顯示出現減值，或當需要對資產(開發中物業、持作出售竣工物業、遞延稅項資產、金融資產及投資物業除外)作年度減值測試，則須估計資產之可收回價值。資產之可收回價值按資產或現金產生單位之使用價值，以及其公允價值減出售成本之較高者計算，並就個別資產而釐訂，除非資產並未能在基本獨立於其他資產或組別資產之情況下產生現金流入，在此情況下，須釐訂資產所屬的現金產生單位之可收回金額。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets (other than goodwill) (Continued)

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

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

Related parties

A related party is a person or entity that is related to the Group.

(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 Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

2. 重大會計政策資料(續)

非金融資產減值(商譽除外)(續)

減值虧損只於資產之賬面值超過其可收回數額時確認。於評估使用價值時，使用反映當時市場對貨幣時間值以及與資產相關的特定風險的除稅前貼現率貼現出估計未來現金流量之現值。減值虧損於其產生期間在損益中與已減值資產功能相符的相關開支類別支銷。

於各報告期末，將評估是否有跡象顯示於過往確認之減值虧損不再存在或可能有所減少。倘出現有關跡象，則須估計可收回金額。過往確認之資產(商譽除外)減值虧損只能於用以釐訂資產之可收回數額之估計出現變動始能撥回，惟該數額不得超過假設有關資產於過往年度並未有確認減值虧損而予以釐訂之賬面值(扣除任何折舊／攤銷)。該撥回之減值虧損乃於其產生之期間計入損益，除非該資產乃按重估值列賬，則該撥回減值虧損乃根據該項重估資產的有關會計政策入賬。

關聯方

關聯方乃指與本集團相關的個人或實體。

(a) 倘屬以下人士，則該人士或該人士的近親與本集團有關連：

  (i) 控制或共同控制本集團；

  (ii) 對本集團有重大影響力；或

  (iii) 為本集團或本集團控股公司的主要管理層成員。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each holding company, 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.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a holding company 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 Group or to the holding company of the Group.

2. 重大會計政策資料(續)

關聯方(續)

(b) 若符合下列任一條件，則該實體與本集團有關聯：

(i) 該實體與本集團為同一集團的成員(這意味著各實體的控股公司、附屬公司和同系附屬公司均相互關聯)。

(ii) 一間實體為另一實體的聯營公司或合營公司(或為另一實體所屬集團的成員公司的聯營公司或合營公司)。

(iii) 兩家實體均為同一第三方的合營公司。

(iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。

(v) 該實體為本集團或與本集團有關聯的實體為僱員福利而設的離職後福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。

(vi) 該實體被(a)項所述人士控制或共同控制。

(vii) 於(a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的控股公司)主要管理層。

(viii) 該實體、或其所屬集團之任何成員公司向本集團或本集團之控股公司提供主要管理人員服務。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

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:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Property, plant and equipment

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

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

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

Plant and machinery	19.0%
Furniture and office equipment	19.0% to 49.4%
Motor vehicles	9.9% to 32.9%

2. 重大會計政策資料(續)

關聯方(續)

個人關係密切的家庭成員是指其在和實體進行交易時，預期可能影響該個人或者被該個人影響的家庭成員，包括：

(a) 該個人的子女及配偶或家庭伴侶；

(b) 該個人配偶或家庭伴侶的子女；及

(c) 該個人、該個人配偶或家庭伴侶贍養的人。

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使資產達致其使用狀態及地點作擬定用途所直接產生之成本。

於物業、廠房及設備項目投入運作後所產生的支出，如維修及保養費等，通常於該等支出產生期間計入損益。倘確認條件達標，主要檢查費用可按撥充資本計入作為重置的資產賬面值。倘須定期替換大部分物業、廠房及設備，則本集團會將該等部分確認為有特定可使用年期的個別資產及相應地予以折舊。

折舊乃以直線法按其估計可使用年期撇銷各項物業、廠房及設備的成本至其剩餘價值。就此使用的的折舊年率如下：

廠房及機器	19.0%
傢具及辦公設備	19.0至49.4%
汽車	9.9%至32.9%

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment (Continued)

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

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

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

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

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

2. 重大會計政策資料(續)

物業、廠房及設備(續)

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本按合理基準分配至各部分，每部分單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各報告期末檢討，並於適當時調整。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認期間在損益內確認的任何出售或報廢產生的收益或虧損，乃有關資產出售所得款項淨額與其賬面值的差額。

投資物業

投資物業指持作賺取租金收入及／或資本增值的土地及樓宇權益(包括符合投資物業定義的作為使用權資產而持有的租賃物業)，而非用作生產或作供應貨品或提供服務或作行政用途或持作日常業務過程中出售。該等物業初步按成本(包括交易成本)計量。初始確認後，投資物業按公允價值列賬，以反映報告期末的市況。

投資物業公允價值變動產生的收益或虧損計入其產生期間的損益內。

報廢或出售投資物業產生的任何收益或虧損於報廢或出售期間的損益確認。

就在建物業及持作出售之已竣工物業轉撥至投資物業而言，物業於該日之公允價值與其先前賬面值間之任何差額於損益內確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Lease

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

The Group as lessee

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

2. 重大會計政策資料(續)

開發中物業

開發中物業擬持作竣工後出售。

開發中物業按成本及可變現淨值的較低者列賬，成本包括土地成本、建築成本、借款成本、專業費用與於開發期內產生與該等物業直接相關的其他成本。

除非開發中物業不會於正常營運周期內竣工，否則其分類為流動資產。物業於竣工時轉至持作出售的已竣工物業。

持作出售的已竣工物業

持作出售的已竣工物業乃按成本與可變現淨值的較低者於綜合財務狀況表列賬。成本乃按未出售物業應佔土地及樓宇總成本的分攤比例釐定。可變現淨值計及最終預期將變現的價格減去銷售該物業時將產生的估計成本。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(a) Right of use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of- use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets (if any).

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

(b) Lease liabilities

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期確認(即相關資產可供使用之日期)。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於租期(以較短者為準)及估計可使用年期內(如有)以直線法折舊。

倘租賃資產所有權於租期末轉移至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠，取決於某一指數或比率之可變租賃付款及預期根據在剩餘價值擔保中將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價，倘租賃期反映了本集團行使終止選擇權，則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於發生觸發付款之事件或狀況期間確認為開支。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(b) Lease liabilities (Continued)

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

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

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

The Group as lessor

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

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

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債(續)

於計算租賃付款現值時，由於租賃中所隱含之利率不易釐定，本集團於租賃開始日期使用其增量借款利率。於開始日期後，租賃負債金額會增加，以反映利息增加及就所付租賃付款作出調減。此外，倘出現修改、租賃期變動、租賃付款變動(如指數或比率變動所產生之未來租賃付款變動)或購買相關資產之期權評估變更，則租賃負債之賬面值將予重新計量。

(c) 短期租賃及低值資產租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租期為12個月或以下且不包含購買權的租賃)應用短期租賃確認豁免。其亦對視作低值的樓宇或辦公室租賃應用低值資產租賃確認豁免。

本集團作為承租人

本集團作為承租人時，於租賃開始日期(或發生租賃修改)將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所隨附的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃組成部分時，本集團按照單獨售價的相對比例將合約中的對價分配給每個組成部分。由於其經營性質，租金收入於租期內按直線法列賬並於綜合損益及其他全面收益表內列為收益。於協商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面價值，並於租賃期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

凡將相關資產擁有權之絕大部份隨附回報與風險轉讓予承租人之租賃列賬為經營租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

2. 重大會計政策資料(續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本計量、按公允價值計入其他全面收入(「按公允價值計入其他全面收入」)及按公允價值計入損益(「按公平價值計入損益」)的金融資產。

於初始確認時，金融資產的分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按公允價值加上(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收入確認」所載的政策按國際財務報告準則第15號釐定的交易價格計量。

以攤銷成本分類及計量或按公允價值計入其他全面收入的金融資產產生的現金流量，應純粹為支付本金及未償還的本金所產生的利息(「純粹支付本金及利息」)。並非純粹支付本金及利息之現金流量之金融資產，其以公允價值計入損益進行分類及計量，不論其業務模式如何。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。以攤銷成本分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式內持有，而以公允價值計入其他全面收入進行分類及計量的金融資產則於旨在收取合約現金流量及銷售的業務模式內持有。不屬於上述業務模式內的則為按公允價值計入損益分類及計量的金融資產。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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 marketplace.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Derecognition of financial assets

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

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有金融資產的常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指須在法規或市場慣例普遍規定的期間交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其以下類別：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於綜合損益及其他全面收益表中確認。

金融資產終止確認

金融資產(或，如適用，一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況下終止確認(即從本集團的綜合財務狀況表中剔除)：

- 收取該項資產所得現金流量的權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或須根據一項「轉付」安排承擔在並無重大延誤的情況下向第三方全數支付所得現金流量責任；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

Impairment of financial assets

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

General approach

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產終止確認(續)

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排，其會評估是否有保留該項資產擁有權的風險及回報及保留程度。倘其並無轉讓或保留該項資產的絕大部份風險及回報，亦無轉讓該項資產的控制權，則本集團繼續根據本集團持續參與的程度將轉讓資產確認入賬。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按可反映本集團所保留的權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團對並非按公允價值計入損益的所有債務工具確認預期信貸虧損的撥備(「預期信貸虧損」)。預期信貸虧損乃基於根據合約應收的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施的現金流量。

一般方式

預期信貸虧損分兩個階段確認。對於自首次確認概無重大增加的信貸風險，預期信貸虧損乃是為於未來12個月內可能來自違約事件的預期信貸虧損(12個月預期信貸虧損)而計提。對於該等自首次確認後顯著增加的信貸風險，必須為預期於剩餘年期產生的信貸虧損作出虧損撥備，無須考慮違約事件發生的時間(全期預期信貸虧損)。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At the end of each reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

一般方式(續)

於各報告期結束時，本集團評估金融工具的信貸風險自初始確認以來是否顯著上升。於評估時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的資料，包括過往經驗及無須花費不必要成本或努力獲取的前瞻性資料。

本集團認為，當合約繳款逾期超過90天，該金融資產屬違約。然而，於若干情況，當內部或外來資料顯示本集團不大可能於考慮本集團所持的任何信貸提升措施前全數收到尚未償還合約款項時，本集團亦可能認為一項金融資產已屬違約。當概無合理預期可回收合約現金流量時，一項金融資產即被撇銷。

按公允價值計入其他全面收入的債務投資及按攤銷成本計量的金融資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟貿易應收款項須應用以下詳述之簡化方法除外。

第一階段： 自初始確認以來信貸風險未有顯著上升的金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損撥備的金融工具

第二階段： 自初始確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融工具

第三階段： 於報告日期已作信貸減值的金融資產(惟不是已購買或源頭信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融資產

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

簡化方法

就不包含重大融資成分或本集團應用實際權宜方法未調整重大融資成分影響的貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團不會追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

金融負債

初始確認及計量

金融負債於初始確認時歸類為按公允價值計入損益的金融負債、或貸款及借款、應付款項，或指定於有效對沖中作對沖工具的衍生工具(倘適用)。

所有金融負債初步按公允價值確認，而貸款及借款以及應付款項則須扣除直接應佔交易成本。

後續計量

金融負債的後續計量取決於其以下類別：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定按公允價值於損益中列賬的金融負債。

倘金融負債的產生乃為於短期內出售而購回，則歸類為持有作買賣用途。此類別亦包括本集團所訂立並未指定為對沖關係(定義見國際財務報告準則第9號)中的對沖工具的衍生金融工具。已分開的嵌入式衍生工具亦分類為持作買賣用途，惟指定為實際對沖工具者除外。持作買賣的負債的損益於綜合損益及其他全面收益表中確認。於綜合損益及其他全面收益表中確認的公平淨值收益或虧損不包括就該等金融負債收取的任何利息。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at FVPL (Continued)

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial guarantee contracts

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

2. 重大會計政策資料(續)

金融負債(續)

後續計量(續)

按公允價值計入損益的金融負債(續)

於初步確認時指定按公允價值於損益中列賬的金融負債，僅於初步確認日期符合國際財務報告準則第9號的要求時指定。指定按公允價值計入損益的收益或虧損於綜合損益表確認，惟本集團本身信貸風險產生的於其他全面收益呈列且其後並無重新分類至綜合損益表的收益或虧損除外。於損益內確認的公允價值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

按攤銷成本計量的金融負債(貸款及借款)

於初始確認後，計息銀行及其他借款其後以實際利率法按攤銷成本計量，倘貼現影響不大，則按成本列賬。收益或虧損於負債終止確認時透過實際利率攤銷程序於損益確認。

計算攤銷成本時已計及任何收購折讓或溢價，以及實際利率所包括的費用或成本。實際利率攤銷則計入損益的融資成本。

財務擔保合約

本集團作出的財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具的條款償還到期款項而招致損失的合約。財務擔保合約初步按其公允價值確認為一項負債，並就作出該擔保直接產生的交易成本作出調整。於初始確認後，本集團按(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初始確認的金額減(如適用)確認收入累計金額(以較高者為準)計量財務擔保合約。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

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

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

2. 重大會計政策資料(續)

金融負債(續)

終止確認金融負債

金融負債於債務責任已解除或取消或到期時終止確認。

當現有金融負債被同一貸款人以與原有負債條款有重大差別的金融負債取代，或現有負債條款經重大修訂，則上述取代或修訂將視為終止確認原有負債並確認新負債，而有關賬面值之間的差額於損益確認。

抵銷金融工具

倘且僅倘現時有可執行的合法權利抵銷已確認金額且有意按淨額基準結算，或同時變現資產及結算負債，則金融資產與金融負債予以抵銷且淨額於綜合財務狀況表呈報。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金與活期存款，以及可隨時轉換成已知金額現金、價值變動風險不大且購買時一般具有不超過三個月短暫有效期的短期高流通投資，再扣除須於要求時償還且為本集團現金管理所包括的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括不限用途的手頭現金及銀行現金(包括定期存款及與現金性質相似的資產)。

撥備

撥備倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘貼現影響重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。貼現現值隨時間過去而增加的金額計入損益中的融資成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

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

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

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Government Grants

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

2. 重大會計政策資料(續)

所得稅

即期所得稅支出乃根據本期間的業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用的稅率為於報告期末已頒行或實際上已頒行的稅率。

遞延稅項乃就資產及負債的稅基與其於綜合財務報表內所示的賬面值於報告期末的所有暫時性差額，採用負債法計提撥備。然而，初步確認商譽或一項交易(業務合併除外)中的其他資產或負債所產生的任何遞延稅項，於交易時既不影響會計溢利，也不影響應課稅溢利或虧損，則不會確認。

遞延稅項負債及資產乃根據於報告期末已頒行或實際上已頒行的稅率及稅法，按收回資產或清還負債的期間預期適用的稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時性差額、稅項虧損及抵免，則會確認遞延稅項資產。

遞延稅項按於附屬公司之投資所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，且暫時差額將不會於可見將來撥回則除外。

政府補助

倘能合理確定將可收到補助且所有附帶條件得到遵守，則政府補助按其公允價值確認。倘補助與開支項目有關，則會有系統地在擬用作補償的成本支銷期間確認補助為收入以符合該補助。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

2. 重大會計政策資料(續)

收入確認

來自客戶合約的收入

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Sale of properties

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation that best depict the Group's performance in satisfying the performance obligation.

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

For properties development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession, or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

2. 重大會計政策資料(續)

收入確認(續)

來自客戶合約的收入(續)

銷售物業

收益於資產控制權轉移至買方時確認。資產的控制權是在一段時間內或在某一時點轉移，取決於合約條款與適用於合約的法律規定。資產的控制權會在一段時間內轉移，前提是本集團的履約行為：

- 提供買方同時取得及消耗的所有利益；或
- 創造及提升買方在本集團履約時控制的資產；或
- 並無創造對本集團有替代用途的資產，且本集團具有就迄今為止已完成的履約部分獲得付款的可強制執行權利。

倘資產的控制權在一段時間內轉移，會按在合約期間已完成該履約責任的進度確認收益。否則，收益會於買方獲得資產控制權的時點確認。

完全達成履約責任之進度乃根據本集團對履行責任所作付出或投入計量，其必須為描述本集團完成履約責任表現之最佳指標。

在釐定合約之交易價格時，倘融資成份重大，本集團將根據合約之融資成份調整合約之承諾代價。

就於某時點轉讓物業控制權之物業發展及銷售合約而言，收益於買方獲得實物所有權或竣工物業之法定所有權且本集團已獲得現時之付款請求權並很可能收回代價時確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Interest income

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

Contract liabilities

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

Other employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2. 重大會計政策資料(續)

收入確認(續)

其他來源的收入

租金收入於租期內按時間比例基準確認。

利息收入

利息收入以應計基準確認，採用實際利率法按估計於金融工具的預計年期或於適當時按更短期間內所得未來現金收入折現至該金融資產賬面淨值的折現率計算。

合約負債

本集團轉讓相關商品或服務之前，於已收客戶付款或付款到期時(以較早者為準)確認合約負債。本集團根據合約(即將相關商品或服務的控制權轉讓予客戶)履行合約下的履約責任時，合約負債確認為收益。

其他僱員福利

短期僱員福利

薪金、年度花紅、有薪年假以及非貨幣福利成本乃於僱員提供相關服務年度內計提。

界定供款計劃

界定退休供款計劃的供款責任於產生時在損益中確認為開支，並扣除於供款全數歸屬該等僱員前退出計劃的僱員所沒收的供款。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Other employee benefits (Continued)

Defined contribution plans (Continued)

The contributions recognised in respect of pension scheme are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature. The Group participates in the pension scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Borrowing costs

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

2. 重大會計政策資料(續)

其他僱員福利(續)

界定供款計劃(續)

有關退休金計劃的已確認供款於其逾期後列為開支。倘出現欠款或預付款項，則可能確認負債及資產，並由於其通常為短期性質而於流動負債或流動資產中入賬。本集團參與其香港僱員可得的香港強制性公積金計劃條例項下的退休金計劃(「強積金計劃」)。本集團及僱員向強積金計劃的供款乃根據僱員基本薪金的百分比作出，且於其根據強積金計劃的規則變為應付後於損益中扣除。強積金計劃的資產與本集團的資產分開，由一獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全面歸屬於僱員。

本集團在中國經營的附屬公司的僱員均須參與由地方市政府運作的中央退休金計劃。該等附屬公司須按其員工成本的一定百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

離職福利

本集團於明確就終止僱用作出承擔或因在一項實際上不可能撤回的詳細正式計劃下僱員自願離職而提供利益及僅在此情況下，方始確認離職福利。

借款成本

收購、建設或生產合資格資產(即需要一段較長時間方可達致擬定用途或出售的資產)直接應佔的借款成本會撥充資本，作為該等資產的部分成本。當資產已大致可作擬定用途或出售時，不再將該等借款成本撥充資本。將待用於合資格資產的特定借款臨時投資所賺取的投資收入須自撥充資本的借款成本扣除。所有其他借款成本於其產生期間列為開支。借款成本包括實體借款時產生的利息及其他成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and the Group because the Group's principal operations are carried out in the PRC.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

2. 重大會計政策資料(續)

外幣

由於本集團的主要業務於中國進行，故綜合財務報表以本公司及本集團的功能貨幣人民幣(「人民幣」)列示。

外幣交易乃按交易日期的現行匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的匯兑收益及虧損，於損益確認。

其功能貨幣與呈列貨幣不同的所有集團實體(「海外業務」)的業績及財務狀況按以下方式換算為呈列貨幣：

- 各財務狀況表的資產及負債按報告期末的收市匯率換算。
- 各損益及其他全面收益表的收支按平均匯率換算。
- 上述換算產生的所有匯兑差額及構成本集團於海外業務的投資淨額一部分之貨幣項目產生的匯兑差額乃確認為權益的獨立部分。
- 出售海外業務(包括出售本集團於海外業務的全部權益、涉及失去包含海外業務之附屬公司的控制權的出售事項，或部分出售於合營安排或聯營公司(包括其保留權益不再於權益列賬的海外業務)的權益)時，與海外業務相關而於其他全面收益中確認並於權益中獨立部分累計的匯兑差額累計金額，於確認出售損益時由權益重新分類至損益。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (Continued)

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, which is the Group's chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 重大會計政策資料(續)

外幣(續)

- 部分出售本集團於包含海外業務之附屬公司的權益，惟並無令本集團失去對該附屬公司的控制權時，按比例分佔於權益中獨立部分確認的匯兑差額累計金額會重新分類至該海外業務的非控股權益，而不會重新分類至損益。

- 就所有其他部分出售(包括部分出售聯營公司或合營公司而並無導致本集團失去重大影響力或共同控制權)而言，按比例分佔於權益獨立部分確認的匯兑差額累計金額乃重新分類至損益。

分部報告

綜合財務報表內所呈報之經營分部及各分部項目之金額，乃自定期就本集團各地理位置之資源分配及表現評估而向本集團最高行政管理層(其為本集團之主要營運決策者)提供之財務資料中識別得出。

個別重大營運分部不會因財務報告而合併，惟各分部具有類似的經濟性質，以及產品與提供的服務性質、生產過程的性質、客戶類型或級別、分銷產品或提供服務所用的方法及監管環境的性質雷同的情況除外。不屬重大的個別營運分部倘其符合絕大部分該等標準則可能合併。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Future changes in IFRSs

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

2. 重大會計政策資料(續)

國際財務報告準則之未來變動

本集團並無提早應用以下已頒佈惟未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間的資產出售或注資[1]
國際財務報告準則第16號(修訂本)	售後租回的租賃負債[2]
國際會計準則第1號(修訂本)	將負債分類為流動或非流動[2]
國際會計準則第1號(修訂本)	附帶契諾的非流動負債[2]
國際會計準則第7號及國際財務報告準則第7號(修訂本)	供應商融資安排[2]
國際會計準則第21號(修訂本)	缺乏可兑換性[3]

1 於待定日期或之後開始的年度期間生效。
2 於二零二四年一月一日或之後開始的年度期間生效。
3 於二零二五年一月一日或之後開始的年度期間生效。

本公司董事預期於未來期間應用該等新訂／經修訂國際財務報告準則將不會對本集團的財務表現及財務狀況造成任何重大影響。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Classification between property, plant and equipment, investment properties and completed properties held for sale

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. Completed properties held for sale comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends.

3. 重要會計判斷及估計

本集團的綜合財務報表編製須管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響所呈報的收益、開支、資產及負債金額及其相關披露以及或然負債的披露。該等假設及估計的不確定性可能導致日後須大幅調整受影響資產或負債的賬面值。

判斷

本集團管理層在應用本集團的會計政策過程中，除作出涉及估計的判斷外，亦作出以下對於綜合財務報表內所確認金額有最重大影響的判斷：

物業、廠房及設備、投資物業及持作出售的已竣工物業之間的分類

本集團會釐定一項物業是否合資格作為投資物業，並已制定作出該判斷的標準。投資物業為持作賺取租金或作資本增值或同時作以上用途的物業。因此，本集團會衡量物業所產生現金流量是否基本上獨立於本集團持有的其他資產。某些物業包括持作賺取租金或作資本增值的部分，亦包括持作生產或提供商品或服務或作行政用途的另一部分。倘該等部分能獨立出售或根據融資租賃獨立出租，則本集團會將各部分獨立入賬。倘該等部分不能獨立出售，則僅於持作生產或提供商品或服務或作行政用途的部分並不重大時，該物業方會視為投資物業。本集團會根據個別物業作出判斷，以釐定配套服務是否重大以致其不合資格歸類為投資物業。持作出售的已竣工物業包括持作於日常業務過程中出售的物業，主要是本集團開發並擬於竣工前或竣工時出售的住宅物業。

分派股息產生的預扣稅

本集團在釐定是否根據司法權區所頒佈的相關稅務規則計算若干附屬公司分派股息所產生的預扣稅時，須對分派股息的計劃作出判斷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Provision for expected credit losses on trade receivables and financial assets included in prepayments, other receivables and other assets at amortised costs

The Group uses a provision matrix to calculate ECLs for trade receivables and financial assets included in prepayments, other receivables and other financial assets at amortised costs. The provision rates are based on days past due for groupings of various debtor segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next financial reporting period which can lead to an increased number of defaults in the property development sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future.

3. 重要會計判斷及估計(續)

估計的不確定因素

以下是於報告日有關未來的主要假設及估計不確定事項的其他主要來源，有關假設及來源具有導致資產及負債的賬面值於下一個財務報告期內作出重大調整的重大風險。

貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他資產的金融資產的預期信貸虧損撥備

本集團使用撥備矩陣以計算貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他金融資產的金融資產的預期信貸虧損。撥備率乃基於具有相似虧損模式的不同債務人分部(即按地區、產品種類、客戶類別及評級以及信用證及其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。

撥備矩陣乃初始基於本集團的過往可觀察違約比率。本集團將按經前瞻性資料調整的過往信貸虧損經驗調節該矩陣。舉例說，倘下一個財務報告期的預測經濟狀況(例如國內生產總值)預期將轉差，可導致物業開發行業的違約數量增加，則過往違約比率將作出調整。於各報告期末，本集團會更新過往可觀察違約比率及分析前瞻性估計的變動。

過往可觀察違約比率、預測經濟狀況及預期信貸虧損之間關係的評估乃重大的估計。預期信貸虧損金額對情況的變動及預測經濟狀況相當敏感。本集團的過往信貸虧損經驗及預測經濟狀況就債務人未來實際違約而言亦未必有代表性。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision of properties under development and completed properties held for sale

The Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's historical experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion of properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and completed properties held for sale. Such a provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which the estimate is changed will be adjusted accordingly.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

開發中物業及持作出售的已竣工物業撥備

本集團的開發中物業及持作出售的已竣工物業按成本及可變現淨值的較低者列賬。基於本集團的過往經驗及目標物業的性質，本集團對售價、開發中物業的竣工成本及根據現行市況銷售該物業所產生的成本作出估計。

倘竣工成本增加或銷售淨值減少，則可變現淨值將會減少，而這或會導致就開發中物業及持作出售的已竣工物業作出撥備。該撥備須使用判斷及估計。倘預期不同於原先估計，則於估計發生變動期間物業的賬面值及撥備將作相應調整。

非金融資產(商譽除外)減值

本集團於各報告期末評估所有非金融資產有否減值跡象。無限年期的無形資產於每年及於有關跡象存在的其他時間進行減值測試。其他非金融資產在有跡象顯示其賬面值無法收回時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即其公允價值減銷售成本與其使用價值的較高者)，則存在減值。公允價值減銷售成本乃基於按公平原則進行具約束力的類似資產銷售交易所得數據或可觀察市價扣除出售資產的增量成本計算。計算使用價值時，管理層須估計資產或現金產生單位的預期未來現金流量，選擇合適的貼現率以計算該等現金流量的現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Estimation on the fair value of investment properties

Investment properties, including completed investment properties and investment properties under construction carried at fair value, are revalued at the end of each reporting period based on the appraised market value provided by independent professional valuers. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

PRC land appreciation tax ("LAT")

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

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

投資物業的公允價值估計

投資物業(包括按公允價值列賬的已竣工投資物業及在建投資物業)均於各報告期末基於獨立專業估值師所提供的經評估市值進行重新估值。該估值乃基於若干假設，其存在不確定因素並可能與實際業績相差甚遠。在進行估計時，本集團考慮有關類似物業於活躍市場的當前價格的資料，並採用主要基於各報告期末已存在市況的假設。

對本集團公允價值估計的主要假設包括對相同地區及條件下類似物業的現時市場租金、適當貼現率、預期未來市場租金及未來維修成本的假設。

遞延税項資產

倘可能有應課税溢利可用以抵銷虧損，則就所有未動用的税項虧損確認遞延税項資產。管理層須根據未來應課税溢利的大致時間及數額以及未來税務計劃策略作出重大判斷，以釐定可確認的遞延税項資產金額。

中國土地增值税(「土地增值税」)

本集團須繳納中國土地增值税。土地增值税撥備乃基於管理層對中國相關税務法律及法規所載規定的理解所作最佳估計計提。實際的土地增值税負債須待物業開發項目竣工後由税務機關釐定。本集團尚未就其所有物業開發項目與税務機關最終確定土地增值税的計算及付款。最終結果可能與初步入賬的金額不同，而任何差額會影響差額變現期間的土地增值税開支及相關撥備。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Convertible bonds

The management uses their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. In determining the fair value of convertible bonds, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the properties development segment engages in the development and sale of properties;

(b) the properties leasing segment engages in leasing out properties for their rental income potential and/or for capital appreciation; and

(c) the others segment engages in investment holding.

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

No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers (if any) are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

可換股債券

就於活躍市場上並無報價的金融工具而言，在選擇適當的估值技術時，管理層運用其判斷。市場從業者常用的估值方法會被應用。釐定可換股債券的公允價值時所作出的假設，乃基於就該工具的具體特點調整後的市場報價。

4. 分部資料

就管理而言，本集團按產品及服務劃分其業務單位，且有以下三個可呈報經營分部：

(a) 從事物業開發及銷售的物業開發分部；

(b) 從事出租具租金收入潛力及／或資本增值的物業的物業租賃分部；及

(c) 從事投資控股的其他分部。

管理層獨立監察本集團經營分部的業績，以作出有關資源分配及表現評價的決策。分部表現乃基於可呈報分部損益(即對經調整除所得稅前損益的計量)進行評價。

由於本集團按經營分部劃分的資產及負債的分析並無定期提交予主要營運決策者審閱，因此並無披露該等分析。

分部間之銷售及轉讓(如有)乃按照當時市場價格銷售予第三方之銷售價而進行交易。

4. SEGMENT INFORMATION (CONTINUED)
Year ended 31 December 2023

4. 分部資料(續)
截至二零二三年十二月三十一日止年度

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 總計 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	418,920	3,660	–	422,580
Segment results	**分部業績**	(425,929)	(19,212)	(119,015)	(564,156)
Loss before income tax	除所得稅前虧損				(564,156)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	12	156	10	178
Changes in fair value of investment properties	投資物業之公允價值變動	–	(17,900)	–	(17,900)
Changes in fair value of convertible bonds	可換股債券之公允價值變動	–	–	3,814	3,814
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	1	1	14
Finance costs	融資成本	70,848	–	6,231	77,079
Impairment of completed properties held for sale	持作出售的已竣工物業減值	19,474	–	–	19,474
Impairment of properties under development	開發中物業減值	107,040	–	–	107,040
Impairment of trade receivables, net	貿易應收款項減值淨額	185	–	–	185
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值淨額	2,571	–	–	2,571
Interest penalties	罰息	213,620	–	101,239	314,859

4. SEGMENT INFORMATION (CONTINUED) 4. 分部資料(續)

Year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 總計 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	6,065	29,133	–	35,198
Segment results	**分部業績**	(1,495,795)	(1,205,860)	(127,968)	(2,829,623)
Loss before income tax	除所得稅前虧損				(2,829,623)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	1	51	1	53
Changes in fair value of investment properties	投資物業之公允價值變動	–	(1,082,900)	–	(1,082,900)
Changes in fair value of convertible bonds	可換股債券之公允價值變動	–	–	24,336	24,336
Depreciation of property, plant and equipment	物業、廠房及設備折舊	46	1	1	48
Finance costs	融資成本	76,755	–	7,289	84,044
Impairment of completed properties held for sale	持作出售的已竣工物業減值	207,254	–	–	207,254
Impairment of properties under development	開發中物業減值	81,844	–	–	81,844
Impairment of trade receivables, net	貿易應收款項減值淨額	–	2,848	–	2,848
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值淨額	19,657	–	–	19,657
Interest penalties	罰息	229,176	–	82,948	312,124

4. SEGMENT INFORMATION (CONTINUED)

Geographical information

Since the Group solely operates business in the PRC and almost all of the Group's non-current assets are located in the PRC, geographical segment information in accordance with IFRS 8 Operating Segments is not presented.

Information about major customers

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2023 and 2022.

4. 分部資料(續)

地理資料

由於本集團僅於中國經營業務，且本集團幾乎所有非流動資產位於中國，故並無根據國際財務報告準則第8號經營分部呈列地理分部資料。

有關主要客戶的資料

截至二零二三年及二零二二年十二月三十一日止年度，概無客戶獨自貢獻本集團收益10%或以上。

5. REVENUE

5. 收益

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue from contracts with customers within IFRS 15	**國際財務報告準則第15號範圍內之客戶合約的收益**		
Sales of properties	物業銷售	**418,920**	6,065
Revenue from other sources	**來自其他來源的收益**		
Gross rental income from investment property operating leases	來自投資物業經營租賃的租金收入總額		
– other lease payments, including fixed payments	－其他租賃付款，包括定額付款	**3,660**	29,133
		422,580	35,198

5. REVENUE (CONTINUED)

(a) Disaggregated revenue information

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

5. 收益(續)

(a) 收入分拆資料

除分部披露所顯示之資料以外，國際財務報告準則第15號範圍內之客戶合約的收益細分如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Geographical region:	*地理區域：*		
– The PRC	－中國	**418,920**	6,065
Timing of revenue recognition:	*收入確認時間：*		
– at a point in time	－於一個時點	**418,920**	6,065
Type of transaction price:	*交易價格類別：*		
– fixed price	－固定價格	**418,920**	6,065

The amount of revenue recognised for the year ended 31 December 2023 that was included in the contract liabilities at the beginning of the year is approximately RMB404,192,000 (2022: RMB6,065,000).

於截至二零二三年十二月三十一日止年度確認並計入年初合約負債的收益金額約人民幣404,192,000元(二零二二年：人民幣6,065,000元)。

(b) Performance obligations

Information about the Group's performance obligations in respect of sales of properties is summarised below:

The performance obligation is satisfied when customers obtain the physical possession or the legal title of the completed properties and the Group has right to payment and the collection of the consideration is probable.

(b) 履約責任

有關本集團物業銷售履約責任的資料概述如下：

履約責任於客戶取得已竣工物業實際擁有權或合法產權，本集團擁有付款權利且可收取代價時履行。

6. OTHER INCOME AND GAINS AND LOSSES

6. 其他收入及收益及虧損

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Other income	**其他收入**		
Bank interest income	銀行利息收入	**178**	53
Government grants	政府補助	**22**	35
Others	其他	**116**	88
		316	176
Gains and losses	**收益及虧損**		
Exchange losses, net	匯兑虧損淨額	**(6,505)**	(23,138)
Other gain, net	其他收益淨額	**3**	224
		(6,502)	(22,914)
		(6,186)	(22,738)

7. LOSS BEFORE INCOME TAX

This is stated after charging (crediting):

7. 除所得稅前虧損

經扣除(計入)下列項目後列賬：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Finance costs	**融資成本**		
Interest on interest-bearing bank and other borrowings	計息銀行及其他借款的利息	**102,121**	101,368
Total interest expenses	總利息開支	**102,121**	101,368
Less: Interest capitalised	減：資本化利息	**(25,042)**	(17,324)
Total finance costs	**融資成本總額**	**77,079**	84,044

7. LOSS BEFORE INCOME TAX (CONTINUED)

This is stated after charging (crediting):

7. 除所得稅前虧損(續)

經扣除(計入)下列項目後列賬：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Staff costs (excluding directors' emoluments)	**員工成本(董事酬金除外)**		
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	**11,518**	14,292
Contribution to defined contribution plans	界定供款計劃的供款	**1,714**	2,154
		13,232	16,446
Other items	**其他項目**		
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	**1,743**	1,638
Cost of properties sold	已出售物業的成本	**367,253**	10,416
Cost of leasing properties	租賃物業成本	**1,887**	4,771
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**14**	48
Impairment of financial assets, net (included in "other expenses")	金融資產減值淨額(計入「其他開支」)		
– Impairment of trade receivables, net	– 貿易應收款項減值淨額	**185**	2,848
– Impairment of financial assets included in prepayments, other receivables and other assets, net	– 計入預付款項、其他應收款項及其他資產的金融資產減值淨額	**2,571**	19,657
		2,756	22,505
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	**34,641**	280,788
Impairment of properties under development (included in "other expenses")	開發中物業減值(計入「其他開支」)	**107,040**	81,844
Impairment of completed properties held for sale (included in "other expenses")	持作出售的已竣工物業減值(計入「其他開支」)	**19,474**	207,254
Interest penalties (included in "other expenses")	罰息(計入「其他開支」)	**314,859**	312,124
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租賃付款	**412**	410

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to each of the following directors were as follows:

8. 董事及主要行政人員之薪酬

已付或應付下列各董事的薪酬如下：

For the year ended 31 December 2023 **截至二零二三年十二月三十一日止年度**

		Directors' fees 董事薪金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	–	983
Mr. Feng Cizhao	豐慈招先生	–	80	–	–	80
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong	蔡偉康先生	–	227	–	–	227
Mr. Zhou Zhencun	周振存先生	–	164	–	–	164
Ms. Gao Qiaoqin	高巧琴女士	–	180	–	–	180
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Chiu Kung Chak	趙公澤先生	164	–	–	–	164
Mr. Lau Wai Leung, Alfred	劉偉樑先生	164	–	–	–	164
Mr. Khor Khie Liem, Alex	許麒麟先生	227	–	–	–	227
		555	1,634	–	–	2,189

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

For the year ended 31 December 2022

8. 董事及主要行政人員之薪酬（續）

截至二零二二年十二月三十一日止年度

		Directors' fees 董事薪金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	–	983
Mr. Feng Cizhao	豐慈招先生	–	80	–	–	80
Mr. Pu Wei (Note (a))	浦巍先生(附註(a))	–	–	–	–	–
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong	蔡偉康先生	–	224	–	–	224
Mr. Zhou Zhencun	周振存先生	–	161	–	–	161
Ms. Gao Qiaoqin	高巧琴女士	–	180	–	–	180
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Khor Khie Liem, Alex	許麒麟先生	224	–	–	–	224
Mr. Chiu Kung Chak	趙公澤先生	161	–	–	–	161
Mr. Lau Wai Leung, Alfred	劉偉樑先生	161	–	–	–	161
		546	1,628	–	–	2,174

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

Note:

(a) On 5 February 2020, Mr. Pu Wei was appointed as an executive director of the Company. On 21 July 2022, Mr. Pu Wei was vacated by resolution of the board and ceased to be an executive director of the Company.

Mr. Chen Chengshou is the chief executive officer of the Group, and his emoluments disclosed above included those for services rendered by him as chief executive officer during the years ended 31 December 2023 and 2022.

For the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived or agreed to waive any emoluments in respect of the years ended 31 December 2023 and 2022.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2022: five) director, details of whose remuneration are set out in note 8 above.

For the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the highest paid individuals as a payment for loss of office or as an inducement to join or upon joining the Group.

For the years ended 31 December 2023 and 2022, no individuals waived or agreed to waive any emoluments.

8. 董事及主要行政人員之薪酬（續）

附註：

(a) 於二零二零年二月五日，浦巍先生獲委任為本公司執行董事。於二零二二年七月二十一日，浦巍先生根據董事會決議案被撤職並不再為本公司執行董事。

陳承守先生為本集團行政總裁，而其上述所披露的薪酬包括彼截至二零二三年及二零二二年十二月三十一日止年度期間擔任行政總裁所提供服務的薪酬。

截至二零二三年及二零二二年十二月三十一日止年度，本集團並無向董事支付酬金作為吸引其加入本集團或於加入本集團時之獎勵或離職補償。截至二零二三年及二零二二年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金。

9. 五名最高薪酬僱員

本年度五名最高薪酬僱員包括五名（二零二二年：五名）董事，彼等之薪酬詳情載列於上文附註8。

截至二零二三年及二零二二年十二月三十一日止年度，本集團概無支付最高薪人士任何酬金，作為離職之補償或作為加入或於加入本集團時之獎勵。

截至二零二三年及二零二二年十二月三十一日止年度，概無人士放棄或同意放棄任何酬金。

10. INCOME TAX (EXPENSES) CREDIT

10. 所得稅(開支)抵免

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current tax	**即期稅項**		
PRC Enterprise Income Tax – current year	中國企業所得稅－本年度	–	–
Land appreciation tax ("LAT")	土地增值稅(「土地增值稅」)	31,325	1,285
		31,325	1,285
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences	暫時差額的產生及撥回	(2,850)	(441,304)
Total income tax expenses (credit) for the year	年內所得稅開支(抵免)總額	28,475	(440,019)

The Group is subject to income tax on an entity based on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group's entities incorporated in the Cayman Islands and the BVI are not subject to any income tax.

本集團須就實體於本集團成員公司註冊及經營所在稅務司法權區產生或取得的溢利繳納所得稅。根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團於開曼群島及英屬處女群島註冊成立的實體毋須繳納任何所得稅。

The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income arising in Hong Kong during the year ended 31 December 2023 and 2022.

本集團於香港註冊成立的附屬公司毋須繳納所得稅，乃因截至二零二三年及二零二二年十二月三十一日止年度，其於年內並無在香港產生任何應課稅收入。

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25% the years ended 31 December 2023 and 2022.

截至二零二三年及二零二二年十二月三十一日止年度，本集團於中國成立的實體須按法定稅率25%繳納中國企業所得稅。

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

其他地區之應課稅溢利稅項乃按本集團經營所在司法權區當時之稅率計算。

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

根據於一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》及於一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例(實施細則)》的規定，出售或轉讓中國國有土地租賃權益、建築物及其附著物所得全部收入均須就增值按30%至60%的累進稅率繳納土地增值稅，惟倘增值並不超過可扣稅項目總和的20%，則普通住宅物業的物業銷售可免繳土地增值稅。

10. INCOME TAX (EXPENSES) CREDIT (CONTINUED)

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

10. 所得稅(開支)抵免(續)

本集團根據相關中國稅法及法規所載規定估計土地增值稅並就此作出稅項撥備。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定，而稅務機關可能對計算土地增值稅撥備的基準提出異議。

Reconciliation of income tax expenses

所得稅開支之對賬

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	**(564,156)**	(2,829,623)
Tax at the statutory tax rate of 25% (2022: 25%)	按法定稅率25%計算的稅項（二零二二年：25%）	**(141,039)**	(707,406)
Lower tax rate for specific entities	特定實體之較低稅率	**28,000**	35,186
Non-deductible expenses	不可扣稅開支	**–**	326
Non-taxable income	非應課稅收入	**(984)**	(5,720)
Write-down of previously recognised deferred tax assets	撇減先前確認的遞延稅項資產	**–**	–
Unrecognised tax losses and temporary differences	未確認稅項虧損及暫時差額	**118,998**	236,689
Subtotal	小計	**4,975**	(440,925)
Provision for LAT	土地增值稅撥備	**31,325**	1,285
Deferred tax effect of LAT	土地增值稅的遞延稅項影響	**(7,825)**	(379)
Total income tax expenses (credit) for the year	年內所得稅開支(抵免)總額	**28,475**	(440,019)

11. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2023 and 2022.

11. 股息

本公司董事不建議就截至二零二三年及二零二二年十二月三十一日止年度派付股息。

12. LOSS PER SHARE

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

12. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損的計算乃基於下列數據：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Loss: Loss attributable to owners of the Company, used in basic and diluted loss per share calculation	**虧損：** 計算每股基本及攤薄虧損所採用之本公司擁有人應佔虧損	**(526,121)**	(2,250,428)

		2023 二零二三年	2022 二零二二年
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and dilutive loss per share	**股份數目：** 用以計算每股基本及攤薄虧損之普通股加權平均數	**1,878,622,000**	1,878,622,000

Diluted loss per share is same as basic loss per share as there were no potential ordinary shares outstanding during the year ended 31 December 2023.

每股攤薄虧損與每股基本虧損相同，乃由於截至二零二三年十二月三十一日止年度概無未行使潛在普通股。

The computation of diluted loss per share does not assume the exercise of the outstanding share options since the assumed exercise would result in decrease in loss per share for the year ended 31 December 2022.

每股攤薄虧損的計量並不假設尚未行使購股權獲行使，乃由於行使將導致截至二零二二年十二月三十一日止年度的每股虧損減少。

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and office equipment 傢具及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	**成本**				
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日、二零二二年十二月三十一日、二零二三年一月一日及二零二三年十二月三十一日	2,662	4,601	5,964	13,227
Accumulated depreciation	**累計折舊**				
At 1 January 2022	於二零二二年一月一日	2,529	4,147	5,805	12,481
Charge for the year	年內扣除	–	48	–	48
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**2,529**	**4,195**	**5,805**	**12,529**
Charge for the year	年內扣除	**–**	**14**	**–**	**14**
At 31 December 2023	於二零二三年十二月三十一日	**2,529**	**4,209**	**5,805**	**12,543**
Net carrying amounts At 31 December 2023	賬面淨值 於二零二三年十二月三十一日	**133**	**392**	**159**	**684**
At 31 December 2022	於二零二二年十二月三十一日	133	406	159	698

None of the Group's property, plant and equipment have been pledged to secure borrowings granted to the Group at 31 December 2023 and 2022.

於二零二三年及二零二二年十二月三十一日，本集團概無抵押物業、廠房及設備以作為本集團獲授的其他借款之擔保。

14. INVESTMENT PROPERTIES

14. 投資物業

		RMB'000 人民幣千元
Fair value	**公允價值**	
At 1 January 2022	於二零二二年一月一日	2,988,000
Changes in fair value	公允價值變動	(1,082,900)
Disposal upon court-ordered sale (Note)	法院命令出售時出售(附註)	(969,000)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**936,100**
Changes in fair value	公允價值變動	**(17,900)**
At 31 December 2023	**於二零二三年十二月三十一日**	**918,200**

Note: In January 2022, 浙江省浙商資產管理有限公司 (Zhejiang Zheshang Asset Management Company Limited*) ("Zhejiang Zheshang") has filed an enforcement notice applying to 浙江省溫州市中級人民法院 (Zhejiang Wenzhou Intermediate People's Court*) (the "Wenzhou Court") for an enforcement order to auction and sell the entire ownership of the investment property held by Wenshang Times located at Wenshang Times Red Star Macalline Household Products Market, No. 1990 Donghuan Road, Jiaojiang District, Taizhou City, Zhejiang Province, The PRC (the "Taizhou Properties") since Wenshang Times was unable to repay the overdue borrowings with principal amount of RMB493,000,000 together with interest and penalty payments not less than RMB95 million to Zhejiang Zheshang (the "Total Outstanding Sum").

On 13 May 2022, the Wenzhou Court proceeded to hold an initial auction. On 31 May 2022, Wenshang Times received an auction confirmation (the "Auction Confirmation") issued by the Wenzhou Court. Under the Auction Confirmation, the entire ownership of the Taizhou Properties has been auctioned off to an independent third party at the auction price of RMB282,403,000 to repay the Total Outstanding Sum.

At 31 December 2021, the Taizhou Properties were stated at fair value of RMB969,000,000 and accordingly the loss on court-ordered sale of approximately RMB686,597,000 was charged to profit or loss for the year ended 31 December 2022.

Details of above are set out in the Company's announcement dated 31 May 2022.

附註：於二零二二年一月，浙江省浙商資產管理有限公司(「浙江浙商」)提交執行通知，向浙江省溫州市中級人民法院(「溫州法院」)申請執行令，以拍賣及出售溫商時代所持位於中國浙江省台州市椒江區東環路1990號溫商時代紅星美凱龍家居產品市場的投資物業(「台州物業」)的全部所有權，原因是溫商時代無法向浙江浙商償還本金額為人民幣493,000,000元的逾期借款連同利息及罰款不低於人民幣95百萬元(「未償還總額」)。

於二零二二年五月十三日，溫州法院進行初次拍賣。於二零二二年五月三十一日，溫商時代接獲溫州法院發出的拍賣確認書(「拍賣確認書」)。根據拍賣確認書，台州物業的全部所有權已按拍賣價人民幣282,403,000元拍賣予獨立第三方，以償還未償還總額。

於二零二一年十二月三十一日，台州物業按公允價值人民幣969,000,000元列賬，因此，截至二零二二年十二月三十一日止年度，法院命令出售的虧損約人民幣686,597,000元於損益中扣除。

上述詳情載於本公司日期為二零二二年五月三十一日的公告。

* *English name is for identification purpose only.*

14. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties consist of commercial properties completed in the PRC. The Group's investment properties were revalued on 31 December 2023 based on valuations performed by independent professionally qualified valuers at approximately RMB918,200,000 (2022: RMB936,100,000). For each financial reporting period, the Group's senior management may decide, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior management have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

At 31 December 2023, the Group's investment properties with aggregate values of approximately RMB918,200,000 (2022: RMB936,100,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業(續)

本集團的投資物業包括於中國已竣工的商業物業。本集團投資物業於二零二三年十二月三十一日由獨立專業合資格估值師重新估值，約為人民幣918,200,000元(二零二二年：人民幣936,100,000元)。於各財務報告期間，本集團高級管理層可能決定委任負責本集團物業外界估值之外界估值師。挑選準則包括市場知識、信譽、獨立性以及專業準則是否得到秉持。於就中期及年度財務報告進行估值時，本集團高級管理層每年就估值假設及估值結果與估值師討論兩次。

於二零二三年十二月三十一日，本集團已抵押總價值約為人民幣918,200,000元(二零二二年：人民幣936,100,000元)的投資物業，以擔保本集團獲授的計息銀行及其他借款(附註25)。

公允價值層級

下表載列本集團投資物業的公允價值計量層級：

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for commercial properties:	**對商業物業進行經常性公允價值計量：**				
At 31 December 2023	**於二零二三年十二月三十一日**	**–**	**–**	**918,200**	**918,200**
At 31 December 2022	於二零二二年十二月三十一日	–	–	936,100	936,100

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於年內，公允價值計量無第一級與第二級間的轉換，亦無第三級的轉入或轉出。

14. INVESTMENT PROPERTIES (CONTINUED)
Fair value hierarchy (Continued)

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

14. 投資物業(續)
公允價值層級(續)

以下為投資物業估值時所使用的估值技術及主要輸入數據的概要：

Valuation techniques 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Range (weighted average) 範圍(加權平均) 2023 二零二三年	2022 二零二二年
Direct comparable method 直接比較法	Unit rate per gross floor area (RMB per square meter) 每建築面積單位價(人民幣／平方米)	5,262–6,594	5,378–6,699

A significant increase (decrease) in the estimated unit rate per gross floor area would result in a significant increase (decrease) in the fair value of the investment properties.

每建築面積單位價大幅增加(減少)會導致投資物業公允價值大幅增加(減少)。

15. LEASES
The Group as lessee

During the year ended 31 December 2023, the Group has lease contracts for various items of buildings or offices used in its operations with lease terms of 12 months or less and/or individually low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

15. 租賃
本集團作為承租人

截至二零二三年十二月三十一日止年度，本集團擁有其經營所用的各類樓宇或辦公室的租期為12個月或以下及／或個別樓宇或辦公室價值較低租賃合約。一般而言，本集團不可向本集團以外人士轉讓及轉租租賃資產。

(a) The amounts recognised in profit or loss in relation to lease are as follows:

(a) 在損益中確認有關租賃的款項如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Expense relating to leases of low-value assets (included in "administrative expenses") 與低價值資產租賃有關的開支(計入「行政開支」)	412	410

(b) The total cash outflow for leases (including short-term leases and leases of low-value assets) for the year ended 31 December 2023 was approximately RMB412,000 (2022: RMB410,000).

(b) 截至二零二三年十二月三十一日止年度，租賃的現金流出總額(包括短期租賃及低價值資產租賃)約為人民幣412,000元(二零二二年：人民幣410,000元)。

15. LEASES (CONTINUED)

The Group as lessor

At the end of the reporting period, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

15. 租賃(續)

本集團作為出租人

於報告期末，未來期間本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃款項如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within one year	一年內	1,168	3,660
Over one year	一年以上	314	124
		1,482	3,784

Leasing arrangement

The investment properties are leased to a tenant for a term of two years which is non-cancellable by the tenant. The lease does not contain any renewal option. Monthly rental charges consist of fixed payments and variable payments that are based on a percentage of sales of the tenant. The tenant also bears the management fees and amounts charged by the government such as the rates levied on the Group.

The details of the lease income from operating leases are set out in note 2 to the consolidated financial statements.

租賃安排

投資物業已出租予租戶，租期為兩年，期間不可由租戶取消。該租賃不含任何續租選項。月租金費用包括固定費用及基於承租人銷售比例的可變付款。租戶亦須承擔管理費及政府收取的款項，例如向本集團徵收的差餉。

經營租賃的租賃收入詳情載於綜合財務報表附註2。

16. DEFERRED TAX
16. 遞延稅項

Deferred tax liabilities
遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Fair value adjustment of investment properties 投資物業公允價值調整 RMB'000 人民幣千元	Capitalised interest 資本化利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	60,980	445,925	97,367	604,272
(Credit) Charge to profit or loss	於損益中(計入)扣除	–	(445,925)	5,000	(440,925)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**60,980**	**–**	**102,367**	**163,347**
Charge to profit or loss	於損益中扣除	**–**	**–**	**4,975**	**4,975**
At 31 December 2023	**於二零二三年十二月三十一日**	**60,980**	**–**	**107,342**	**168,322**

Deferred tax assets
遞延稅項資產

		Loss available for offsetting against future taxable profit 可用於抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals and provisions 預提及撥備 RMB'000 人民幣千元	Accrued LAT 應計土地增值稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	37,715	22,918	141,256	201,889
Credit to profit or loss	於損益中計入	–	–	379	379
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**37,715**	**22,918**	**141,635**	**202,268**
Credit to profit or loss	於損益中計入	**–**	**–**	**7,825**	**7,825**
At 31 December 2023	**於二零二三年十二月三十一日**	**37,715**	**22,918**	**149,460**	**210,093**

The Group has tax losses arising in the PRC of approximately RMB2,012,306,000 (2022: RMB1,532,363,000) that will expire in one to five years for offsetting against future taxable profits.

本集團於中國產生稅項虧損約為人民幣2,012,306,000元(二零二二年：人民幣1,532,363,000元)，並將於一至五年內屆滿用於抵銷未來應課稅溢利。

16. DEFERRED TAX (CONTINUED)

Deferred tax assets (Continued)

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At the end of the reporting period, the Group had unrecognised deferred tax assets arising from unused tax losses of approximately RMB8,049,224,000 (2022: RMB6,129,452,000) available for set-off against future taxable profit.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2023, no deferred tax liabilities have been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the subsidiaries of the Group established in the PRC. In the opinion of the Company's directors, it is not probable that these subsidiaries will distribute earnings arising from 1 January 2008 to 31 December 2023 in the foreseeable future. The aggregate amount of temporary differences associated with the investments in these subsidiaries in the PRC for which deferred tax liabilities have not been recognised totalled approximately RMB135,000,000 (2022: RMB173,010,000).

16. 遞延税項(續)

遞延税項資產(續)

並無就該等虧損確認遞延税項資產，乃因該等虧損乃由已虧損一段時間之附屬公司所產生及認為不大可能有應課税溢利可用於抵銷上述税項虧損。

於報告期末，本集團並未就可用於抵扣未來應課税溢利的尚未動用税項虧損約人民幣8,049,224,000元(二零二二年：人民幣6,129,452,000元)確認遞延税項資產。

根據中國企業所得税法，於中國成立的外商投資企業向外商投資者宣派的股息，須按10%的税率徵收預扣税。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國與外商投資者所在司法權區已簽訂税務協議，則可採用較低的預扣税率。本集團的適用税率為10%。因此，自二零零八年一月一日起，本集團須就在中國成立的附屬公司所產生的盈利而分配的股息履行徵收預扣税的義務。

於二零二三年十二月三十一日，概無就本集團於中國成立的附屬公司的未匯出盈利(須繳納預扣税者)而應付的預扣税確認遞延税項負債。本公司董事認為，該等附屬公司於可預見將來不大可能分派於二零零八年一月一日至二零二三年十二月三十一日產生的盈利。有關投資於該等中國的附屬公司的暫時性差額總數(未就此確認遞延税項負債)合共約為人民幣135,000,000元(二零二二年：人民幣173,010,000元)。

17. PROPERTIES UNDER DEVELOPMENT

17. 開發中物業

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**709,464**	850,985
Additions	添置	**205,654**	145,733
Transfer to PHS	轉讓予PHS	**(366,379)**	(205,410)
Impairment	減值	**(107,040)**	(81,844)
At the end of the reporting period	於報告期末	**441,699**	709,464

17. PROPERTIES UNDER DEVELOPMENT (CONTINUED)

The movements in impairment of properties under development are as follows:

17. 開發中物業(續)

開發中物業減值變動如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**347,818**	265,974
Additions	添置	**107,040**	81,844
At the end of the reporting period	於報告期末	**454,858**	347,818

At the end of the reporting period, approximately RMB279,314,000 (2022: RMB366,379,000) of the properties under development is expected to be completed after more than one year.

於報告期末，約人民幣279,314,000元(二零二二年：人民幣366,379,000元)開發中物業預期於一年後竣工。

18. COMPLETED PROPERTIES HELD FOR SALE

18. 持作出售的已竣工物業

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**712,804**	1,140,728
Additions	添置	**366,379**	205,410
Transferred to cost of properties sold	轉撥至已售出物業成本	**(367,253)**	(10,416)
Disposal upon court ordered sales (Note)	透過法院命令出售的銷售(附註)	**(90,969)**	(415,664)
Impairment	減值	**(19,474)**	(207,254)
At the end of the reporting period	於報告期末	**601,487**	712,804

At 31 December 2023, certain of the Group's completed properties held for sale with an aggregate carrying amount of approximately RMB105,530,000 (2022: RMB195,543,000) have been pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

於二零二三年十二月三十一日，本集團抵押賬面總值約為人民幣105,530,000元(二零二二年：人民幣195,543,000元)的若干持作出售已竣工物業，以擔保本集團獲授的計息銀行及其他借款(附註25)。

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

Notes:

(a) In August 2022, Zhejiang Wenzhou Intermediate People's Court (浙江省溫州市中級人民法院) has enforced an order to auction and sell the land use right held by Hangzhou Xinming Property Investment Limited (杭州新明置業投資有限公司) ("Hangzhou Xinming"), in respect of the 20 immovable properties located at Tower 2, Xinming Commercial Centre, Gongshu District, Hangzhou City, the PRC and Xiaohe Road, Gongshu District, Hangzhou City ("Xinming Commercial Centre"), the PRC which are classified as completed properties held for sale since Hangzhou Xinming was unable to repay the overdue borrowings with principal amount of approximately RMB193,250,000 plus interests and penalty owed to Zhejiang Zheshang Asset Management Company Limited* (浙江省浙商資產管理有限公司) ("Zhejiang Zheshang") (the "Total Outstanding Loan").

During the year ended 31 December 2022, an auction in respect of the said land use right of Hangzhou Xinming has taken place and the said land use right had been sold in the said auction for an amount of RMB35,332,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB5,660,000 was charged to profit or loss for the year ended 31 December 2022.

During the year ended 31 December 2023, another auction in respect of the land use right of Hangzhou Xinming, in respect of another 28 immovable properties located at Xinming Commercial Centre had been taken place and the said land use right had been sold in the said auction for an amount of RMB56,328,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB34,641,000 was charged to profit or loss for the year ended 31 December 2023.

For further details, please refer to the announcements of the Company dated 12 August 2022 and 18 October 2022.

(b) On the application of Huarong Asset Management Co., Ltd. Shanghai Branch* (中國華融資產管理股份有限公司上海市分公司) ("Huarong Asset"), an online auction is ordered to be held on 5 December 2022. The completed properties held for sale located at Taizhou Property have been marked with an aggregate reserve price of approximately RMB99,544,000. If the aforesaid properties were to be sold, the auction proceeds of Taizhou Property are expected to be used for satisfaction of the Group's borrowing owed to Huarong Asset. On 8 December 2022, the 578 completed properties held for sale in Taizhou Property have been sold for an amount of RMB99,544,000 which is same as the aggregate reserve price and accordingly the loss on court-ordered sale of approximately RMB275,128,000 was charged to profit or loss for the year ended 31 December 2022. The auction proceeds are used for the satisfaction of the related company's borrowing owed to Huarong Asset.

For the details, please refer to the announcements of the Company dated 13 June 2022, 18 October 2022, 2 December 2022 and 29 December 2022.

18. 持作出售的已竣工物業(續)

附註：

(a) 於二零二二年八月，浙江省溫州市中級人民法院已命令拍賣出售杭州新明置業投資有限公司(「杭州新明」)所持有位於中國杭州市拱墅區新明商業中心2幢及中國杭州市拱墅區小河路的20處不動產的土地使用權(「新明商業中心」)。由於杭州新明無法償還結欠浙江省浙商資產管理有限公司(「浙江浙商」)之逾期借款本金額約人民幣193,250,000元連利息及罰款，故分類為持作出售之已竣工物業(「未償還貸款總額」)。

截至二零二二年十二月三十一日止年度，杭州新明的上述土地使用權已進行拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣35,332,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣5,660,000元於截至二零二二年十二月三十一日止年度於損益中扣除。

截至二零二三年十二月三十一日止年度，杭州新明已就位於新明商業中心的另外28處不動產的土地使用權進行另一次拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣56,328,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣34,641,000元於截至二零二三年十二月三十一日止年度於損益中扣除。

有關詳情，請參閱本公司日期為二零二二年八月十二日及二零二二年十月十八日的公告。

(b) 有關中國華融資產管理股份有限公司上海市分公司(「華融資產」)的申請，預定將於二零二二年十二月五日舉行線上拍賣。位於台州物業持作出售的已竣工物業已標明總底價約人民幣99,544,000元。倘出售上述物業，台州物業的拍賣所得款項預期將用於償還本集團欠華融資產的借款。於二零二二年十二月八日，台州物業的578個持作出售的已竣工物業以人民幣99,544,000元售出，與總底價相同。因此，法院命令出售虧損約人民幣275,128,000元於截至二零二二年十二月三十一日止年度於損益中扣除。拍賣所得款項已用於償還結欠華融資產的相關公司借款。

詳情請參閱本公司日期為二零二二年六月十三日、二零二二年十月十八日、二零二二年十二月二日及二零二二年十二月二十九日的公告。

* *English name is for identification purpose only.*

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

The movements in impairment of completed properties held for sale are as follows:

18. 持作出售的已竣工物業(續)

持作出售已竣工物業之減值撥備變動如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**370,816**	163,562
Additions	添置	**19,474**	207,254
At the end of the reporting period	於報告期末	**390,290**	370,816

19. TRADE RECEIVABLES

19. 貿易應收款項

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	**28,734**	28,368
Less: Allowance for impairment	減：減值撥備	**(27,308)**	(27,123)
		1,426	1,245

Trade receivables represent rentals receivable from tenants which are normally payable on demand and sales income receivables from customers which are payable in accordance with the terms of the related sales and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

貿易應收款項指應收租戶的租金(一般按要求支付)及應收客戶的銷售收入，乃根據相關買賣協議的條款支付。本集團致力保持對其未收回應收款項的嚴格控制，並設有信貸控制部門降低信貸風險。逾期結餘由管理層定期審核。鑒於以上所述及本集團的貿易應收款項與眾多多元化客戶有關，故本集團並無面臨重大集中信貸風險。

Trade receivables are unsecured and non-interest-bearing.

貿易應收款項為無抵押及免息。

19. TRADE RECEIVABLES (CONTINUED)

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

19. 貿易應收款項(續)

於報告期末，基於發票日期的貿易應收款項(扣除虧損撥備)賬齡分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within 1 year	一年內	**1,426**	1,245

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

貿易應收款項減值虧損撥備變動如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**27,123**	24,275
Increase in allowance, net	撥備增加淨額	**185**	2,848
At the end of the reporting period	於報告期末	**27,308**	27,123

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

各報告日期進行的減值分析，使用撥備矩陣以計量預期信貸虧損。撥備率乃基於具有相似虧損模式的不同客戶分部組別(即按地區、產品種類、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。有關計算反映概率加權產出、金錢的時間值以及於報告日期可獲得的有關過往事件、目前狀況及未來經濟狀況預測的合理及支持性資料。一般而言，倘逾期超過一年及不受強制執行活動所規限，則貿易應收款項予以撇銷。

19. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

19. 貿易應收款項(續)

下列資料乃有關本集團貿易應收款項所面臨的信貸風險(使用撥備矩陣計量):

At 31 December 2023 **於二零二三年十二月三十一日**

		Expected credit loss rate 預期信貸虧損率 % %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	**45.36**	**2,610**	**1,184**
More than 1 year	一年以上	**100.00**	**26,124**	**26,124**
		95.04	**28,734**	**27,308**

At 31 December 2022 於二零二二年十二月三十一日

		Expected credit loss rate 預期信貸虧損率 % %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	44.49	2,243	998
More than 1 year	一年以上	100.00	26,125	26,125
		95.61	28,368	27,123

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

20. 預付款項、其他應收款項及其他資產

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Prepayments	預付款項	**3,152**	4,150
Other tax recoverable	其他可收回稅項	**2,123**	3,209
Deposits and other receivables	按金及其他應收款項	**167,970**	179,373
		173,245	186,732
Less: Allowance for impairment	減:減值撥備	**(133,012)**	(130,441)
		40,233	56,291

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Deposits and other receivables mainly represent deposits with suppliers. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The average loss rate applied for where there were no comparable companies at 31 December 2023 was 79.2% (2022: 72.7%).

The movements in allowance for impairment are as follows:

20. 預付款項、其他應收款項及其他資產(續)

按金及其他應收款項主要為供應商按金。倘無法識別具有信貸評級的可資比較公司，則應參考本集團的歷史虧損記錄採用虧損率法估計預期信貸虧損。虧損率將於適當時候作出調整以反映現時情況及預測未來經濟情況。於二零二三年十二月三十一日在並無可資比較公司情況下使用的平均虧損率為79.2%(二零二二年：72.7%)。

減值撥備變動如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**130,441**	110,784
Increase in impairment	減值增加	**2,571**	19,657
At the end of the reporting period	於報告期末	**133,012**	130,441

The significant decrease in allowance for impairment for the year ended 31 December 2023 is due to decrease in balance of the financial assets (before net of loss allowance for impairment) as a result of de-consolidation of a subsidiary.

截至二零二三年十二月三十一日止年度減值撥備大幅增加乃因本集團項目開發延遲，對本集團與其業務夥伴及供應商的關係造成不利影響，以及中國商業物業市場的投資情緒持續低迷所致。

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Cash and equivalents	**現金及現金等價物**		
Cash at bank, unrestricted	銀行現金，不受限制	**1,335**	7,434
Denominated in RMB	以人民幣計值	**1,332**	7,434
Denominated in HK$	以港元計值	**2**	–
Denominated in US$	以美元計值	**1**	–
		1,335	7,434

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Restricted deposits	**受限制存款**		
Represented by restricted pre-sales proceeds	以受限制預售所得款項呈列	**520**	522

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

人民幣不可自由轉換為其他貨幣，然而，根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兑換為其他貨幣。銀行現金按基於每日銀行存款利率的浮動利率賺取利息。

21. CASH AND CASH EQUIVALENTS (CONTINUED)

In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amounts of pre-sale proceeds of properties as deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and the payments of construction fees of the relevant property projects when approval from the PRC State-Owned Land and Resource Bureau is obtained.

21. 現金及現金等價物(續)

根據中國國有土地資源管理局發出的有關文件，本集團旗下若干物業開發公司均須將預售物業所得款項的若干金額存放於指定銀行賬戶內作為建設有關物業的存款。該等存款只可在獲得中國國有土地資源管理局批准時用以購買建築材料及支付相關物業項目的建造費用。

22. TRADE PAYABLES

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

22. 貿易應付款項

於報告期末基於發票日期的未償還貿易應付款項的賬齡分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Less than one year	少於一年	**131,593**	17,804
Over one year	一年以上	**352,105**	322,213
		483,698	340,017

The trade payables are unsecured and non-interest-bearing.

貿易應付款項為無抵押及免息。

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及應計費用

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Other payables and accruals	其他應付賬款及應計費用	**263,545**	205,105
Interest penalties	罰息	**1,072,149**	795,159
Other tax payables	其他應付税項	**82,957**	82,054
BE City Loan (Note (a))	北控城投貸款(附註(a))	**117,280**	39,000
Deposits related to sales of properties	與銷售物業有關的按金	**2,132**	3,214
Interest payables	應付利息	**269,054**	235,901
Deposits related to construction	與建設有關的按金	**2,333**	1,324
Payroll and welfare payables	應付工資及福利	**3,721**	6,721
Rental payables	應付租金	**159**	79
Others	其他	**20,000**	41,208
Provision for litigations and claims (Note (b))	訴訟及申索撥備(附註(b))	**40,000**	40,000
		1,873,330	1,449,765

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Except for interest payables and interest penalties which are repayable on demand and BE City Loan set out below, other payables and accruals are unsecured and non-interest-bearing.

Notes:

(a) Included in other payables and accruals at 1 January 2022 was a loan of RMB43,000,000 from 北控城投控股集團有限公司 (BE City Investment Holding Group Limited*) ("BE City Investment") which carries interest rate of 15% per annum and is repayable after one year from date of drawdown ("BE Investment Loan"). The BE Investment Loan was secured by a charge on 75% equity interest in a subsidiary of the Company and a corporate guarantee of a subsidiary of the Company (collectively the "Charges").

During the year ended 31 December 2022, BE City Investment, 北控城市開發有限公司 (BE City Development Limited) ("BE City Development") and the Group entered into a loan transfer agreement pursuant to which BE City Development has provided a loan of RMB33,000,000 in cash to the Group for partial settlement of BE Investment Loan and the Charges were transferred to loan from BE City Development upon full settlement of BE Investment Loan. The remaining balance of BE Investment Loan of RMB10,000,000 was also settled during year ended 31 December 2022.

At 31 December 2022, the loan from BE City Development of RMB39,000,000 ("BE Development Loan") carries interest rate of 24% per annum and is repayable within one year. The BE Development Loan was secured by charge on 75% equity interest in a subsidiary of the Company and corporate guarantee of a subsidiary of the Company. The full balance of BE Development Loan was settled during the year ended 31 December 2023.

At 31 December 2023, the loan from BE City Development of RMB117,280,000 ("BE Loan") carries interest rate of 21% per annum and is repayable within two years. The BE Loan was secured by charge on 75% equity interest in a subsidiary of the Company, completed properties held for sale and corporate guarantee of a subsidiary of the Company.

23. 其他應付款項及應計費用(續)

除應付利息及罰息須按要求償還及載列如下的北控城投貸款外，其他應付款項及應計費用為無抵押及免息。

附註：

(a) 於二零二二年一月一日，其他應付款項及應計費用包括來自北控城投控股集團有限公司(「北控城投」)的貸款人民幣43,000,000元，以15%的年利率計息，自提取之日起一年後償還(「北控城投貸款」)。北控城投貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押(統稱「該等押記」)。

截至二零二二年十二月三十一日止年度，北控城投、北控城市開發有限公司(「北控城市開發」)與本集團訂立一份貸款轉讓協議，據此，北控城市開發以現金方式向本集團提供貸款人民幣33,000,000元，用作結算北控城投貸款的部分款項，而該等押記於悉數結清北控城投貸款後轉移至北控城市開發的貸款。北控城投貸款的餘下結餘人民幣10,000,000元亦於截至二零二二年十二月三十一日止年度結算。

於二零二二年十二月三十一日，北控城市開發的貸款人民幣39,000,000元(「北控城市開發貸款」)以24%的年利率計息，並於一年內償還。北控城市開發貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押。北控城市開發貸款餘額於截至二零二三年十二月三十一日止年度悉數結清。

於二零二三年十二月三十一日，來自北控城市開發之貸款人民幣117,280,000元(「北控貸款」)之年利率為21%，並須於兩年內償還。北控貸款以本公司一間附屬公司之75%股權、持作銷售之已建成物業及本公司一間附屬公司之公司擔保作抵押。

* *English name is for identification purpose only.*

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (Continued)

(b) During the year ended 31 December 2020, a service provider (the "Plaintiff") of the Company's subsidiary 杭州新明置業投資有限公司 (Hangzhou Xinming Property Investment Limited*) ("Hangzhou Xinming") initiated proceedings in the People's Court of Gongshu District ("Court A"), Hangzhou City, Zhejiang Province against Hangzhou Xinming to demand outstanding entrusted management service fee, employee salary and benefit and penalty in the sum of approximately RMB68,652,000, together with penalty which shall accrue up to the date of actual payment and all litigation costs relating to the case shall be borne by Hangzhou Xinming.

In September 2020, the Court A handed down the first-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB13,188,000 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

In November 2020, Hangzhou Xinming did not accept the civil judgment of the Court, and appealed to the Intermediate People's Court of Hangzhou City, Zhejiang Province ("Court B"). After accepting the case on 19 January 2021, Court B had formed a collegial panel for the hearing. During the year ended 31 December 2021, the Court B handed down the second-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB2,443,417 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

Accordingly, the Group has charged RMB40,000,000 to profit or loss in relation to the above litigation for the year ended 31 December 2020. Up to the date of this report, there is no further update of the above litigation.

23. 其他應付款項及應計費用(續)

附註：(續)

(b) 截至二零二零年十二月三十一日止年度，本公司之附屬公司杭州新明置業投資有限公司(「杭州新明」)的一個服務提供商(「原告」)向浙江省杭州市拱墅區人民法院(「法院A」)對杭州新明提起訴訟，索要尚未支付的信託管理服務費、僱員薪酬及福利以及罰款，總額約為人民幣68,652,000元，連同自實際支付日期起應付的罰款以及與該案件有關的杭州新明須承擔的所有訴訟費。

於二零二零年九月，有關法院A下發一審判決書，裁定(其中包括)杭州新明須向原告支付尚未支付的信託管理服務費、僱員薪酬及福利，總額約為人民幣24,688,000元，以及約人民幣13,188,000元的罰款，連同按每日0.03%自二零二零年四月一日起計至上述金額償還日期為止的罰款。

於二零二零年十一月，杭州新明不服法院民事判決，向浙江省杭州市中級人民法院(「法院B」)提起上訴。法院B於二零二一年一月十九日受理該案後，已組成合議庭進行審理。截至二零二一年十二月三十一日止年度，法院B作出二審判決，其中杭州新明須向原告支付拖欠的委託管理服務費、員工薪酬及福利合計約人民幣24,688,000元及罰款約人民幣2,443,417元，連同自二零二零年四月一日起至上述款項償還日期止按每日0.03%計算的罰款。

故此，於截至二零二零年十二月三十一日止年度，本集團已就上述訴訟將人民幣40,000,000元計入損益。截至本報告日期，上述訴訟並無進一步最新消息。

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24. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

24. 合約負債

合約負債詳情載列如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Short-term advances received from customers	**來自客戶的短期墊款**		
Sale of properties	銷售物業	**194,332**	619,895

Contract liabilities represent the sales proceeds received from buyers in connection with the Group's pre-sale of properties at the end of the reporting period.

合約負債指於報告期末就本集團預售物業自買方收取的銷售所得款項。

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

25. 計息銀行及其他借款

		2023 二零二三年			2022 二零二二年		
		Effective interest rate 實際利率 %	Maturity 到期日	RMB'000 人民幣千元 (Unaudited) (未經審核)	Effective interest rate 實際利率 %	Maturity 到期日	RMB'000 人民幣千元 (Audited) (經審核)
Current	**即期**						
Current portion of interest-bearing borrowings, secured	計息借款的即期部分－有抵押	**6.80–11.50**	**On demand or within one year 應要求或於一年內**	**1,279,465**	6.90–12.00	On demand or within one year 應要求或於一年內	1,279,755

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Analysed into:	**分析為：**		
Interest-bearing borrowings repayable within one year	須於一年內償還的計息借款	**1,279,465**	1,279,755

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

At 31 December 2023, the Group's borrowings amounting approximately RMB1,279,465,000 (2022: RMB1,279,755,000) were overdue pursuant to the relevant agreements which constituted events of defaults.

In connection with the default and cross-default (if applicable), the Group was subject to penalties of approximately RMB1,175,760,000 (2022: RMB860,901,000) which were included in the other payables and accruals at 31 December 2023.

The Group's borrowings are secured by the pledges of the following assets 31 December 2023 and 2022 as follows:

(i) At 31 December 2023, the Group's borrowings of approximately RMB239,606,000 (2022: RMB239,897,000) were secured by the 100% equity interest in 台州溫商時代置業有限公司 (Taizhou Wenshang Times Property Limited*) ("Wenshang Times"), a subsidiary of the Company.

At 31 December 2023, the Group's borrowings of approximately RMB875,000,000 (2022: RMB875,000,000) were secured by the Group's investment properties with aggregate carrying values of approximately RMB918,200,000 (2022: RMB936,100,000).

The completed properties held for sale held by 山東興盟置業有限公司 (Shandong Xingmeng Property Limited) ("Shandong Xingmeng") with carrying amount of approximately RMB105,530,000 (2022: RMB107,243,000) was pledged for the Group's borrowing of approximately RMB239,606,000 (2022: RMB239,897,000) as an additional collateral during the year ended 31 December 2023.

(ii) At 31 December 2022, the Group's borrowings of approximately RMB164,858,000 were secured by completed properties held for sale of 杭州新明置業投資有限公司 (Hangzhou Xinming Property Investment Limited) ("Hangzhou Xinming"), a subsidiary of the Company with carrying amount of approximately RMB88,300,000.

25. 計息銀行及其他借款(續)

於二零二三年十二月三十一日，本集團借款金額約人民幣1,279,465,000元(二零二二年：人民幣1,279,755,000元)已按照相關協議逾期，構成違約事件。

本集團就違約及交叉違約(如適用)遭受罰款約人民幣1,175,760,000元(二零二二年：人民幣860,901,000元)，並於二零二三年十二月三十一日計入其他應付款項及應計費用。

於二零二三年及二零二二年十二月三十一日，本集團的借款由下列資產的抵押所擔保，詳情如下：

(i) 於二零二三年十二月三十一日，本集團的借款約人民幣239,606,000元(二零二二年：人民幣239,897,000元)以本公司一間附屬公司台州溫商時代置業有限公司(「溫商時代」)100%的股權作擔保。

於二零二三年十二月三十一日，本集團的借款約人民幣875,000.000元(二零二二年：人民幣875,000.000元)已由本集團的賬面總值約人民幣918,200,000元(二零二二年：人民幣936,100,000元)的投資物業作擔保。

截至二零二三年十二月三十一日止年度，由山東興盟置業有限公司(「山東興盟」)持有賬面值約人民幣105,530,000元(二零二二年：人民幣107,243,000元)的已竣工持作出售物業已抵押作為額外抵押品，以取得本集團約人民幣239,606,000元(二零二二年：人民幣239,897,000元)的借款。

(ii) 於二零二二年十二月三十一日，本集團約人民幣164,858,000元的借款以本公司附屬公司杭州新明置業投資有限公司(「杭州新明」)賬面值約人民幣88,300,000元的已竣工持作出售物業作抵押。

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25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(iii) At 31 December 2023, the Group's borrowings of approximately RMB239,606,216 (2022: RMB239,897,009) were jointly guaranteed by (i) the Controlling Shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) a subsidiary of the Company, and (iv) Xinming Group Limited, a related party of the Group.

At 31 December 2023, the Group's borrowings of approximately RMB584,858,000 (2022: RMB584,858,000) were jointly guaranteed by (i) the Controlling Shareholders, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, and (iii) a subsidiary of the Company.

At 31 December 2023, the Group's borrowings of approximately RMB455,000,000 (2022: RMB455,000,000) were jointly guaranteed by (i) the Controlling Shareholders, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) Xinming Group Limited, a related party of the Group, and (iv) Miss Chen Xi and Mr. Chen Junshi, the daughter and the son of the Controlling Shareholder, Mr. Chen Chengshou and (v) a subsidiary of the Company.

25. 計息銀行及其他借款(續)

(iii) 於二零二三年十二月三十一日，本集團的借款約人民幣239,606,216元(二零二二年：人民幣239,897,009元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本公司一間附屬公司作出共同擔保，及(iv)本集團關聯方新明集團有限公司。

於二零二三年十二月三十一日，本集團的借款約人民幣584,858,000元(二零二二年：人民幣584,858,000元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士及(iii)本公司一間附屬公司作出共同擔保。

於二零二三年十二月三十一日，本集團的借款約人民幣455,000,000元(二零二二年：人民幣455,000,000元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本集團關聯方新明集團有限公司及(iv)陳希女士及陳俊士先生(控股股東陳承守先生的女兒及兒子)及(v)本公司一間附屬公司作出共同擔保。

26. CONVERTIBLE BONDS

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (equivalent to approximately RMB252,604,000) (the "Convertible Bonds") at the price of 100% of their principal amount. The Convertible Bonds were redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bore interest at the rate of 6.5% plus 1% handling fee per annum (the "Coupon Rate") and were payable in arrears every six months.

The convertible bonds were jointly guaranteed by the Controlling Shareholder, Mr. Chen Chengshou, and the non-executive director, Ms. Gao Qiaoqin, pursuant to a deed of guarantee, and secured by Xinxing Company Limited by 940,000,000 shares of the Company held by Xinxing Company Limited, a company controlled by Mr. Chen Chengshou.

The Convertible Bonds were matured on 31 May 2020 and the outstanding principal amount was not yet settled up to 31 December 2023.

The Convertible Bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

26. 可換股債券

於二零一八年六月一日，本公司按本金額100%的價格發行本金總額為300,000,000港元（相當於約人民幣252,604,000元）的可換股債券（「可換股債券」）。可換股債券可由債券持有人選擇於二零二零年六月一日按每張債券1.39港元的價格贖回。可換股債券的年利率為6.5%，另加1%手續費（「票面利率」）計息及每六個月支付一次。

可換股債券由控股股東陳承守先生及非執行董事高巧琴女士根據擔保契據共同擔保，及由陳承守先生控股的Xinxing Company Limited通過其持有的本公司940,000,000股股份作抵押。

可換股債券已於二零二零年五月三十一日到期，且直至二零二三年十二月三十一日，未償還本金尚未結清。

可換股債券被確認為於初始確認時指定為以公允價值計入損益的金融負債。

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	244,512
Changes in fair value	公允價值變動	24,336
At 31 December 2022	於二零二二年十二月三十一日	**268,848**
Changes in fair value	公允價值變動	**3,814**
At 31 December 2023	**於二零二三年十二月三十一日**	**272,662**

At 31 December 2023 and 2022, the Group's Convertible Bonds were valued by management of the Group by using discounted cash flow method with the following key assumptions:

於二零二三年及二零二二年十二月三十一日，本集團管理層採用現金流量折現法按以下主要假設對本集團可換股債券進行估值：

Discount Rate	Coupon Rate
貼現率	票面利率

The fair value of the Convertible Bonds was categorised into level 3 fair value hierarchy as defined in IFRS 13, Fair Value Measurement. The significant unobservable input into this valuation approach is the discount rate. An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the Convertible Bonds.

可換股債券的公允價值分類為國際財務報告準則第13號公允價值計量所界定的第三級公允價值層級。此估值方法的重大不可觀察輸入值是貼現率。單獨使用的貼現率增加將導致可換股債券的公允價值計量減少。

27. ISSUED CAPITAL

27. 已發行資本

		Number of shares 股份數目	Nominal value 面值 HK$ 港元	Nominal value 面值 Equivalent to RMB 折合人民幣元
Authorised: At 31 December 2023 and 2022	**法定：** 於二零二三年及二零二二年十二月三十一日	1,880,000,000	18,800,000	14,891,000
Issued and fully paid: At 31 December 2023 and 2022	**已發行及繳足：** 於二零二三年及二零二二年十二月三十一日	1,878,622,000	18,786,220	14,880,000

28. RESERVES

28. 儲備

Share premium

Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value.

股份溢價

股份溢價指本公司發行股份所得款項淨額或代價超出其股份面值的部分。

Merger reserves

The merger reserve represents the aggregate amount of the paid-up capital of those companies comprising the Group prior to the incorporation of the Company and the application of merger method of accounting for business combinations under common control. Details of the movements in the merger reserve are set out in the consolidated statement of changes in equity.

合併儲備

合併儲備指於本公司註冊成立以及應用共同控制下的業務合併的合併會計法前本集團旗下公司的繳足資本總額。合併儲備變動詳情載於綜合權益變動表。

Capital reserves

Capital reserve comprises the difference arising from changes in ownership interests in subsidiaries which do not result in change of control.

資本儲備

資本儲備包括並不會導致控制權變更的於附屬公司所有權權益變動產生之差額。

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group has no major non-cash transactions during the years ended 31 December 2023 and 2022.

(b) Changes in liabilities arising from financing activities

29. 綜合現金流量表附註

(a) 重大非現金交易

截至二零二三年及二零二二年十二月三十一日止年度，除於綜合財務報表其他部分所披露者外，本集團概無主要非現金交易。

(b) 融資活動產生的負債變動

		Interest-bearing bank and other borrowings 計息銀行及其他借款 RMB'000 人民幣千元	Included in "Other payables and accruals" 計入「其他應付款項及應計費用」 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	1,561,250	49,000	1,610,250
Changes from financing cash flows	融資現金流量變動	(1,162)	(10,000)	(11,162)
Non-cash movement	非現金變動	(280,333)	–	(280,333)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**1,279,755**	**39,000**	**1,318,755**
Changes from financing cash flows	融資現金流量變動	**(290)**	**78,280**	**77,990**
At 31 December 2023	**於二零二三年十二月三十一日**	**1,279,465**	**117,280**	**1,396,745**

30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

30. 或然負債

於報告期末，並無於綜合財務報表計提撥備的或然負債如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	就本集團物業買家獲授的按揭融資提供的擔保	**28,570**	237,023

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee agreements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted to banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends after the execution of individual purchaser's collateral agreement.

本集團就若干銀行向本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保。根據擔保協議的條款，倘買家拖欠按揭付款，本集團須負責償還未償還按揭融資連同結欠銀行的任何應計利息及罰款。本集團則有權接管相關物業的合法業權。本集團的擔保期自授出相關按揭融資當日起至執行個別買家的抵押協議後為止。

The Group did not incur any material losses during the year in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

本集團並無於年內就本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保而產生任何重大虧損。董事認為，倘發生拖欠付款，相關物業的可變現淨值將足以償還未償還按揭融資連同任何應計利息及罰款，故並無就有關擔保計提任何撥備。

31. CAPITAL COMMITMENTS

31. 資本承擔

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Contracted, but not provided for properties under development	已訂約但未撥備開發中物業	**3,774**	5,445

32. RELATED PARTY TRANSACTIONS
Name and relationship

32. 關聯方交易
名稱／姓名及關係

Name of related party 關聯方名稱／姓名	Relationship with the Group 與本集團的關係
Mr. Chen Chengshou 陳承守先生	Controlling Shareholder 控股股東
Ms. Gao Qiaoqin 高巧琴女士	Wife of the Controlling Shareholder 控股股東之妻子
Xinming Group Limited 新明集團有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yuanyang Holdings Group Share Limited Company 遠揚控股集團有限公司	Significantly influenced by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 受鄭翔天先生(控股股東的胞兄)重大影響
Hangzhou Taoyuan Shanzhuang Property Development Limited ("Hangzhou Taoyuan") 杭州桃源山莊房地產開發有限公司(「杭州桃源」)	Controlled by the Controlling Shareholder 由控股股東控制
Qi'an Insurance Brokers Limited ("Qi'an Insurance") 祁安保險經紀有限公司(「祁安保險」)	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Kaijie Decoration Co., Ltd.	Significantly influenced by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 受鄭翔天先生(控股股東的胞兄)重大影響
Zhejiang Tianmao Landscape Engineering Co., Ltd. 浙江天茂園林工程有限公司	Controlled by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 由鄭翔天先生(控股股東的胞兄)控制

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had no significant transactions with related parties during the years ended 31 December 2023 and 2022.

除該綜合財務報表中其他部分所披露的資料外，截至二零二三年及二零二二年十二月三十一日止年度，本集團並無與關連方進行重大交易。

32. RELATED PARTY TRANSACTIONS (CONTINUED)

32. 關聯方交易(續)

Compensation of key management personnel of the Group

本集團主要管理人員的薪酬

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Salaries, bonus, allowances and benefits-in-kind	薪金、花紅、津貼及實物利益	**2,189**	2,174
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	**2,189**	2,174

33. FINANCIAL INSTRUMENTS BY CATEGORY

The table below is an analysis of the carrying amounts of financial instruments by category at the end of the reporting period:

33. 按類別劃分的金融工具

下表為於報告期末按類別劃分的金融工具的賬面值分析：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Financial assets at amortised cost	**按攤銷成本計量的金融資產**		
Trade receivables	貿易應收款項	**1,426**	1,245
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	**34,958**	48,932
Restricted deposits	受限制存款	**520**	522
Cash and cash equivalents	現金及現金等價物	**1,335**	7,434
		38,239	58,133
Financial liabilities at amortised cost	**按攤銷成本計量的金融負債**		
Trade payables	貿易應付款項	**483,698**	340,017
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	**1,745,908**	1,323,173
Interest-bearing bank and other borrowings	計息銀行及其他借款	**1,279,465**	1,279,755
		3,509,071	2,942,945
Financial liabilities at FVPL	**按公允價值計入損益的金融負債**		
Convertible bonds	可換股債券	**272,662**	268,848

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

34. 金融工具之公允價值及公允價值層級

本集團金融工具(賬面值與公允價值合理相若者除外)的賬面值及公允價值如下:

		Carrying amounts 賬面值		Fair values 公允價值	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	**2023 二零二三年 RMB'000 人民幣千元**	2022 二零二二年 RMB'000 人民幣千元
Financial liabilities	**金融負債**				
Convertible bonds	可換股債券	**272,662**	268,848	**272,662**	268,848

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

管理層已評估,現金及現金等值物、貿易應收款項、貿易應付款項、計入預付款項、其他應收款項及其他資產之金融資產、計入其他應付款項及應計費用之金融負債之公允價值與其賬面值相若,主要由於此等工具於短期內到期。

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

本集團財務部由財務經理領導,負責釐定金融工具公允價值計量之政策及程序。財務經理直接向財務總監及審核委員會報告。於各報告期末,財務部分析金融工具之價值變動及釐定應用於估值之主要輸入數據。估值交由財務總監審核及批准。估值過程及結果每年兩次與審核委員會討論以進行中期及年度財務報告。

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

金融資產及負債的公允價值按自願雙方在當前交易(而非強制或清盤出售)中就該工具進行交易的金額入賬。以下方法及假設用於估計公允價值:

The convertible bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

可換股債券確認為金融負債,並於初步確認時指定為按公允價值計入損益。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

34. 金融工具之公允價值及公允價值層級(續)

Fair value hierarchy

公允價值層級

Liabilities measured at fair value

按公允價值計量的負債

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Convertible bonds **At 31 December 2023**	可換股債券 於二零二三年 十二月三十一日	–	–	272,662	272,662
At 31 December 2022	於二零二二年 十二月三十一日	–	–	268,848	268,848

At 31 December 2023 and 2022

於二零二三年及二零二二年十二月三十一日

Liability 負債	Fair value hierarchy 公允價值層級	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
Convertible bonds	Level 3	Discounted cash flow method	Discount rate	The higher the discount rate, the lower the fair value
可換股債券	第三級	現金流量貼現法	貼現率	貼現率越高，公允價值越低

Save as disclosed above, during the years ended 31 December 2023 and 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Accordingly, the Group assessed the fair value of the Convertible Bonds using discounted cash flow method at 31 December 2023 and 2022 since the valuation using binomial model was no longer applicable to assess fair value of the Convertible Bonds upon maturity.

除上文所披露者外，截至二零二三年及二零二二年十二月三十一日止年度，就金融資產及金融負債而言，公允價值計量無第一級與第二級間的轉換，亦無第三級的轉入或轉出。因此，由於使用二項式模型估值於到期後不再適用於評估可換股債券的公允價值，故於二零二三年及二零二二年十二月三十一日，本集團使用現金流量貼現法評估可換股債券的公允價值。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Liabilities measured at fair value (Continued)

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy are as follows:

34. 金融工具之公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債(續)

經常性公允價值計量分類為公允價值層級第三級的變動詳情如下：

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	244,512
Changes in fair value	公允價值變動	24,336
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**268,848**
Changes in fair value	公允價值變動	**3,814**
At 31 December 2023	**於二零二三年十二月三十一日**	**272,662**

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents, restricted deposits, trade receivables and trade payables, which arise directly from its operations. The Group has other financial assets and liabilities such as interest-bearing bank and other borrowings, convertible bonds, deposits and other receivables, and other payables and accruals. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest- bearing bank and other borrowings with a floating interest rate. The Group does not use derivative financial instruments to hedge its interest rate risk.

35. 金融風險管理目標及政策

本集團的主要金融工具主要包括直接自其經營產生的現金及現金等價物、受限制存款、貿易應收款項以及貿易應付款項。本集團擁有其他金融資產及負債，如計息銀行及其他借款、可換股債券、按金及其他應收款項，以及其他應付款項及應計費用。該等金融工具的主要用途是為本集團的運營籌集資金。

因本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團並無持有或發行衍生金融工具以作對沖或買賣之用。董事會檢討並同意管理各風險的政策，乃概述如下：

利率風險

本集團因以浮動利率計息的計息銀行及其他借款有關的利率變動而面臨市場風險。本集團並無使用衍生金融工具對沖其利率風險。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (Continued)

The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts. At 31 December 2023 and 2022, 100% of the Group's interest-bearing bank and other borrowings bore interest at fixed rates. The Group's exposure to interest rate risk is not significant.

Foreign currency risk

The Group's businesses are located in the PRC and all transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. The Group has not hedged its foreign exchange rate risk. At 31 December 2023 and 2022, the Group's exposure to foreign currency risk is not significant.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

35. 金融風險管理目標及政策(續)

利率風險(續)

本集團之政策為以定息及浮動利率債項混合的方式管控利息成本。於二零二三年及二零二二年十二月三十一日，本集團全部之計息銀行及其他借款按固定利率計息。本集團所承受之利率風險並不重大。

外幣風險

本集團於中國經營業務，所有交易均以人民幣進行。本集團大部分資產及負債以人民幣計值。本集團並未對沖其匯率風險。於二零二三年及二零二二年十二月三十一日，本集團所承受之外幣風險並不重大。

信貸風險

本集團僅與獲認可且聲譽良好的第三方進行交易。本集團的政策為所有打算以信貸期交易的客戶均須接受信貸核實程序。此外，本集團持續監察應收款項結餘，故所承受壞賬的風險並不重大。對於並非以有關營運單位功能貨幣計值的交易，本集團在未經信貸管理部主管特定批准的情況下不會給予信貸期。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and period end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

35. 金融風險管理目標及政策(續)

信貸風險(續)

最高風險及年末階段

下表顯示於十二月三十一日，基於本集團信貸政策的信貸質素及面臨的最高信貸風險(主要基於過往到期資料，除非有其他毋須花費不必要成本或精力的可用資料)及期末階段分類。

呈列的金額為金融資產的賬面總值及就金融擔保合約面臨的信貸風險。

At 31 December 2023

於二零二三年十二月三十一日

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	–	–	–	28,734	28,734
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	51,000	–	–	–	51,000
– Doubtful (Note (ii))	–存疑(附註(ii))	–	24,161	92,809	–	116,970
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	520	–	–	–	520
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	1,335	–	–	–	1,335
		52,855	24,161	92,809	28,734	198,559

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35. 金融風險管理目標及政策(續)

Credit risk (Continued)

信貸風險(續)

Maximum exposure and year-end staging (Continued)

最高風險及年末階段(續)

At 31 December 2022

於二零二二年十二月三十一日

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	–	–	–	28,368	28,368
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	53,000	–	–	–	53,000
– Doubtful (Note (ii))	–存疑(附註(ii))	–	20,786	105,587	–	126,373
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	522	–	–	–	522
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	7,434	–	–	–	7,434
		60,956	20,786	105,587	28,368	215,697

Notes:

(i) For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 19 to the consolidated financial statements.

(ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 19 and 20 to the consolidated financial statements respectively.

附註：

(i) 就本集團應用簡化方法作減值的貿易應收款項而言，資料乃基於綜合財務報表附註19所披露的撥備矩陣。

(ii) 倘計入預付款項、其他應收款項及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初始確認以來顯著增加，則其信用質素被認作「正常」。否則，該等金融資產的信貸質素被認作「存疑」。

有關本集團因貿易應收款項以及計入預付款項、其他應收款項及其他資產的金融資產所產生之信貸風險之進一步定量資料分別於綜合財務報表附註19及附註20中披露。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35. 金融風險管理目標及政策(續)

Credit risk (Continued)

信貸風險(續)

Maximum exposure and year-end staging (Continued)

最高風險及年末階段(續)

The movements in the loss allowance for impairment of the financial assets included in prepayments, other receivables and other assets are as follows:

計入預付款項、其他應收款項及其他資產的金融資產減值撥備虧損變動如下：

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損		
		Stage 1 第一級	Stage 2 第二級	Stage 3 第三級	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	343	1,138	109,303	110,784
Increase (Decrease) in allowance, net	撥備增加(減少)淨額	3,725	19,648	(3,716)	19,657
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**4,068**	**20,786**	**105,587**	**130,441**
Increase (Decrease) in allowance, net	撥備增加(減少)淨額	**6,699**	**3,375**	**(7,503)**	**2,571**
At 31 December 2023	**於二零二三年十二月三十一日**	**10,767**	**24,161**	**98,084**	**133,012**

The significant increase in allowance for impairment for the years ended 31 December 2022 and 2023 is due to the prolonged weak investment sentiments in the commercial property market in the PRC, which adversely affect relationship with the Group's business partner and suppliers.

截至二零二二年及二零二三年十二月三十一日止年度減值撥備大幅增加乃因中國商業物業市場的投資情緒持續走低，對本集團與其業務夥伴及供應商的關係造成不利影響。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are being closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

At 31 December 2023

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	483,698	483,698
Other payables and accruals	其他應付款項及應計費用	1,628,628	117,280	1,745,908
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,279,465	–	1,279,465
Convertible bonds	可換股債券	272,662	–	272,662
		3,180,755	600,978	3,781,733

At 31 December 2022

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	340,017	340,017
Other payables and accruals	其他應付款項及應計費用	1,284,173	39,000	1,323,173
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,279,755	–	1,279,755
Convertible bonds	可換股債券	268,848	–	268,848
		2,832,776	379,017	3,211,793

35. 金融風險管理目標及政策(續)

流動資金風險

本集團採用週期性流動資金計劃監控流動資金短缺之風險。此工具監控其金融工具與金融資產(如貿易應收款項)之到期日以及來自業務現金流量之預測。

本集團的目標為透過使用計息銀行及其他借款維持資金連續性與靈活性之間的平衡。現金流量持續受到密切監控。

於報告期末，本集團基於合約未貼現付款的金融負債到期情況如下：

於二零二三年十二月三十一日

於二零二二年十二月三十一日

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

35. 金融風險管理目標及政策(續)

資本管理

本集團資本管理的主要目標為確保其維持良好信用評級及穩健的資本比率以支持其業務及使股東價值最大化。

本集團管理其資本架構並根據經濟狀況的變動對其作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東返還資本或發行新股。截至二零二三年及二零二二年十二月三十一日止年度，並無對管理資本的目標、政策或程序作出調整。

36. SUBSIDIARIES

Details of the subsidiaries at the end of the reporting period are as follows:

36. 附屬公司

於報告期末附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	Indirectly 間接	Principal activities 主要業務
Xinming Capital Limited	The British Virgin Islands (the "BVI")	US$50,000	100% (2022: 100%)	–	Investment holding
Xinming Capital Limited	英屬處女群島（「英屬處女群島」）	50,000美元	100%（二零二二年：100%）	–	投資控股
Xinming China Investment Limited	Hong Kong	HK$1,000,000	–	100% (2022: 100%)	Investment holding
新明中國投資有限公司	香港	1,000,000港元	–	100%（二零二二年：100%）	投資控股
杭州時刻企業管理諮詢有限公司 (Hangzhou Times Enterprise Management Consulting Limited)	The PRC	RMB30,000,000	–	100% (2022: 100%)	Investment holding
杭州時刻企業管理諮詢有限公司	中國	人民幣30,000,000元	–	100%（二零二二年：100%）	投資控股
新明集團控股有限公司 (Xinming Group Holding Limited)	The PRC	RMB50,000,000	–	100% (2022: 100%)	Investment holding
新明集團控股有限公司	中國	人民幣50,000,000元	–	100%（二零二二年：100%）	投資控股
台州市新明房地產開發有限公司 (Taizhou City Xinming Real Estate Development Company Limited)	The PRC	RMB10,000,000	–	100% (2022: 100%)	Property development
台州市新明房地產開發有限公司	中國	人民幣10,000,000元	–	100%（二零二二年：100%）	物業開發

36. SUBSIDIARIES (CONTINUED)

36. 附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Taizhou Xinming	The PRC	RMB30,000,000	–	100% (2022: 100%)	Property development and property investment
台州新明	中國	人民幣30,000,000元	–	100% (二零二二年：100%)	物業開發及物業投資
Wenshang Times	The PRC	RMB50,000,000	–	100% (2022: 100%)	Property development and property investment
溫商時代	中國	人民幣50,000,000元	–	100% (二零二二年：100%)	物業開發及物業投資
Shanghai Xinming	The PRC	RMB50,000,000	–	79% (2022: 79%)	Property development and property investment
上海新明	中國	人民幣50,000,000元	–	79% (二零二二年：79%)	物業開發及物業投資
Shandong Xingmeng	The PRC	RMB50,000,000	–	75% (2022: 75%)	Property development and property management
山東興盟	中國	人民幣50,000,000元	–	75% (二零二二年：75%)	物業開發及物業投資
Hangzhou Xinming	The PRC	RMB50,000,000	–	100% (2022: 100%)	Property development and property management
杭州新明	中國	人民幣50,000,000元	–	100% (二零二二年：100%)	物業開發及物業投資
杭州智耀商業有限公司 (Hangzhou Zhiyao Commercial Limited)	The PRC	RMB100,000,000	–	100% (2022: 100%)	Industrial investment
杭州智耀商業有限公司	中國	人民幣100,000,000元	–	100% (二零二二年：100%)	實業投資
浙江靜航投資管理有限公司 (Zhejiang Jinhang Investment Management Limited)	The PRC	RMB5,000,000	–	79% (2022: 79%)	Investment management
浙江靜航投資管理有限公司	中國	人民幣5,000,000元	–	79% (二零二二年：79%)	投資管理

Note: The subsidiaries established in the PRC are registered as limited liability companies under PRC law.

附註： 於中國成立的附屬公司乃根據中國法律註冊為有限公司。

* *English name is for identification purpose only.*

36. SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Company which, in opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding during the reporting period or at the end of the reporting period.

36. 附屬公司(續)

上表列出董事認為主要影響年度業績或構成本集團大部分淨資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情將導致詳情過於冗長。

概無附屬公司於報告期內或報告期末持有任何未贖回之債務證券。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司的財務狀況表

		Note 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current assets	**非流動資產**			
Investment in a subsidiary	於附屬公司的投資		–	–
Current assets	**流動資產**			
Due from subsidiaries	應收附屬公司款項		–	–
Cash and cash equivalents	現金及現金等價物		–	–
			–	–
Current liabilities	**流動負債**			
Other payables	其他應付款項		**449,065**	341,532
Convertible bonds	可換股債券		**272,622**	268,848
			721,687	610,380
Net current assets	**流動資產淨額**		**721,687**	610,380
Total assets less current liabilities	**總資產減流動負債**		**(721,687)**	(610,380)
NET LIABILITIES	**負債淨額**		**(721,687)**	(610,380)
Capital and reserves	**資本及儲備**			
Issued capital	已發行股本		**14,880**	14,880
Reserves	儲備	37(a)	**(736,567)**	(625,260)
TOTAL EQUITY	**權益總額**		**(721,687)**	(610,380)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

37. 本公司的財務狀況表(續)

37(a) Movement of the reserves

37(a) 儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses (累計虧損) 保留盈利 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	496,155	(489,035)	7,120
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	–	(632,380)	(632,380)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	**496,155**	**(1,121,415)**	**(625,260)**
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	**–**	**(111,307)**	**(111,307)**
At 31 December 2023	**於二零二三年十二月三十一日**	**496,155**	**(1,232,722)**	**(736,567)**

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material noncontrolling interests are set out below:

38. 擁有重大非控股權益的部分擁有附屬公司

本集團擁有重大非控股權益的附屬公司詳情載列如下：

		2023 二零二三年	2022 二零二二年
Percentage of equity interest held by non-controlling interests:	**非控股權益所持股權百分比：**		
Shandong Xingmeng	山東興盟	**25%**	25%
Shanghai Xinming	上海新明	**21%**	21%

* *English name is for identification purpose only.*

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

38. 擁有重大非控股權益的部分擁有附屬公司(續)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Loss for the year allocated to non-controlling interests:	**分配予非控股權益的年內虧損：**		
Shandong Xingmeng	山東興盟	**(48,164)**	(74,983)
Shanghai Xinming	上海新明	**(16,622)**	(120,062)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Accumulated balances of non-controlling interests at the reporting date:	**非控股權益於報告日期的累計結餘：**		
Shandong Xingmeng	山東興盟	**(129,260)**	(81,096)
Shanghai Xinming	上海新明	**(134,130)**	(88,103)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

下表闡述上述附屬公司之財務信息概要。所披露金額乃為公司間抵銷前之金額：

2023

二零二三年

		Shandong Xingmeng 山東興盟 RMB'000 人民幣千元	Shanghai Xinming 上海新明 RMB'000 人民幣千元
Revenue and income	收益及收入	**417,267**	**–**
Total expenses	開支總額	**(609,921)**	**(79,151)**
Loss for the year and total comprehensive loss for the year	年內虧損及年內全面虧損總額	**(192,654)**	**(79,151)**
Current assets	流動資產	**674,809**	**360,266**
Non-current assets	非流動資產	**7,882**	**456,245**
Current liabilities	流動負債	**(845,924)**	**(1,016,470)**
Non-current liabilities	非流動負債	**(47,345)**	**(7,524)**

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

2022

38. 擁有重大非控股權益的部分擁有附屬公司(續)

二零二二年

		Shandong Xingmeng 山東興盟 RMB'000 人民幣千元	Shanghai Xinming 上海新明 RMB'000 人民幣千元
Revenue and income	收益及收入	–	–
Total expenses	開支總額	(299,931)	(571,726)
Loss for the year and total comprehensive loss for the year	年內虧損及年內全面虧損總額	(299,931)	(571,726)
Current assets	流動資產	962,526	357,586
Non-current assets	非流動資產	54	462,458
Current liabilities	流動負債	(941,059)	(940,854)
Non-current liabilities	非流動負債	(39,446)	(7,524)

39. EVENTS AFTER THE REPORTING PERIOD

(a) On 16 January 2025, the Company was informed by Mr. Lai Kar Yan (Derek) and Mr. Ho Kwok Leung Glen of Deloitte Touche Tohmatsu whom were appointed by Chance Talent Management Limited as joint and several receivers over the Placing Shares and the Sale Shares ("the Receivers") that on 8 January 2025 (after trading hours), the Xinxing Company Limited (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and Innovax Securities Limited ("Placing Agent") entered into the Placing Agreement, pursuant to which the Placing Agent place an aggregate of 752,137,800 Placing Shares held by the Vendor (representing approximately 40.04% of the entire issued share capital of the Company as of 8 January 2025) to the Placees at the Placing Price.

On 16 January 2025, the Company was informed by the Receivers that on 13 January 2025, the Placing Agent successfully placed all the 752,137,800 Placing Shares at the Placing Price of HK$0.011 per Placing Share to the respective Placees. The 752,137,800 Placing Shares placed under the Placing represents approximately 40.04% of the entire issued share capital of the Company as at 16 January 2025.

Details of the placing of existing shares by controlling shareholder were set out in the Company's announcements dated 16 January 2025 and 21 January 2025.

39. 報告期後事項

(a) 於二零二五年一月十六日，本公司獲Chance Talent Management Limited委任為配售股份及銷售股份的共同及個別接管人的德勤•關黃陳方會計師行的黎嘉恩先生及何國樑先生(「接管人」)告知，於二零二五年一月八日(交易時段後)，Xinxing Company Limited(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)、接管人及創陞證券有限公司(「配售代理」)訂立配售協議，據此，配售代理按股份配售價向承配人配售賣方所持合共752,137,800股配售股份(相當於於二零二五年一月八日本公司全部已發行股本約40.04%)。

於二零二五年一月十六日，本公司獲接管人告知，於二零二五年一月十三日，配售代理已按股份配售價每股配售股份0.011港元成功配售配售項下的全部752,137,800股配售股份。配售項下所配售的752,137,800股配售股份約佔二零二五年一月十六日本公司全部已發行股本的40.04%。

有關控股股東配售現有股份的詳情載於本公司日期為二零二五年一月十六日及二零二五年一月二十一日的公告。

39. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(b) On 16 January 2025, the Company was informed by the Receivers that on 8 January 2025 (after trading hours), the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and the Share Purchaser entered into the Share Sale Agreement pursuant to which, the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge) agreed to sell and the Share Purchaser agreed to purchase an aggregate of 187,862,200 Sale Shares (representing 10.00% of the entire issued share capital of the Company as of 8 January 2025) at the total consideration of HK$1,983,700.

The Company was further informed by the Receivers that completion of the Share Sale took place on 16 January 2025.

After the Share Sale, the Share Purchaser, Motivational Mathematics, held an aggregate of 187,862,200 Shares, representing 10.00% of the existing issued share capital of the Company and has become a substantial shareholder of the Company.

(c) On 16 January 2025, the Company was informed by Chance Talent that on 15 January 2025, Advance Day and Chance Talent ("CB Sellers") transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK$31.5 million. After the Share Sale and the CB Sale and as at the date of this report, Motivational Mathematics Limited held an aggregate of 187,862,200 Shares, representing 10.00% of the existing issued share capital of the Company and upon full exercise of the conversion rights attaching to the convertible bonds, Motivational Mathematics Limited will be interested in 403,689,538 Shares, representing approximately 19.27% of the enlarged issued share capital of the Company.

39. 報告期後事項(續)

(b) 於二零二五年一月十六日，本公司獲接管人告知，於二零二五年一月八日(交易時段後)，賣方(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)、接管人及股份買方訂立股份銷售協議，據此，賣方(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)及股份買方同意以總代價1,983,700港元出售及購買合共187,862,200股銷售股份(相當於二零二五年一月八日本公司全部已發行股本約10.00%)。

本公司獲接管人進一步告知股份銷售於二零二五年一月十六日完成。

於股份銷售後，股份購買方Motivational Mathematics持有合計187,862,200股股份，佔本公司現有已發行股本的10.00%，成為公司的主要股東。

(c) 於二零二五年一月十六日，本公司獲Advance Day及Chance Talent(「可換股債券賣方」)告知，於二零二五年一月十五日，可換股債券賣方已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券，以及所有附帶的權利及應有的收益，予可換股債券買方Motivational Mathematics Limited。於股份銷售及可換股債券轉讓後，Motivational Mathematics Limited於本報告日期持有合共187,862,200股股份，佔本公司現有已發行股本10.00%，而於悉數行使可換股債券附帶之換股權後，Motivational Mathematics Limited將持有403,689,538股股份之權益，佔本公司經擴大後已發行股本約19.27%。

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

The five-year financial summary is as follows: 五年財務概要如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
CONTINUING OPERATIONS	**持續經營業務**					
REVENUE	**收益**	**422,580**	35,198	101,833	128,537	163,349
Cost of sales	銷售成本	**(369,140)**	(15,187)	(24,214)	(66,977)	(110,357)
Gross profit	毛利	**53,440**	20,011	77,619	61,560	52,992
Other income and gains	其他收入及收益	**(6,186)**	(22,738)	279,894	3,435	1,076
Selling and distribution costs	銷售及分銷成本	**(4,496)**	(13,206)	(19,592)	(18,533)	(6,457)
Administrative expenses	行政開支	**(33,165)**	(55,634)	(41,476)	(48,134)	(63,811)
Other expenses	其他開支	**(440,315)**	(599,391)	(421,367)	(1,051,238)	(186,823)
Net loss on de-consolidation of a subsidiary	取消綜合入賬一間附屬公司的虧損淨額	**–**	–	(640,056)	–	–
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業的虧損	**(34,641)**	(280,788)	–	–	–
Loss on court-ordered sale of an investment property	法院命令出售一項投資物業的虧損	**–**	–	(686,597)	–	–
Changes in fair value of investment properties	投資物業公允價值變動	**(17,900)**	(1,082,900)	(2,000)	(22,900)	146,823
Changes in fair value of convertible bonds	可轉股債券公允價值變動	**(3,814)**	(24,336)	8,092	20,363	11,946
Finance costs	融資成本	**(77,079)**	(84,044)	(83,053)	(973)	(2,594)
LOSS BEFORE INCOME TAX	**除所得稅前虧損**	**(564,156)**	(2,829,623)	(841,939)	(1,056,420)	(46,848)
Income tax (expenses)/credit	所得稅(開支)／抵免	**(28,475)**	440,019	10,833	(59,484)	(65,670)
LOSS FOR THE YEAR	**年內虧損**	**(592,631)**	(2,389,604)	(831,106)	(1,115,904)	(112,518)

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		For the year ended 31 December 截至十二月三十一日止年度				
		2023	2022	2021	2020	2019
		二零二三年	二零二二年	二零二一年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
TOTAL COMPREHENSIVE LOSS	**全面虧損總額**	**(592,631)**	(2,389,604)	(831,106)	(1,115,904)	(112,518)
ATTRIBUTABLE TO:	**以下人士應佔：**					
Owners of the parent company	母公司擁有人	**(527,846)**	(2,194,558)	(863,935)	(1,000,756)	(116,976)
Non-controlling interests	非控股權益	**(64,785)**	(195,046)	32,829	(115,148)	4,458
		(592,631)	(2,389,604)	(831,106)	(1,115,904)	(112,518)
ASSETS AND LIABILITIES	**資產及負債**					
Non-current assets	非流動資產	**1,128,977**	1,139,066	3,064,833	3,386,208	3,422,084
Current assets	流動資產	**1,086,700**	1,487,760	2,158,841	3,036,023	3,321,400
Current liabilities	流動負債	**5,006,871**	4,830,364	4,722,485	4,977,168	4,234,015
Non-current liabilities	非流動負債	**168,322**	163,347	478,470	581,013	529,515
Non-controlling interests	非控股權益	**(257,630)**	(192,845)	2,201	(20,403)	94,745
Total (deficit) equity	(虧絀)權益總額	**(2,959,516)**	(2,366,885)	22,719	864,050	1,979,954



新明中国控股

XINMING CHINA

新明中国控股

XINMING CHINA

XINMING CHINA HOLDINGS LIMITED

新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock code 股份代號:2699

年報

2024

ANNUAL REPORT



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CORPORATE INFORMATION
公司資料

DIRECTORS
Executive Directors
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (appointed on 9 August 2024 and retired on 14 April 2025)

Non-executive Directors
Mr. Cao Zhiqiang (appointed on 9 August 2024 and redesignated on 11 April 2025)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Independent Non-executive Directors
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)

AUDIT COMMITTEE
Ms. Lee Yin Man *(Chairman)* (appointed on 9 August 2024)

Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)

REMUNERATION COMMITTEE
Ms. Lee Yin Man *(Chairman)* (appointed on 9 August 2024)

Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

NOMINATION COMMITTEE
Mr. Chen Chengshou *(Chairman)*
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)
Mr. Cao Zhiqiang (appointed on 11 April 2025)

Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

董事
執行董事
陳承守先生(*主席兼行政總裁*)
豐慈招先生(於二零二五年四月十四日退任)
周奮力先生(於二零二四年八月九日獲委任及於二零二五年四月十四日退任)

非執行董事
曹志強先生(於二零二四年八月九日獲委任及於二零二五年四月十一日調職)
高巧琴女士(於二零二五年四月十四日退任)
周振存先生(於二零二五年四月十四日退任)
蔡偉康先生(於二零二五年二月二十四日辭任)

獨立非執行董事
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
劉偉樑先生(於二零二四年十二月十日辭任)

審核委員會
李彥雯女士(*主席*)(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
劉偉樑先生(於二零二四年十二月十日辭任)

薪酬委員會
李彥雯女士(*主席*)(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
蔡偉康先生(於二零二五年二月二十四日辭任)

提名委員會
陳承守先生(*主席*)
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
曹志強先生(於二零二五年四月十一日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)

AUTHORIZED REPRESENTATIVES
Mr. Kam Chun Ying Francis
Mr. Cao Zhiqiang (appointed on 5 March 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

授權代表
甘俊英先生
曹志強先生(於二零二五年三月五日獲委任)
蔡偉康先生(於二零二五年二月二十四日辭任)

COMPANY SECRETARY
Mr. Kam Chun Ying Francis

公司秘書
甘俊英先生

REGISTERED OFFICE
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

註冊辦事處
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Grand Cayman KY1-1108
Cayman Islands

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中國浙江省
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恒勵大廈
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Hong Kong

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香港
九龍尖沙咀
金巴利街74–76號
奇盛中心7樓D室

COMPANY'S WEBSITE ADDRESS
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公司網址
http://www.xinm.com.cn

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Ocorian Trust (Cayman) Limited
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PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

股份過戶登記總處
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Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR
Tricor Investor Services Limited
17/F, Far East Centre
16 Harcourt Road
Hong Kong

香港股份過戶登記處
卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

PRINCIPAL BANKERS
Industrial and Commercial Bank of China, Tengzhou Branch
Agricultural Bank of China, Branch of Datong Road, Tengzhou
China Construction Bank, Branch of Datong Road, Tengzhou
Agricultural Bank of China, Taizhou Jiazhi Branch
Taizhou Bank, Hongjia Branch

主要往來銀行
中國工商銀行滕州支行
中國農業銀行滕州市大同路支行
中國建設銀行滕州市大同路分理處
中國農業銀行台州葭芷支行
台州銀行洪家支行

AUDITOR
Global Link CPA Limited
Certified Public Accountants

核數師
高嶺會計師有限公司
執業會計師

LISTING INFORMATION
The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
(Stock Code: 02699)

上市資料
本公司普通股於香港聯合交易所有限公司主板上市
(股份代號：02699)

CHAIRMAN'S STATEMENT
主席報告書

To all Shareholders,

I hereby announce the annual results of Xinming China Holdings Company Limited (the "Company" or "Xinming China"), for the year ended 31 December 2024 (the "Year under Review"), on behalf of the board (the "Board") of directors (the "Director") of the Company.

Looking back at the year 2024, China's real estate industry continued to face difficulties, including unstable liquidity due to mounting developers' debt, weakened consumer confidence, weakened demand for property and sales decline, and the continued decline in property prices. As a result of the ongoing market downturn, the total investment in the real estate sector during the year ended 31 December 2024 amounted to approximately RMB10.0 trillion, representing a year-on-year decrease of approximately 10.6%. Investment in residential properties amounted to approximately RMB7.6 trillion, representing a year-on-year decrease of 10.5%. The sales area of commercial properties was approximately 973.85 million square metres, representing a year-on-year decrease of approximately 12.9%, with the sales area of residential properties decreasing by approximately 14.1%. The sales revenue of commercial properties was approximately RMB97 trillion, down approximately 17.1% from the previous year, with the sales of residential properties decreasing by approximately 17.6%. The statistical data illustrated that the sales and investment performance of the real estate market continued to be weakened.

In the past year, the Central Government has actively and steadily implemented policies with the goal of reversing the downturn of and supporting and stabilizing the real estate market, including the introduction of a "white list" policy, lowering of down payment ratios, reduction of restrictions on housing purchases and provision of financing support to developers. However, the effects of these policies will take time to yield results, with the industry set to consolidate further.

During the Year under Review, the Group actively prioritized the strategic focus of revitalizing assets and reducing liabilities. Through practical actions and diverse approaches, it sought to resolve the Company's ongoing operational challenges and improve its long-term viability.

致各位股東：

本人謹代表新明中國控股有限公司(「本公司」或「新明中國」)董事(「董事」)會(「董事會」)欣然宣佈本公司截至二零二四年十二月三十一日止年度(「回顧年度」)之全年業績。

回顧二零二四年，中國房地產行業持續面臨困難，包括發展商債務增加導致流動資金不穩定、消費者信心減弱、房地產需求減弱及銷售下滑，以及房地產價格持續下跌。由於市場持續低迷，截至二零二四年十二月三十一日止年度，房地產行業的總投資額約為人民幣10.0萬億元，較去年同期減少約10.6%。住宅物業投資約人民幣7.6萬億元，較去年同期減少約10.5%。商品房銷售面積約為973.85百萬平方米，按年減少約12.9%，其中住宅物業銷售面積減少約14.1%。商品房銷售收入約人民幣97萬億元，較去年下降約17.1%，其中住宅物業銷售減少約17.6%。統計數據顯示，房地產市場的銷售及投資表現持續疲弱。

過去一年中，中央政府積極穩妥地實施以扭轉房地產市場下滑趨勢、支持及穩定房地產市場為目標的政策，包括推出「白名單」政策，降低首付比例、減少購房限制及為開發商提供融資支持。然而，該等政策的效果需要時間才能見效，行業將進一步整合。

回顧年度內，本集團積極優先抓緊盤活資產及降負債為戰略主線，用實際行動及嘗試各種方式務求解決本公司改善持續經營問題，以提高本公司的長期存在價值。

The Company focused on the residential property development of Shandong Project, and completed the second and third phases of presale. The main structure and exterior façade of Blocks no. 9 and no. 16 of the fourth phase of the residential zone of the Shandong Project has been completed. The remaining construction works of the fourth phase is scheduled to commence in August 2025 and the expected presale commencement and construction completion date are March 2026 and June 2026, respectively.

本公司集中在山東項目住宅物業開發，經已完成第二及三期預售。山東項目第四期住宅區第9座及第16座的主體結構及外牆已完成。第四期餘下工程預計於二零二五年八月動工，預期預售開始日期及工程竣工日期分別為二零二六年三月及二零二六年六月。

Meanwhile, the Company will continue to actively negotiate with various financial institutions to extend the repayment date or refinance its outstanding borrowings, and will proactively seek various feasible options in assets revitalization in the future, including but not limited to change of property use and sale of property in its overall strategy.

本公司同時將積極繼續與多家金融機構磋商以延長償還日期或為其未償還借款進行再融資，以及於日後積極尋找各種盤活資產的可行性，包括但不限於變更房產用途及房產出售整體策略。

During the Year under Review, the total revenue of the Company (together with its subsidiaries, the "Group") amounted to approximately RMB86.8 million, representing a decrease of approximately RMB333.5 million or approximately 79.4% as compared with the corresponding period of last year. The loss attributable to the shareholders of the Company amounted to approximately RMB542.5 million, representing an increase of loss of approximately RMB16.4 million or approximately 3.1% from a loss of approximately RMB526.1 million for the corresponding period of last year, mainly due to a decrease in revenue and an increase in other expenses and finance costs during the Year under Review.

於回顧年度內，本公司(連同其附屬公司統稱「本集團」)的總收入約為人民幣86.8百萬元，較去年同期減少約人民幣333.5百萬元或約79.4%。本公司股東應佔虧損約人民幣542.5百萬元，較去年同期虧損約人民幣526.1百萬元增加約人民幣16.4百萬元或約3.1%，主要由於於回顧年度內收入下降及其他開支及財務成本增加所致。

During the Year under Review, loss per share was approximately RMB0.289 (2023: approximately RMB0.281). As at 31 December 2024, total assets of the Group amounted to approximately RMB2,144.7 million (31 December 2023: approximately RMB2,215.7 million); total liabilities were approximately RMB5,694.0 million (31 December 2023: approximately RMB5,175.2 million); total negative equity was approximately RMB3,549.3 million (31 December 2023: approximately RMB2,959.5 million); and net liabilities per share were approximately RMB1.89 (31 December 2023: approximately RMB1.58).

於回顧年度內，每股虧損為約人民幣0.289元(二零二三年：約人民幣0.281元)。於二零二四年十二月三十一日，本集團資產總額約人民幣2,144.7百萬元(二零二三年十二月三十一日：約人民幣2,215.7百萬元)；負債總額約人民幣5,694.0百萬元(二零二三年十二月三十一日：約人民幣5,175.2百萬元)；負權益總值約為人民幣3,549.3百萬元(二零二三年十二月三十一日：約人民幣2,959.5百萬元)；每股負債淨值約為人民幣1.89元(二零二三年十二月三十一日：約為人民幣1.58元)。

During the Year under Review, the Group recorded property sales of approximately RMB85.4 million, representing a decrease of approximately RMB333.5 million or approximately 79.6% compared to approximately RMB418.9 million in 2023. Total GFA of property sales delivered was approximately 7,451.3 sq.m., representing a decrease of approximately 88.3% compared to approximately 63,413.5 sq.m. in 2023. This was mainly due to the overall downturn in the Chinese real estate market, as well as the cumulative presold residential units delivered and recognised in 2023. As at 31 December 2024, the Group's property portfolio consisted of 5 property development projects in various cities in the PRC. These projects were at different stages of development, with total GFA amounting to approximately 382,000 sq.m., of which approximately 281,000 sq.m. had been completed, approximately 22,000 sq.m. was under development, and approximately 79,000 sq.m. was held for future development.

PROSPECTS AND DEVELOPMENT STRATEGIES

Looking ahead to 2025, it is expected that China's macro-economy will remain steady, with various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate enterprises. The property market and investment sentiment is expected to gradually stabilise and recover, In the National Economic Programme of the 20th National Congress of the PRC government, the PRC government stated that it is required to maintain stable and healthy development of the real estate market, and adhere to the principle of "housing is for living in and not for speculation". As China's demographic structure gradually increases the rate of urbanisation and the economies of third and fourth tier cities are expected to grow, the development of real estate investment is expected to become the focus of the market. The Group will actively accelerate its de-stocking of completed properties while exploring feasibility of assets revitalisation, including but not limited to changing of property use and sale of properties in its entirety. Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

於回顧年度內，本集團錄得物業銷售額約人民幣85.4百萬元，較二零二三年約人民幣418.9百萬元減少約人民幣333.5百萬元或約79.6%。已交付物業銷售總建築面積為約7,451.3平方米，較二零二三年的約63,413.5平方米減少約88.3%。主要是由於中國房地產市場整體低迷，以及二零二三年交付及確認的累計預售住宅單位。於二零二四年十二月三十一日，本集團的物業組合包括位於中國不同城市的5個物業開發項目，這些項目處於不同開發階段，總建築面積約382,000平方米，其中約281,000平方米的建築面積已竣工，約22,000平方米的建築面積正在開發中，另約79,000平方米的建築面積持作未來開發。

前景展望及發展策略

展望二零二五年，預計中國宏觀經濟將保持平穩發展，多個城市在鬆綁限購限貸，繼而出台保交樓，信貸、發債、股權融資等「三箭齊發」措施全面利好物業開發商。房地產市場及投資氣氛有望逐步企穩恢復。中國政府在「二十大」國家經濟綱要提出房地產市場必需平穩健康發展，堅持房住不炒的方針。中國人口結構逐漸城鎮化比率提高，三四線城市經濟將會增速，預期房產投資發展成市場焦點。本集團將積極加快已竣工物業庫存去化，同時探索盤活資產的可行性，包括但不限於變更房產用途及整棟房產出售，以及與不同金融機構就本集團就未償還借款進行磋商，務求改善負債及財務槓桿狀況。

SUMMARY

Xinming China is still facing the most difficult time in the history of the domestic real estate industry. We will continue to adhere to our original intention, fulfil our duties with a firm belief, overcome difficulties, and find high-valued business opportunities, focus on de-stocking and de-leveraging with dedicated efforts, thereby creating best value to our shareholders.

On behalf of the Board, I would like to take this opportunity to express the heartfelt and sincere gratitude to our management and all staff members for their persistent efforts in the previous year and to all the shareholders for their support and trust.

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, China
31 March 2025

總結

新明中國仍面對國內房產行業最艱難時刻，我們繼續堅守初心，恪盡職守，堅定信念，克服困難，全力專注去存貨、降槓桿，及找高增值機遇為股東創造最佳價值。

本人謹藉此機會，代表董事會向管理層及全體員工在過去一年的努力不懈，以及全體股東的支持和信賴，表示衷心和誠摯的感謝！

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二五年三月三十一日

INDUSTRY REVIEW AND OPERATION MANAGEMENT

Looking back at the PRC real estate market in 2024, according to data published by the National Bureau of Statistics, the construction area of housing projects by property development enterprises totaled 733,247,000 square meters, reflecting a 12.7% year-on-year decrease. New commercial housing sales amounted to RMB9.675 trillion, down 17.1% compared to the previous year, with residential property sales declining by 17.6%. The real estate industry was inevitably impacted by the nationwide downturn in the property market.

During the Year under Review, the Group adopted various methods to improve the going concern issue of the Company by revitalizing assets and reducing liabilities. The Company focused on the residential property development of Shandong Project, and completed the second and third phases of presale. Meanwhile, the Company will continue to actively negotiate with various financial institutions to extend the repayment date or refinance its outstanding borrowings, and will proactively seek various feasible options in assets revitalization in the future, including but not limited to change of property use and sale of property in its overall strategy.

BUSINESS REVIEW

During the Year under Review, the Group recorded property sales of approximately RMB85.4 million, representing a decrease of approximately RMB333.5 million or approximately 79.6% as compared to approximately RMB418.9 million in 2023, it was mainly due to the overall downturn in China's real estate market. Despite stabilization policies implemented by Chinese policymakers in 2024 and early 2025, the market environment has yet to recover sufficiently to reflect the effects of these measures. The Company anticipates that, starting from the second half of 2025, signs of recovery will gradually emerge in China's real estate market as the impact of the government's stabilization policies begins to materialize. In practice, the Company recorded moderate sales from its Shandong project; however, lower-than-expected revenue from other projects due to the recent slump in China's property market contributed to the overall decline in revenue during the Year under Review. Total GFA delivered during the Year under Review was approximately 7,451.3 sq.m., representing a decrease of approximately 88.3%, as compared to approximately 63,413.5 sq.m. of 2023. At the same time, various real estate developers were eager to cash in through price reduction and sales promotion which intensified competition. In this regard, the Group has actively made business adjustments and explored the use of each project, including but not limited to changing property use and selling properties in its entirety to speed up the cash-out. Such measures, however, have not been able to significantly enhance the Group's revenue for the Year under Review.

行業回顧及經營管理

回顧二零二四年中國房地產市場，根據國家統計局公佈的數據，物業開發企業的房屋項目施工面積為733,247,000平方米，較去年同期減少12.7%。新建商品房銷售額為人民幣9.675萬億元，較去年減少17.1%，其中住宅物業銷售額減少17.6%。房地產行業無可避免地受到全國房地產市場下行的影響。

回顧年度內，本集團採取各種方法重點盤活資產及降負債，以改善本公司持續經營問題。本公司集中在山東項目的住宅物業開發，經已完成第二及三期預售。同時，本公司將繼續積極與多家金融機構磋商，以延長償還日期或為其未償還借款進行再融資，以及於日後積極尋找各種盤活資產的可行性，包括但不限於變更房產用途及房產出售整體策略。

業績回顧

回顧年度內，本集團錄得物業銷售額約人民幣85.4百萬元，較二零二三年約人民幣418.9百萬元減少約人民幣333.5百萬元或約79.6%，主要是由於中國房地產市場整體低迷所致。儘管中國決策者已於二零二四年及二零二五年年初實施穩定政策，但市場環境尚未足夠復甦以反映該等政策的效果。本公司預期，自二零二五年下半年起，隨著中國政府實施穩定政策的效果開始發揮，中國房地產市場將逐漸出現復甦跡象。事實上，本公司從其山東項目錄得溫和的銷量；然而，由於近期中國房地產市場低迷，其他項目的收入低於預期，導致回顧年度的整體收入減少。回顧年度內交付的總建築面積約7,451.3平方米，較二零二三年的約63,413.5平方米減少約88.3%。同時，各物業開發商通過減價促銷，從而加劇競爭。就此，本集團已積極進行業務調整，探討各項目用途，包括但不限於改變物業用途、整體出售物業以加快套現。然而，該等措施暫未能顯著提升本集團回顧年度的收入。

Loss attributable to the shareholders of the Company amounted to approximately RMB542.5 million, representing an increase of approximately RMB16.4 million or approximately 3.1% from approximately RMB526.1 million in 2023, mainly due to a decrease in revenue and an increase in other expenses and finance costs during the Year under Review. Loss per share was approximately RMB0.289 (2023: loss per share amounted to approximately RMB0.281).

本公司股東應佔虧損約為人民幣542.5百萬元，較二零二三年約人民幣526.1百萬元增加約人民幣16.4百萬元或約3.1%，主要歸因於回顧年度內的收入減少以及其他開支及財務成本增加所致。每股虧損約人民幣0.289元（二零二三年：每股虧損約人民幣0.281元）。

During the Year under Review, the Board did not recommend payment of a final dividend for the year ended 31 December 2024.

回顧年度內，董事會不建議就截至二零二四年十二月三十一日止年度派發末期股息。

As at 31 December 2024, total assets of the Group amounted to approximately RMB2,144.7 million (31 December 2023: approximately RMB2,215.7 million); total liabilities were approximately RMB5,694.0 million (31 December 2023: approximately RMB5,175.2 million); total negative equity was approximately RMB3,549.3 million (31 December 2023: approximately RMB2,959.5 million); and net liabilities per share were approximately RMB1.89 (31 December 2023: approximately RMB1.58).

於二零二四年十二月三十一日，本集團資產總額約人民幣2,144.7百萬元（二零二三年十二月三十一日：約人民幣2,215.7百萬元）；負債總額約人民幣5,694.0百萬元（二零二三年十二月三十一日：約人民幣5,175.2百萬元）；負權益總值約為人民幣3,549.3百萬元（二零二三年十二月三十一日：約人民幣2,959.5百萬元）；每股負債淨值約為人民幣1.89元（二零二三年十二月三十一日：約為人民幣1.58元）。

Property development

As at 31 December 2024, the Group's property portfolio consisted of 5 property development projects with an aggregate GFA of approximately 382,000 sq.m. developed and under various stages of development in various cities in the PRC.

物業開發

於二零二四年十二月三十一日，本集團物業組合現有5項物業開發項目，於中國不同城市已開發及在不同開發階段的總建築面積約382,000平方米。

The summary of the portfolio of our property development projects as at 31 December 2024 is set out in the table below:

下表為二零二四年十二月三十一日我們物業開發項目組合的概要：

			COMPLETED 已經竣工					UNDER DEVELOPMENT 開發中			FUTURE DEVELOPMENT 未來開發			
Project 項目	Location 地址	Existing use 目前用途	Site area 地盤面積 sq.m. 平方米	GFA completed 已經竣工面積 sq.m. 平方米	Saleable GFA 可銷售面積 sq.m. 平方米	Non saleable GFA 不可銷售面積 sq.m. 平方米	Saleable GFA in remaining unsold 餘下未銷售面積的可銷售面積 sq.m. 平方米	GFA under development 開發中建築面積 sq.m. 平方米	Saleable GFA 可銷售建築面積 sq.m. 平方米	Saleable GFA pre-sold 已預售建築面積 sq.m. 平方米	Planned GFA 規劃建築面積 sq.m. 平方米	Estimated date of completion 預計竣工日期	Estimated stage of completion 預計完工階段	Equity attributable to the Group 本集團所佔權益 % %
Completed 已竣工														
Taizhou Xinming Peninsular 台州新明半島														
Phase 1 一期	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	86,667	189,387	157,005	32,382	-	-	-	-	-	-	-	100%
Phase 2 - Stage 1 二期一階段	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	66,600	121,498	111,723	9,775	-	-	-	-	-	-	-	100%
Phase 2 - Stage 2 二期二階段	Xinming Peninsula, West Road, Baiyunshan, Jiaojiang District, Taizhou City 台州市椒江區白雲山西路新明半島	Residential, commercial 住宅、商用	52,540	152,624	125,824	26,800	27.8	-	-	-	-	-	-	100%
Xinming International Household Products Mall and Exhibition Center 新明國際家居生活廣場及展示中心	No. 8, North Section, Taizhou Boulevard, Jiaojiang District; No. 27 Building, No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號、椒江區台州大道北段8號27樓	Commercial 商用	131,768	207,908	100,151	107,757	-	-	-	-	-	-	-	100%
Xinming Lijiang Garden 新明麗江苑	Xinming Lijiang Garden, No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號新明麗江苑	Residential, commercial 住宅、商用	63,431	210,988	177,466	33,522	143.43	-	-	-	-	-	-	100%
Wenshang Times • Xinming Household Decorations and Fittings City 溫商時代 • 新明飾品城	No. 1990, East Ring Boulevard, Jiaojiang District, Taizhou City (Xinming Household Decorations and Fittings City) 台州市椒江區東環大道1990號(新明飾品城)	Commercial 商用	44,871	67,251	44,415	22,836	359.1	-	-	-	-	-	-	100%
Wenshang Times • Xinming Apartment 溫商時代 • 新明公館	No. 1990-1, East Ring Boulevard, Jiaojiang District, Taizhou City 台州市椒江區東環大道1990-1號	Residential 住宅	10,263	39,941	35,605	4,336	-	-	-	-	-	-	-	100%
Shandong Xingmeng International Commercial City 山東興盟國際商業城	Xingmeng International Commercial City, Wulitunzhuanpan, Tengzhou City, Shandong Province 山東省滕州市五裡屯轉盤興盟國際商城	Commercial 商用	89,100	88,505	86,399	2,106	6,267.7	-	-	-	-	-	-	75%
Shanghai Xinming Children's World 上海新明兒童世界	No. 699, Liuxiang Road, Nanxiang Town, Jiading District, Shanghai Municipality 上海市嘉定區南翔鎮瀏翔公路699號	Commercial 商用	39,720	186,904	138,179	48,725	42,273.3	-	-	-	-	-	-	79%
Hangzhou Xinming Children's World 杭州新明兒童世界	No. 698, Xiaohe Road, Gongshu District, Hangzhou 杭州市拱墅區小河路698號	Commercial 商用	30,499	147,754	147,754	-	-	-	-	-	-	-	-	100%

			COMPLETED 已經竣工					UNDER DEVELOPMENT 開發中			FUTURE DEVELOPMENT 未來開發			
Project 項目	Location 地址	Existing use 目前用途	Site area 地盤面積 sq.m. 平方米	GFA completed 已經竣工面積 sq.m. 平方米	Saleable GFA 可銷售面積 sq.m. 平方米	Non saleable GFA 不可銷售面積 sq.m. 平方米	Saleable GFA in remaining unsold 餘下未銷售面積的可銷售面積 sq.m. 平方米	GFA under development 開發中建築面積 sq.m. 平方米	Saleable GFA 可銷售建築面積 sq.m. 平方米	Saleable GFA pre-sold 已預售建築面積 sq.m. 平方米	Planned GFA 規劃建築面積 sq.m. 平方米	Estimated date of completion 預計竣工日期	Estimated stage of completion 預計完工階段	Equity attributable to the Group 本集團所佔權益 % %
Shandong Xingmeng Yayuan 山東興盟雅園	The western side of Luban Avenue and the northern side of Jinghe West Road, Tengzhou City, Shandong Province 山東省滕州市魯班大道西側，前河西路北側	Residential 住宅	54,826	95,402	92,130	3,272	34,688	–	–	–	–	–	–	75%
Under Development 開發中														
Shandong Xingmeng Yayuan 山東興盟雅園	Xingmeng International Commercial City, Wulitunzhuanpan, Tengzhou City, Shandong Province 山東省滕州市五裡屯轉盤興盟國際商城	Residential 住宅	29,206	–	–	–	–	108,186	102,026	986.3	–	–	100%	75%
Total 總計			699,491	1,508,162	1,216,620	209,511	108,879.73	108,186	102,026	986.3	–			

Property sales

During the Year under Review, the Group recorded property sales of approximately RMB85.4 million, representing a decrease of approximately RMB333.5 million or approximately 79.6% as compared to approximately RMB418.9 million in 2023. Total GFA of property sales delivered during the Year under Review was approximately 7,451.3 sq.m., representing a significant decrease of approximately 63,413.5 q.m. as compared with 2023, which was mainly derived from the overall downturn in China's real estate market and the cumulative presold residential units delivered and recognized in 2023. In this regard, the Group has actively made business adjustments and assessed all potential project applications, including but not limited to change of use and sale of property. Such measures, however, have not yet resulted in a measurable revenue contribution as at the date of this report.

物業銷售

於回顧年度內，本集團錄得物業銷售額約人民幣85.4百萬元，較二零二三年約人民幣418.9百萬元減少約人民幣333.5百萬元或約79.6%。於回顧年度內交付物業銷售總建築面積約7,451.3平方米，較二零二三年大幅減少約63,413.5平方米，主要是由於中國房地產市場整體低迷，以及二零二三年交付及確認的累計預售住宅單位。本集團已就此積極進行業務調整，評估所有潛在的項目申請，包括但不限於變更房產用途及出售物業。於本年報日期，該等行動尚未帶來可計量的收入貢獻。

The following table summarizes the property projects of the Group sold during the Year under Review:

下表載列於回顧年度本集團物業銷售項目概要：

Project 項目	Location 位置	GFA sold 銷售建築面積 sq.m. 平方米	Income 收入 RMB in million 人民幣百萬元	Average selling price 平均售價 RMB/sq.m. 人民幣／平方米
By market sale **按市場銷售**				
Xingmeng International Commercial City 興盟國際商城 Residential 住宅	Tengzhou 滕州	4,410.9	30.4	6,882.6
Shanghai Xinming Children's World 上海市新明兒童世界 Commercial 商鋪	Shanghai 上海	3,040.4	55.0	18,577.9
Total 合計		7,451.3	85.4	11,461
By court-ordered sale **按法院命令出售**				
Taizhou Xinming 台州新明	Taizhou 台州	376.97	2.1	5,607.9

Property leasing

The Group carries out property leasing business through leasing its commercial properties held for investment and leasing the sold commercial properties leased back from third parties by the Group. As at 31 December 2024, the actual area leased out was approximately 13,546.5 sq.m., representing approximately 90.2% of the Group's investment properties held-for-lease and the sold commercial properties leased back from third parties purchasers.

During the Year under Review, the rental income was approximately RMB1.5 million, representing a decrease of approximately RMB2.2 million or 59.8% as compared to approximately RMB3.7 million in 2023.

The following table summarises the commercial properties held by the Group for investment during the Year under Review:

物業租賃

本集團通過出租其持作投資的商業物業及出租本集團向第三方回租的已售商業物業，從事物業租賃業務。於二零二四年十二月三十一日，實際租賃面積約為13,546.5平方米，佔本集團持作出租用途的投資物業及透過第三方買家回租的已售商業物業約90.2%。

於回顧年度內，租金收入約人民幣1.5百萬元，較二零二三年約人民幣3.7百萬元，減少約人民幣2.2百萬元或59.8%。

下表載列於回顧年度本集團持作投資的商業物業概要：

	As at 31 December 2024 於二零二四年十二月三十一日			Average occupancy rate	Rental income for the year ended 31 December 2024 截至二零二四年十二月三十一日止年度的租金收入
	Total GFA 總建築面積	Leasable area 可租賃面積	Leased area 已租賃面積	平均租用率	
	sq.m. 平方米	sq.m. 平方米	sq.m. 平方米	% %	RMB million 人民幣百萬元
Commercial investment properties for rental purpose 作出租用途的商業投資物業					
No. 8, North Section, Taizhou Boulevard, Jiaojiang District, Taizhou City 台州市椒江區台州大道北段8號	101,163.32	62,163.36	13,546.5	21.8	1.5

Note: All properties were located in the PRC, and were held under medium term lease.

附註： 所有物業均位於中國，並根據中期租賃持有。

Court ordered sale of completed properties held for sale

During the year ended 31 December 2024, an auction in respect of certain completed properties held for sale of Taizhou Xinming has taken place and the said completed properties held for sale had been sold in the said auction for an amount of RMB2,114,000 which is same as the aggregate reserve price and accordingly the loss on court-ordered sale of approximately RMB3,319,000 was charged to profit or loss for the year ended 31 December 2024.

法院命令出售持作出售的已竣工物業

截至二零二四年十二月三十一日止年度，台州新明的若干持作出售已竣工物業已進行拍賣，而上述持作出售已竣工物業已於上述拍賣中售出，金額為人民幣2,114,000元，與總底價相同，因此，法院命令出售虧損約人民幣3,319,000元於截至二零二四年十二月三十一日止年度於損益中扣除。

Land reserves

As at 31 December 2024, the Group's property portfolio consisted of 5 property development projects located in a number of cities throughout China. These projects were at various stages of development, with total GFA amounting to approximately 382,000 sq.m., of which approximately 281,000 sq.m. was completed, approximately 22,000 sq.m. was under development, and approximately 79,000 sq.m. was held for future development.

土地儲備

於二零二四年十二月三十一日，本集團的物業組合包括位於中國不同城市的5個物業開發項目。該等項目處於不同開發階段，總建築面積約382,000平方米，其中約281,000平方米的建築面積已竣工，約22,000平方米的建築面積正在開發中，另約79,000平方米的建築面積持作未來開發。

PROSPECTS

Looking ahead to 2025, it is expected that China's macro-economy will remain steady, with various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate enterprises. The property market and investment sentiment is expected to gradually stabilise and recover.

前景展望

展望二零二五年，預計中國宏觀經濟將保持平穩發展，多個城市在鬆綁限購限貸，繼而出台保交樓，信貸、發債、股權融資等「三箭齊發」措施全面利好房企。房地產市場及投資氣氛有望逐步企穩恢復。

In the National Economic Programme of the 20th National Congress of the PRC government, the PRC government stated that it is required to maintain stable and healthy development of the real estate market, and adhere to the principle of "housing is for living in and not for speculation". As China's demographic structure gradually increases the rate of urbanisation and the economies of third and fourth tier cities are expected to grow, the development of real estate investment is expected to become the focus of the market.

中國政府在「二十大」國家經濟綱要提出房地產市場必需平穩健康發展，堅持房住不炒的方針。中國人口結構逐漸城鎮化比率提高，三四線城市經濟將會增速，預期房產投資發展成市場焦點。

The Group will actively accelerate its de-stocking of completed properties while exploring feasibility of assets revitalisation, including but not limited to changing of property use and sale of properties in its entirety. Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

本集團將積極加快已竣工物業庫存去化，同時探索盤活資產的可行性，包括但不限於變更房產用途及整棟房產出售，以及與不同金融機構就本集團就未償還借款進行磋商，務求改善負債及財務槓桿狀況。

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property sales and property leasing services, which contributed approximately 98.3% and 1.7%, respectively, to the revenue during the Year under Review of approximately RMB86.8 million. Property sales, the major revenue source of the Group, decreased by approximately RMB333.5 million from approximately RMB418.9 million in the same period of last year, mainly represented by the sale of the Shandong residential project during the Year Under Review, which was substantially less than the same period of last year due to the completion of residential property development of the Shandong Project of the second and third phases of legal property registration that was recognised as sales in 2023. Property leasing recorded a decrease of approximately RMB2.2 million as compared to approximately RMB3.7 million in the same period of last year.

Cost of sales

During the Year under Review, the Group's cost of sales was approximately RMB66.2 million, representing a decrease of approximately RMB303.0 million or 82.1% as compared to approximately RMB369.1 million in the same period of last year. Such decrease was primarily attributable to a reduction of the delivered properties sold during the Year under Review.

Gross profit

During the Year under Review, gross profit amounted to approximately RMB20.7 million, representing a decrease of approximately RMB32.8 million or approximately 61.3% as compared to approximately RMB53.4 million in the same period of last year. The gross profit margin was approximately 23.8%, which increased as compared to approximately 12.6% last year, which was mainly attributable to the effective cost control of Shandong residential properties held for sale.

Other income and gains and losses

Other income and gains and losses during the Year under Review amounted to approximately RMB21,000 as compared to a loss of approximately RMB6.1 million in the same period of last year, mainly due to no significant exchange loss arisen during the Year under Review.

Selling and administrative expenses

During the Year under Review, the selling and administrative expenses amounted to approximately RMB23.4 million, representing a decrease of approximately RMB14.3 million or approximately 37.9% as compared to approximately RMB37.7 million last year, mainly due to a decrease in administrative expenses by approximately RMB13.3 million as compared to the same period of last year through continued streamlining of the manpower of the Group in line with the decrease in revenue.

財務回顧

收益

本集團收益主要由物業銷售及物業租賃服務產生，於回顧年度內的收入約人民幣86.8百萬元，佔比分別約為98.3%及1.7%。物業銷售是本集團主要收入來源，較去年同期約人民幣418.9百萬元減少約人民幣333.5百萬元，主要是回顧年度內銷售山東住宅項目，有關銷售較去年同期大幅減少，主要由於二零二三年山東項目第二及三期住宅物業開發完成合法產權登記並確認為銷售。物業租賃收入較去年同期約人民幣3.7百萬元減少約人民幣2.2百萬元。

銷售成本

於回顧年度內，本集團銷售成本約人民幣66.2百萬元，較去年同期約人民幣369.1百萬元減少約人民幣303.0百萬元或82.1%。該跌幅主要歸因於回顧年度內出售的已交付物業減少。

毛利

於回顧年度內的毛利約人民幣20.7百萬元，較去年同期的約人民幣53.4百萬元減少約人民幣32.8百萬元或約61.3%。毛利率約為23.8%，較去年的約12.6%有所上升，主要歸因於有效控制持作銷售的山東住宅物業的成本。

其他收入及收益及虧損

於回顧年度內的其他收入及收益及虧損約人民幣21,000元，去年同期的虧損則約為人民幣6.1百萬元，主要是由於回顧年度並無產生重大匯兑虧損所致。

銷售及行政開支

於回顧年度內的銷售及行政開支約人民幣23.4百萬元，較去年的約人民幣37.7百萬元減少約人民幣14.3百萬元或約37.9%，主要是由於本集團持續精簡人力，導致行政開支較去年同期減少約人民幣13.3百萬元，與收益減少相符。

Other expenses

Other expenses during the Year under Review was approximately RMB473.8 million, representing an increase of approximately RMB33.5 million or approximately 7.6% as compared to approximately RMB440.3 million in the same period of last year, mainly due to (i) increase in liquidated damages on borrowings; (ii) offset by a decrease in provision for impairment of properties due to the expected decrease of their realisable value; and (iii) the market of properties under development and completed properties held for sale were adversely affected by the weak market sentiment during the year ended 31 December 2024 and an impairment provision of approximately RMB5.3 million was made during the year ended 31 December 2024 under the impact of the expected decrease of realizable value on financial assets. Breakdown of other expenses are set out below:

其他開支

於回顧年度內的其他開支約人民幣473.8百萬元，較去年同期的約人民幣440.3百萬元增加約人民幣33.5百萬元或約7.6%，主要是由於(i)借款違約金增加；(ii)被物業可變現價值預期減少，導致其減值撥備減少所抵銷；及(iii)開發中物業及持作出售的已竣工物業市場受到截至二零二四年十二月三十一日止年度市場氣氛疲弱不利影響，在金融資產可變現價值預期下降的影響下於截至二零二四年十二月三十一日止年度作出減值撥備約人民幣5.3百萬元。其他開支明細載列如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Liquidated damages on borrowings	借款違約金	412,709	314,859
Provision for impairment of properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業減值撥備	55,861	126,514
Impairment losses on financial assets, net	金融資產之減值虧損淨額	5,273	2,756
Total	合計	473,843	444,129

Change in fair value of investment properties

During the Year under Review, the loss on change in fair value of investment properties amounted to approximately RMB12.3 million, representing a decrease of approximately RMB5.6 million or approximately 31.5% as compared to that of approximately RMB17.9 million in the same period of last year. The fair value of investment properties decreased at a slower rate as compared to that in the same period of last year as the downturn in the real estate sector stabilised during the Year under Review.

投資物業公允價值變動

於回顧年度內的投資物業公允價值變動損失約人民幣12.3百萬元，較去年同期約人民幣17.9百萬元減少約人民幣5.6百萬元或約31.5%。投資物業公允價值與去年同期相比下跌速度較慢，主要是由於回顧年度內衰退的房地產行業轉趨穩定所致。

Finance costs

During the Year under Review, the finance costs amounted to approximately RMB96.7 million, representing an increase of approximately RMB19.6 million or approximately 25.4% as compared to approximately RMB77.1 million in the same period of last year, mainly due to an increase in interest on interest-bearing bank and other borrowings and a decrease of capitalised interest as compared to the same period of last year.

融資成本

於回顧年度內的融資成本約人民幣96.7百萬元，較去年同期約人民幣77.1百萬元增加約人民幣19.6百萬元或約25.4%，主要是由於計息銀行及其他借款利息增加及資本化利息較去年同期減少所致。

Operating loss

During the Year under Review, the operating loss amounted to approximately RMB598.3 million, representing an increase of loss of approximately RMB34.1 million or approximately 6.0% as compared to the operating loss of approximately RMB564.2 million in the same period of last year which was mainly due to a decrease in revenue and the increase in liquidated damages on borrowings.

營業虧損

於回顧年度內的營業虧損約人民幣598.3百萬元，較去年同期營業虧損的約人民幣564.2百萬元增加虧損約人民幣34.1百萬元或約6.0%，主要是由於收益減少及借款違約金增加所致。

Income tax credit/expense

During the Year under Review, the income tax credit amounted to approximately RMB8.6 million as compared to income tax expense of approximately RMB28.5 million in the same period of last year, mainly due to deferred tax movements and the decrease in land appreciation tax.

所得稅抵免／支出

於回顧年度內的所得稅抵免約人民幣8.6百萬元，去年同期所得稅開支則約為人民幣28.5百萬元，主要是由於遞延稅項變動及土地增值稅減少所致。

Loss attributable to the shareholders

During the Year under Review, the loss attributable to the shareholders amounted to approximately RMB542.5 million, representing an increase of approximately RMB16.4 million or approximately 3.1% as compared to the loss of approximately RMB526.1 million in the same period of last year. The basic loss per share was approximately RMB0.289 (2023: approximately RMB0.281).

股東應佔虧損

於回顧年度內股東的應佔虧損約人民幣542.5百萬元，較去年同期的虧損約人民幣526.1百萬元增加約人民幣16.4百萬元或約3.1%。每股基本虧損為約人民幣0.289元(二零二三年：約人民幣0.281元)。

Cash flows

As at 31 December 2024, cash and bank deposits of the Group, including restricted cash, was approximately RMB2.1 million in aggregate (31 December 2023: approximately RMB1.9 million), representing an increase of approximately RMB0.2 million or approximately 11.8%.

現金流量

本集團於二零二四年十二月三十一日的現金及銀行存款(包括受限制現金)共約人民幣2.1百萬元(二零二三年十二月三十一日：約人民幣1.9百萬元)，增加約人民幣0.2百萬元，增幅約11.8%。

Borrowings

As at 31 December 2024, the total borrowings of the Group were approximately RMB1,212.7 million, representing a decrease of approximately RMB66.8 million or approximately 5.2% as compared to approximately RMB1,279.5 million as at 31 December 2023.

The borrowings on demand and repayable within one year of the Group were approximately RMB1,212.7 million, representing a decrease of approximately RMB66.8 million or approximately 5.2% as compared to approximately RMB1,279.5 million as at 31 December 2023. The decrease was due to the repayment of loan principals through the court-ordered sales which covered repayment of certain principals and default interests.

借款

於二零二四年十二月三十一日，本集團的借款總額約人民幣1,212.7百萬元，較二零二三年十二月三十一日的約人民幣1,279.5百萬元減少約人民幣66.8百萬元或約5.2%。

本集團即期及須於一年內償還的借款約人民幣1,212.7百萬元，較二零二三年十二月三十一日的約人民幣1,279.5百萬元，減少約人民幣66.8百萬元或約5.2%。減少主要是由於透過法院命令出售償還貸款本金，其中包括償還若干本金及違約利息所致。

Trade receivables, prepayments, other receivables and other assets

As at 31 December 2024, the sum of trade receivables, prepayments, other receivables and other assets of the Group was approximately RMB48.7 million, representing an increase of approximately RMB7.0 million or approximately 16.9% as compared to approximately RMB41.7 million as at 31 December 2023, mainly due to an increase of prepayment in the Shandong Project.

Trade payables, contract liabilities and other payables and accruals

As at 31 December 2024, the sum of trade payables, contract liabilities, other payables and accruals of the Group was approximately RMB3,118.4 million, representing an increase of approximately RMB567.0 million or approximately 22.2% as compared to approximately RMB2,551.4 million as at 31 December 2023. The increase was mainly due to an increase in accrual of interest and penalties on interest and other payables for the Shandong Project.

Assets and liabilities

As at 31 December 2024, the total assets of the Group was approximately RMB2,144.7 million, representing a decrease of approximately RMB71.0 million as compared to approximately RMB2,215.7 million as at 31 December 2023. The total current assets was approximately RMB1,010.3 million, representing approximately 47.1% (31 December 2023: approximately 49.1%) of the total assets, with a decrease of approximately RMB76.5 million as compared to approximately RMB1,086.7 million as at 31 December 2023. The total noncurrent assets was approximately RMB1,134.5 million, representing approximately 52.9% (31 December 2023: approximately 51.0%) of the total assets, with an increase of approximately RMB5.5 million as compared to approximately RMB1,129.0 million as at 31 December 2023.

As at 31 December 2024, the total liabilities of the Group was approximately RMB5,694.0 million, representing an increase of approximately RMB518.8 million as compared to approximately RMB5,175.2 million as at 31 December 2023. The total current liabilities was approximately RMB5,518.2 million, representing approximately 96.9% (31 December 2023: approximately 96.7%) of the total liabilities, with an increase of approximately RMB511.4 million as compared to approximately RMB5,006.9 million as at 31 December 2023. The total non-current liabilities was approximately RMB175.7 million, representing approximately 3.1% (31 December 2023: approximately 3.3%) of the total liabilities, with an increase of approximately RMB7.4 million as compared to approximately RMB168.3 million as at 31 December 2023.

貿易應收款項、預付款項及其他應收款項及其他資產

於二零二四年十二月三十一日，本集團的貿易應收款項、預付款項、其他應收款項及其他資產總額約人民幣48.7百萬元，較二零二三年十二月三十一日的約人民幣41.7百萬元，增加約人民幣7.0百萬元或約16.9%，主要是山東項目預付款增加所致。

貿易應付款項、合約負債及其他應付賬款及應計費用

於二零二四年十二月三十一日，本集團的貿易應付款項、合約負債、其他應付款項及應計費用合共約人民幣3,118.4百萬元，較二零二三年十二月三十一日的約人民幣2,551.4百萬元增加約人民幣567.0百萬元或約22.2%。有關增加主要是由於山東項目的利息及其他應付款項的應計利息及罰息增加所致。

資產與負債

於二零二四年十二月三十一日，本集團資產總額約人民幣2,144.7百萬元，較二零二三年十二月三十一日的約人民幣2,215.7百萬元減少約人民幣71.0百萬元。流動資產總額約人民幣1,010.3百萬元，較二零二三年十二月三十一日約人民幣1,086.7百萬元減少約人民幣76.5百萬元，佔資產總額的約47.1%(二零二三年十二月三十一日：約49.1%)。非流動資產總額約人民幣1,134.5百萬元，較二零二三年十二月三十一日的約人民幣1,129.0百萬元增加約人民幣5.5百萬元，佔資產總額的約52.9%(二零二三年十二月三十一日：約51.0%)。

於二零二四年十二月三十一日，本集團負債總額約人民幣5,694.0百萬元，較二零二三年十二月三十一日的約人民幣5,175.2百萬元增加約人民幣518.8百萬元。流動負債總額約人民幣5,518.2百萬元，較二零二三年十二月三十一日的約人民幣5,006.9百萬元增加約人民幣511.4百萬元，佔負債總額的約96.9%(二零二三年十二月三十一日：約96.7%)。非流動負債總額約人民幣175.7百萬元，較二零二三年十二月三十一日的約人民幣168.3百萬元增加約人民幣7.4百萬元，佔負債總額的約3.1%(二零二三年十二月三十一日：約3.3%)。

As at 31 December 2024, the net current liabilities of the Group was approximately RMB4,508.0 million, representing an increase of approximately RMB587.8 million or approximately 15.0% as compared to the net current liabilities of approximately RMB3,920.2 million as at 31 December 2023.

於二零二四年十二月三十一日，本集團流動負債淨值約人民幣4,508.0百萬元，較二零二三年十二月三十一日的流動負債淨值約人民幣3,920.2百萬元增加約人民幣587.8百萬元或約15.0%。

Current ratio

As at 31 December 2024, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 0.18:1 (31 December 2023: 0.22:1).

流動比率

於二零二四年十二月三十一日，本集團的流動比率(即流動資產除以流動負債之比率)為0.18:1(二零二三年十二月三十一日：0.22:1)。

Gearing ratio

As at 31 December 2024, the gearing ratio of the Group was calculated based on net debt divided by the sum of total equity and net debt. The Group's net debt consists of interest-bearing bank and other borrowings and convertible bonds, less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratio of the Group was (72.7)% (31 December 2023: (110)%).

資本負債比率

於二零二四年十二月三十一日，本集團的資本負債比率乃按債務淨額除以權益總額加債務淨額而計算。本集團的債務淨額含有計息銀行及其他借款及可換股債券減現金及現金等價物。權益總額包括母公司擁有人應佔權益及非控股權益。本集團的資本負債比率為(72.7)%(二零二三年十二月三十一日：(110)%)。

Convertible bonds

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (the "Convertible Bonds" or "CB") at the price of 100% of their principal amount. The Convertible Bonds were redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bore interest at the rate of 6.5% plus 1% handling fee per annum (the "Coupon Rate") and were payable in arrears every six months. The convertible bonds were jointly guaranteed by the Controlling Shareholder, Mr. Chen Chengshou, and the nonexecutive director, Ms. Gao Qiaoqin, pursuant to a deed of guarantee, and secured by Xinxing Company Limited by 940,000,000 shares of the Company held by Xinxing Company Limited, a company controlled by Mr. Chen Chengshou, of which the aforesaid shares was completely sold and transferred to Share Purchasers on 16 January 2025.

可換股債券

於二零一八年六月一日，本公司按其本金額100%的價格發行本金總額為300,000,000港元的可換股債券(「可換股債券」)。可換股債券可由債券持有人選擇於二零二零年六月一日按每張債券1.39港元的價格贖回。可換股債券的年利率為6.5%，另加1%手續費(「票面利率」)計息及每六個月支付一次。可換股債券由控股股東陳承守先生及非執行董事高巧琴女士根據擔保契據共同擔保，及由陳承守先生控制的Xinxing Company Limited通過其持有的本公司940,000,000股股份作抵押，而上述股份已於二零二五年一月十六日全部出售及轉讓予股份購買人。

On 16 January 2025, the Company was informed by Chance Talent ("CB Sellers") that on 15 January 2025, Advance Day and CB Sellers transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK$31.5 million.

於二零二五年一月十六日，本公司獲Chance Talent(「可換股債券賣方」)告知，於二零二五年一月十五日，Advance Day及可換股債券賣方已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券，以及所有附帶的權利及應有的收益，予可換股債券買方Motivational Mathematics Limited 。

For details, please refer to the Company's announcements dated 16 January 2025 and 21 January 2025 respectively.

詳情請參閱本公司日期分別為二零二五年一月十六日及二零二五年一月二十一日的公告。

The principal amount of HK$300 million and interests have not been settled as of the date of this report.

本金300百萬港元及利息截至本公告日期尚未結算。

Significant investments

During the Year under Review, the Group has no significant investment.

重大投資

於回顧年度內，本集團並無任何重大投資。

Material acquisitions and disposals of subsidiaries

During the Year under Review, the Group has no material acquisitions or disposals of any subsidiaries.

有關附屬公司的重大收購及出售

於回顧年度內，本集團並無任何附屬公司的重大收購及出售。

Guarantees on mortgage facilities

As at 31 December 2024, the Group provided guarantees over the mortgage loans of certain purchasers of approximately RMB28.0 million (31 December 2023: approximately RMB28.6 million).

按揭融資的擔保

於二零二四年十二月三十一日，本集團就若干買家的按揭貸款提供擔保約人民幣28.0百萬元(二零二三年十二月三十一日：約人民幣28.6百萬元)。

Assets guarantees

As at 31 December 2024, the Group has pledged or restricted deposits in the bank deposits of RMB1.4 million (31 December 2023: approximately RMB0.5 million). In addition, partial other borrowings of the Group were secured by the Group's certain properties under development, completed properties held for sale, investment properties and the equity interests in certain subsidiaries of the Group, and jointly guaranteed by the Controlling Shareholder of the Group, Mr. Chen Chengshou ("Mr. Chen"), Mr. Chen's children and the non-executive Director, Ms. Gao Qiaoqin, the Group's related company, Xinming Group Limited, and other minority shareholders of certain subsidiaries of the Group free of charge.

資產擔保

於二零二四年十二月三十一日，本集團已抵押或受限制的銀行存款為人民幣1.4百萬元(二零二三年十二月三十一日：約人民幣0.5百萬元)。此外，本集團部分其他借款以本集團若干開發中物業、持作出售的已竣工物業、投資物業及於本集團若干附屬公司的股權作抵押，並由本集團的控股股東陳承守先生(「陳先生」)、陳先生的子女、非執行董事高巧琴女士及本集團的關聯公司新明集團有限公司以及本集團若干附屬公司的其他少數權益股東免費共同擔保。

Capital expenditure

During the Year under Review, the Group's total capital expenditure was approximately RMB0 million (31 December 2023: approximately RMB0 million).

資本開支

於回顧年度內，本集團資本開支總額約人民幣0百萬元(二零二三年十二月三十一日：約人民幣0百萬元)。

Capital commitments

As at 31 December 2024, the capital commitments related to activities of properties under development were approximately RMB24.5 million (31 December 2023: approximately RMB3.7 million).

資本承擔

於二零二四年十二月三十一日，有關開發中物業活動的資本承擔約為人民幣24.5百萬元(二零二三年十二月三十一日：約人民幣3.7百萬元)。

Exposure to exchange rate fluctuations

The Group operates mainly in Renminbi, and certain bank deposits of the Group are denominated in Hong Kong dollars. Save as disclosed above, the Group was not exposed to any material exchange rate fluctuation risk and did not enter into foreign currency hedging policies. However, the Group will monitor closely the foreign exchange risk and may, as the case may be and depending on the trend of foreign currencies, consider to apply significant foreign currency hedging policies in the future.

匯率波動風險

本集團主要以人民幣經營業務。本集團若干銀行存款以港元計值。除上述披露者外，本集團並無承受任何重大外匯匯率波動風險。本集團並無訂立外匯對沖政策。然而，本集團會緊密監察外匯風險及日後可能(視情況及外幣走勢而定)考慮採用重大外幣對沖政策。

Employees and remuneration policy

As at 31 December 2024, the Group has a total of 50 employees (31 December 2023: a total of 55 employees). The Group promoted the upgrading of talents, cultivated and recruited excellent talents with sales and management experience, improved the allocation system of remuneration linked to performance and maintained harmonious labor relations. The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. Moreover, the Group has also adopted a share option scheme and a share award scheme.

員工及薪酬政策

於二零二四年十二月三十一日，本集團共有僱員50人(二零二三年十二月三十一日：共55人)，本集團繼續推動人才升級，培育招聘優秀銷售及管理經驗人才，完善薪酬表現掛鈎的分配體系和保持良好和諧勞資關係。本集團根據僱員表現、工作經驗及現行市場工資水準給予僱員薪酬。此外，本集團亦採納購股權計劃及股份獎勵計劃。

Contingent liabilities

As at 31 December 2024, the Company had guarantees in respect of mortgage facilities granted to purchasers of the Group's properties of approximately RMB28.0 million (31 December 2023: approximately RMB28.6 million).

或然負債

於二零二四年十二月三十一日，本公司就本集團物業買家獲授的按揭融資提供擔保約人民幣28.0百萬元(於二零二三年十二月三十一日：約人民幣28.6百萬元)。

AUDITOR'S MODIFIED OPINION

The Auditor does not express an opinion on consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of their report, it is not possible for them to form an opinion on these consolidated financial statements. In all other respects, in their opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師修改意見

核數師沒有就本集團的綜合財務報表發表意見，基於在本報告中無法表示意見的基礎一節所述，由於多個不確定事項之間可能相互影響及對綜合財務報表產生累計影響，彼等無法就該等綜合財務報表形成意見。在所有其他方面，彼等認為該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

Basis for disclaimer of opinion

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB589,691,000 for the year ended 31 December 2024. At 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB4,507,983,000. In addition, at 31 December 2024, the Group's borrowings of approximately RMB1,212,708,000 and the convertible bonds issued by the Group amounting approximately RMB282,125,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

不發表意見基礎

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，本集團於截至二零二四年十二月三十一日止年度產生虧損淨額約人民幣589,691,000元。於二零二四年十二月三十一日，本集團的流動負債超過其流動資產約人民幣4,507,983,000元。此外，於二零二四年十二月三十一日，本集團尚欠借款約人民幣1,212,708,000元以及本集團已發行可換股債券約人民幣282,125,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對本集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (ii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iii) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; (iv) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate; and (v) successfully accelerate the de-stocking of the Group's properties by selling the residential properties in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve the Group's liability and financial gearing conditions.

管理層已採取多項措施，以改善本集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設編製，其有效性取決於該等措施之結果，並受限於多個重大不明朗因素，包括(i)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(ii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為本集團可見將來的營運資金及承擔額外撥資；(iii)成功加速開發中及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；(iv)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)；及(v)透過配套出售山東的住宅物業以及台州及上海的全部或部分商業物業，成功加快本集團物業庫存去化，務求加快回流營運資金改善本集團負債及財務槓桿狀況。

The auditors of the Group were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

本集團的核數師未能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘本集團未能按持續經營基準經營，而可能須作出有關調整以撇減本集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於綜合財務報表中反映。

Details of the Audit Modification and the Management's Position, View and Assessment on the Relevant Audit Modification

In view of the detailed conditions set out in the note 2 to the consolidated financial statement for the year ended 31 December 2024 in this report, the auditor is of the view that, there's significant uncertainties that may cast significant doubt regarding the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is subject to the Group's ability to generate sufficient financial and operating cash flows. As at 31 December 2024, the Group's certain borrowings amounted to approximately RMB1,212,708,000 and convertible bonds amounted to approximately RMB282,125,000 were overdue in accordance with repayment schedules pursuant to the borrowing agreements. In view of these circumstances, in assessing whether the Group will have sufficient financial resources to continue as a going concern, the management of the Group (the "Management") has taken into full consideration of the future liquidity and performance of the Group and its available sources of finance. To mitigate the liquidity pressure and improve the cash flow position of the Group, the Management has adopted and will continue to implement various measures mentioned in this report. Therefore, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

The auditor was unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

審核保留意見的詳情以及管理層有關審核保留意見的立場、意見及評估

鑒於該公告所載截至二零二四年十二月三十一日止年度之綜合財務報表附註2詳述的狀況，核數師認為，存在重大不確定性，可能對本集團持續經營的能力帶來重大疑慮。本集團是否能持續經營將取決於本集團產生足夠的財務及經營現金流的能力。於二零二四年十二月三十一日，本集團若干借款本金約人民幣1,212,708,000元及可換股債券約人民幣282,125,000元已根據借款協議的還款時間表逾期。鑒於相關情況，於評估本集團是否擁有充足財務資源繼續持續經營時，本集團的管理層(「管理層」)充分考慮本集團未來流動資金及表現以及其可用財務資源。為緩解本集團的流動資金壓力及改善現金流狀況，管理層亦已採取並將繼續執行本報告所述的各項措施。因此，董事認為，按持續經營基準編製本集團截至二零二四年十二月三十一日止年度之綜合財務報表乃恰當之舉。

核數師未能就編製綜合財務報表時採用持續經營會計基準的適當性取得足夠的適當審核憑證。倘本集團無法以持續經營基準經營，則須作出調整，將本集團資產的賬面值撇減至其可收回金額，為可能產生的任何進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在綜合財務報表中。

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no actions will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 31 December 2024, the outstanding amount of the total principal is RMB1,212.7 million. According to the recent negotiations with various financial institutions and the current market situations, the Management considers that after repayment or waive of overdue interests, the financial institutions will be willing to extend the current repayment schedule of outstanding borrowings and waive the penalty interest.

管理層一直與本集團現有貸款人就未償還借款的續期或延期償還進行磋商，以確保相關貸款人不會採取行動要求立即償還拖欠利息的借款，包括有交叉違約條款的借款，並希望延長未償還借款的到期日及還款時間表。截至二零二四年十二月三十一日，未償還本金總額為人民幣1,212.7百萬元。根據近期與各金融機構的磋商及目前的市場情況，管理層認為在償還或豁免逾期利息後，金融機構將願意延長目前未償還借款的還款期及豁免罰息。

Mitigation measures disclosed in the 2023 annual report of the Group **本集團二零二三年年報披露的緩解措施**	**Reasons such measures failed to resolve the Audit Modification in 2024** **此類措施未能解決二零二四年審核保留意見的原因**
i. Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; i. 就尚欠借款(包括已逾期本金及利息)正與各家金融機構繼續磋商達成重續或延展還款安排；	The commercial real estate business environment in the PRC has yet to fully recover. Banks and financial institutions in the PRC tended to adopt a more conservative and risk avoidance approach in granting new loans or extending existing loans to the real estate sector. 中國的商業房地產業務環境尚未完全恢復。中國的銀行及金融機構在向房地產行業發放新貸款或延長現有貸款時更多採取更為保守及風險規避的方法。
ii. Continuously negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; ii. 與各家金融機構以及潛在貸款人／投資者繼續磋商及物色多種選擇為本集團可見將來的營運資金及承擔額外撥資；	

Mitigation measures disclosed in the 2023 annual report of the Group 本集團二零二三年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2024 此類措施未能解決二零二四年審核保留意見的原因
iii. Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and controlling capital expenditure so as to generate adequate net cash inflows; iii. 加速開發中物業及已竣工物業之預售和銷售諸如山東項目，以及控制成本和控制資本開支，從而產生充足現金流入淨額；	The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties. 本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。 The main structure and exterior façade of Blocks no. 9 and no. 16 of the fourth phase of the residential zone of the Shandong Project has been completed. The remaining construction works of phase 4 of the Shandong Project is scheduled to commence in August 2025 and the expected presale commencement and construction completion date are March 2026 and June 2026, respectively. 山東項目第四期住宅區第9座及第16座的主體結構及外牆已完成。山東項目的第四期餘下工程預計於二零二五年八月動工，預期預售開始日期及工程竣工日期分別為二零二六年三月及二零二六年六月。 The Management has been negotiating financing arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not occur at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds. The number of contractors interested in such arrangement has increased in light of the policies and initiatives introduced by the PRC policymakers to stabilise the PRC property market and prevent further declines. 管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算將不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。鑑於中國決策者為穩定中國房地產市場及防止市場進一步下滑而推出的政策及措施，對此類安排感興趣的承建商數目有所增加。

Mitigation measures disclosed in the 2023 annual report of the Group 本集團二零二三年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2024 此類措施未能解決二零二四年審核保留意見的原因
iv. Actively procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project or whole commercial property at a price deemed appropriate. iv. 積極促使及與大型物業開發企業磋商有關出售個別物業開發項目或整棟商用房的初步條款(倘認為價格合適)。	The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations were either not fruitful or proceeded very slowly. 本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商並已開展初步盡職審查工作，但由於房地產市場尚未完全恢復，該等談判均無成果或進展緩慢。
v. Actively accelerate the de-stocking of its properties by selling the residential properties in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions. v. 積極加快其物業去庫存，將位於山東的住宅物業及位於台州及上海的商業物業全部或部分配套出售，以加快回收營運資金，改善其負債及財務資產負債狀況。	The Group is negotiating with other property development enterprises and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations did not proceed smoothly. 本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商並已開展初步盡職審查工作，但由於房地產市場尚未完全恢復，有關磋商未能順利進行。 The Management is also planning to renovate the commercial properties in Shanghai and Taizhou to increase its underlying value before selling the commercial properties of the said project. The renovation costs are expected to be funded by a private investor through a profit-sharing scheme or by advanced receipts from customers and operating cash flow. 管理層亦計劃在出售上述項目的商業物業前，翻新位於上海及台州的商業物業，以提升其相關價值。預期翻新成本將由私人投資者透過利潤分享計劃或客戶預收款項及營運現金流撥付。

The action plan in response to the audit modification of the group and the impact of the audit modification on the financial position of the company

In response to the uncertainties that may cast doubt regarding the Group's ability to continue as a going concern and for the purpose of the removal of the Audit Modification, the Company has adopted and intends to continue the implementation of the following measures, including but not limited to:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

(ii) continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future. As of the date of this report, the Company negotiated with current and other banks and financial institutions using the lands held by the Group as guarantees on the additional financing. The Management has also been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not be occurred at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds.

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the fourth phase of the Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties. The main structure and exterior façade of Blocks no. 9 and no. 16 of the fourth phase of the residential zone of the Shandong Project has been completed. The remaining construction works of the fourth phase is scheduled to commence in August 2025 and the expected presale commencement and construction completion date are March 2026 and June 2026, respectively.

本集團應對審核保留意見的行動計劃及審核保留意見對本公司財務狀況的影響

為應對可能對本集團持續經營的能力帶來疑慮的不確定性，且出於撤銷審核保留意見之目的，本公司已採取並擬繼續執行下述的各項措施，包括但不限於：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與本集團的現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括交叉違約條款所涵蓋的借款及利息)及希望延展到期日及尚欠借款的還款時間表。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。截至本報告日期，本公司以本集團持有的土地作為擔保，與現有及其他銀行及金融機構磋商，以獲得額外融資。管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算將不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。

(iii) 加速開發中物業及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。本集團已於二零二四年完成山東項目第四期第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。山東項目第四期住宅區第9座及第16座的主體結構及外牆已完成。第四期餘下工程預計於二零二五年八月動工，預期預售開始日期及工程竣工日期分別為二零二六年三月及二零二六年六月。

The Management considers the proceeds from the aforementioned presales and sales are sufficient to complete the remaining construction work for Blocks 9 and 16 of the Shandong Project, while effectively controlling costs and capital expenditures to achieve cash flow breakeven. The Management has also been negotiating financing arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not occur at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds. Due to weak market conditions, the management is committed to implementing attractive sales promotion plans and strategies to sell residential properties, thereby maintaining adequate cash inflows.

管理層認為上述預售及銷售所得款項足以完成山東項目第9座及第16座的餘下建築工程，並有效控制成本及資本開支，以應付現金流的收支平衡。管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算將不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。由於市況疲弱，管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入。

Majority of the net proceeds from the Shandong Project has been and will be used for the repayment of the outstanding borrowings.

大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) actively procuring and formulating the preliminary terms with large property developers to sell individual property development projects or whole commercial properties at an appropriate price.

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用物業。

The Group is in discussions with other property developers and investors regarding the Shanghai real estate development project and has completed preliminary due diligence. However, due to the incomplete recovery of the real estate market, these negotiations have yet to progress smoothly. The Management is actively seeking new investors to participate in the redevelopment projects in Shanghai and Taizhou, aiming to increase their underlying value and to accelerate the sales of commercial properties more rapidly and effectively.

本集團正與其他物業開發商及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，管理層積極爭取新投資者參與投資上海及台州的重建項目，旨在增加其基本價值及更快及更有效地加快商業物業的銷售。

The Management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) actively accelerate the de-stocking of its properties by selling the residential properties in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

(v) 積極加快物業去庫存，透過配套出售山東的住宅物業以及台州及上海的全部或部分商業物業，務求加快收回營運資金改善其負債及財務槓桿狀況。

Due to weak market conditions, the Company's management is committed to implementing attractive sales promotion plans and strategies to sell residential properties, thereby ensuring ample cash inflows. Additionally, the management has initiated proposals for capital restructuring and a rights issue to raise funds of up to HKD84.2 million, which will be used to repay the Company's borrowings and maintain sufficient working capital to support its normal operations. For details, please refer to the announcement dated 6 December 2024.

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。此外，本公司管理層已展開資本重組及供股之建議，以籌集約不超過84.2百萬港元之資金，以償還本公司借款及維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二四年十二月六日之公告。

Under the influence of the negative property market debt crisis since 2022 onward, the nationwide sale of the residential and commercial properties has been severely and adversely affected. Therefore, the Group failed to implement its previous plans effectively, including accelerating the sale of its properties under development or completed properties as expected or the sale of the Shandong residential project to repay the borrowings during the year ended 31 December 2024.

在二零二二年以來負面房產市場債務危機的影響下，全國範圍內的住宅及商業物業的銷售已經受到嚴峻不利影響。因此，本集團未能有效執行其先前的計劃，包括於截至二零二四年十二月三十一日止年度以預期速度加快開發中物業及已竣工物業的銷售或出售山東住宅項目以償還借款。

However, in view of the global economic downturn, deterioration of geopolitical relationships and the drag on China's overall real estate market recovery, the central government of the PRC launched a series of policies to stabilize the sound development of the real estate market on 17 May 2024 and 24 September 2024 respectively, including the introduction of a "white list" policy, lowering of down payment ratios, reduction of restrictions on housing purchases and provision of financing support to developers. With various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate developers, the downturn of the real estate market is expected to stabilise and gradually reverse.

然而，鑒於全球經濟低迷，地緣政治持續惡化加劇，惟於二零二四年五月十七日及二零二四年九月二十四日分別推出一系列穩定房地產市場健康發展的中央政策措施後，拖累中國房地產市場的整體復甦，其中包括推出「白名單」政策、降低首付比例、減少住房限購及向發展商提供融資支持等。隨著各城市放寬限購、限貸，以及隨後推出的保證交樓、信貸、發債、股權融資等「三箭」措施，均對物業開發商有利，房地產市場的低迷勢頭有望穩定並逐漸扭轉。

The property market and investment sentiment is expected to gradually stabilise and recover. In the best case scenario, assuming (i) the Company could sell the whole or portion of commercial properties in Taizhou and Shanghai as a package; (ii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iii) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, it will be able to fully repay all overdue interests and principal.

預期物業市場及投資氣氛將逐漸回穩復甦。於最佳情境下，假設(i)本公司能配套出售台州及上海的全部或部分商業物業；(ii)本公司能成功延長現有借款的還款時間表；以及(iii)金融機構願意豁免逾期償還本金及／或利息的罰款，本公司將能悉數償還所有逾期利息及本金。

Even if the Company could not sell the whole or portion of commercial properties in Taizhou and Shanghai as a package, assuming (i) the Company is able to sell its residential properties in Shandong and commercial properties in Taizhou and Shanghai to individual customers; (ii) the Company is able to sell whole of commercial properties in Shanghai as a package; (iii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iv) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, the Company will be able to fully repay the overdue interest and principal of the borrowings.

儘管本公司未能成功配套出售台州及上海的全部或部分商業物業，假設(i)本公司能向個人客戶出售其山東的住宅物業及台州及上海的商業物業；(ii)本公司能配套出售上海的全部商業物業；(iii)本公司能成功延長現有借款的還款時間表；以及(iv)金融機構願意豁免逾期本金及／或利息的罰款，本公司仍能償還借款的所有逾期利息及本金。

The Management is of the view that the repayment terms of the major liabilities of the Group, i.e. the bank borrowings and convertible bond are negotiable. The Management has been negotiating terms of the liabilities with its major creditors and given the fact that most of the outstanding bank borrowings are secured by properties and the market value of the properties held by the Group exceed the principal amount of total bank borrowings and convertible bonds, the Management considers the Group has the ability to repay the principal amount of total bank borrowings and convertible bonds of the Group and negotiate the waiver of the interest and default penalties eventually in relation to the said liabilities.

管理層認為，本集團主要負債(即銀行借款及可換股債券)的償還條款可議。管理層一直與其主要債權人商討有關負債的條款，鑒於大部分未償還銀行借款均以物業作抵押，而本集團所持物業的市值超過銀行借款總額及可換股債券的本金額，管理層認為本集團有能力償還銀行借款總額及可換股債券的本金額，並商討最終豁免有關上述負債的利息及違約罰款。

Additionally, the Group has been actively developing its existing property development projects. The main structure and exterior façade of Blocks no. 9 and no. 16 of the fourth phase of the residential zone of the Shandong Project has been completed. The remaining construction works of phase 4 of the Shandong Project is scheduled to commence in August 2025 and the expected presale commencement and construction completion date are March 2026 and June 2026, respectively. The Management has been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, with payments made according to the sales proceeds.

此外，本集團一直積極發展其現有物業發展項目。山東項目第四期住宅區9座及16座的主體結構及外牆已完成。山東項目第四期住宅區第9座及第16座的主體結構及外牆已完成。第四期餘下工程預計於二零二五年八月動工，預期預售開始日期及工程竣工日期分別為二零二六年三月及二零二六年六月。管理層一直與自負盈虧的承建商商討財務安排，承建商將於合約期內墊支建築成本，並根據銷售所得款項支付。

The Management is also planning to renovate the commercial properties in Shanghai and Taizhou to increase its underlying value before selling the commercial properties of the said projects. The renovation costs are expected to be funded by a private investor through a profit-sharing scheme or by advanced receipts from customers and operating cash flows.

管理層亦計劃在出售上述項目的商業物業前，翻新位於上海及台州的商業物業，以提升其相關價值。預期翻新成本將由私人投資者透過利潤分享計劃或客戶預收款項及營運現金流撥付。

Having considered the above, the Management considers it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

經考慮上述因素後，管理層認為按持續經營基準編製本集團截至二零二四年十二月三十一日止年度的綜合財務報表乃屬適當。

However, as the auditor was unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in preparation of the consolidated financial statements, the auditor of the Group issued the disclaimer of opinion on the Company's consolidated financial statements for the year ended 31 December 2024.

然而，由於核數師未能就編製綜合財務報表時採用持續經營會計基準的適當性取得足夠的適當審核憑證，本集團核數師對本公司截至二零二四年十二月三十一日止年度的綜合財務報表發出不發表意見。

The Audit Modification by itself does not have any material impact on the financial position of the Group for the year ended 31 December 2024. As stated in the independent auditor's report, these events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

審核保留意見本身對本集團截至二零二四年十二月三十一日止年度的財務狀況並無任何重大影響。誠如獨立核數師報告所述，該等事件或情況，連同綜合財務報表附註2所載的其他事項，顯示存在重大不確定性，可能對本集團持續經營的能力構成重大疑問。

AUDIT COMMITTEE'S VIEW ON THE AUDIT MODIFICATION

The Audit Committee has been closely communicating with the Management and the Auditor on the Audit Modification. The Management has reported regularly to the Audit Committee on the measures taken to improve the conditions of the Group's cash flow and their progress during the year. The Board and the Audit Committee have taken into account of the following actions taken by the Management prior to publication of the unaudited consolidated financial statements of the Company for the year ended 31 December 2024: including (i) renewal or extension of outstanding borrowings; (ii) additional financing; (iii) accelerating the pre-sale and sale of properties under development and completed properties; (iv) selling properties as a whole; and (v) developing properties through joint efforts of the Company and its potential investors. The Management also provides explanation to the Audit Committee, the reasons that the Company failed to remove the Audit Modification for the year ended 31 December 2024.

Having taken into consideration of the overdue interest of the outstanding loans and the amount of the principal, the Board and the Audit Committee understood that the action plan was still ongoing as at the date of approval of the financial statements and the Company will need time for completing the action plan, in particular the disposal of investment properties which will lead to the Group receiving substantial amount of proceeds and will mitigate the Group's liquidity pressure and address the Audit Modification.

審核委員會關於審核保留意見的觀點

審核委員會一直就審核保留意見與管理層及核數師密切溝通。管理層已定期就改善本集團年內現金流狀況及彼等於年內進展所採取的措施向審核委員會匯報。董事會及審核委員會已計及管理層於刊發本公司截至二零二四年十二月三十一日止年度的未經審核綜合財務報表前所採取的下列行動：包括(i)重續或延長尚欠借款；(ii)額外融資；(iii)加速開發中物業及已竣工物業的預售及銷售；(iv)物業整體銷售；及(v)透過本公司及其潛在投資者共同努力開發物業。管理層亦向審核委員會作出解釋，本公司未能撤銷截至二零二四年十二月三十一日止年度的審核保留意見的原因。

經考慮未還貸款的逾期利息及本金數額，董事會及審核委員會知悉於財務報表批准日期，行動計劃仍在進行中，且本公司將需要時間完成行動計劃，尤其是出售投資物業將會使本集團收取大量所得款項，並將緩解本集團的流動資金壓力及應對審核保留意見。

Based on the above, the Audit Committee believes the Management has used its best endeavors to act in accordance with its previous plan in order to address the Audit Modification and the Audit Committee continues to support the Management point of view on the Audit Modification and agrees that the Group will have sufficient financial resources to continue as a going concern for the next 12 months and have been meeting regularly with the Management for monitoring the progress of its actions taken to address the Audit Modifications.

根據上述者，審核委員會相信，管理層已竭盡全力根據其先前計劃行事旨在應對審核保留意見，而審核委員會繼續贊成管理層對審核保留意見的觀點，並同意本集團將有足夠財務資源於未來十二個月繼續持續經營，且已定期與管理層舉行會議，以監察其為處理審核保留意見而採取的行動的進展。

Given (i) the value of the investment properties owned by the Group amounted to approximately RMB905.9 million as at 31 December 2024; and (ii) residential property market is expected to stabilise and gradually recover in 2025 and the pre-sale and sale of residential properties of the Shandong Project is ongoing, the Audit Committee agreed with the Management that despite the previous plan failed to adequately address the Audit Modification, the Company's revised action plan is reasonable and adequate to resolve the Audit Modification.

鑒於(i)本集團於二零二四年十二月三十一日所擁有的投資物業價值約為人民幣905.9百萬元；及(ii)住宅物業市場預期於二零二五年穩定並逐漸復原，而預售及銷售山東項目的住宅物業正在進行中，審核委員會贊成管理層意見，儘管先前計劃未能充分應對審核保留意見，本公司經修訂行動計劃屬合理並足以應對審核保留意見。

The Audit Committee is also of the view that the Management should continue to act in the best interests of the Shareholders in implementing the actions and measures set out in the action plan with the intention of mitigating the Group's liquidity pressure and removing the Audit Modification.

審核委員會亦認為管理層應繼續以股東的最佳利益執行於行動計劃所載的行動及措施，旨在緩解本集團流動資金壓力及撤銷審核保留意見。

The Company will publish further announcement(s) disclosing any developments and updates on (a) the Company's negotiations with banks and financial institutions; (b) the progress of the pre-sale and sale of properties under development and completed properties; and (c) the disposal of the residential properties in Shandong and whole or portion of commercial properties in Taizhou and Shanghai as a package.

本公司將另行刊發公告以披露有關以下事項的任何進展及更新：(a)本公司與銀行及金融機構進行的協商；及(b)開發中物業及已竣工物業的預售及銷售進度；及(c)配套出售山東的住宅物業以及台州及上海的全部或部分商業物業。

EXECUTIVE DIRECTORS

Mr. Chen Chengshou, aged 59, was appointed as an executive Director, the chairman, chief executive officer, chairman of the Nomination Committee and an authorized representative of the Company on 16 January 2014. Mr. Chen ceased to be an authorized representative of the Company as a result of his intention to concentrate on his other role on the Board on 5 February 2020. He is the founder of the Group and primarily responsible for corporate strategic planning and overall business development of the Group. Mr. Chen had over 30 years of experience in the real estate industry. He has been the chairman of the board of Taizhou City Xinming Real Estate Development Company Limited* (台州市新明房地產開發有限公司) since February 2007 and a director of certain subsidiaries of the Group. Mr. Chen has been first participated in the management of the property development business in the PRC since June 2001 when he was appointed as the chairman of Hangzhou Taoyuan Shanzhuang Property Development Limited* (杭州桃源山莊房地產開發有限公司) ("Taoyuan Property").

Mr. Chen is the chairman of Hangzhou City Chamber of Commerce for Enterprises Invested in Hangzhou* (杭州市來杭投資企業(商會)聯合會), a member of the standing committee of Federation of Industry & Commerce of Zhejiang Province* (浙江省工商聯), the vice-chairman of Hangzhou Public Diplomacy Association* (杭州公共外交協會), a member of the Eleventh Hangzhou City Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十一屆杭州市委員會), the honorary chairman of the Hangzhou City Wenzhou Chamber of Commerce* (杭州市溫州商會), the chairman of the Nationwide Taishun Entrepreneurs Fellowship Association* (全國泰順企業家聯誼會) and the vice chairman of Hangzhou City Chamber of Commerce* (杭州市總商會). He was appointed as the deputy director of the market committee of Chinese General Chamber of Commerce* (中國商業聯合會) in March 2013. He has also been a director of Wenzhou Bank since November 2012 and a part-time tutor of master degree in international business of Zhejiang University (浙江大學) since February 2014.

執行董事

陳承守先生，59歲，於二零一四年一月十六日獲任為本公司執行董事、主席、行政總裁、提名委員會主席及授權代表。於二零二零年二月五日陳先生因有意專注於其在董事會的其他角色而不再擔任本公司的授權代表。彼為本集團的創辦人，主要負責本集團的公司策略規劃及整體業務發展。陳先生於房地產行業擁有逾30年經驗。彼自二零零七年二月起為台州市新明房地產開發有限公司的董事會主席及本集團若干附屬公司的董事。陳先生自二零零一年六月獲委任為杭州桃源山莊房地產開發有限公司(「桃源房地產」)的主席時初次參與中國物業開發業務的管理。

陳先生為杭州市來杭投資企業(商會)聯合會會長、浙江省工商聯常務委員會委員、杭州公共外交協會副會長、中國人民政治協商會議第十一屆杭州市委員會委員、杭州市溫州商會榮譽會長、全國泰順企業家聯誼會會長及杭州市總商會副會長。彼於二零一三年三月獲委任為中國商業聯合會市場委員會副主任。彼亦自二零一二年十一月起擔任溫州銀行的董事及自二零一四年二月起擔任浙江大學國際商務碩士學位的兼職導師。

* *English name is for identification purpose only.*

Mr. Chen was awarded "Excellent Entrepreneur of Hangzhou* (傑出杭商)" in October 2016, "Outstanding Contribution of Entrepreneurs of Wenzhou for years 2013 to 2015* (2013–2015年度溫商回歸突出貢獻人物)" in September 2016, "Top ten in Zhejiang Real Estate Industry in the "12th Five-Year Plan"* (「十二五」浙江房地產十大風雲人物)" in June 2016, "2016 Worldwide Outstanding 30 People of Entrepreneur of Wenzhou (External)* (二零一六年世界溫商百名風雲人物－在外傑出溫商三十人)" in February 2016; "Wenzhou People of the Year* (世界溫州人年度人物)" and "One Hundred Excellent Entrepreneur of Wenzhou* (世界溫商百名風雲人物)" in December 2014; "Entrepreneur with Good Character of Hangzhou* (品質杭商)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in October 2013, "Outstanding Representative of Credible Entrepreneurs of Wenzhou* (誠信溫商傑出代表)" jointly by Promotion Department of Wenzhou Municipal Committee of the Communist Party of China* (溫州市委宣傳部) and Wenzhou Credibility Office* (溫州市信用辦公室) in August 2011, "Outstanding Builder of Socialist Undertaking* (優秀社會主義事業建設者)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in September 2010 and "Staff Caring Excellent Entrepreneur* (關愛員工優秀企業家)" jointly by Federation of Trade Union of Hangzhou* (杭州市總工會) and Hangzhou Federation of Industry and Commerce (杭州市工商聯合會) in December 2009.

陳先生於二零一六年十月獲得「傑出杭商」榮譽稱號，於二零一六年九月獲得「2013–2015年度溫商回歸突出貢獻人物」榮譽稱號，於二零一六年六月獲選為「『十二五』浙江房地產十大風雲人物」，於二零一六年二月獲得「二零一六年世界溫商百名風雲人物－在外傑出溫商三十人」榮譽稱號；於二零一四年十二月獲得「世界溫州人年度人物」和「世界溫商百名風雲人物」榮譽稱號；於二零一三年十月獲中共杭州市委及杭州市人民政府共同授予「品質杭商」稱號、於二零一一年八月獲溫州市委宣傳部及溫州市信用辦公室共同授予「誠信溫商」傑出代表稱號、於二零一零年九月獲中共杭州市委及杭州市人民政府共同授予「優秀社會主義事業建設者」稱號及於二零零九年十二月獲杭州市總工會及杭州市工商聯合會共同授予「關愛員工優秀企業家」稱號。

Mr. Chen obtained a graduation certificate in administrative management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2013. Mr. Chen obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2015. Mr. Chen obtained a master's degree in business administration from Tsinghua University in April 2018.

陳先生於二零一三年七月在中國(透過網絡課程)取得華中科技大學的行政管理畢業證書。陳先生於二零一五年九月取得中國修讀長江商學院的行政人員工商管理碩士學位。陳先生於二零一八年四月取得清華大學工商管理碩士專業學位。

Mr. Chen is the spouse of Ms. Gao, who is a non-executive Director.

陳先生為非執行董事高女士的配偶。

Mr. Chen was deemed to be interested in 24,330,000 shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong)), representing approximately 1.3% of the issued share capital of the Company. Such interests are held by Xinxing Company Limited (a company controlled by Mr. Chen) ("Xinxing"). Save as disclosed, Mr. Chen does not have any interests or short positions in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

陳先生被視為擁有24,330,000股本公司股份之權益(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)，相當於本公司已發行股本約1.3%。有關權益乃透過Xinxing Company Limited(受陳先生控制之公司)(「Xinxing」)持有。除已披露者外，陳先生並無於本公司或其相聯公司之股份中擁有任何其他權益或淡倉(定義見證券及期貨條例第XV部)。

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Mr. Feng Cizhao, aged 49, was appointed as an executive Director with effect from 31 October 2015.

豐慈招先生，49歲，於二零一五年十月三十一日獲任為執行董事。

Mr. Feng graduated from Zhejiang University of Finance & Economics (浙江財經學院) and obtained his college degree in accounting in 2005, and then obtained an MBA degree from Zhejiang Gongshang University (浙江工商大學) in 2013.

豐先生於二零零五年畢業於浙江財經學院並持有會計專科學位及於二零一三年獲得浙江工商大學企業管理碩士學位。

Mr. Feng has extensive experiences in financing and management. He served as a deputy chief financial officer of Taidi Holdings Group Co. Ltd.* (泰地控股集團有限公司) from August 2011 to September 2015. He worked with the finance department of Shaoxing Wantong Real Estate* (紹興萬通房產) and Margaret Business Management Company* (瑪格麗特商業管理公司) (both subsidiaries of Taidi Group (泰地集團)) as the chief financial officer from September 2006 to July 2011. Mr. Feng acted as the head of office for Hangzhou Qingcheng Real Estate Development Co., Ltd.* (杭州青城房地產開發有限公司) from October 2002 to September 2006. He held several positions in Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司) from July 1996 to September 2002, including accountant with the planning and finance department of Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司), finance manager with the cargo container company and the automobile repair company under Zhejiang Quzhou Transportation Group Co., Ltd.* (浙江衢州汽車運輸集團有限公司).

豐先生具有豐富的財務金融及管理經驗。於二零一一年八月至二零一五年九月期間於泰地控股集團有限公司擔任集團財務副總監。彼於二零零六年九月至二零一一年七月期間於泰地集團下屬紹興萬通房產和瑪格麗特商業管理公司的財務部擔任財務總監。豐先生於二零零二年十月至二零零六年九月期間擔任杭州青城房地產開發有限公司的辦公室主任。彼於一九九六年七月至二零零二年九月於浙江衢州汽車運輸集團有限公司依次擔任浙江衢州汽車運輸集團有限公司計劃財務處之會計、浙江衢州汽車運輸集團有限公司下屬貨聯運集裝箱公司之財務經理以及下屬汽車修理公司之財務經理。

Mr. Feng Cizhao retired as an executive Director with effect on 14 April 2025.

豐慈招先生已退任執行董事，自二零二五年四月十四日起生效。

Mr. Zhou Fenli, aged 55, was appointed as an executive Director on 9 August 2024. He served as the senior management of various companies in China since 2006 and has accumulated over 18 years of experience in finance and corporate management. Mr. Zhou is currently the general manager and executive director of Shenzhen Qianhai Zhongmao Commercial Factoring Co., Ltd.* (深圳市前海中茂商業保理有限公司), Asia Pacific Kunpeng Financial Leasing (Shenzhen) Co., Ltd.* (亞太鯤鵬融資租賃(深圳)有限公司) and Zhunxing International Holdings (Shenzhen) Co., Ltd.* (准興國際控股(深圳)有限公司) which provide financial services in China. Mr. Zhou also currently serves as the independent non-executive director of Millennium Pacific Group Holdings Limited, a company whose shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 8147).

周奮力先生，55歲，於二零二四年八月九日獲委任為執行董事。彼自二零零六年起擔任中國多家公司的高級管理層，已於財務及企業管理方面積累逾18年的經驗。周先生現時為深圳市前海中茂商業保理有限公司、亞太鯤鵬融資租賃(深圳)有限公司及准興國際控股(深圳)有限公司總經理兼執行董事，該等公司於中國提供金融服務。周先生現時亦擔任匯思太平洋集團控股有限公司(其股份於香港聯合交易所有限公司(「聯交所」)GEM上市(股份代號：8147))獨立非執行董事。

Mr. Zhou Fenli retired as an executive Director with effect on 14 April 2025.

周奮力先生已退任執行董事，自二零二五年四月十四日起生效。

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NON-EXECUTIVE DIRECTORS

Mr. Cao Zhiqiang, aged 40, was appointed as an executive Director on 9 August 2024. He has 15 years of experience in financial audit, bank compliance risk control and government credit financing. Mr. Cao has served as senior management positions in various Chinese enterprises, including RSM China Accounting Firm (Special General Partnership) and China Everbright Bank Co., Ltd. Hefei Branch. Mr. Cao obtained a Bachelor's Degree in Accounting from Anhui University of Finance and Economics (安徽財經大學) in China in July 2008.

Mr. Cao Zhiqiang was re-designated as a non-executive Director with effect on 11 April 2025.

Ms. Gao Qiaoqin, aged 56, was appointed as a non-executive Director on 10 June 2014. She is responsible for advising on overall strategic planning of our Group, but she doesn't participate in the day-to-day management of our Group's business operation. She has over 10 years of experience in the real estate industry.

Ms. Gao obtained a graduation certificate in computer information management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2005.

Ms. Gao is the spouse of Mr. Chen, who is the chairman, executive Director and chief executive officer of the Company.

Ms. Gao was deemed to have interests in the 24,330,000 shares of the Company within the meaning of Part XV of the SFO, representing approximately 1.3% of the issued share capital of the Company. Such interests are held by Xinxing (a company controlled by Mr. Chen). Save as disclosed, Ms. Gao does not have any interests or short positions in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Ms. Gao retired as a non-executive Director with effect on 14 April 2025.

非執行董事

曹志強先生，40歲，於二零二四年八月九日獲委任為執行董事。於財務審計、銀行合規風險控制及政府信貸融資方面擁有15年經驗。曹先生曾於多家中國企業(包括容誠會計師事務所(特殊普通合夥)及中國光大銀行股份有限公司合肥分行)擔任高級管理職務。曹先生於二零零八年七月獲得安徽財經大學會計學學士學位。

曹志強先生已調職為非執行董事，自二零二五年四月十一日起生效。

高巧琴女士，56歲，於二零一四年六月十日獲任為非執行董事。彼負責就本集團的整體策略規劃提供意見，但不參與本集團業務運營的日常管理。彼於房地產行業擁有逾10年經驗。

高女士於二零零五年六月在中國(透過網絡課程)取得華中科技大學的計算機信息管理畢業證書。

高女士為本公司之主席、執行董事兼行政總裁陳先生之配偶。

高女士被視為擁有24,330,000股本公司股份之權益(定義見證券及期貨條例第XV部)，相當於本公司已發行股本約1.3%。有關權益乃透過Xinxing(受陳先生控制之公司)持有。除已披露者外，高女士並無於本公司或其相聯公司之股份中擁有任何其他權益或淡倉(定義見證券及期貨條例第XV部)。

高女士已退任非執行董事，自二零二五年四月十四日起生效。

Mr. Zhou Zhencun, aged 63, was appointed as a non-executive Director on 17 November 2021. Mr. Zhou has accumulated more than 41 years of experience in trading and energy fields. He has been a deputy general manager of Central Century Energy Investment Co., Ltd.* (中部世紀能源投資有限公司) in Henan Province since August 2016. He served as the deputy general manager of China National Offshore Gas & Power (Guangdong) New Energy Co., Ltd.* (中海氣電(廣東)新能源有限公司) (formerly known as CNOOC Meizhou New Energy Co., Ltd* (中海油梅州新能源有限公司)) from July 2015 to August 2016. From August 1980 to June 2015, Mr. Zhou worked in the foreign trade department of Shantou Special Economic Zone Light Industry Material Development Company* (汕頭經濟特區輕工物資發展公司) and his last position was an operation manager. Mr. Zhou finished his high school education in Chaonan District, Shantou, Guangdong Province in July 1980.

周振存先生，63歲，於二零二一年十一月十七日獲任為非執行董事。周先生在貿易及能源領域積累了超過41年的工作經驗，於二零一六年八月起在河南中部世紀能源投資有限公司擔任常務副總經理。彼自二零一五年七月至二零一六年八月擔任中海氣電(廣東)新能源有限公司(前稱中海油梅州新能源有限公司)常務副總經理。周先生於一九八零年八月至二零一五年六月期間在汕頭經濟特區輕工物資發展公司擔任外貿部，其最後擔任業務經理。周先生自一九八零年七月於廣東汕頭潮南區高中程度畢業。

Mr. Zhou Zhencun retired as a non-executive Director with effect on 14 April 2025.

周振存先生已退任非執行董事，自二零二五年四月十四日起生效。

Mr. Choi Clifford Wai Hong, aged 66, was appointed as a non-executive Director and a member of the Remuneration Committee on 16 April 2021. On 25 November 2021, he was appointed as an authorized representative of the Company.

蔡偉康(「蔡先生」)，66歲，於二零二一年四月十六日獲委任為本公司非執行董事及薪酬委員會成員。於二零二一年十一月二十五日獲委任為本公司授權代表。

Mr. Choi has extensive experience in finance, accounting and management. Mr. Choi joined Pricewaterhouse (formerly known as PricewaterhouseCoopers) in Hong Kong in January 1983 and departed in July 1992 with his last position as manager. He was subsequently a general manager in DCH MSC (China) Limited, NHK Distribution Company Limited and Porsche Centre Hangzhou from July 1992 to June 1999, July 1999 to December 2003 and January 2004 to August 2012, respectively. He then joined Princess Yacht Southern China Limited as a chief executive officer from September 2012 to November 2012 and later on as a director in the NHK Yacht Services division of NHK Distribution Company Limited from December 2012 to August 2017. Mr. Choi then joined Beijing Glory Star Centre Automotive Sales and Service Company Limited (北京極光星徽汽車銷售服務有限公司) as its general manager from September 2017 to January 2018. He has rejoined NHK Distribution Company Limited since 2018 and is currently serving as its director.

蔡先生在財務、會計及管理方面擁有豐富經驗。蔡先生自一九八三年一月起加入香港普華會計師事務所(前稱為羅兵咸會計師事務所)，並於一九九二年七月離職，最後擔任職位為經理。彼其後分別自一九九二年七月至一九九九年六月、一九九九年七月至二零零三年十二月及二零零四年一月至二零一二年八月擔任DCH MSC (China) Limited、NHK Distribution Company Limited 及 Porsche Centre Hangzhou之總經理。彼隨後自二零一二年九月至二零一二年十一月加入Princess Yacht Southern China Limited，擔任行政總裁，並其後自二零一二年十二月至二零一七年八月擔任NHK Distribution Company Limited及NHK Yacht Services分部總監。蔡先生隨後自二零一七年九月至二零一八年一月加入北京極光星徽汽車銷售服務有限公司，擔任總經理。彼自二零一八年起重新加入NHK Distribution Company Limited，目前擔任其董事。

* *English name is for identification purpose only.*

Mr. Choi has also been an independent non-executive director of C&D Newin Paper & Pulp Corporation Limited (formerly known as Samson Paper Holdings Limited) (a company listed on the main board of the Stock Exchange, stock code: 731) since July 2020, and was re-designated as an executive director since May 2021 and re-designated as a non-executive director on 26 January 2022, respectively. Mr. Choi was an executive director and an authorised representative of Arta TechFin Corporation Limited (formerly known as Freeman FinTech Corporation Limited) (a company listed on the main board of the Stock Exchange (stock code: 279)) from 19 November 2020 to 29 October 2021, and a non-executive director of Silk Road Logistics Holdings Limited (a company listed on the main board of the Stock Exchange) from 4 June 2021 to 14 December 2021, and a non-executive director of Silk Road Logistics Holdings Limited (a company listed on the main board of the Stock Exchange (stock code: 988)) from 4 June 2021 to 14 December 2021. Mr. Choi was an independent non-executive director of Bolina Holding Co., Ltd. (former Stock Code: 1190) from 29 January 2021 to 10 March 2021, a company incorporated in the Cayman Islands with limited liability and delisted from the Main Board of the Stock Exchange on 10 March 2021. From December 2021 to 15 January 2024, Mr. Choi also served as an independent non-executive director of Dreameast Group Limited (a company listed on the main board of the Stock Exchange, stock code: 593). Mr. Choi was an independent non-executive director of South Shore Holdings Limited (provisional liquidators appointed) (former Stock Code: 577) from 18 May 2021 to 30 June 2023 and an independent non-executive director of EcoGreen International Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 2341) from 8 November 2022 to 7 January 2024, respectively. Mr. Choi has also been an independent non-executive director of Jiayuan International Group Limited (in liquidation) (former stock code: 2768, a company incorporated in the Cayman Islands with limited liability and is delisted from the main board of the Stock Exchange from 29 October 2024) since 4 June 2024 and an executive director of China Evergrande New Energy Vehicle Group Limited (a company listed on the main board of the Stock Exchange, stock code: 708) since 6 August 2024, respectively.

蔡先生亦自二零二零年七月起擔任建發新勝漿紙有限公司(前稱森信紙業集團有限公司)(於聯交所主板上市之公司,股份代號:731)之獨立非執行董事,並自二零二一年五月起調任執行董事,於二零二二年一月二十六日調任非執行董事。蔡先生自二零二零年十一月十九日至二零二一年十月二十九日出任裕承科金有限公司(前稱民眾金融科技控股有限公司)(於聯交所主板上市之公司,股份代號:279)之執行董事及授權代表以及自二零二一年六月四日至二零二一年十二月十四日出任絲路物流控股有限公司(於聯交所主板上市之公司,股份代號:988)之非執行董事。蔡先生自二零二一年一月二十九日至二零二一年三月十日擔任航標控股有限公司(前股份代號:1190)之獨立非執行董事,該公司為於開曼群島註冊成立之有限公司,已於二零二一年三月十日從聯交所主板除牌。自二零二一年十二月至二零二四年一月十五日,蔡先生亦擔任夢東方集團有限公司(於聯交所主板上市之公司,股份代號:593)之獨立非執行董事。蔡先生自二零二一年五月十八日至二零二三年六月三十日擔任南岸集團有限公司(委任臨時清盤人)(前股份代號:577)之獨立非執行董事及自二零二二年十一月八日至二零二四年一月七日出任中怡國際集團有限公司(於聯交所主板上市之公司,股份代號:2341)之獨立非執行董事。蔡先生亦自二零二四年六月四日起出任佳源國際控股有限公司(清盤中)(前股份代號:2768)之獨立非執行董事,該公司為於開曼群島註冊成立之有限公司,已於二零二四年十月二十九日從聯交所主板除牌及自二零二四年八月六日起出任中國恒大新能源汽車集團有限公司(於聯交所主板上市之公司,股份代號:708)之執行董事。

Mr. Choi obtained a degree of Bachelor of Arts in Economic and Social Studies from The Victoria University of Manchester, United Kingdom (currently known as The University of Manchester), in July 1982. Mr. Choi is a member of (i) The Hong Kong Institute of Certified Public Accountants; (ii) The Institute of Chartered Accountants in England and Wales; (iii) The Association of Chartered Certified Accountants; and (iv) The Taxation Institute of Hong Kong; and is an accredited ESG planner of the International Council for Sustainable Development. Mr. Choi currently holds the Hong Kong Institute of Certified Public Accountants Practising Certificate.

蔡先生於一九八二年七月在英國曼徹斯特維多利亞大學(現稱為曼徹斯特大學)取得經濟及社會研究學士學位。蔡先生為(i)香港會計師公會;(ii)英格蘭及威爾斯特許會計師公會;(iii)特許公認會計師公會;及(iv)香港稅務學會之會員;並為國際可持續發展協進會認可ESG策劃師。蔡先生目前持有香港會計師公會執業證書。

Mr. Choi resigned as a non-executive Director with effect on 24 February 2025.

蔡先生已辭任非執行董事,自二零二五年二月二十四日起生效。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Khor Khie Liem Alex (formerly known as Mr. Khor Kee Lin), aged 56, was appointed as an independent non-executive Director, chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Company on 16 August 2021. He has accumulated more than 30 years of experience in the field of finance, capital market, financial reporting and financial compliance services. Mr. Khor has held CFO-equivalent positions in several SGX-listed companies, including Regional Finance Director of Showpla Asia Limited (1997-2000), Group Finance Director of TEE International Limited (2000-2002) and Group Finance Director of CFM Holdings Limited (2002-2004).

Since July 2004, Mr. Khor has founded KBS Capital Partners (Singapore) Pte. Ltd. a strategy consulting company. Mr. Khor is currently the Managing Director of KBS Capital Partners (Singapore) Pte. Ltd. ("KBS Capital"). Mr. Khor has been involved in a wide range of capital projects including IPOs, mergers and acquisitions and project financing, as well as accounting, tax, company secretarial compliance and corporate advisory services. Under Mr. Khor's leadership, KBS Capital has successfully completed numerous initial public offerings, mergers and acquisitions and project financing projects for its clients in Singapore, Malaysia and China.

Mr. Khor has been an independent non-executive director and the chairman of the audit committee of Sanai Health Industry Group Company Limited (SEHK: 01889) since February 2021. Since March 2023, he has been the chairman of the nomination committee of Pa Shun International Holdings Limited (SEHK: 00574). Mr. Khor has been an Independent Non-Executive Director and Chairman of the Audit Committee of Davis Communities Ltd (NASDAQ: DTCK) since November 2023 and has been a member of the Audit Committee of JLOGO Holdings Limited (SEHK: 8527) since April 2024.

Mr. Khor graduated from the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and was granted membership and fellow membership of ACCA in 1999 and 2002 respectively. Mr. Khor also graduated from the University of Leicester in the United Kingdom in 2004 with a master degree of Business Administration. Mr Khor is a Chartered Accountant with the Institute of Chartered Accountants of Singapore and the Malaysian Institute of Accountants.

Mr. Khor retired as an independent non-executive Director with effect on 14 April 2025.

獨立非執行董事

許麒麟先生(前稱Khor Kee Lin先生)，56歲，於二零二一年八月十六日獲委任為本公司獨立非執行董事，審核委員會及薪酬委員會主席及提名委員會成員，在金融、資本市場、財務報告和財務合規領域擁有近30年的經驗。許先生曾在幾家新加坡交易所上市公司擔任首席財務官同等職務，包括Showpla Asia Limited的區域財務總監(1997–2000年)、TEE International Limited的集團財務總監(2000–2002年)和CFM Holdings Limited的集團財務總監(2002–2004年)。

自二零零四年七月，許先生創立了KBS Capital Partners (Singapore) Pte. Ltd. 策略諮詢有限公司。許先生目前一直擔任KBS Capital有限公司(「KBS Capital」)的執行董事。許先生主要提供策略諮詢，參與了多項各種資本運作項目，包括上市、並購和項目融資等，也提供會計、税務、公司秘書合規和企業諮詢服務。在許先生的領導下，KBS Capital已為其新加坡、馬來西亞和中國的客戶成功完成了眾多首次公開募股、並購和項目融資等項目。

許先生自二零二一年二月起擔任三愛健康產業集團有限公司(香港聯交所代碼：01889)的獨立非執行董事及審核委員會主席。自二零二三年三月起擔任百順國際控股有限公司(香港聯交所股票代碼：00574)提名委員會主席。自二零二三年十一月起擔任Davis Communities Ltd(納斯達克股票代碼：DTCK)獨立非執行董事兼審計委員會主席。自二零二四年四月起擔任JLOGO Holdings Limited(香港聯交所代碼：8527)獨立非執行董事。

許先生畢業於英國特許公認會計師公會(ACCA)，並分別於一九九九年及二零零二年獲ACCA會員及資深會員。許先生還於二零零四年畢業於英國萊斯特大學，獲得工商管理碩士學位。許先生是新加坡特許會計師協會和馬來西亞會計師協會的特許會計師。

許先生已退任獨立非執行董事，自二零二五年四月十四日起生效。

Mr. Chiu Kung Chak, aged 43, was appointed as an independent non-executive Director, a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company on 1 November 2021. He has accumulated 13 years of experience in finance and real estate market in the People's Republic of China (the "PRC"). Mr. Chiu co-founded Vision Capital Group Limited in 2014 and currently serves as its director and principal. From April 2012 to June 2014, Mr. Chiu worked as a business manager for the construction of Henderson Centre, Guangzhou. From July 2008 to February 2012, he served as a regional manager of Jiangsu Zhongli Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002309.SZ), and was responsible for overseeing business in the PRC. Mr. Chiu obtained a bachelor of arts (honours) in social policy and administration from the University of Nottingham in 2007. Mr. Chiu obtained a master degree of science in international business from the Business School of the University of Nottingham in 2008.

Mr. Chiu retired as an independent non-executive Director with effect on 14 April 2025.

趙公澤先生，43歲，於二零二一年十一月一日獲委任為本公司獨立非執行董事，審核委員會成員、薪酬委員會成員及提名委員會成員。在中華人民共和國(「中國」)金融和地產市場方面積累了13年的工作經驗。趙先生為二零一四年設立的Vision Capital Group Limited的共同創始人，現時擔任其董事及負責人。趙先生於二零一二年四月至二零一四年六月就廣州恒基中心建設擔任業務經理。於二零零八年七月至二零一二年二月期間擔任深圳證券交易所上市公司江蘇中利集團股份有限公司(股份代號：002309.SZ)區域經理，負責監管中國業務。趙先生自二零零七年於諾丁漢大學取得社會政策及行政學(榮譽)文學士。趙先生於二零零八年在諾丁漢大學商學院取得國際商務理學碩士學位。

趙先生已退任獨立非執行董事，自二零二五年四月十四日起生效。

Mr. Lau Wai Leung, Alfred, aged 44, was appointed as an independent non-executive Director and a member of Audit Committee of the Company on 17 November 2021. Mr. Lau has accumulated more than approximately 20 years of experience in accounting, corporate finance, debt restructuring and private equity investment. Mr. Lau has been the company secretary of Risecomm Group Holdings Limited ("Risecomm") (stock code: 1679), a company listed on the Main Board of the Stock Exchange, since July 2020 and the financial controller of its subsidiary, Risecomm (HK) Holding Co., Limited. Mr. Lau was a director of Risecomm from November 2017 to June 2020, and was subsequently appointed as an executive director of Risecomm since January. Mr. Lau has served as an independent non-executive director of Sau Sau Tong Holdings Limited (listed on the GEM of the Stock Exchange, stock code: 8200) since December 2016. He was an independent non-executive director of Samson Paper Holdings Limited (listed on the Main Board of the Stock Exchange, stock code: 731) from July 2020 to May 2021 and has been re-designated as an executive director since May 2021. In January 2022, Mr Lau resigned as an executive director of the company. Since August 2022, Mr Lau has been an independent non-executive director of Seek Education Technology Group Limited (listed on the NASDAQ Stock Exchange (Stock Code: JZ)). He obtained a bachelor's degree in business administration from the City University of Hong Kong in 2002. He is a member of the American Institute of Certified Public Accountants and a certified public accountant in Washington State of the United States of America.

Mr. Lau resigned as an independent non-executive Director with effect on 10 December 2024.

劉偉樑(「劉先生」)，44歲，於二零二一年十一月十七日獲委任為本公司獨立非執行董事及審核委員會成員。劉先生于會計、企業融資、債務重組及私募股權投資擁有約20年的經驗。劉先生自二零二零年七月起，劉先生出任聯交所主機板上市公司瑞斯康集團控股有限公司(「瑞斯康」)(股份代號：1679)之公司秘書及其下屬瑞斯康(香港)有限公司(Risecomm (HK) Holding Co., Limited)擔任財務主管。劉先生於二零一七年十一月至二零二零年六月擔任瑞斯康之董事。彼其後於二零二一年一月起獲委任為執行董事。劉先生自二零一六年十二月起于修身堂控股有限公司(於聯交所GEM上市，股份代號：8200)擔任獨立非執行董事職務。彼自二零二零年七月至二零二一年五月期間擔任森信紙業集團有限公司(於聯交所主機板上市，股份代號：731)的獨立非執行董事並于二零二一年五月起調任為執行董事。於二零二二年一月，劉先生辭任該公司執行董事職務。劉先生自二零二二年八月起於見知教育科技集團有限公司(於納斯達克股票交易所上市，股份代號：JZ)擔任獨立非執行董事。彼於二零零二年取得香港城市大學工商管理學士學位。彼為美國執業會計師公會會員及美國華盛頓州之執業會計師。

劉先生已辭任獨立非執行董事，自二零二四年十二月十日起生效。

Ms. Lee Yin Man, aged 41, was appointed as an independent executive Director on 9 August 2024. She has 15 years of experience in human resources management, administration, company secretarial services and corporate communications of various companies listed on the Stock Exchange. From August 2016 to January 2018, Ms. Lee served as the human resources director of China Innovation Investment Limited (stock code: 1217). From February 2018 to December 2019, Ms. Lee served as the administration and human resources manager of Hope Life International Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1683). From January 2020 to March 2023, Ms. Lee served as the administration and human resources director of Greater Bay Convergence Services Limited. Ms. Lee holds a Bachelor of Arts Degree from the City University of Hong Kong and a Master Degree in Human Resources Management from Hong Kong Baptist University.

李彥雯女士，41歲，於二零二四年八月九日獲委任為獨立執行董事。彼於人力資源管理、行政、公司秘書服務及多家聯交所上市公司的企業通訊方面擁有15年經驗。自二零一六年八月至二零一八年一月，李女士擔任中國創新投資有限公司(股份代號：1217)人力資源總監。自二零一八年二月至二零一九年十二月，李女士擔任曠逸國際控股有限公司(其股份於聯交所主板上市(股份代號：1683))行政及人力資源經理。自二零二零年一月至二零二三年三月，李女士擔任大灣滙人力資源服務有限公司行政及人力資源總監。李女士持有香港城市大學文學學士學位及香港浸會大學人力資源管理碩士學位。

Ms. Huang Chunlian, aged 29, was appointed as an independent executive Director on 9 August 2024. She has over 7 years of experience in finance and corporate management. Ms. Huang has served as the financial director of Shenzhen Guangyi Xiangtong Trading Company Limited.* (深圳市廣翊翔通貿易有限公司) since 2020. Ms. Huang obtained a Bachelor's Degree in Accounting from South China Normal University (華南師範大學) in China in 2020.

黃春蓮女士，29歲，於二零二四年八月九日獲委任為獨立執行董事。彼於財務及企業管理方面擁有逾7年經驗。自二零二零年起，黃女士擔任深圳市廣翊翔通貿易有限公司的財務總監。黃女士於二零二零年取得華南師範大學會計學學士學位。

Ms. Chan Wai Yan, aged 29, obtained a bachelor's degree in Accounting from University of Hull in England. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 8 years of financial and accounting experiences. Ms. Chan is currently an INED of Hope Life International Holdings Limited (stock code: 1683), since October 2023, an INED of Royal Century Resources Holdings Limited (stock code: 8125), since May 2024 and an independent non-executive director of OneConstruction Group Limited (Nasdaq stock code: ONEG) since the listing in December 2024.

陳慧恩女士，29歲，獲得英格蘭赫爾大學會計學學士學位。陳女士為香港會計師公會會員。陳女士在財務及會計方面擁有超過8年的經驗。陳女士自二零二三年十月起目前為曠逸國際控股有限公司(股份代號：1683)之獨立非執行董事、自二零二四年五月起擔任仁德資源控股有限公司(股份代號：8125)之獨立非執行董事以及自二零二四年十二月建築集團有限公司(納斯達克股份代號：ONEG)上市起擔任其獨立非執行董事。

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this section, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事資料變更

除本節披露者外，概無其他須根據上市規則第13.51B(1)條予以披露的董事資料變更。

* *English name is for identification purpose only.*

DIRECTORS' REPORT
董事會報告書

The Directors present to the shareholders the Directors' report together with the audited consolidated financial statements of the Group for the Year.

董事謹向股東提呈董事會報告書連同本集團於本年度之經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the current and continuing principal activities of the Group are property development, property investment and property leasing during the Year under Review. The principal activities and other particulars of its subsidiaries as at 31 December 2024 are set out in Note 39 to the consolidated financial statements.

主要業務

本公司為投資控股公司，本集團於回顧年度之目前及持續主要活動為物業開發、物業投資以及物業租賃。其附屬公司於二零二四年十二月三十一日之主要業務及其他資料載於綜合財務報表附註39。

As required by the Schedule 5 of the Hong Kong Companies Ordinance, business review regarding business of the Group can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 4 to 7 and pages 8 to 32 respectively. An indication of possible future development in the Group's business can be found in the Management Discussion and Analysis set out on page 14 of this annual report. This discussion forms part of this Directors' report.

根據香港公司條例附表5所規定，有關該等業務之回顧審視本集團業務載於第4頁至第7頁主席報告及第8至第32頁管理層討論與分析。有關本集團業務未來可能發展之指引載於本年報第14頁管理層討論與分析。該討論構成本董事會報告之一部份。

BUSINESS REVIEW

業務審視

Compliance with laws and regulations

遵守法規

To the best of the knowledge of the Board and the management, the Group complied with the relevant laws and regulations which constitutes material impact on the business and operation of the Company and its subsidiaries in all material respects during the year ended 31 December 2024.

據董事會及管理層所深知，於截至二零二四年十二月三十一日止年度，本集團於各重大方面遵守對本公司及其附屬公司業務及運營產生重大影響的相關法律及法規。

Due to the nature of the business of the Group, the Directors are of the opinion that there are no specific laws or regulations related to environmental protection which have a significant impact on the operations of the Group. Environmental protection policies and performance regarding the Group are set out in "Environmental, Social and Governance Report" on pages 94 to 129.

基於本集團業務之性質，董事認為並無有關環境保護的任何特定法律或法規會對本集團之營運造成重大影響。有關本集團環保政策及表現載於第94頁至第129頁環境、社會及管治報告書。

Relationship with employees, customers and suppliers

與僱員、客戶及供應商之關係

Remuneration packages of employees are determined generally with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including pension and performance related bonus.

僱員薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據績考表現評估及其他相關因素檢討。除工資外，本集團另有其他員工福利，包括養老金及個人表現掛鈎花紅。

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

於中國內地營運的本集團附屬公司的僱員須參與地方市政府管理的中央退休金計劃。該等附屬公司須按其工資成本的若干比例向中央退休金計劃供款。供款於按照中央退休金計劃的規定應付時自損益扣除。

Relationship with customers is the fundamental of business. The Group fully understands this principle and thus maintains close relationship with customers to fulfil their immediate and long-term need. Given the nature of its business, the Group has no major suppliers which have a material impact on its operations, but the Group is striving to maintain fair and cooperative relationship with suppliers. Details are set out in "Environmental, Social and Governance Report".

客戶關係乃生意之根本，本集團深悉此原則，故會與客戶保持密切關係以滿足其當下及長期之需要。基於業務之性質，本集團並無任何對其營運有重大影響之主要供應商，惟本集團致力與供應商維持公平及合作之關係。有關詳細內容載於環境、社會及管治報告書內。

PRINCIPAL RISKS AND UNCERTAINTIES

(1) Intensified competition may materially and adversely affect our business, results of operations and financial condition

Competition within the PRC real estate industry is intense. Both domestic and overseas property developers have also entered the property development markets in cities where we have operations. Some of them may have more financial, marketing, technical or other resources than us. Competition among property developers may cause an increase in land premium and raw material costs, shortages in quality construction contractors, surplus in property supply leading to decreasing property prices, further delays in issuance of governmental approvals, and higher costs to attract or retain skilled employees. If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

(2) PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects

All of our revenue during the Year under Review was derived from our operations in the PRC. Our Group anticipates that China will remain our primary market in the foreseeable future. Accordingly, our business, prospects, results of operation and financial position are, to a significant extent, subject to the economic, political and legal developments of the PRC.

The PRC economy differs from the economies of most of the developed countries in many aspects, including political structure, PRC government involvement and control of housing policies.

主要風險及不明朗因素

(1) 競爭加劇或會對本集團的業務、經營業績及財務狀況造成重大不利影響

中國房地產業競爭激烈。國內外物業開發商亦已進佔本集團已有業務的城市的物業開發市場。當中若干開發商可能較我們擁有更多財政、營銷、技術或其他資源。物業開發商之間的競爭或會造成土地出讓金及原材料成本增加、優質建築承包商短缺、物業供應過剩，導致房價下跌、進一步延遲發出政府批文，及吸引或挽留熟練僱員的成本增加。倘本集團未能有效競爭，我們的業務、經營業績及財務狀況或會受到重大不利影響。

(2) 中國的經濟、政治及社會狀況以及政府政策可能對本集團的業務及前景產生不利影響

本集團於回顧年度的所有收益均來自在中國的業務。本集團預計，在可預見的未來，中國將仍然為本集團的主要市場。因此，本集團的業務、前景、經營業績及財務狀況在很大程度上受中國的經濟、政治及法律發展影響。

中國經濟與大多數發達國家的經濟在許多方面都有不同，包括政治架構、中國政府對房產政策干預及管制的範疇。

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For nearly three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. However, the PRC government continues to exercise significant control over the PRC economy through allocating resources, restricting capital flow and foreign exchange, setting monetary and fiscal policies, imposing industrial policies and various directives, providing government grants and other preferential treatment to particular industries and companies. The Group cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, results of operations and financial position. Moreover, even if new policies may benefit or damage the real estate developers in the long term, the Group cannot assure you the accuracy of the forecasts on the business and financial condition.

中國經濟一直由中央計劃經濟過渡至日漸以市場為導向的經濟。近三十多年來，中國政府實施經濟改革措施，利用市場力量推動中國經濟發展。然而，中國政府仍繼續通過資源分配、資本流量及外匯限制、制定貨幣及財政政策、實施行業政策及各項指令、向特定行業及公司提供政府補助及其他優惠待遇大力控制中國經濟。本集團無法預測中國經濟、政治和社會狀況以及其法律、法規及政策變化是否會對本集團當前或未來的業務、經營業績及財務狀況產生任何不利影響。此外，即使新政策對房地產開發商長遠可能有利或有弊，本集團仍無法對業務及財務狀況有準確性預測保證。

(3) Interest rate risk may aggravate the debt costs of the Group

The main source of loan of the Group is derived from bank loans. Therefore, the benchmark interest rate announced by the People's Bank of China will directly affect the Group's debt costs. Changes in future interest rates will have a certain impact on the Group's debt costs.

(3) 利率風險可能對本集團的債務成本加重影響

本集團主要貸款來源於銀行貸款，因此中國人民銀行公佈的貸款基準利率將直接影響本集團的債務成本，未來利率的變化情況將對本集團債務成本產生一定的影響。

(4) Uncertainties from the environmental policies

As the Group is subject to the intensive monitoring and control from the PRC and its environmental policies relate to production and operation, we shall comply with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, energy consumption, public health and safety, and receive inspections from the relevant national environmental protection departments. Currently, the Company has met the national environmental protection standards. However, if the national environmental policies are adjusted with higher environmental protection standards, our investment in environmental protection will increase and that may adversely affect our results of operations. We will spare no effort in minimizing the potential adverse effects on our environmental performance despite the uncertainties from the policies and environments that are impossible to predict and our inexperience of overall risk management in environmental protection. The Company's current directions, measures and analyses regarding environmental policies are set out in the ESG report.

(4) 環保政策不確定性風險因素

本集團的生產經營是國家環保政策重點監控的行業之一，須遵守多項有關空氣、水質、廢料處理、能源耗用、公眾健康安全的環境法律和法規，並接受國家有關環保部門的檢查。本公司目前環保指標均達到國家標準。但是，如果國家的環保政策作出調整，環保標準進一步提高，對公司提出更高的環保要求，這將增加本公司的環保投入，從而可能對公司的經營業績造成不利影響。本集團的整體環保風險管理在初步學習階段，對政策和環境轉變的不確定性因素難以預測，尋求儘量減低對本集團環保表現的潛在不利影響。有關本公司對環境政策目前實施的方針、措施和指標分析載於環境社會及管治報告內。

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 133.

業績及分配

本集團於本年度之業績載於第133頁之綜合損益及其他全面收益報表。

FINAL DIVIDEND

The Board did not propose to declare a final dividend for the year ended 31 December 2024.

末期股息

本年度董事會不建議宣派截至二零二四年十二月三十一日止年度之末期股息。

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 20 May 2025 (Tuesday) to 23 May 2025 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to attend and vote at the annual general meeting ("AGM"), all transfer documents accompanied by the relevant share certificates and the transfer forms must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 19 May 2025 (Monday).

股東週年大會及暫停辦理股份登記

本公司將於二零二五年五月二十日(星期二)至二零二五年五月二十三日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續，期間概不會登記任何股份轉讓。為出席股東週年大會(「股東週年大會」)並於會上投票，所有過戶文件連同有關股票及過戶表格須於二零二五年五月十九日(星期一)下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港夏慤道16號遠東金融中心17樓。

SEGMENT INFORMATION

An analysis of the Group's revenue and profit or loss for the Year contributed by its principal activities is set out in Note 4 to the consolidated financial statements. Details of the segment information can be found in the Management Discussion and Analysis set out on pages 8 to 32 of this annual report.

分類資料

本集團按主要業務劃分之本年度收入及損益貢獻分析載於綜合財務報表附註4。分類資料詳情載於本年報第8頁至第32頁之管理層討論及分析。

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 223 and 224, which does not constitute part of the consolidated financial statements.

五年財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第223至224頁內。該概要不構成綜合財務報表的一部份。

ISSUED CAPITAL

Details of the issued capital of the Company during the Year under Review are set out in Note 27 to the consolidated financial statements.

已發行股本

本公司已發行股本於回顧年內之詳情載於綜合財務報表附註27。

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司上市證券

於本年度內，本公司及其各附屬公司並無購買、出售或贖回本公司之任何上市證券。

INVESTMENT PROPERTIES

For the year ended 31 December 2024, the details of change of the Company's and the Group's investment properties were set out in Note 14 to the consolidated financial statement.

投資物業

於截至二零二四年十二月三十一日止年度內，本公司及本集團的投資物業變動詳情載於綜合財務報表附註14。

RESERVES

Movements in the reserves of the Group and the Company during the Year are set out on page 136 and Note 37(a) to the consolidated financial statements respectively.

儲備

本集團及本公司之儲備於本年度內之變動情況分別載於第136頁及綜合財務報表附註37(a)。

CHARITABLE DONATIONS

No charitable donations were made by the Group during the Year (2023: Nil).

慈善捐款

本集團於本年度並無作出慈善捐款(二零二三年：零)。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of Cayman Islands where the Company is incorporated.

優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的規定。

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company.

税項減免

本公司並不知悉有任何因股東持有本公司股份而使其獲得之税項減免。

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2024, no individual customer accounted for 10% or more of the Group's revenue. For the year ended 31 December 2024, no supplier individually accounted for 10% or more of the Group's purchases. All transactions between the Group and the relevant suppliers and customers were entered into on normal commercial terms. None of the Directors and their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the issued shares of the Company) had any interest in the above major suppliers.

主要供應商及客戶

截至二零二四年十二月三十一日止年度，概無客戶個別佔本集團收入10%或以上。截至二零二四年十二月三十一日止年度，概無供應商個別佔本集團採購額10%或以上。本集團與相關供應商及客戶進行之所有交易均按一般商業條款訂立。概無董事及其緊密聯繫人或任何股東(根據董事所知擁有本公司5%以上已發行股份數目)持有上述主要供應商之任何權益。

SIGNIFICANT LITIGATION AND EVENTS

The Company does not have any significant litigation and events during the Year under review.

重大訴訟及事項

本公司於回顧年內並無任何重大訴訟及事項。

DIRECTORS

The Directors in the year and up to the date of this Directors' Report are:

Executive Directors

Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (appointed on 9 August 2024 and retired on 14 April 2025)

Non-executive Directors

Mr. Cao Zhiqiang (appointed on 9 August 2024 and redesignated on 11 April 2025)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Independent Non-executive Directors

Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)

According to Article 108(a) of the Articles of Association of the Company: "Notwithstanding any other provisions in these articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office."

Mr. Chen Chengshou, an executive Director, Mr. Cao Zhiqiang, a non-executive Director, and Ms. Chan Wai Yan, an independent non-executive Director, will retire from their positions at the AGM and being eligible, offer themselves for re-election.

Pursuant to Article 112 of the Articles of Association of the Company, Ms. Chan Wai Yan, an independent non-executive Director, being a Director appointed by resolution of the Board immediately prior to the date of this annual report, will retire at the AGM and, being eligible, offered herself for re-election at the AGM.

董事

於本年度內及直至本董事會報告書日期止，本公司的董事為：

執行董事

陳承守先生*(主席兼行政總裁)*
豐慈招先生(於二零二五年四月十四日退任)
周奮力先生(於二零二四年八月九日獲委任，並於二零二五年四月十四日退任)

非執行董事

曹志強先生(於二零二四年八月九日獲委任，並於二零二五年四月十一日調職)
高巧琴女士(於二零二五年四月十四日退任)
周振存先生(於二零二五年四月十四日退任)
蔡偉康先生(於二零二五年二月二十四日辭任)

獨立非執行董事

李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
劉偉樑先生(於二零二四年十二月十日辭任)

根據本公司的組織章程細則第108(a)條：「儘管受本細則任何其他條文所規限，在每屆股東週年大會上，當時的三分之一董事或如其人數並非三或三的倍數，則最接近但不少於三分之一的董事人數的董事應輪值退任，但每名董事(包括以指定任期獲委任的董事)須至少每三年輪值退任一次。退任董事有資格重選連任。本公司可在股東大會上就任何董事的退任填補該等職位的空缺。」

執行董事陳承守先生、非執行董事曹志強先生及獨立非執行董事陳慧恩女士將在股東週年大會上卸任，並合資格重選連任。

根據本公司之組織章程細則第112條，獨立非執行董事陳慧恩女士(即於緊接本年報日期前由董事會決議案委任的所有董事)將於股東週年大會輪席退任並符合資格在股東週年大會上重選連任。

SERVICE CONTRACTS OF DIRECTORS

Mr. Chen Chengshou, an executive Director, entered into a service agreement with the Company for a term of three years from 6 July 2015 ("Listing Date"), which will renew and prolong for one year automatically after the expiry of the appointment, during which such service agreements can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Mr. Feng Cizhao, an executive Director, entered into a service agreement with the Company for a term of three years from 31 October 2015, which will renew and prolong for one year automatically after the expiry of the appointment, during which such service agreements can be terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein. Mr. Feng Cizhao retired as an executive Director with effect on 14 April 2025.

Ms. Gao Qiaoqin, a non-executive Director, entered into a letter of appointment with the Company for a term of three years from the Listing Date. Ms. Gao Qiaoqin retired as a non-executive Director with effect on 14 April 2025.

Mr. Choi Clifford Wai Hong entered into a letter of appointment with the Company as a non-executive Director, for a term of one year commencing from 16 April 2021 which may be terminated by Mr. Choi by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Choi Clifford Wai Hong resigned as a non-executive Director with effect on 24 February 2025.

Mr. Khor Khie Liem Alex entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 16 August 2021 which may be terminated by Mr. Khor by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Khor Khie Liem Alex retired as an independent non-executive Director with effect on 14 April 2025.

Mr. Chiu Kung Chak entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 1 November 2021 which may be terminated by Mr. Chiu by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Chiu Kung Chak retired as an independent non-executive Director with effect on 14 April 2025.

Mr. Lau Wai Leung, Alfred entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 17 November 2021 which may be terminated by Mr. Lau by giving at least three months' written notice or otherwise in accordance with the terms of the letters of appointment. Mr. Lau Wai Leung, Alfred resigned as an independent non-executive Director with effect on 10 December 2025.

董事之服務合約

執行董事陳承守先生與本公司訂立服務合同，任期自二零一五年七月六日(「上市日期」)起為期三年，並於當時委任期滿後自動續期及延長一年，有關服務合約可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。

豐慈招先生，執行董事，與本公司訂立服務協議，任期自二零一五年十月三十一日起為期三年，並於當時委任期滿後自動續期及延長一年，有關服務合約可由一方於任期內向另一方發出不少於三個月的書面通知而予以終止，惟須符合當中所載的提前終止條文。豐慈招先生已退任執行董事，自二零二五年四月十四日起生效。

高巧琴女士，非執行董事，與本公司訂立委任函，任期自上市日期起為期三年。高巧琴女士已退任非執行董事，自二零二五年四月十四日起生效。

蔡偉康先生已就擔任非執行董事與本公司訂立委聘函，任期自二零二一年四月十六日起為期一年，蔡先生可透過發出至少三個月的書面通知或根據委任函條款以其他方式終止該任期。蔡偉康先生已辭任非執行董事，自二零二五年二月二十四日起生效。

許麒麟先生已就擔任獨立非執行董事與本公司訂立委聘函，任期自二零二一年八月十六日起為期一年，許先生可透過發出至少三個月的書面通知或根據委任函條款以其他方式終止該任期。許麒麟先生已退任獨立非執行董事，自二零二五年四月十四日起生效。

趙公澤先生已就擔任獨立非執行董事與本公司訂立委聘函，任期自二零二一年十一月一日起為期一年，趙先生可透過發出至少三個月的書面通知或根據委任函條款以其他方式終止該任期。趙公澤先生已退任獨立非執行董事，自二零二五年四月十四日起生效。

劉偉樑先生已就擔任獨立非執行董事與本公司訂立委聘函，任期自二零二一年十一月十七日起為期一年，劉先生可透過發出至少三個月的書面通知或根據委任函條款以其他方式終止該任期。劉偉樑先生已辭任獨立非執行董事，自二零二五年十二月十日起生效。

Mr. Zhou Fenli entered into a letter of appointment with the Company as an executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Mr. Zhou giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment. Mr. Zhou Fenli retired as an executive Director with effect on 14 April 2025.

周奮力先生已就擔任執行董事與本公司訂立委聘函，任期自二零二四年八月九日起為期一年，周先生可透過發出至少三個月的書面通知或根據委任函條款以其他方式終止該任期。周奮力先生已退任執行董事，自二零二五年四月十四日起生效。

Mr. Cao Zhiqiang entered into a letter of appointment with the Company as a non-executive Director, for a term of one year commencing from 11 April 2025 which may be terminated by Mr. Cao giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

曹志強先生已就擔任非執行董事與本公司訂立委聘函，自二零二五年四月十一日起計為期一年，曹先生透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Ms. Lee Yin Man entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Ms. Lee giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

李彥雯女士已就擔任獨立非執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，李女士透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Ms. Huang Chunlian entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 9 August 2024 which may be terminated by Ms. Huang giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

黃春蓮女士已就擔任獨立非執行董事與本公司訂立委聘函，自二零二四年八月九日起計為期一年，黃女士透過發出不少於三個月之書面通知或根據委聘函之條款予以終止。

Ms. Chan Wai Yan has entered into a letter of appointment with the Company as an independent non-executive Director, for a term of one year commencing from 11 April 2025 which may be terminated by Ms. Chan giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment.

陳慧恩女士已就擔任獨立非執行董事與本公司訂立委聘函，自二零二五年四月十一日起計為期一年，陳女士透過發出不少於三個月之書面通知或根據委聘函之條款以終止。

In accordance with the Articles of Association and Appendix 14 to the Listing Rules, not less than one-third of the Directors shall retire from office by rotation annually. No Directors being proposed for re- election at the AGM has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

根據組織章程細則及上市規則附錄14，每年至少三分之一的董事須輪值退任。提名於股東週年大會上膺選連任的董事概無與本公司或其任何附屬公司訂立不可由本集團於一年內終止而毋須支付賠償(法定賠償外)的服務合約。

DIRECTORS' REMUNERATION

The Directors' fees are determined by the Remuneration Committee with reference to Directors' duties, responsibilities and operating results of the Company, which are subject to the review of the Board and shareholders' approval at annual general meetings. Please refer to Note 8 to the consolidated financial statements on pages 179 to 181 of this annual report.

董事酬金

董事袍金由薪酬委員會根據董事職務，責任及本公司經營業績擬訂，經董事會審議，由股東週年大會批准。請參閱本年報第179至181頁之綜合財務報表附註8。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange. As at the date of this annual report, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required to be recorded in the register referred to therein pursuant to section 352 of the SFO; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

董事及主要行政人員於證券之權益

本公司股份於香港聯交所主板上市。於本年報日期，董事及主要行政人員於本公司及其相聯法團(按證券及期貨條例(「證券及期貨條例」)第XV部之涵義)之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所之權益或淡倉(包括根據證券及期貨條例有關條文彼等被視為或當作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條規定須列入該條例所指之登記冊內之權益或淡倉；或(c)根據載於上市規則附錄10之上市公司董事進行證券交易之標準守則須通知本公司及香港聯交所之權益或淡倉如下：

Long positions in the shares and underlying shares

於股份及相關股份之好倉

The Company

本公司

Name of Directors 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares/ underlying shares 股份／相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比 % %
Mr. Chen Chengshou 陳承守先生	Interest of controlled corporation (Note 1) 受控制法團之權益(附註1)	24,330,000 (L)	1.3%
Ms. Gao Qiaoqin 高巧琴女士	Interest of spouse (Note 2) 配偶權益(附註2)	24,330,000 (L)	1.3%

(L): represents long positions

(L)：指好倉

Notes:

1. 24,330,000 shares are registered in the name of Xinxing Company Limited which is wholly-owned by Mr. Chen.

2. Ms. Gao is the spouse of Mr. Chen. Under the SFO, Ms. Gao is deemed to be interested in the same number of shares in which Mr. Chen is interested in.

附註：

1. 24,330,000股股份乃以Xinxing Company Limited之名義登記，該公司由陳先生全資擁有。

2. 高女士為陳先生的配偶。根據證券及期貨條例，高女士被視為於陳先生所擁有權益的相同數目股份中擁有權益。

Associated corporation – Xinxing Company Limited

相聯法團 – Xinxing Company Limited

Name of Directors 董事姓名	Nature of interest 權益性質	Number and class of securities in the associated corporation 於相聯法團的證券數目及類別	Approximate percentage of interest in the associated corporation 於相聯法團的權益概約百分比
Mr. Chen Chengshou 陳承守先生	Beneficial owner 實益擁有人	1 share (Note 1) 一股股份(附註一)	100%
Ms. Gao Qiaoqin 高巧琴女士	Interest of spouse 配偶權益	1 share (Note 2) 一股股份(附註二)	100%

Notes:

1. The disclosed interest represents the interests in the associated corporation, Xinxing Company Limited, which is held as to 100% by Mr. Chen as at the date of this annual report.

2. Ms. Gao is the spouse of Mr. Chen. By virtue of the SFO, Ms. Gao is deemed to be interested in the 1 share of Xinxing Company Limited held by Mr. Chen.

Save as disclosed above, as at the date of this annual report, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

附註：

1. 所披露權益指於相聯法團Xinxing Company Limited的權益，而於本年報日期，Xinxing Company Limited由陳先生持有100%權益。

2. 高女士為陳先生的配偶。根據證券及期貨條例，高女士被視為於陳先生持有的Xinxing Company Limited一股股份中擁有權益。

除上文所披露者外，於本年報日期，概無本公司董事或主要行政人員於本公司或其相關法團(定義見證券與期貨條例第XV部)之股份、相關股份或債券中擁有或被視為擁有須記入根據證券及期貨條例第352條存置之登記冊或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES

The register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, as at the date of this annual report, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executives' Interest in the Securities", had notified the Company of their interests and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東於證券之權益

本公司根據證券及期貨條例第336條規定而存置之主要股東登記冊表明，於本年報日期，下列股東(於「董事及主要行政人員於證券之權益」一節披露之股東除外)已知會本公司其於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部之條文須予以披露之權益及／或淡倉。

Long positions in the shares and underlying shares

於股份及相關股份之好倉

Interest in the Company

於本公司的權益

Name of substantial shareholders 主要股東名稱	Capacity/nature of interest 身份／權益性質	Number of shares/ underlying shares 股份／相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
Proyan Consultancy Limited (Note 1) 普仁顧問有限公司(附註1)	Beneficial owner 實益擁有人	187,862,200 (L)	10.0%

(L): represents long positions

(L)：指好倉

Note:

1. Proyan Consultancy Limited is a company incorporated in Hong Kong with limited liability. Mr. Yau Yan Yuen held the entire issued share capital of Proyan Consultancy Limited and was deemed to be interested in the 187,862,200 Shares in which Proyan Consultancy Limited was interested pursuant to the SFO.

附註：

1. 普仁顧問有限公司為一間於香港註冊成立之有限責任公司。Yau Yan Yuen先生持有普仁顧問有限公司全部已發行股本，並根據證券及期貨條例被視為對普仁顧問有限公司所持有的187,862,200股股份中擁有權益。

Save as disclosed above, as at the date of this annual report, the Company had not been notified by any persons, other than Directors and chief executives of the Company, who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於本年報日期，本公司並未獲任何人士(本公司董事及主要行政人員除外)知會其於本公司股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露或須記入根據證券及期貨條例第336條本公司須存置之登記冊之權益或淡倉。

DEED OF NON-COMPETITION BY CONTROLLING SHAREHOLDERS

Each of the controlling shareholders has made an annual declaration with regard to their compliance with the terms of the deed of non-competition. The details of the deed of non-competition are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus. The deed of non-competition by controlling shareholders has taken effect from the Listing Date.

控股股東之不競爭契據

各控股股東已就其遵守不競爭契據條款作出年度聲明。不競爭契據詳情載於招股章程「與控股股東的關係」一節。有關控股股東之不競爭契據已於上市日期起生效。

DEED OF NON-COMPETITION BY EXECUTIVE DIRECTORS

Each of the executive Directors has made an annual declaration with regarding to their compliance with the terms of the deed of non-competition. The deed of non-competition by executive Directors has taken effect from the Listing Date. The INEDs had reviewed and confirmed that the executive directors of the Company have complied with the deed of non-competition and the deed of non- competition has been enforced by the Company in accordance with its terms.

執行董事之不競爭契據

本公司各執行董事已就其遵守不競爭契據條款作出年度聲明。有關執行董事之不競爭契據已於上市日期起生效。獨立非執行董事已審閱及確認本公司執行董事已遵守不競爭契據及本公司已根據其條款執行不競爭契據。

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Share Option Scheme") on 8 June 2015, which will be in force for a period of 10 years. Under the Share Option Scheme, the eligible participants of the scheme, including Directors, full-time employees, advisers, suppliers and customers to our Company or our subsidiaries, (the "Eligible Participants") may be granted options which entitle them to subscribe for shares, provided that the number of shares to be subscribed under such option together with the options granted under any other schemes initially shall not be more than 10% of the shares in issue on the Listing Date.

購股權計劃

本公司已於二零一五年六月八日採納購股權計劃(「購股權計劃」),有效期為十年。根據購股權計劃,計劃的合資格參與者(包括本公司或我們附屬公司的董事、全職僱員、顧問、供應商以及客戶等)(「合資格參與者」)可能獲授予賦予彼等權利認購股份的購股權(與根據任何其他計劃授予的購股權合併計算),可認購的股份數目初步不得超過上市日期已發行股份的10%。

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions the Eligible Participants have made or may make to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the Eligible Participants to improve their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long- term growth of the Group.

購股權計劃為一項股份獎勵計劃,乃為嘉許及肯定合資格參與者對本集團所作出或可能作出的貢獻而設立。購股權計劃將為合資格參與者提供於本公司持有個人權益的機會,旨在達到下列目的:(i)激勵合資格參與者為本集團的利益盡量提高工作效率;及(ii)吸引及挽留其貢獻目前或將來對本集團長期發展有利的合資格參與者,或以其他方式維持與該等合資格參與者的持續業務關係。

The maximum number of shares in respect of which options may be granted (including shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue on the Listing Date, excluding for this purpose shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company).

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限(包括已授出的已行使或尚未行使購股權所涉及的股份),合共不得超過於上市日期已發行股份總數的10%,就此而言,不包括根據購股權計劃(或本公司任何其他購股權計劃)的條款已失效的購股權原應可予發行的股份。

Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time (the "Maximum Limit"). No options shall be granted under any schemes of the Company, including the Share Option Scheme, if that will result in the Maximum Limit being exceeded.

儘管有上述規定，根據購股權計劃及本公司任何其他購股權計劃授出但有待行使的所有未行使購股權獲行使而可能於任何時間發行的股份，不得超過不時已發行股份的30%(「最高限額」)。倘根據本公司任何計劃(包括購股權計劃)授出購股權將導致超出最高限額，則不得授出該等購股權。

The Board may, at its discretion, offer to grant an option to the Eligible Participants. An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favor of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

董事會可酌情向合資格參與者提呈授出購股權。本公司於有關接納日期或之前收到承授人妥為簽署構成接納購股權的一式兩份要約文件連同向本公司支付作為授出購股權的代價的1.00港元的款項後，購股權即被視為已授出及已獲承授人接納並生效。

After receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditor or the approved independent financial adviser (as the case may be) to the Company, the Company shall allot and issue the relevant number of shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the shares so allotted.

於收到通知及股款以及(如適用)本公司核數師或獲認可獨立財務顧問(視情況而定)發出的證書後，本公司須向承授人配發及發行入賬列為繳足的有關數目股份，並就已配發的股份向承授人發出股票。

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised, outstanding options and shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other schemes of the Company but subsequently cancelled) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

於任何12個月期間直至授出日期，因根據購股權計劃及本公司任何其他購股權計劃授出的購股權(包括已行使、尚未行使的購股權及根據購股權計劃或本公司任何其他計劃已授出並獲接納但於其後註銷)的購股權所涉及股份獲行使而已經及可能向各合資格參與者發行的股份總數不得超過於授出日期已發行股份的1%。

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

根據購股權計劃授出的任何特定購股權所涉股份的認購價，須為董事會全權酌情釐定的價格，惟此價格將不得低於以下最高者：(i)股份於授出日期(須為香港聯交所公開辦理證券交易業務的日子)在香港聯交所每日報價表所報的收市價；(ii)股份於緊接授出日期前五個營業日在香港聯交所每日報價表所報的平均收市價；及(iii)股份面值。

As at the date of this annual report, the total number of shares to be issued under the Share Option Scheme is 188,000,000 shares, representing 10% of the issued shares at Listing Date. No share option was granted, exercised or cancelled by the Company since the adoption of the Share Option Scheme.

於本年報日期，根據購股權計劃可發行股份總數為188,000,000股，佔上市日期已發行股份的10%。自採納購股權計劃之日起，本公司概無授出、行使或註銷購股權。

SHARE AWARD SCHEME

On 26 January 2016, the Company adopted the share award scheme (the "Scheme"), pursuant to which Bank of Communications Trustee Limited served as trustee (the "Trustee"). The Company adopted the Scheme to recognize the contribution by certain eligible participants and to attract suitable personnel for further development of the Group. Each of the Company and Mr. Chen, an executive Director, may make contribution to the trust for the purpose of vesting awarded shares to the selected participants. Pursuant to the Scheme, the Company may from time to time at its sole discretion subject to requirements under this Scheme, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase shares in the market at prevailing market price. Mr. Chen may from time to time transfer shares to the Trustee, for the purpose of vesting awarded shares to the selected participants, subject to the compliance with the requirements of the Listing Rules and all applicable laws from time to time. The Trustee will hold the awarded shares on trust for all or one or more of the eligible participants until such awarded shares are vested with the relevant selected participants in accordance with the rules of the Scheme.

The Scheme is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the trust deed. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

The share award scheme will remain in force for a period of 10 years since the date of adoption of the Scheme. Early termination should be done by the Board in accordance with the rules of the Scheme. On 7 April 2016, the Board resolved to award 13,716,666 awarded shares ("Awarded Shares") to 150 selected participants through the deployment of the shares of the Company. All Awarded Shares have been vested to the eligible participants. For details, please refer to the announcements of the Company dated 18 February 2016 and 7 April 2016. Apart from that, the Company has not granted, exercised or cancelled any Awarded Shares.

During the Year under Review, (i) no share options were granted, and (ii) exercised or cancelled by the Company, the Board has neither paid any funding to the trustee of the Scheme nor allowed the trustee to purchase the shares of the Company on the Stock Exchange. During the Year under Review, the trustee of the Scheme also did not purchase any shares of the Company on the Stock Exchange.

股份獎勵計劃

本公司於二零一六年一月二十六日採納股份獎勵計劃(「本計劃」),並由交通銀行信託有限公司作為受託人(「受託人」),以嘉許若干合資格參與者所作出之貢獻,及吸引合適人才推動本集團之未來發展。為將獎勵股份歸屬獲選參與者,本公司及本公司執行董事陳先生各自均可向信託作出供款。根據本計劃,本公司可不時全權酌情根據本計劃之規定向受託人支付任何金額,並指示受託人按現時市價於市場上購買股份。為將獎勵股份歸屬獲選參與者,陳先生可不時向受託人轉讓股份,惟須遵守上市規則及所有適用法例不時之規定並受限制期間規限。受託人將以信託形式為全部或一名或多名合資格參與者持有獎勵股份,直至該等獎勵股份根據本計劃規則歸屬相關獲選參與者為止。

本計劃為本公司一項酌情制訂之計劃。根據本計劃及信託契據之規則,本計劃須受董事會及受託人管理。倘董事會授出獎勵股份後會導致根據本計劃已授出之股份面值超過本公司不時已發行股本之百分之十(10%),則不應再進一步授出獎勵股份。獲選參與者根據本計劃可獲授之最高股份數目不可超過本公司不時已發行股本之百分之一(1%)。本計劃並不構成上市規則第17章所界定之購股權計劃。

股份獎勵計劃自採納日期起計10年之期限內有效,惟可由董事會根據本計劃規則決定提早終止。於二零一六年四月七日,董事會議決向150位獲選參與者透過調配本公司股份的形式授予13,716,666股獎勵股份(「獎勵股份」)。所有獎勵股份已歸屬予合資格參與者。詳情請參閱本公司日期為二零一六年二月十八日及二零一六年四月七日的公告。除此之外,本公司概無授出、行使或註銷任何獎勵股份。

於回顧年度內,(i)本公司概無授出及(ii)行使或註銷購股權,董事會既沒有向本計劃之受託人支付任何資金,讓受託人可於聯交所購買本公司之股份。於回顧年度內,本計劃之受託人也沒有於聯交所購買本公司之任何股份。

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, neither the Company, nor any of its holding companies, its subsidiaries or its fellow subsidiaries was a party to any arrangement to enable the Directors and chief executives of the Company, including their spouses and children under 18 years of age, to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations, within the meaning of Part XV of the SFO.

董事購買股份的權利

除上文所披露者外，本公司、其任何控股公司、其附屬公司或其同系附屬公司從未訂立任何安排，使本公司董事及主要行政人員(包括彼等的配偶及未滿18歲子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份或相關股份或債券中持有任何權益或淡倉。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year under Review or at any time during the Year under Review, and in which a Director or an entity connected with the Director have or had, whether directly or indirectly, a material interest, nor were there any other transactions, arrangements or contracts of significance in relation to the Group's business between the Company or any of the Company's Subsidiaries and a controlling Shareholder or any of its subsidiaries.

董事及控股股東於交易、安排或合約之權益

於回顧年度年結時或回顧年度的任何時間，概無與本公司業務有關而本公司或本公司任何附屬公司作為訂約方之仍然存續且董事或與董事相關聯的實體於其中有或曾有重大權益(無論直接或間接)之交易、安排或合約，而且本公司或本公司任何附屬公司及控股股東或其任何附屬公司亦無訂立與本集團業務有關之其他重大交易、安排或合約。

CONTINUING CONNECTED TRANSACTIONS

In accordance with the disclosure requirements of the continuing connected transactions in Chapter 14A of the Listing Rules of the Hong Kong, during the Year under Review, the Company has not conducted any continuing connected transactions with connected persons that are not exempted from annual reporting requirement under the Listing Rules.

持續關連交易

按照香港上市規則第14A章有關持續關連交易的披露規定，於回顧年度內，本公司概無與關連人士進行任何未獲豁免遵守上市規則年度報告規定的持續關連交易。

The related party transactions set out in Note 32 to the consolidated financial statements are not required to be disclosed pursuant to Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

載於綜合財務報表附註32所列的關連方交易並非根據上市規則第14A章須予披露的關聯交易。本公司確認已符合上市規則第14A章的披露規定。

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 for the year ended 31 December 2024.

管理合約

於截至二零二四年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

PERMITTED INDEMNITY PROVISION

Pursuant to the memorandum and bye-laws ("Bye-laws") of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. During the year ended 31 December 2024, the Company was unable to extend Directors' and officers' liability insurance coverage which was expired on 22 June 2023 due to the suspension of trading of the shares of the Company on the Stock Exchange. As at the date of this annual report, the Company has not arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

Code provision C.1.8 of the CG Code requires that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. The Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

獲准許彌償條文

根據本公司的組織章程大綱及細則(「細則」)、適用法律及法規，每名董事在執行其職務時可能招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支，均可從本公司的資產及利潤獲得彌償保證及免受損害。截至二零二四年十二月三十一日止年度，由於本公司股份於聯交所暫停買賣，本公司未能延續已於二零二三年六月二十二日屆滿的董事及高級職員責任保險。於本年報日期，本公司並無為本集團董事及高級職員安排適當的董事及高級職員責任保險。

企業管治守則的守則條文第C.1.8規定，本公司應就針對董事的法律訴訟安排適當的保險。董事會將根據當時情況不時檢討此項安排，並在必要時安排適當的保險。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 December 2024, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

董事於競爭性業務之權益

截至二零二四年十二月三十一日止年度，概無董事於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the Year as required under the Listing Rules.

公眾持股量

根據本公司所得悉的公開資料及董事所知悉，本公司於本年度內已按上市規則規定維持指定數額的公眾持股量。

CHANGE OF AUDITOR

The consolidated financial statements for the financial year 2024 have been audited by Global Link CPA Limited ("Global Link"). Global Link will retire from office at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election. A resolution will be proposed at the forthcoming annual general meeting of the Company for the re-appointment of Global Links as the auditor of the Company.

更換核數師

二零二四財政年度的綜合財務報表已由高嶺會計師有限公司(「高嶺」)進行審核。高嶺將於本公司應屆股東週年大會上退任，並合資格且願意連任。一項決議案將於本公司應屆股東週年大會上提呈以重新委任高嶺為本公司核數師。

By order of the Board

承董事會命

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, PRC
31 March 2025

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二五年三月三十一日

CORPORATE GOVERNANCE REPORT
企業管治報告書

MISSION

The Board is committed to maintaining a high level of corporate governance and ensuring transparency in business operations, so as to enhance the operation efficiency of the Company and protect the interests of the Company and the shareholders in all respects. The Board seeks to perform strict integrity and ethics in all aspects of our business, to maintain sound risk management and internal control system and attract high-caliber members to the Board.

理念

董事會致力維持高水平的企業管治，確保本公司運作具透明度，以此促進本公司運作效率及全面保障本公司及股東的利益。董事會力求於業務的各方面均貫徹嚴謹的誠信及道德操守，以維持良好之風險管理及內部監控制度及吸納卓越之成員加入董事會。

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2024, the Board had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules applicable at the relevant time, except the disclosure in "Chairman and Chief Executive Officer" below.

To the Directors' knowledge, there is no information reasonably indicates that the Company has not complied with the code provisions of the CG Code set out in Appendix 14 to the Listing Rules at any time for the year ended 31 December 2024.

For the year ending 31 December 2024, the Company will continue to comply with the code provisions set out under the update CG Code that had come into effect on 1 January 2022, and where appropriate, explain on the deviations from any code provisions of the CG Code.

企業管治守則

截至二零二四年十二月三十一日止年度，除於下述所披露之「主席兼行政總裁」外，董事會已採納、應用及遵守於相關時間適用的上市規則附錄14的企業管治守則(「企業管治守則」)所載之守則條文。

就董事所知，並無任何數據合理顯示本公司現時或曾經於截至二零二四年十二月三十一日止年度任何時間不遵守上市規則附錄14所載的《企業管治守則》之守則條文。

截至二零二四年十二月三十一日止年度，本公司將繼續遵守已於二零二二年一月一日生效的最新企業管治守則所載的守則條文，並(倘適當)解釋偏離企業管治守則任何守則條文的情況。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries of all the Directors, each of them has confirmed that they complied with the required standards set out in the Model Code during the Year under Review.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when they possess inside information in relation to those securities. The Company is not aware of any non-compliance with the Model Code by the relevant officers and employees.

證券交易的標準守則

本公司已採納上市規則附錄C3所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事買賣本公司證券的操守準則。經向全體董事作出特定查詢後，全體董事確認彼等於回顧年度內已遵守標準守則所載的規定標準。

根據本公司要求，本公司有關高級職員及僱員亦須受標準守則約束，當其獲得有關證券內幕消息時，禁止於任何時候買賣本公司證券。本公司並無察覺有相關高級職員及僱員違反標準守則。

BOARD OF DIRECTORS

Structure

As at the date of this annual report, the Board comprised one executive Director, one non-executive Director and three independent non-executive Directors. The composition of the Board is as follows:

Executive Directors

Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (appointed on 9 August 2024 and retired on 14 April 2025)

Non-executive Directors

Mr. Cao Zhiqiang (appointed as executive Director on 9 August 2024 and redesignated on 11 April 2025)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)

Independent Non-executive Directors

Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

The independent non-executive Directors (the "INEDs") represent over one-third members of the Board. The profiles of all Directors are set out on pages 33 to 41 of this annual report. Save as disclosed in this annual report, there is no other relationship among members of the Board, including financial, business, family or other material/relevant relationship. The INEDs are highly experienced professionals and businessmen with a broad range of expertise and experience in accounting, finance, legal and business management and one of them has appropriate professional accounting qualification as required by the Hong Kong Stock Exchange.

The Board is responsible for directing and supervising affairs of the Company. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to affairs of the Company during the Year under Review.

董事會

架構

於本年報日期，董事會由一名執行董事、一名非執行董事及三名獨立非執行董事組成。董事會之組成如下：

執行董事

陳承守先生*(主席兼行政總裁)*
豐慈招先生(於二零二五年四月十四日退任)
周奮力先生(於二零二四年八月九日獲委任及於二零二五年四月十四日退任)

非執行董事

曹志強先生(於二零二四年八月九日獲委任執行董事及於二零二五年四月十一日調職)
高巧琴女士(於二零二五年四月十四日退任)
周振存先生(於二零二五年四月十四日退任)

獨立非執行董事

李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)

獨立非執行董事(「獨立非執行董事」)之人數超過董事會成員總數之三分之一。全體董事之履歷載於本年報第33頁至第41頁。除本年報所披露者外，董事會成員之間並無其他關係，包括金融、商業、家庭或其他重要／相關關係。獨立非執行董事為極富經驗之專業人士及商界人士，在會計、金融、法律及商業管理具備豐富專業知識及經驗，其中一人更具備香港聯交所規定之合適專業會計資格。

董事會負責領導及監督本公司事務。各董事均以本公司之最佳利益為前提，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。於回顧年內，彼等已付出足夠時間及專注力以處理本公司事務。

At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company may fill the vacancy at the general meeting when a Director retires. As such, the term of office of each Director has been governed by the Articles of Association of the Company.

在每次之股東週年大會上，當時三分之一之董事(或倘董事人數並非三或三之倍數，則以最接近但不少於三分之一人數為準)須輪值退任，惟每名董事(包括獲委任特定年期者)均須最少每三年輪席退任一次。退任董事可膺選連任。本公司可於董事退任之股東大會上填補空缺。因此，各董事之任期按本公司組織章程細則而特定。

Code provision C.1.8 of the CG Code requires that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. During the year ended 31 December 2024, the Company was unable to extend Directors' and officers' liability insurance coverage which was expired on 22 June 2023 due to the suspension of trading of the shares of the Company on the Stock Exchange. As at the date of this annual report, the Company has not arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group. The Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

企業管治守則的守則條文第C.1.8規定，本公司應就針對董事的法律訴訟安排適當的保險。截至二零二四年十二月三十一日止年度，由於本公司股份於聯交所暫停買賣，本公司無法延續於二零二三年六月二十二日屆滿的董事及高級職員責任保險。於本年報日期，本公司並無為本集團董事及高級職員安排適當的董事及高級職員責任保險。董事會將根據當時情況不時檢討此項安排，並在必要時安排適當的保險。

Assistance to Directors in Decision Making

During their term of office, the Directors have been informed of the business of the Group, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry where it operates as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為公司董事之法定及其他職能以及職責獲提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meeting agenda, and are supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors providing them with the opportunity to attend the meeting. For regular Board meetings, and so far as practicable for all other meetings, an agenda and accompanying board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and prepare adequately for the meeting. Senior management members are invited to attend the meeting to address to the Board members' queries. For non-regular Board meetings, reasonable notices are given. This enables the Board to have pertinent data and insight for a comprehensive and informed assessment, which helps the Board to make decision.

The Chairman has delegated the responsibility to the company secretary (the "Company Secretary") of the Company for drawing up and approving the agenda of the meeting for each Board meeting, taking into account of any matter proposed by each Director for inclusion in the agenda. The proceedings of the Board at its meetings are generally monitored by the Chairman who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to each Director to express his/her views and concerns.

All Directors have full access to the advice and services of the Company Secretary to ensure the procedures, rules and regulations of the Board are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within a reasonable time after the meeting. The minutes of the Board's and the Board committees' meetings are kept by the Company, which are available for inspection by the Directors upon reasonable notice.

會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，讓其有機會出席會議。就定期舉行的董事會會議而言，及在切實可行情況下就所有其他會議而言，議程及隨附的董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，以解答董事會成員之提問。對於非定期董事會會議，將發出合理通知。此舉令董事會在作出全面而知情之評估時，具有相關之數據及認知，有助董事會作出決策。

主席已委派公司秘書(「公司秘書」)負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。董事會之議事程序一般由主席監察，以確保分配充裕時間作出討論及考慮議程內之各個項目。每位董事均獲平等機會表達意見及其關注事宜。

全體董事均有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。各董事會會議之詳盡記錄草稿及定稿將於舉行會議後的合理時間內，送交董事提供意見及記錄。董事會會議及董事會轄下委員會會議之記錄由本公司存置，並可由董事發出合理通知下供其查閱。

For the year ended 31 December 2024, the Company held 2 board meetings in total. Individual attendance of each Director and committee member at the meeting held in detail is as follows:

截至二零二四年十二月三十一日止年度內，董事會共舉行兩次董事會會議。各董事及委員會的成員及其出席會議的出席率詳情如下：

		The Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	AGM 股東週年大會
Number of Meetings held	**會議次數**	7	2	1	1	0
Executive Directors	**執行董事**					
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*	陳承守先生*(主席兼行政總裁)*	4/7	N/A不適用	N/A不適用	1/1	0/0
Mr. Feng Cizhao (retired on 14 April 2025)	豐慈招先生(於二零二五年四月十四日退任)	2/7	N/A不適用	N/A不適用	N/A不適用	0/0
Mr. Zhou Fenli (appointed on 9 August 2024 and retired on 14 April 2025)	周奮力先生(於二零二四年八月九日獲委任及於二零二五年四月十四日退任)	5/6	N/A不適用	N/A不適用	N/A不適用	0/0
Non-executive Directors	**非執行董事**					
Mr. Cao Zhiqiang (appointed on 9 August 2024 and redesignated on 11 April 2025)	曹志強先生(於二零二四年八月九日獲委任及於二零二五年四月十一日調職)	6/6	N/A不適用	N/A不適用	N/A不適用	0/0
Ms. Gao Qiaoqin (retired on 14 April 2025)	高巧琴女士(於二零二五年四月十四日退任)	4/7	N/A不適用	N/A不適用	N/A不適用	0/0
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)	蔡偉康先生(於二零二五年二月二十四日辭任)	6/7	N/A不適用	1/1	N/A不適用	0/0
Mr. Zhou Zhencun (retired on 14 April 2025)	周振存先生(於二零二五年四月十四日退任)	6/7	N/A不適用	N/A不適用	N/A不適用	0/0
Independent non-executive Directors	**獨立非執行董事**					
Mr. Khor Khie Liem Alex (retired on 14 April 2025)	許麒麟先生(於二零二五年四月十四日退任)	7/7	2/2	1/1	1/1	0/0
Mr. Chiu Kung Chak (retired on 14 April 2025)	趙公澤先生(於二零二五年四月十四日退任)	6/7	2/2	1/1	1/1	0/0
Mr. Lau Wai Leung, Alfred (resigned on 10 December 2024)	劉偉樑先生(於二零二四年十二月十日辭任)	6/7	2/2	N/A不適用	N/A不適用	0/0
Ms. Lee Yin Man (appointed on 9 August 2024)	李彥雯女士(於二零二四年八月九日獲委任)	6/6	2/2	0/0	0/0	0/0
Ms. Huang Chunlian (appointed on 9 August 2024)	黃春蓮女士(於二零二四年八月九日獲委任)	6/6	2/2	0/0	0/0	0/0
Ms. Chan Wai Yan (appointed on 11 April 2025)	陳慧恩女士(於二零二五年四月十一日獲委任)	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用

Works Performed

During the Year under Review, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgment on the strategy, performance and standards of conduct of the Company; had taken a leading role when potential conflict of interest arose; had served on Board committees; had approved various corporate governance related matters and policies; had ensured that the Board maintained high standards of financial and other mandatory reporting; carried out reviews on matters reported by the Board committees; and had provided adequate checks and balance to safeguard the interests of shareholders and the Company as a whole. In addition, the Board delegates to the management of the Company certain functions, including the implementation of general daily operation, strategies approved by the Board, the implementation of internal control procedures and ensuring compliance with relevant requirements and other rules and regulations.

Other than the executive Director, Mr. Chen Chengshou, who has entered into a letter of appointment with the Company with a term of three years, non-executive Director, Mr. Cao Zhiqiang, and independent non-executive Director, Ms. Lee Yin Man, Ms. Huang Chunlian and Ms. Chan Wai Yan, each of whom entered into a letter of appointment with the Company with a term of one year respectively.

During the Year under Review, the non-executive Directors and INEDs had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings.

Besides attending the meetings of the Board or the committees, in order to make timely decision and effectively implement the policies and practice of the Company, the Board had also adopted written resolutions signed by all Directors to make decision on corporate affairs from time to time.

As part of the continuing process on supervising the business of the Company, the Directors, acted by the Audit Committee of the Company (the "Audit Committee"), had reviewed the adequacy of resources, qualifications and experience of the accounting staff of the Company and financial reporting functions.

Independent Non-executive Directors' Confirmation

The Company has received, from each INED, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all the INEDs are independent. The Company is in compliance with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the INEDs.

履行之工作

於回顧年內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事亦對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事會轄下委員會委員；通過企業管治相關事宜及政策；確保董事會維持高水平之財務及其他強制申報準則；審閱董事會轄下委員會報告之事項；以及提供足夠審查及平衡以保障全體股東與本公司之整體利益。此外，董事會將若干職能下放予本公司管理層，包括進行一般日常運作、董事會批准的策略、落實內部監控程序，以及確保符合相關規定及其他規則及規例。

除執行董事陳承守先生已與本公司訂立為期三年的委聘函外，非執行董事曹志強先生及獨立非執行董事李彥雯女士、黃春蓮女士及陳慧恩女士各自已與本公司訂立為期一年的委聘函。

於回顧年內，非執行董事及獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納經全體董事簽署之書面決議書為公司事務作出決定。

作為持續監督本公司業務之程序，董事已由審核委員會(「審核委員會」)代行審閱本公司會計員工的資源、資歷及經驗以及財務匯報職能是否足夠。

獨立非執行董事之確認

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。本公司並符合上市規則第3.10及3.10A條關於獨立非執行董事之規定。

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Chen is the chairman and the chief executive officer of the Company ("CEO"). The Group therefore does not separate the roles of the chairman and the CEO. The Board considered that Mr. Chen had in-depth knowledge and experience in the property investment and development industry and was the most appropriate person to manage the Group. Vesting the roles of both chairman and CEO in Mr. Chen has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Besides, three independent non-executive Directors of the Board had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings. Although Mr. Chen is the chairman and chief executive officer, the Company believes the Board will not make any biased decisions under Mr. Chen's influence. The Board will continue to review and consider splitting the roles of chairman and CEO of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

主席兼行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁之職位應有所區分，且不應由同一人士兼任。陳先生為本公司主席兼行政總裁(「行政總裁」)。故此本集團並無區分主席及行政總裁之職位。董事會相信陳先生於物業投資及發展行業具備淵博的學識及豐富的經驗，為最適合管理本集團之人士，由陳先生兼任主席及行政總裁的角色，可確保本集團內之貫徹領導及可令本集團之整體策略規劃更有效及具效率。董事會認為，目前的安排將不會削弱權力制衡，而這個架構將有助本公司迅速及有效地作出及實行決策。再者，董事會的三位獨立非執行董事均積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見，雖陳先生為本公司主席兼行政總裁，本公司認為並不會影響董事會作出任何有偏頗之嫌的決定。董事會將持續檢討，屆時顧慮到本集團的整體情況，考慮將本公司的主席與行政總裁的職能分開是否適當及適合。

BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee (the "Remuneration Committee") and Nomination Committee (the "Nomination Committee") with defined roles and terms of reference.

董事會轄下委員會

董事會已成立審核委員會、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)，並界定其角色及職權範圍。

Audit Committee

Structure

The Company established the Audit Committee on 8 June 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C.3.4 of the CG Code as set out in Appendix 14 to the Listing Rules. The updated terms of reference of the Audit Committee are adopted on 29 December 2015, and are available on the websites of the Hong Kong Stock Exchange and the Company. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

審核委員會

架構

本公司於二零一五年六月八日成立審核委員會，並遵照上市規則第3.21條及上市規則附錄14列載之企業管治守則第C.3.4段制訂其書面職權範圍。審核委員會之最新職權範圍已於二零一五年十二月二十九日獲採納，並可於香港聯交所及本公司網站查閱。審核委員會的主要職責為就本集團財務申報程序、內部控制及風險管理制度的有效性向董事會提供獨立審查、監察審核程序及行使由董事會分配之其他職責。

All members under the Audit Committee possess diversified business experience. The chairman of the Audit Committee has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules.

As at the date of this annual report, the Audit Committee is made up of four INEDs:

Ms. Lee Yin Man *(Chairman)* (appointed on 9 August 2024)

Ms. Huang Chunlian (appointed on 9 August 2024)
Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Functions

The terms of reference of the Audit Committee can be found on the websites of the Company and the Hong Kong Stock Exchange. The major duties of the Audit Committee are summarized as below:

(i) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues relating to the resignation or dismissal of such auditor;

(ii) to monitor the integrity of the Company's financial statements and annual reports and accounts, half year reports and, if prepared for publication, quarterly reports, and to review material comments on financial reporting contained in the statements and reports;

(iii) to review the financial controls, risk management and internal control systems of the Company, unless the risk committee otherwise under the Board or the Board itself has expressly stated that they will deal with it;

(iv) to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; and

(v) to consider and identify risks of the Group and review the effectiveness of the decision-making processes of the Group in crisis and emergency situations and approve the major decisions affecting the risk profile or exposure of the Group.

審核委員會全體成員具備多元化的業務經驗。審核委員會主席具備了上市規則規定之適當專業資格、會計或相關財務管理專業知識。

於本年報日期，審核委員會由四位獨立非執行董事組成：

李彥雯女士*(主席)*(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
陳慧恩女士(於二零二五年四月十一日獲委任)

職能

有關審核委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。審核委員會之主要職責概述如下：

(i) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款、及處理任何有關該核數師辭職或辭退該核數師的問題；

(ii) 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；

(iii) 檢討本公司的財務監控，以及(除非有另設的董事會轄下風險委員會及或董事會本身會明確處理)檢討本公司的風險管理及內部監控系統；

(iv) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；及

(v) 審議及識別本集團的風險，並審議危機及緊急情況發生時本集團的決策程序的成效，以及批准影響本集團風險概況或風險的重要決策。

Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and dispatches an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year under Review, the Audit Committee members reviewed the information memorandum with due care and discussed with the senior management of the Company during the meetings. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company and copies of the minutes were delivered to the Audit Committee members for records.

會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。於回顧年內，審核委員會成員審慎地審閱資料備忘錄，並於會議上與本公司高級管理層成員討論。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員提供意見。經簽署之會議記錄由本公司存置，而有關副本亦已送交審核委員會成員以作記錄。

Works Performed

The works performed by the members of Audit Committee during the Year under Review are summarized as below:

(i) to review the annual accounts and consolidated financial statements and interim accounts of the Group;

(ii) to review, discuss and agree with the Independent Auditor in respect of the audit fee for the Year under Review; the nature, scope of audit and reporting obligations for the Year under Review;

(iii) to review the effectiveness of the action plan to mitigate the Group's liquidity pressure and remove the Audit Modification;

(iv) to review and assess the adequacy and effectiveness of the financial reporting and controls, internal control procedures and risk management system of the Group;

(v) to review the corporate governance practices and monitor the progress of compliance of the CG Code and its disclosure in the Corporate Governance Report;

(vi) to review the performance of the properties of the Group for the year ended 31 December 2024;

(vii) to review the continuing connected transactions to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements in respect of these continuing connected transactions;

(viii) to review the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmers and budget; and

(ix) to discuss with the Independent Auditor with respect to the accounting principles and practices adopted by the Group, compliance with the Listing Rules and other financing reporting requirements.

履行之工作

審核委員會成員於回顧年內所履行之工作概述如下：

(i) 審閱本集團年度之賬目及綜合財務報表，以及中期賬目；

(ii) 與獨立核數師審閱、討論及同意回顧年內之核數費用；核數之性質、範圍及申報責任；

(iii) 審閱行動計劃的有效性以緩解本集團流動資金壓力及撤銷審核保留意見；

(iv) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；

(v) 檢討企業管治常規及監控遵守企業管治守則之進度及其於企業管治報告中的披露情況；

(vi) 審閱本集團截至二零二四年十二月三十一日止年度之物業表現；

(vii) 審閱持續關連交易，以確保其乃按正常商業條款訂立，為公平合理並根據該等持續關連交易相關協議的條款進行；

(viii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；及

(ix) 就有關本集團所採納的會計原則及慣例、上市規則的合規情況及其他財務匯報規定與獨立核數師討論。

Overall, the Audit Committee is satisfied with the condition of the Company, including the corporate governance practices, internal control system, qualifications and experience of the staff in accounting and financial reporting function, and the training programmers.

整體而言，審核委員會滿意本公司之狀況，包括企業管治實務、內部監控制度以及會計及財務匯報職能方面的員工之資歷及經驗與員工所接受的培訓課程是足夠的。

One of the specific works vested upon the Audit Committee is to develop and review the corporate governance policies and practices of the Company. Upon reviewed by the Audit Committee and approved by the Board, the main policies for the corporate governance of the Company are to develop the Company itself as a sustainable and competitive company in the business sector in the interests of the Company and the shareholders as a whole, with an aim for a prudent and profitable development and long-term achievement of growth through the well-established corporate governance principles, risk monitoring management and practices. As a listed company in Hong Kong, the Company is obliged to follow the principles, code provisions and recommended best practices (if applicable) set forth in Appendix 14 to the Listing Rules as the substantial requirement on achieving high standards of corporate governance as well as a cornerstone of the corporate governance policy of the Company.

審核委員會的其中一項特定工作為發展及檢討本公司有關企業管治的政策及常規。經審核委員會審閱並由董事會批准後，本公司的主要企業管治政策乃於符合本公司及股東整體利益的情況下將本公司本身發展為一間可持續發展及具競爭力的商業公司，並旨在透過成熟的企業管治原則、風險監管、管理及常規，達致審慎及高利潤的發展以及長遠增長。作為一間香港上市公司，本公司須遵守上市規則附錄14所載的原則、守則條文及建議最佳常規(如適用)，此乃達致高水平企業管治的重大要求及本公司企業管治政策的基石。

Remuneration Committee

Structure

The Remuneration Committee has been established on 8 June 2015 with written terms of reference in compliance with Rule 3.26 of the Listing Rules and code provision B.1.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the roles to assist the Board in reviewing and determining the framework or specific policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other matters as defined by the Board.

As at the date of this annual report, the Remuneration Committee is made up of four INEDs:

Ms. Lee Yin Man *(Chairman)* (appointed on 9 August 2024)

Ms. Huang Chunlian (appointed on 9 August 2024)
Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Ms. Chan Wai Yan (appointed on 11 April 2025)

薪酬委員會

架構

薪酬委員會於二零一五年六月八日成立，並遵照上市規則第3.26條及上市規則附錄14列載之企業管治守則第B.1.3條制訂及公開其書面職權範圍。其角色為協助董事會檢討及釐定董事及高級管理層之薪酬架構或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

於本年報日期，薪酬委員會由四位獨立非執行董事組成：

李彥雯女士*(主席)*(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
陳慧恩女士(於二零二五年四月十一日獲委任)

Functions

The principal responsibilities of the Remuneration Committee are as follows:

(i) to make recommendations to the Board on the policy and structure of the Company for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment);

(iii) to make recommendations to the Board on the remuneration of executive and non-executive Directors; and

(iv) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company.

The terms of reference of the Remuneration Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their recommendations relating to the remuneration of other executive Directors and may also obtain independent professional advice.

職能

薪酬委員會之主要職責如下：

(i) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；

(ii) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；

(iii) 就執行及非執行董事的薪酬向董事會提出建議；及

(iv) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須對本公司而言屬公平合理及不致過多。

有關薪酬委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

薪酬委員會應就其他執行董事之薪酬建議諮詢主席及／或行政總裁，亦可索取獨立的專業意見。

Works Performed

The works performed by the members of the Remuneration Committee during the Year under Review are summarized as below:

(i) to consider and make recommendations to the Board for endorsement of the remuneration policy of the Company and letters of appointment of the Directors and senior management with major terms and conditions, to comply with the CG Code; and

(ii) to assess performance of executive Directors and consider and make recommendations to the Board on the remuneration of the Directors and senior management during the Year under Review.

(iii) Pursuant to code provision B.1.5 of the CG Code, the five highest paid employees during the year are seven Directors (2023: five Directors), details of whose remuneration are set out in Note 8 to the financial statements. During the Year under Review, the remuneration paid to the senior management fell within the following band:

履行之工作

薪酬委員會成員於回顧年內所履行之工作概述如下：

(i) 就本公司薪酬政策及本公司董事及高級管理層委聘函的主要條款及條件作出考慮並提出建議予董事會作批註，以符合企業管治守則；及

(ii) 評核執行董事的表現及考慮董事及高級管理層於回顧年內的薪酬並向董事會提出建議。

(iii) 根據企業管治守則的守則條文第B.1.5條，本年度五名最高薪酬僱員為七名董事(二零二三年：五名董事)，彼等之薪酬詳情載列於財務報表附註8。於回顧年度，向高級管理層成員支付之薪酬範圍如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Directors' fee, salaries, allowances and benefits in kind	董事酬金、薪金、津貼及實物利益	2,217	2,189
Equity-settled share award expense	以股權結算股份獎勵開支	–	–
Pension scheme contributions	退休金計劃供款	–	–
		2,217	2,189

The number of the highest paid employees who were Directors and whose remuneration fell within the following band is as follows:

董事且薪酬介乎以下範圍之最高薪酬僱員之人數如下：

		2024 二零二四年	2023 二零二三年
Nil to HK$1,000,000	零至1,000,000港元	7	5
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	–	–
		7	5

Nomination Committee

Structure

The Nomination Committee was established on 8 June 2015 with written terms of reference in compliance with code provisions A.5.2 and A.5.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the role to lead the process and to make recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing the Company, as well as business development and requirements of the Company.

As at the date of this annual report, the Nomination Committee is made up of one executive Director and four INEDs, namely:

Mr. Chen Chengshou *(Chairman)*
Ms. Lee Yin Man (appointed on 9 August 2024)
Ms. Huang Chunlian (appointed on 9 August 2024)
Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Cao Zhiqiang (appointed on 11 April 2025)

Ms. Chan Wai Yan (appointed on 11 April 2025)

Functions

The principal responsibilities of the Nomination Committee are as follows:

(i) to review the structure, size, composition and diversity (including but not limited to gender, age, culture and education background, ethnicity, professional experience, skills, knowledge and service term, etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the strategy of the Company;

(ii) to assess the independence of the independent non-executive Directors; and

(iii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer, taking into account the corporate strategy of the Company and the mix of skills, knowledge, experience and diversity needed in the future.

提名委員會

架構

提名委員會於二零一五年六月八日成立，並遵照上市規則附錄14列載之企業管治守則之守則條文第A.5.2條及A.5.3條制訂及公開其書面職權範圍。其角色為就委任程序作出領導及向董事會提出建議，（當不論作為新增委任或填補董事空缺發生時），以應付本公司所面對的挑戰及機遇，以及本公司業務開發及要求。

於本年報日期，提名委員會由一位執行董事及四位獨立非執行董事組成，彼等為：

陳承守先生*(主席)*
李彥雯女士(於二零二四年八月九日獲委任)
黃春蓮女士(於二零二四年八月九日獲委任)
許麒麟先生(於二零二五年四月十四日退任)
趙公澤先生(於二零二五年四月十四日退任)
曹志強先生(於二零二五年四月十一日獲委任)
陳慧恩女士(於二零二五年四月十一日獲委任)

職能

提名委員會之主要職責如下：

(i) 至少每年檢討董事會的架構、人數、組成及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；

(ii) 評核獨立非執行董事的獨立性；及

(iii) 因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

Board Diversity Policy

The Nomination Committee has adopted a "Board Diversity Policy" for the nominations of Directors to achieve diversity on the Board. The Board deeply believes that the diversity will benefit a lot to the Company in terms of enhancing the quality of its performance. To achieve the goal of sustainable and balanced development, the Company regards the increasing diversity to the strategic goals as the key element to maintain sustainable development. The Board adheres to the principle that "talent is priority", and appoints the Directors who can contribute to the diversity of the Board. The Company devotes to find the most suitable people as the member of committee. The Company will base on the scope of diversity, not only including the education background, experience, skills, knowledge and term of appointment but also including but not limited to gender, age, culture background and race, with reference to business model and specific needs of the Company. The final determination is based on merit and contribution that the selected candidates will bring to the Board. "Board Diversity Policy" is publicly available on the website of the Company. As at the date of this annual report, the information (including gender, age and term of appointment) of the members of Board is as follows:

董事會成員多元化政策

提名委員會已就董事之提名採納《董事會成員多元化政策》以達致董事會成員多元化。董事會深信董事會成員多元化對提升本公司的表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。董事會所有委任均以用人唯才為原則，並在考慮人選時以適當的條件充分顧及董事會成員多元化的裨益。本公司致力於選擇最佳人選作為董事會成員。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族，並同時考慮本公司之業務模式及具體需要。最終將按人選的長處及可為董事會提供的貢獻而作決定。《董事會成員多元化政策》已載於本公司網站供公眾瀏覽。於本年報日期，董事會資料(包括性別、年齡、服務任期)如下：

Member 董事會成員	Gender 性別	Age 年齡	Term (Note) 服務任期(附註)
Mr. Chen Chengshou	Male	59	11 years and 1 months
陳承守先生	男	59歲	11年零1個月
Mr. Cao Zhiqiang	Male	40	7 months
曹志強先生	男	40歲	7個月
Ms. Lee Yin Man	Female	41	7 months
李彥雯女士	女	41歲	7個月
Ms. Huang Chunlian	Female	29	7 months
黃春蓮女士	女	29歲	7個月
Ms. Chan Wai Yan (appointed on 11 April 2025)	Female	27	N/A
陳慧恩女士(於二零二五年四月十一日獲委任)	女	27歲	不適用
Mr. Feng Cizhao (retired on 14 April 2025)	Male	49	9 years and 1 month
豐慈招先生(於二零二五年四月十四日退任)	男	49歲	9年零1個月
Mr. Zhou Fenli (retired on 14 April 2025)	Male	55	7 months
周奮力先生(於二零二五年四月十四日退任)	男	55歲	7個月
Ms. Gao Qiaoqin (retired on 14 April 2025)	Female	53	10 years and 5 months
高巧琴女士(於二零二五年四月十四日退任)	女	53歲	10年零5個月
Mr. Zhou Zhencun (retired on 14 April 2025)	Male	63	3 years and 1 month
周振存先生(於二零二五年四月十四日退任)	男	63歲	3年零1個月
Mr. Khor Khie Liem Alex (retired on 14 April 2025)	Male	56	3 years and 3 months
許麒麟先生(於二零二五年四月十四日退任)	男	56歲	3年零3個月
Mr. Chiu Kung Chak (retired on 14 April 2025)	Male	43	3 years and 1 month
趙公澤先生(於二零二五年四月十四日退任)	男	43歲	3年零1個月

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one-third of the members of the Board shall be independent non-executive Directors;

(B) at least one of the members of the Board shall have obtained accounting or other professional qualifications; and

(C) members of the Board shall consist of professional talents both from PRC and Hong Kong.

For the year ended 31 December 2024, the Board has achieved the measurable objectives in the board diversity policy. The Nomination Committee will monitor the implementation of this policy and review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The terms of reference of the Nomination Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

Works Performed

The works performed by the members of Nomination Committee during the Year under Review are summarized as below:

(i) to formulate, consider and review the policy, procedures and process and criteria for the nomination of the Directors and make recommendations to the Board for its endorsement; and

(ii) review the structure, size and composition of the Board and assess on the independence of the independent non-executive Directors.

Director Nomination Policy

The director nomination policy formulated by the Nomination Committee is as follows:

This policy sets out the key selection criteria and principles of the Nomination Committee in making any such recommendations.

就實施董事會成員多元化政策而言，乃採納以下可計量目標：

(A) 至少三分之一董事會成員須為獨立非執行董事；

(B) 至少一名董事會成員須獲得會計或其他專業資格；及

(C) 董事會成員組成包括中港兩地專業人才。

截至二零二四年十二月三十一日止年度，董事會已實現董事會成員多元化政策中的可計量目標。提名委員會監察本政策的執行，並在適當時候檢討本政策，以確保本政策行之有效。提名委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

有關提名委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

履行之工作

提名委員會成員於回顧年內所履行之工作概述如下：

(i) 訂定、考慮及審閱提名董事的政策、程序及過程及準則，並向董事提出建議，以供其批註；及

(ii) 檢討董事會的架構、規模及組成以及評估獨立非執行董事的獨立性。

董事提名政策

提名委員會訂定的《董事提名政策》如下：

此政策旨在列明提名委員會於作出任何有關建議時所採用的主要甄選標準及原則。

Selection Criteria

The Nomination Committee shall consider the following factors, which are not exhaustive and shall be used by the Board at its discretion, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):

(a) reputation for integrity;

(b) accomplishment, experience and reputation in the business and industry;

(c) commitment in respect of time availability, interest and attention to the businesses of the Company and its subsidiaries;

(d) the diversity of the candidates in all aspects with reference to the Board Diversity Policy of the Company (as adopted and amended by the Board from time to time), including but not limited to gender, age, cultural/educational and professional background, ethnicity, professional experience, independence, skills, knowledge and length of service;

(e) in case of a candidate for an independent non-executive director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements in relation to independent non-executive directors as set out in Code Provision A.5.5 of Appendix 14 to the Listing Rules and in the "Guidance for Boards and Directors" published by the Hong Kong Stock Exchange; and

(f) any other relevant factors that may be considered by the Nomination Committee or the Board from time to time at their discretion.

Nomination Procedures

The nomination procedures to select and recommend candidates for the directorship of the Company can be summarised as follows:

(a) The chairman of the Nomination Committee will, upon his/her own motion or receipt of a nomination from a Board member (as the case may be), convene a meeting of the Nomination Committee or circulate a resolution in writing to the members of the Nomination Committee to consider the same in accordance with the terms of reference.

甄選標準

提名委員會在評估候選人是否適合任命董事或重新任命董事時，應考慮下列因素，這些因素並非詳盡無遺，董事會認為適當時候可酌情決定：

(a) 誠信的聲譽；

(b) 在商業和行業中的成就、經驗和聲譽；

(c) 對本公司及其子公司的業務給予足夠的時間、興趣和關注的承諾；

(d) 參考本公司的董事會成員多元化政策（經董事會採納並不時修訂），考慮其所有方面的多樣性，包括但不限於性別、年齡、文化／教育和專業背景、種族、專業經驗、獨立性、技能、知識及服務期長短；

(e) 就本公司獨立非執行董事候選人而言，將予評估：(i)有關候選人的獨立性（參考（其中包括）上市規則第3.13條所載的獨立性標準）；及(ii)上市規則附錄14守則條文第A.5.5條及香港聯交所公佈的「董事會及董事指引」所載的有關獨立非執行董事之指引及規定；及

(f) 提名委員會或董事會不時酌情決定的任何其他相關因素。

提名程序

甄選及推薦本公司董事候選人的提名程序可概述如下：

(a) 提名委員會主席將出於自願或於獲得董事會成員提名（視情況而定）時，召開提名委員會會議或向提名委員會成員傳閱書面決議案，以根據職權範圍考慮有關事項。

(b) For filling a casual vacancy to the Board or as an addition to the Board, the Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) to the nominated candidate and make recommendations to the Board for consideration, and the Board will then decide as to whether the nominated candidate shall be eligible to be appointed as a Director of the Company.

(c) For the re-election of Directors of the Company:

(i) the Nomination Committee will conduct the relevant selection process and selection criteria to the director proposed to be re-appointed and make recommendations to the Board for consideration, and the Board will then decide as to whether the director shall be eligible to be re-appointed as a Director of the Company; and

(ii) if the director proposed to be re-appointed or re-elected due to retirement by rotation under the Articles of Association of the Company is an independent non-executive Director who has served the Board for more than 9 years, the Nomination Committee shall also assess whether the director has remained independent in the context of the Listing Rules, as amended from time to time (the "Listing Rules") and shall be re-elected at the next general meeting of the Company and make recommendations to the Board for consideration. The Board will then decide as to whether the director has remained independent in the context of the Listing Rules, and if so, recommend the proposed re-appointment/re-election of the director to the shareholders of the Company for consideration at the next general meeting of the Company. According to the Code Provision A.4.3 of the Appendix 14 to the Listing Rules, the circular of the Company relating to the proposed reappointment of such director shall include the reasons why the Board believes that the director is still independent and shall be re-elected.

(b) 填補董事會的臨時空缺或為董事會增補董事時，提名委員會將對獲提名的候選人執行相關甄選程序(連同相關甄選標準)，並向董事會提出推薦意見以供考慮，而董事會屆時將決定獲提名候選人是否有資格獲委任為本公司董事。

(c) 於重選本公司董事時：

(i) 提名委員會將對擬獲重選董事執行相關甄選程序及甄選標準，並向董事會提出推薦意見以供考慮，而董事會屆時將決定董事是否有資格獲重新委任為本公司董事；及

(ii) 倘因根據本公司組織章程細則輪席告退而擬獲重新委任或重選的董事為出任董事會逾9年的獨立非執行董事，則提名委員會亦應評估董事就上市規則(經不時修訂)(「上市規則」)而言是否仍屬獨立及應否於本公司下屆股東大會上膺選連任，並向董事會提出推薦意見以供考慮。董事會屆時將決定董事就上市規則而言是否仍屬獨立，倘屬獨立，將於本公司下屆股東大會向本公司股東推薦擬重新委任／重選董事。根據上市規則附錄14守則條文第A.4.3條，有關擬重新委任有關董事的本公司通函應包括董事會相信董事仍屬獨立且應獲重選之理由。

Information of the Candidates

The proposed candidates will be required to submit the necessary personal information in a prescribed form by the Nomination Committee. Candidates may be required to provide additional information and documents, if deemed necessary by the Nomination Committee.

候選人資料

提名委員會將要求推薦的候選人按指定的形式提交必要的個人資料，候選人或需提供額外資料及文件(倘提名委員會認為必要)。

MANAGEMENT FUNCTIONS

Basically, the Board and its committees were responsible for the following matters during the year:

(i) oversee the general operations of the Company;

(ii) ensure effective implementation of the Board decisions and corporate governance, with the assistance of the Company Secretary;

(iii) ensure the short-term and long-term sustainability of the business;

(iv) lead the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(v) provide consistent leadership to the Company;

(vi) satisfy itself on the integrity of financial information and on robustness and defensibility of the financial controls and systems of risk management and carry out review thereon;

(vii) scrutinize the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(viii) provide constructive proposals and help on developing business strategic plan;

(ix) uphold high standards of corporate governance and compliance; and

(x) participate in the process of dealing with any conflict of interest between the Company and the Directors, his/her associates or substantial shareholders who have material interests in the transaction with the Company.

管理層職能

基本上，董事會及其委員會於本年度內負責以下事項：

(i) 監察本公司的一般營運；

(ii) 於公司秘書的協助下，確保董事會的決定及企業管治能有效實施；

(iii) 確保業務具有短期及長期的持續性；

(iv) 領導本公司管理層於達致協定方針及目標的表現以及監察表現的申報工作；

(v) 為本公司提供一致的領導；

(vi) 信納財務資料的真確性、財務監控及風險管理系統的可信性及可辯解性，並就此進行有關檢討；

(vii) 詳細檢討本公司管理層於達致協定方針及目標的表現，並監管表現的申報；

(viii) 就發展業務策略計劃書提供具建設性的建議及協助；

(ix) 保持高水平的企業管治及合規工作；及

(x) 參與處理就本公司與董事、彼等聯繫人或於本公司交易中擁有重大權益的主要股東之間的任何利益衝突的過程。

During the Year under Review, the management was mainly responsible for the following matters:

1. daily investment, management, operation and administration of the Company;
2. comply with the rules and regulations, including the Listing Rules, and implement corporate governance policy determined by the Board;
3. draw the Directors' attention on the new corporate governance requirements;
4. organize the Board and various meetings for the Directors' discussion;
5. prepare various reports to the Board for review and decision making; and
6. organize training for the Directors.

During the Year under Review, the management provided all members of the Board updates every half year in accordance with the code provision C.1.2 of the CG Code.

於回顧年內，管理層主要負責：

1. 本公司的日常投資、管理、營運及行政；
2. 遵守規例及法規(包括上市規則)以及推行董事會所釐定的企業管治政策；
3. 提請董事關注有關企業管治的新規定；
4. 組織董事會會議及各種會議供董事討論；
5. 編製各種報告供董事會審閱及決策；及
6. 為董事安排培訓。

回顧年內，管理層已根據企業管治守則之守則條文第C.1.2條向全體董事會成員提供每半年更新資料。

MULTIPLE MATERIAL UNCERTAINTIES RELATING TO GOING CONCERN

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB589,691,000 for the year ended 31 December 2024. At 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB4,507,983,000. In addition, at 31 December 2024, the Group's outstanding borrowings of approximately RMB1,212,708,000 and the convertible bonds issued by the Group amounting approximately RMB282,125,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，本集團於截至二零二四年十二月三十一日止年度產生虧損淨額約人民幣589,691,000元。於二零二四年十二月三十一日，本集團的流動負債超過其流動資產約人民幣4,507,983,000元。此外，於二零二四年十二月三十一日，本集團尚欠借款約人民幣1,212,708,000元以及本集團已發行可換股債券約人民幣282,125,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所述其他事宜，表明存在的重大不確定性可能對本集團持續經營業務的能力帶來重大疑問。

管理層已採取多項措施，以改善本集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表乃基於持續經營的假設編製，有關假設的有效性取決於該等措施實施之結果，其受限於多個不確定因素，包括(i)成功與本集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為本集團可見將來的營運資金及承擔額外撥資；(iv)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘本集團未能按持續經營基準經營，而可能須作出有關調整以撇減本集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

During the course of audit of the consolidated financial statements of the Group for the year ended 31 December 2024, the Auditor had raised concern on the Group's ability to operate as a going concern. In order to address this concern, the Company has, among other things, taken the following measures, including but not limited to:

(i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests.

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no actions will be taken by the relevant lenders to demand immediate repayment of borrowings and interest payments in default, including those with cross default terms, and hopes to extend the due dates and repayment schedules of the outstanding borrowings. As of 31 December 2024, there is still a total principal amount of RMB1,212,708,000 outstanding and convertible bonds of approximately RMB282,125,000 that are overdue pursuant to the borrowing agreements.

(ii) Continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future.

As of the date of this report, the Company intends to obtain additional financing from other financial institutions using the Group's completed residential properties on terms deemed appropriate by the Group. The Management has also been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, with payments made according to the sales proceeds.

管理層有關無法表示意見的立場、意見及評估

於審核本集團截至二零二四年十二月三十一日止年度之綜合財務報表過程中，核數師已就本集團持續經營業務的能力提出關注。為解決此問題，本公司已採取以下措施(其中包括)，包括但不限於：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。

管理層一直就尚欠借款的重續或延展還款安排與現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括交叉違約條款所涵蓋的借款及利息)及希望延展到期日及尚欠借款的還款時間表。截至二零二四年十二月三十一日，仍尚欠本金總額人民幣1,212,708,000元，以及根據有關借款協議已逾期的可換股債券約人民幣282,125,000元。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。

截至本報告日期，本公司擬按本集團認為合適的條款，利用本集團已落成的住宅物業向其他金融機構取得額外融資。管理層亦一直與自負盈虧的承建商商討財務安排，承建商將於合約期內墊支建築成本，並根據銷售所得款項支付。

(iii) Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group.

The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties. The main structure and exterior façade of Blocks no. 9 and no. 16 of the fourth phase of the residential zone of the Shandong Project has been completed. The remaining construction works of the fourth phase is scheduled to commence in August 2025 and the expected presale commencement and construction completion date are March 2026 and June 2026, respectively. Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

Majority of the net proceeds from Shandong Project has been and will be used for the repayment of the outstanding borrowings.

(iv) Actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price.

Currently, the Company has been negotiating with certain potential purchasers and have done preliminary due diligence work regarding the sale of the whole Shanghai property development project at price deemed appropriate by the Group. The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations have yet to progress smoothly and the management of the Company is identifying new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively.

The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowings. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(iii) 加速開發中及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。

本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。山東項目第四期住宅區第9座及第16座的主體結構及外牆已完成。第四期餘下工程預計於二零二五年八月動工，預期預售開始日期及工程竣工日期分別為二零二六年三月及二零二六年六月。由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入狀況。

大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用房。

本公司現時已與若干潛在買方進行協商並已開展初步盡職審查工作，以按本集團認為合適的價格銷售整個上海物業開發項目。本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，本公司管理層正在物色新投資者參與投資上海及台州的改造工程，以提升其相關價值並更快及更有效地加快商業物業的銷售。

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) Actively accelerate the sale of its properties. The Company intends to sell the whole or portion of commercial properties in Taizhou and Shanghai, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

In addition, the management of the Company has launched the proposal of capital re-organization and rights issue with view to fundraising of approximately not more than HK$84.2 million to repay the Group's borrowings and to maintain adequate working capital for company's normal operation. For details, please refer to an announcement dated 6 December 2024.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis. Notwithstanding the above, material uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures above. The Group's ability to continue as a going concern will depend upon whether the Group is able to obtain financing when required, while the attainability will depend on the performance of the Group and whether the Group is able to generate sufficient cash flow from operations and plans to control costs, and the attainability depends on the market performance.

Despite the efforts made by the Company to address the concern, the Auditor proposed the disclaimer of opinion. The management of the Company has considered the Auditor's rationale and understood their consideration in arriving at the disclaimer of opinion.

(v) 積極加快物業銷售。本公司擬以合理價格出售台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。

此外，本公司管理層已展開資本重組及供股之建議，以籌集約不超過84.2百萬港元之資金，以償還本集團貸款、可換股債券及其他貸款，並維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二四年十二月六日之公告。

因此，董事認為按持續基準編製本集團截至二零二四年十二月三十一日止年度的綜合財務報表屬恰當。儘管上文所述，本集團能否獲得實現上述計劃及措施的必要資金仍存在重大不確定因素。本集團持續經營的能力將取決於本集團能否取得所需融資，而可獲得性將取決於本集團的表現及本集團能否產生充足的經營現金流量及控制成本的計劃，可獲得性取決於市場表現。

儘管本公司已作出努力解決此問題，而核數師已發表無法表示意見。本公司管理層已考慮核數師的理據，並理解彼等作出無法表示意見的考慮。

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

The Group recognises the importance of continuous professional development for Directors to broaden and supplement their knowledge and skills. Each Director strictly abides by their responsibilities as a director of the Company and always keeps abreast of the Company's conduct, business activities and development. In accordance with the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide their training records to the Company. Based on the training records provided by the Directors, the training attended by the Directors during the financial year 2024 is summarised as follows:

董事之持續專業發展

本集團深諳持續專業發展對董事拓展及補充知識及技能的重要性。各董事均恪守作為本公司董事的責任，並時刻緊貼本公司的操守、業務活動及發展。根據企業管治守則規定，所有董事應參與持續專業發展，發展並更新其知識及技能，並應向本公司提供其培訓記錄。根據董事提供的培訓記錄，彼等於二零二四財政年度所參與的培訓概述如下：

Directors	董事	Corporate Governance, Regulatory Development and Trainings on other relevant topics 企業管治、監管發展及其他相關議題的培訓
Executive Directors	**執行董事**	
Mr. Chen Chengshou	陳承守先生	✔
Mr. Feng Cizhao (retired on 14 April 2025)	豐慈招先生(於二零二五年四月十四日退任)	✔
Mr. Zhou Fenli (appointed on 9 August 2024 and retired on 14 April 2025)	周奮力先生(於二零二四年八月九日獲委任及於二零二五年四月十四日退任)	✔
Non-executive Directors	**非執行董事**	
Mr. Cao Zhiqiang (appointed on 9 August 2024 and redesignated on 11 April 2025)	曹志強先生(於二零二四年八月九日獲委任及於二零二五年四月十一日調職)	✔
Ms. Gao Qiaoqin (retired on 14 April 2025)	高巧琴女士(於二零二五年四月十四日退任)	✔
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)	蔡偉康先生(於二零二五年二月二十四日辭任)	✔
Mr. Zhou Zhencun (retired on 14 April 2025)	周振存先生(於二零二五年四月十四日退任)	✔
Independent Non-executive Directors	**獨立非執行董事**	
Ms. Lee Yin Man (appointed on 9 August 2024)	李彥雯女士(於二零二四年八月九日獲委任)	✔
Ms. Huang Chunlian (appointed on 9 August 2024)	黃春蓮女士(於二零二四年八月九日獲委任)	✔
Mr. Khor Khie Liem Alex (retired on 14 April 2025)	許麒麟先生(於二零二五年四月十四日退任)	✔
Mr. Chiu Kung Chak (retired on 14 April 2025)	趙公澤先生(於二零二五年四月十四日退任)	✔
Mr. Leung Lau Wai Leung (resigned on 10 December 2024)	劉偉樑先生(於二零二四年十二月十日辭任)	✔
Ms. Chan Wai Yan (appointed on 11 April 2025)	陳慧恩女士(於二零二五年四月十一日獲委任)	N/A不適用

DIVIDEND POLICY

The Board of the Company has approved and adopted a dividend policy (the "Dividend Policy") on 26 February 2019. The Company considers stable and sustainable returns to the shareholders of the Company as its goal. Pursuant to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, *inter alia*:

(a) financial performance, cash flow position, business condition and strategic position of the Group

(b) actual and future demand for working capital and liquidity of the Group

(c) expected future expansion plans of the Group

(d) debt to equity ratios and the debt level of the Group

(e) retained earnings and distributable reserves of the Group

(f) the expectation of the shareholders and investors and the norm of the industry

(g) the general market conditions

(h) any restrictions on payment of dividends

(i) any other relevant factors that the Board deems appropriate

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. Pursuant to the Memorandum and Articles of the Association of the Company and all applicable laws and regulations and the factors set out below, the Board may from time to time declare payment of interim dividends or special dividends to the shareholders as appear to the Board to be justified by the financial conditions and profit of the Company. The Company in general meeting may declare final dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Board of the Company will review the Dividend Policy as appropriate from time to time.

股息政策

本公司董事會已於二零一九年二月二十六日批准及採納股息政策(「股息政策」)。本公司以提供穩定及可持續回報予本公司股東作為目標。根據股息政策，在決定是否建議派發股息及釐定股息金額時，董事會將考慮(其中包括)：

(a) 本集團的財務業績、現金流狀況、業務狀況及策略狀況

(b) 本集團的實際和未來營運及流動資金需求狀況

(c) 本集團預期未來擴展計劃

(d) 本集團的負債對權益比率及債務水準

(e) 本集團的保留盈餘和可供分派儲備

(f) 股東及投資者的期望及行業的常規

(g) 一般市場情況

(h) 任何派付股息的限制

(i) 董事會認為適當的任何其他相關因素

在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股權價值。根據本公司組織章程大綱及細則、所有適用法規及下列因素，董事會可不時向股東宣派其鑑於本公司的財務狀況及溢利而認為合理的中期股息或特別股息，而本公司亦可在股東大會中宣派任何貨幣之末期股息，但任何股息均不得多於董事會所建議的款額。

本公司董事會將在有需要時檢討股息政策。

REVIEW OF ANNUAL RESULTS

During the Year under Review, the Audit Committee of the Company (the "Audit Committee") consists of four independent non-executive Directors, namely Mr. Khor Khie Liem Alex (being the chairman of the Audit Committee), Mr. Chiu Kung Chak, Ms. Lee Yin Man and Ms. Huang Chunlian, and the consolidated interim and annual results and financial reports for the Year under Review of the Company have been reviewed by them. Subsequently, the consolidated financial statements and financial report for the Year under Review of the Company have been reviewed by Ms. Lee Yin Man, Ms. Huang Chunlian and Ms. Chan Wai Yan.

審閱年度業績

於回顧年內，本公司在職審核委員會(「審核委員會」)的成員包括四名獨立非執行董事，即許麒麟先生(即審核委員會主席)、趙公澤先生、李彥雯女士及黃春蓮女士已審閱本公司回顧年內的綜合中期及年度業績。其後，李彥雯女士、黃春蓮女士及陳慧恩女士已審閱本公司回顧年內的綜合財務報告。

INDEPENDENT AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the remuneration paid or payable to the Independent Auditor of the Company, Global Link CPA Limited, was approximately HK1.90 million for audit services (2023: approximately HK1.90 million).

獨立核數師酬金

截至二零二四年十二月三十一日止年度，就核數服務已付或應付予本公司的獨立核數師高嶺會計師有限公司的酬金總額為約為1.90百萬港元(二零二三年：約1.90百萬港元)。

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year under Review, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. A statement made by the Independent Auditor on their reporting responsibilities for the Year under Review is set out in this annual report.

The Group's auditor has issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2024 with the basis of multiple material uncertainties relating to going concern. For details, please refer to "Management Discussion and Analysis" and Note 2 to the consolidated financial statements on pages 21 to 22.

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以儘早發佈為基礎，而中期報告及年報，連同其他股價敏感資料公佈及財務披露則根據上市規則之規定而公佈。

管理層向董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

於回顧年內，董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據國際會計準則理事會頒佈之國際財務報告準則而編製。獨立核數師就彼等於回顧年內之報告責任所發出之聲明已載於本年報內。

基於與持續經營相關的多個不確定事項，本集團核數師對本集團截至二零二四年十二月三十一日止年度綜合財務報表無法表示意見。詳情請參閱「管理層討論及分析」及第21至22頁綜合財務報表附註2。

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and objectives

The Board acknowledges that it is the responsibility of the Board to maintain adequate risk management and internal control systems and to review the effectiveness of such systems on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalize the risk management of the Group, build up a standard and effective risk management system and improve the ability of risk prevention, so as to ensure that the Group could operate in a safe and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

The Board has delegated the work (with relevant authorities) of risk management and internal controls to the Audit Committee. For the year ended 31 December 2024, the Audit Committee, on behalf of the Board, oversaw the management in the design, implementation and monitoring of the risk management and internal control systems.

Main features of the risk management and internal control systems

The risk governance structure and the main responsibilities of each level of the structure of the Group are summarised as below:

Board

- Determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of risks it is willing to take in achieving the strategic objectives of the Group;
- Ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems; and
- Oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

風險管理及內部監控

方針及目標

董事會確認對風險管理及內部監控系統充分性負責，並有責任持續檢討其有效性。該風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。

風險管理政策的制定旨在使本集團的風險管理正規化，建立標準及有效風險管理系統，提升防範風險能力，從而確保本集團於安全穩定的環境中經營業務，經營管理水平可獲提升，且可達成本集團的經營策略及目標。現有慣例將被定期審閱及更新，以遵循企業管治中的最新慣例。

董事會已將其風險管理及內部監控的職責(與相關權力)轉授予審核委員會。截至二零二四年十二月三十一日止年度，審核委員會(代表董事會)監督管理層對風險管理及內部監控系統的設計、實施及監察。

風險管理及內部監控系統的主要特點

本集團之風險管治架構以及架構內各階層的主要職責簡介如下：

董事會

- 釐定本集團之業務策略與目標，及評估並釐定本集團達成策略目標時所願意接納的風險性質及程度；
- 確保本集團建立及維持合適及有效的風險管理及內部監控系統；及
- 監督管理層對風險管理及內部監控系統的設計、實施及監察。

Audit Committee

- Assists the Board to perform its responsibilities of risk management and internal control;
- Oversees the risk management and internal control systems of the Group on an ongoing basis;
- Reviews the effectiveness of the risk management and internal control systems of the Group at least once annually, which includes the reliability of financial reporting, operational effectiveness and efficiency, compliance with applicable laws and regulations, staff qualifications and experience, and adequacy of relevant budget, and such review shall cover all material controls including financial, operational and compliance control;
- Ensures the adequacy of resources, staff qualifications and experience, training programmes and relevant budget of the accounting, internal audit and financial reporting functions of the Group; and
- Considers major findings on risk management and internal control matters, and reports and makes recommendations to the Board.

Management

- Designs, implements and maintains appropriate and effective risk management and internal control systems;
- Identifies, evaluates and manages the risks that may potentially impact the major processes of the operations;
- Monitors risks and takes measures to mitigate risks in day-to-day operations;
- Gives prompt responses to, and follows up the findings on risk management and internal control matters raised by the internal audit team or the external risk management and internal control review adviser; and
- Provides confirmation to the Board and Audit Committee (there is no risk management committee) on the effectiveness of the risk management and internal control systems.

審核委員會

- 協助董事會執行其風險管理及內部監控的職責；
- 持續監督本集團的風險管理及內部監控系統；
- 最少每年檢討一次本集團的風險管理及內部監控系統是否有效。當中包括財務匯報的可靠性，營運效益及效率，適用法令及法規的遵從，員工資格與經驗，以及有關預算是否足夠，有關檢討應涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控；
- 確保本集團在會計、內部審核及財務匯報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程，以及有關預算；及
- 考慮有關風險管理及內部監控事宜的重要調查結果，並向董事會匯報及作出建議。

管理層

- 設計、實施及維持合適及有效的風險管理及內部監控系統；
- 識別、評估及管理可能對運作之主要程序構成潛在影響之風險；
- 監察風險並採取措施降低日常營運風險；
- 對內部審計團隊或外部風險管理及內部監控審閱顧問提出之有關風險管理及內部監控事宜之調查結果，作出及時的回應及跟進；及
- 向董事會及審核委員會(並無風險管理委員會)提供有關風險管理及內部監控系統是否有效的確認。

Internal Control Management Team

- Reviews the adequacy and effectiveness of the risk management and internal control systems of the Group;
- Reports to the Audit Committee the findings of the review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified;
- Reviews the risks of major investment development projects, and continuously improves the policies and standards for environmental control in accordance with the COSO internal control framework and the comprehensive risk management framework to ensure effective risk prevention and control; and
- Based on five elements, namely environment control, risk assessment, activities control, information and communication, monitoring to assess the internal control system of the Group. The methods, findings and results of the annual review have been reported to the Audit Committee and the Board.

Process used to identify, evaluate and manage significant risks

As a routine procedure and part of the risk management and internal control systems, executive Directors and the senior management would meet at least once every three months to review the financial and operating performance of each department. The senior management of the key operating subsidiaries is also required to keep executive Directors informed of material developments of the business of the department and implementation of the strategies and policies set by the Board on a regular basis.

The processes for identifying, evaluating and managing significant risks by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the business and operations of the Group.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact of risk on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control procedures to prevent, avoid or mitigate the risks.

內控管理團隊

- 審閱本集團風險管理及內部監控系統是否足夠及有效；
- 向審核委員會匯報審閱結果並向董事會及管理層作出建議，以改善制度之重大不足之處或所發現之監控缺失；
- 審查重大投資開發項目的風險，按照COSO內部控制框架和全面風險管理框架，持續改善控制環境的政策及標準，確保風險的有效防控；及
- 根據控制環境、風險評估、控制活動、信息和溝通及監督五大範疇，評估本集團之內部監控系統。年度檢討之方法、發現及結果經已向審核委員會及董事會匯報。

用於識別、評估及管理重大風險的程序

作為常規程序及部分風險管理及內部監控系統的一部分，執行董事及高級管理層將至少每三個月會見一次，以檢討各部門的財務及營運業績。主要經營附屬公司的高級管理層亦須告知執行董事部門業務的重大發展以及實施董事會定期制定的策略及政策。

本集團用於識別、評估及管理重大風險的程序簡介如下：

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

風險評估

- 使用管理層建立之評估標準，評估已識別之風險；及
- 考慮風險對業務之影響及出現之可能性。

風險應對

- 透過比較風險評估之結果，排列風險優先次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control procedures are in place;
- Revises the risk management strategies and internal control procedures in case of any significant changes; and
- Reports the results of risk monitoring to the management and the Board regularly.

The Board has in place an internal audit function as required under code provision C.2.5 of the CG Code. To strengthen the risk management and internal control of the Group, the Company has engaged an independent professional adviser ("Internal Control Adviser") to perform an independent appraisal of certain subsidiary's risk management and internal control system for the year ended 31 December 2024. The scope of review for the Year included capital management, borrowing management, expenditure management and financial reporting process of a principal operating subsidiary. The Internal Control Adviser has reported the results of internal control review and recommendations for improvement to the Audit Committee. The Group will closely follow up on each recommendation for improvement to ensure that it is implemented within a reasonable period of time. The Board, therefore, considers that the risk management and internal control procedures of the Group are adequate to meet the needs of the Company in its current business environment and that nothing has come to its attention to cause the Board to believe the risk management and internal control systems of the Group are inadequate.

Information disclosure policy

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosures are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- Designated reporting channels from different operations informing any potential inside information to designated departments;
- Designated persons and departments to determine further escalation and disclosure as required; and
- Designated persons authorised to act as spokespersons and respond to external enquiries.

風險監察及匯報

- 持續並定期監察有關風險，以及確保設有適當的內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 向管理層及董事會定期匯報風險監察的結果。

董事會已根據企業管治守則的守則條文第C.2.5條設立內部審核職能。為加強本集團的風險管理及內部監控，本公司已委聘獨立專業顧問(「內部監控顧問」)對若干附屬公司於二零二四年十二月三十一日止年度的風險管理及內部監控系統展開獨立評估。本年度檢討的範圍包括一間主要營運附屬公司的資金管理、貸款管理、費用支出管理及財務匯報流程。內部監控顧問已向審核委員會報告內控審閱結果及改善建議。本集團會密切跟進各改善建議，確保於合理的時間範圍內實施。因此，董事會認為本集團的風險管理及內部監控程序有效，足以應付本公司當前業務環境的需求，且未有發現任何導致董事會相信本集團風險管理及內部監控體系並不充分之事宜。

信息披露政策

本集團訂有信息披露政策，確保能掌握潛在內幕消息並加以保密，直至按上市規則作出一致且適時的披露為止。該政策規管處理及發放內幕消息的方式，包括以下各項：

- 特設匯報渠道，讓不同營運單位向指定部門匯報潛在內幕消息的信息；
- 指定人士及部門按需要決定進一步行動及披露方式；及
- 指定人士為發言人，回應外界查詢。

REVIEW OF THE AUDIT COMMITTEE AND THE BOARD

The Audit Committee and the Board had reviewed the risk management and internal control of the Group for the Year under Review. They considered the risk management and internal control system were effective and adequate as they allowed the Board to monitor the overall financial position of the Group and to provide reasonable assurance that assets are safeguarded against unauthorised use or material financial misstatement; transactions were executed with authorization of the management; and the accounting records were reliable for preparing financial information used within the business or for publication and reflecting accountability for assets and liabilities.

審核委員會及董事會之審閱

審核委員會及董事會已審閱本集團回顧年內之風險管理及內部監控。審核委員會認為風險管理及內部監控系統屬有效及足以讓董事會監察本集團之整體財務狀況及可合理確定資產不會被未授權使用或虛報重大財務資料；交易乃根據管理層之授權簽立；及會計記錄能可靠地編製供業務內使用或作刊發之財務資料，並反映資產及負債之可表述性。

COMPANY SECRETARY

The company secretary of the Company, Mr. Kam Chun Ying Francis ("Mr. Kam"), directly reports to the chief executive officer and is responsible to the Board for ensuring that the Board procedures, applicable laws, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and arranging the induction training and professional development for the Directors.

According to Rule 3.29 of the Listing Rules, Mr. Kam has taken no less than 15 hours of relevant professional training for the year ended 31 December 2024.

公司秘書

本公司公司秘書甘俊英先生(「甘先生」)直接向行政總裁匯報，並向董事會負責，以確保遵從董事會程序、適用法律、規定及法規，且董事會活動有效率並有效地進行。彼亦負責確保董事會全面評估與本集團有關的相關企業管治發展及安排董事的入職培訓及專業發展。

根據上市規則第3.29條，甘先生已於截至二零二四年十二月三十一日止年度參與不少於15小時的相關專業培訓。

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association on 8 June 2015, which became effective on the Listing Date. There had been no significant changes in the constitutional documents of the Company during the year ended 31 December 2024.

章程文件的重大變更

本公司已於二零一五年六月八日採納經修訂及經重列之備忘錄及組織章程細則並於上市日期生效。本公司截至二零二四年十二月三十一日止年度之章程文件並無重大變更。

SHAREHOLDERS' RIGHTS

The Company treats all shareholders equally with a view to ensuring that their rights can be fully exercised and their legitimate interests can be safeguarded and that the shareholders' general meetings can be convened and held in strict compliance with the relevant laws and regulations. The governing structures of the Company ensure equality among all shareholders, especially the minority shareholders and that they will undertake their obligations accordingly.

股東權利

本公司平等對待所有股東，確保股東能充分行使權利。保護其合法權益：能夠嚴格按照相關法律法規的要求召集、召開股東大會、本公司的管治結構確保所有股東，特別是中小股東享有平等的權利，並承擔相應的義務。

Procedures for convening general meetings by shareholders

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東召開股東大會之程序

根據組織章程細則第64條，董事會可按其認為合適的時候召開特別股東大會。特別股東大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在存放該請求書後2個月內召開。如董事會在請求書存放日期起計21日內未有進行安排召開有關會議，則請求(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

Procedures for putting forward proposals at Shareholders' meeting

Shareholders are requested to follow Article 64 of the Articles of Association for proposing a resolution at an extraordinary general meeting. The requirements and procedures are set out in the paragraph headed the "Procedures for convening general meetings by shareholders" above.

於股東大會上提呈建議之程序

在股東特別大會上提呈決議案的股東應遵循組織章程細則第64條的規定。有關規定及程序載於上文「股東召開股東大會之程序」一段。

Procedures for nominating a candidate for election as a Director by shareholders of the Company

Pursuant to Article 113 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office of the Company. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

本公司股東提名人選參選董事之程序

根據公司章程第113條，除非一項有意提名選舉該位人士為董事的書面通知以及一項該位被推選人士簽發表明其願意選舉之書面通知已呈交至本公司總辦事處或註冊辦事處，否則概無人士(退任董事除外)有權在任何股東大會上選舉出任董事職位(除非由董事會推選)。提交該等通知之期間須由不早於指定進行該推選之股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七日結束，而向本公司發出該等通知之最短期間須為最少七日。

For details of "the procedures for nominating a candidate for election as a Director by shareholders", please visit the website of the Company.

有關「本公司股東提名人選參選董事之程序」的詳情，請瀏覽本公司網站。

Constitutional Documents

The Board proposed to amend the then articles of association of the Company and to adopt the second amended and restated articles of association of the Company in order to, among other things, (i) updating and bringing the then articles of association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; (ii) facilitating the holding of hybrid or electronic shareholders meetings; and (iii) making other consequential and housekeeping changes. A special resolution of the Shareholders was passed at the 2023 annual general meeting of the Company held on 14 April 2025 to approve the amendments to the then articles of association of the Company and the adoption of the second amended and restated articles of association of the Company with effect from the same date.

For the summary of the major changes brought by and the details of the amendments to the then articles of association of the Company, please refer to the announcement of the Company dated 12 March 2025 and the circular of the Company dated 21 March 2025.

The second amended and restated articles of association of the Company was published on the Company's website (www.xinm.com.cn) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

章程文件

董事會建議修訂本公司當時的組織章程細則，並採納第二次經修訂及重列的本公司組織章程細則，以(其中包括)(i)更新本公司當時經修訂及重列之組織章程細則並使之符合有關擴大無紙化上市機制及上市發行人通過電子方式傳播公司通訊的最新監管要求，以及針對自二零二三年十二月三十一日起生效的上市規則所作出之相關修訂；(ii)便於舉行混合或電子股東大會；及(iii)進行其他後續及內務修訂。股東已於二零二五年四月十四日舉行的本公司二零二三年股東週年大會上通過特別決議案，批准修訂本公司當時的組織章程細則及採納本公司第二次經修訂及重列組織章程細則，自同日起生效。

有關本公司當時的組織章程細則所帶來的主要變動概要及修訂詳情，請參閱本公司日期為二零二五年三月十二日的公告及本公司日期為二零二五年三月二十一日的通函。

本公司第二次經修訂及重列組織章程細則已於本公司網站(www.xinm.com.cn)及香港交易及結算所有限公司的披露易網站(www.hkexnews.hk)刊載。

SHAREHOLDERS COMMUNICATION POLICY

1. Purpose

1.1 This policy aims to set out the objective of providing shareholders with information about the Company, so that they can engage actively with the Company and exercise their rights as shareholders in an informed manner.

2. General policy

2.1 Information shall be circulated to shareholders through the financial reports of the Company (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the (i) corporate communication documents including, but not limited to, copy of annual reports, interim reports, notices of meetings, circulars, proxy forms ("Corporate Communication"); (ii) other documents issued by the Company which are published on the website of the Main Board of the Hong Kong Stock Exchange for the information or action of holders of any of its securities, including announcements, monthly returns on movements in the securities of the Company for each month and next day disclosure returns; (iii) constitutional documents of the Company and Board committees; (iv) corporate information including a list of directors ("Directors") of the Company; and (v) other corporate publications including the procedures for nominating a candidate for election as a Director by shareholders on the website of the Company.

2.2 Effectively and timely dissemination of information to shareholders shall be ensured at all times. Any question regarding this policy shall be directed to the Company Secretary or the Board of Directors of the Company.

3. Communication strategies

Shareholders' enquiries

3.1 Shareholders may send their enquiries and concerns to the Company Secretary by mail at Unit D, 7/F, Kee Shing Centre, 74–76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company Secretary is responsible for forwarding communications relating to matters within the direct responsibilities of the Board to it and communications relating to ordinary business matters, such as suggestions and inquiries, to the CEO of the Company.

3.2 Shareholders will be provided with the information of designated contact person, e-mail address and hotlines to enable them to raise any questions regarding the Company.

股東傳訊政策

1. 目的

1.1 本政策旨在載列向股東提供有關本公司的資料之目標，讓其可積極與本公司交流及以有根據的方式行使其作為股東之權利。

2. 整體政策

2.1 本公司須通過本公司之財務報告（中期報告及年度報告）、股東週年大會及可能召開之其他股東大會向股東提供資料，並須在本公司網站內提供所有(i)公司通訊文件（包括（但不限於）年報、中期報告、大會通告、通函、代表委任表格）（「公司通訊」）；(ii)本公司所發出而在香港聯交所主板之網站刊登以供其任何證券持有人參考或行動的其他文件，包括公佈、每個月本公司的證券變動月報表及翌日披露報表；(iii)本公司及董事會委員會之憲章文件；(iv)公司資料，包括本公司董事（「董事」）名單；及(v)其他公司刊物，包括股東可提名某人競選董事的程序。

2.2 須時刻確保有效及適時向股東分發資料。有關本政策之任何疑問可向本公司之公司秘書或本公司董事會提出。

3. 溝通策略

股東查詢

3.1 股東可將其查詢及關注事項郵寄至香港九龍尖沙咀金巴利道74–76號奇盛中心7樓D室，註明公司秘書收，以便送交董事會。公司秘書會將有關董事會直接負責事宜的通訊轉交董事會及將有關建議及查詢等日常業務事宜的通訊轉交本公司行政總裁。

3.2 股東將獲提供指定聯絡人、電郵地址及查詢熱線，讓其可就本公司提出任何疑問。

Corporate communication

3.3 Corporate Communication will be provided to shareholders in plain language and in both English and Chinese versions to facilitate their understanding.

Corporate website

3.4 A dedicated "Investor Relations" section is available on the website of the Company (http://www.xinm.com.cn). Information on the website of the Company will be updated on a regular basis.

3.5 Information released by the Company to the Hong Kong Stock Exchange is also uploaded on the website of the Company immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders' meetings

3.6 Shareholders are encouraged to attend general meetings or if they fail to do so, to appoint proxies to attend and vote at such meetings on their behalf.

3.7 Appropriate arrangements for annual general meetings shall be in place to encourage shareholders' participation.

3.8 The process of a general meeting of the Company will be monitored and reviewed on a regular basis, and changes will be made if necessary to ensure compliance with shareholders' needs.

3.9 The members of the Boards (especially the Chairman or the representative of the Board committee), appropriate management executives and external auditors will attend annual general meetings and answer shareholders' questions.

4. Shareholder privacy

4.1 The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law.

公司通訊

3.3 公司通訊將會以中、英文以淺白語言提供予股東，以便股東理解。

公司網站

3.4 本公司網站(http://www.xinm.com.cn)設有「投資者關係」一欄。本公司網站的資料會定期更新。

3.5 本公司向香港聯交所發放的資料亦於其後隨即上載本公司網站。有關資料包括財務報表、業績公佈、通函及股東大會通告及相關說明文件等。

股東大會

3.6 鼓勵股東參與股東大會，或如其無法出席股東大會，則委任代表代其出席股東大會及於會上表決。

3.7 股東週年大會將訂有適當安排以鼓勵股東參與。

3.8 本公司股東大會之過程將獲得監察及定期檢討，如有需要，會作出更改，以確保能配合股東需要。

3.9 董事會成員(特別是董事會委員會主席或其代表)、適當的管理行政人員及外聘核數師，將出席股東週年大會，回答股東提問。

4. 股東私隱

4.1 本公司肯定股東私隱的重要性，除非法律要求，否則在未得其同意的情況下，不會披露股東資料。

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a website (http://www.xinm.com.cn) to make the corporate information available on the internet to facilitate its communication with shareholders and to provide the public investors with important information, including corporate governance structure and terms of reference of Board committees.

The Company welcomes comments from investors and shareholders, and invites them to share their views and suggestions at:

investorcontact@yahoo.com

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東(包括機構投資者)定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁(http://www.xinm.com.cn)，使股東可透過互聯網取得公司資料，加強與股東之溝通，並提供重要資料予公眾投資者，包括企業管治架構以及董事會轄下委員會之職權範圍。

本公司歡迎投資者及股東提出意見，並誠邀彼等分享意見及建議，電郵地址為：

investorcontact@yahoo.com

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In accordance with Appendix C2 – Environmental, Social and Governance ("ESG") Reporting Guide ("ESG Reporting Guide") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Xinming China Holdings Company (the "Company") and its subsidiaries (collectively as the "Group" or "we") is pleased to present its Environmental, Social and Governance Report (the "ESG Report" or the "Report") for the year ended 31 December 2024. In this report, the Group has strictly followed the mandatory disclosure requirements and "comply or explain" provisions set out in the ESG Reporting Guide to disclose ESG matters during the reporting period. The Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Scope and duration of the report

The information presented in this ESG Report covers the period from 1 January 2024 to 31 December 2024 (the "Reporting Period", "Year" or "2024"). The information contained in this report was collected and compiled through various channels, including but not limited to the Group's internal control policies, factual evidence of ESG-related measures implementation, key performance indicators ("KPIs") as set out in the ESG Guide, and quantitative data on the Group's annual performance in its business operations and ESG management. The scope of the Report during the Year is the same as the period from 1 January 2023 to 31 December 2023 ("Last Year", or "2023"), including:

- The Group's headquarter office in Hangzhou;
- Shandong Xingmeng Property Limited ("Shandong Xingmeng") Office; and
- Shandong Xingmeng project company and its property development projects.

關於環境、社會及管治報告

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄C2－環境、社會及管治(「ESG」)報告指引(「ESG報告指引」),新明中國控股有限公司(「本公司」)及其附屬公司(統稱「本集團」或「我們」)欣然提呈截至二零二四年十二月三十一日止年度的環境、社會及管治報告(「ESG報告」或「本報告」)。在本報告中,本集團已嚴格依循ESG報告指引所載的強制披露規定及「不遵守就解釋」條文,對報告期內的環境、社會及管治事項進行披露。本報告以中文及英文刊發於聯交所網站。倘中英版本間出現不符,概以中文版為準。

匯報範圍及報告期

本ESG報告中所呈述的資料涵蓋二零二四年一月一日至二零二四年十二月三十一日期間(「報告期」、「本年度」或「二零二四年」)。本報告所載資料的收集與整理途徑多樣,包括但不限於本集團的內部監控政策;執行ESG相關措施的事實證據;ESG指引所載的關鍵績效指標(「KPI」),以及本集團在其業務運營及ESG管理方面的年度表現量化數據。本年度的報告範圍與二零二三年一月一日至二零二三年十二月三十一日期間(「去年度」或「二零二三年」)相同,包括:

- 本集團位於杭州的總部辦公室;
- 山東興盟置業投資有限公司(「山東興盟」)辦公室;及
- 山東興盟項目公司及其物業開發項目。

Reporting standards

The Group has prepared, evaluated and presented relevant information in this report with reference to the ESG Reporting Guide. Details regarding corporate governance are separately contained in the section headed "Corporate Governance Report". The following four principles outlined in the ESG Reporting Guide have been incorporated into this Report.

1. Materiality: The ESG Report should cover the Company's prominent impact on the economy, environment and society, or such scopes that substantively influence stakeholder assessment and decisions. We identified material sustainability issues and disclosed relevant information through stakeholder engagement.

2. Quantitative: The ESG Report should disclose KPIs in quantitative terms. We disclosed KPIs in the Report with quantitative measures whenever feasible and provide explanatory notes stating the standards, methodologies, assumptions and source of conversion factors used in calculating the relevant data.

3. Balance: The ESG Report should present a balanced picture of each of these issues in an objective manner, be they positive or negative, to ensure a comprehensive picture of performance is reasonably reflected. The Report identified and elaborated both the achievements and the challenges faced by the Group in the Year.

4. Consistency: The ESG Report should disclose information in a consistent manner so that stakeholders can analyse and assess the Company's performance in different periods of time. The company should explain the change(s) to any of its methods. Unless otherwise specified, the Report adopted consistent methodologies to compare the KPIs of different areas for the Year and 2023, so that stakeholders can compare our performance.

報告準則

本集團已參照ESG報告指引，在本報告中編製、評估並呈列相關資料。有關企業管治的詳情個別載於「企業管治報告書」一節。ESG報告指引所概述的以下四項原則已被納入本報告中。

1. 重要性：ESG報告應涵蓋反映公司對經濟、環境及社會的顯著影響，或實質上影響持份者評估及決定的範疇。我們透過持份者參與來識別重大可持續發展議題並披露相關資料。

2. 量化：ESG報告應以可計量的方式披露關鍵績效指標。我們在可行情況下，以量化方式披露關鍵績效指標於本報告內，並在解釋性批註中列明了計算相關數據時的標準、方法、假設，以及主要換算因素的來源。

3. 平衡：ESG報告應以客觀態度持平地描述每項議題，無論屬於正面或負面，以確保合理地反映公司的整體績效。本報告識別並闡述本集團在本年度所獲得的成就及所面對的挑戰。

4. 一致性：ESG報告應使用一致方式披露信息，以便持份者分析及評估公司於不同時間的表現。公司應就任何方法的變化作出解釋。除特別指明外，本報告採用一致的方法比較不同範疇在本年度及二零二三年的關鍵績效指標，以便持份者對我們的表現作比較。

BUILDING A SUSTAINABLE FUTURE

Sustainability governance structure

To integrate sustainable development management into the Group's corporate governance framework, the Group established an ESG Committee in 2018, which is primarily responsible for annual ESG data collection and reporting matters, identifying and assessing potential ESG-related risks of the Group, and developing and monitoring business-related ESG objectives. The Board is the ultimate decision-making body for the sustainable development framework and bears overall responsibility for sustainability matters. It oversees the Group's sustainable development direction and strategy, ensures the effectiveness of risk management (including climate and ESG-related risks) and internal control systems, and establishes and reviews sustainability goals. The ESG group also reports to the Board on a regular basis of the progress of ESG work and targets for review and assessment. Set out below are members and individual responsibilities of our ESG group:

建立可持續發展未來

可持續發展管治架構

為了將可持續發展管理納入本集團的企業管治架構，本集團自二零一八年起成立了ESG小組，主要負責年度ESG數據收集及報告事宜、識別及評估本集團ESG相關的潛在風險、制定及監察與業務相關的ESG目標。董事會為可持續發展架構的最終決策單位，肩負可持續發展事宜的整體責任，負責監督本集團的可持續發展方向和策略，確保風險管理(包括氣候及ESG相關風險)和內部監控系統的有效性，以及制定與檢討可持續發展目標。ESG小組需定期向董事會匯報ESG工作及目標的進展，以作檢討及評估之用。以下為我們的ESG小組成員及個別職責：



ESG risk management

The Board and the risk management committee have jointly developed the Group's risk management policies. Each department and person in charge of risk are required to report the Risk Management and Internal Control Evaluation Checklist to the internal control and audit department every six months, which will then analyze and provide opinion on the list to identify significant risks that may potentially affect the business and operations of the Group, and report the same to the risk management committee to determine the risk exposure as a whole. Any material ESG risks identified in the process will also be notified to the ESG group to further assess the potential impact of the risks. Subsequently, we determined the risk response policies and internal control procedures to prevent, avoid or mitigate the risks. For details of risk management and internal control, please refer to the section headed "Corporate Governance Report", and for details of the principal risks and uncertainties we have identified, please refer to the section headed "Directors' Report".

ESG風險管理

董事會與風險管理委員會已共同制定本集團的風險管理政策。各部門或風險負責人每半年需要向內控審計部上報《風險管理及內部監控評估清單》，由內審部分析有關意見，識別可能對本集團業務及營運構成潛在影響之重大風險，並向風險管理委員會匯報，釐定整體風險水平。倘若當中發現任何重要的ESG風險亦會向ESG小組通報，進一步評估風險帶來的潛在影響。及後，透過釐定風險應對方案及內部監控程序以防止、避免或降低風險。有關風險管理及內部監控詳情請參閱「企業管治報告書」一節，而我們已識別的主要風險及不確定性詳情請參閱「董事會報告書」一節。

Stakeholder engagement

The Group values stakeholder engagement and actively maintains close communication with various stakeholders through diverse and open communication channels. By understanding and responding to stakeholders' needs and expectations regarding both internal and external interests, the Group formulates its sustainable development strategy and identifies ESG risks and opportunities. Through these efforts, the Group is committed to creating lasting value for its stakeholders.

持份者參與

本集團重視各持份者的參與，通過搭建多元化且暢通的溝通管道，積極與各持份者保持密切的聯繫和溝通，了解並回應持份者對本集團內部及外部利益相關方的需要和期望，從而擬定本集團的可持續發展策略，辨識本集團的ESG風險與機遇，致力為利益相關方創造恒久的價值。

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
Internal stakeholders **內部持份者**	Shareholders and investors 股東及投資者	• Return on investment 投資回報 • Financial stability and sustainability 財政穩定及持續性 • Information disclosure and transparency 信息披露及透明度 • Corporate governance 公司管治 • Risk control 風險控制	• Periodic reporting 定期報告 • Annual General Meeting 股東週年大會 • Company's website and email 公司網站及電郵
	Employees 員工	• Employment rights and interests 僱傭權益 • Compensation and benefits 薪酬及福利 • Occupational safety and health 職業安全及健康 • Training and career development 培訓及事業發展	• Regular meetings and training 定期會議及培訓 • Performance assessment 績效考核 • Employee activity 員工活動 • Internal communication 內部通訊

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
External stakeholders **外部持份者**	Customers 客戶	• Property quality 房產質量 • Protection of customer privacy and rights 客戶隱私及權益的保護 • Business ethics 商業道德	• Customer service hotline and email 客戶服務熱線及電郵 • Direct communication 直接溝通 • Customer satisfaction survey 客戶滿意度調查
	Suppliers 供應商	• Supplier management 供應商管理 • Honesty and integrity 誠信廉潔 • Environmental protection 環境保護	• Public bidding 公開招標 • Standard procurement procedures 標準的採購程序 • Direct communication 直接溝通 • On-site inspection 實地考察 • E-mail and telephone 電郵及電話 • Meetings 會議
	Professional organizations 專業機構	• Environmental protection and social responsibility 環境保護及社會責任 • Standard ethics and business practices 標準的操守及營商手法	• Questionnaires and online participation 問卷及在線參與 • Telephone discussion 電話討論
	Government and regulators 政府及監管機關	• Compliance with laws, regulations and policies 遵守法律、規例及政策 • Occupational health and safety 職業健康及安全 • People's welfare 人民福祉 • Employment 就業情況 • Tax payment in accordance with laws 依法納稅	• Monitor compliance with relevant laws and regulations 監察遵守相關法律及規例 • Routine reporting and tax payments 例行報告和稅務繳納 • E-mail and telephone 電郵及電話
	Communities 社區	• Community engagement 社區參與 • Care for the environment 愛護環境	• Company's website 公司網站 • Mass media 大眾傳媒

ESG materiality assessment

To continuously improve the Group's sustainability performance, during this Reporting Period, the Group continued to implement annual reviews and conduct materiality assessments. This helps us identify and prioritise matters of importance to stakeholders, gradually building their trust in us. Selected stakeholders were invited to participate in electronic questionnaire surveys to determine their views on key ESG issues of the Group. A materiality assessment was conducted to help more accurately and objectively understand the concerns and changing demands of various stakeholders, further advancing the Group's sustainable business strategy. The specific process for materiality assessment is as follows:

ESG的重要性評估

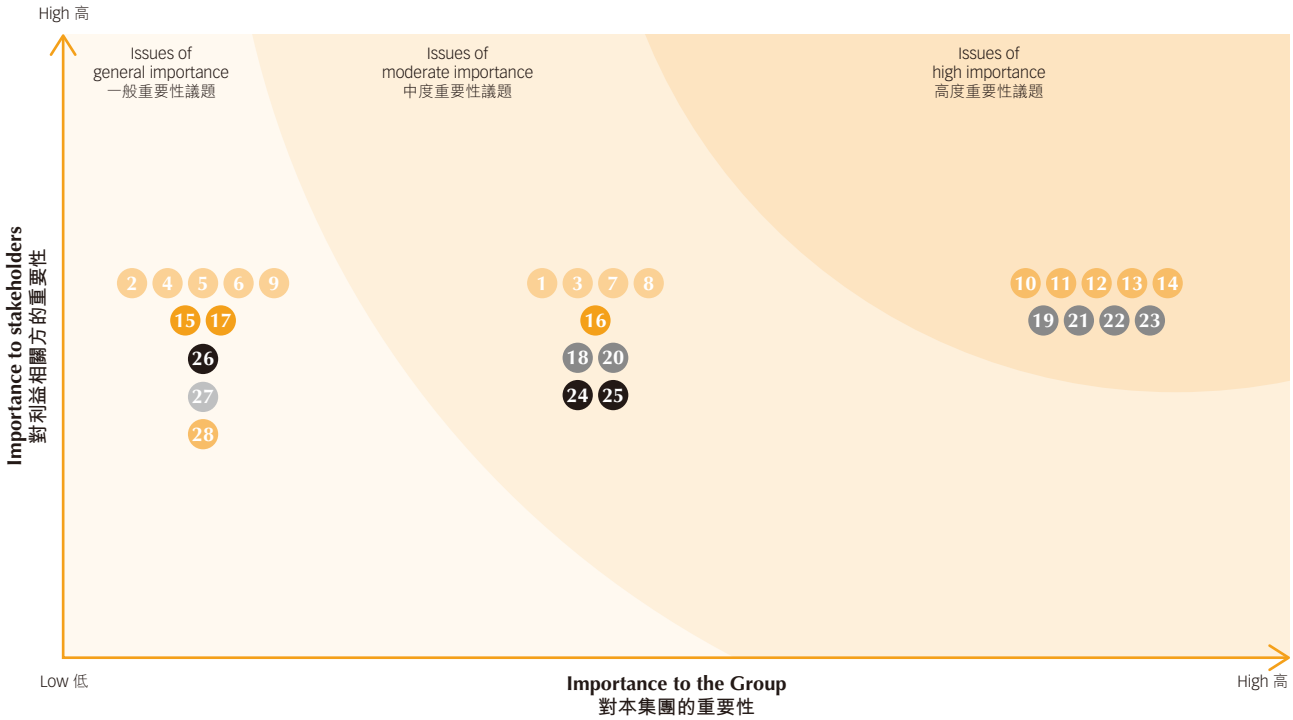
為不斷優化本集團的可持續發展工作表現，本集團在本報告期內繼續實施年度檢討，開展重要性評估，有助我們識別和優先處理持份者重視的事項，從而逐漸建立持份者對我們的信任。選定的持份者受邀參與電子問卷調查，確定持份者對本集團ESG關鍵問題的看法，並對本集團進行實質性評估，有助更準確、客觀地了解各利益相關方的關注點以及訴求變化，進一步推動集團的可持續業務策略，具體重要性評估過程如下：



The chart below summarizes the results of this materiality assessment:

下圖概述本次重要性評估的結果：

Materiality assessment matrix
重要性分析矩陣



Environmental protection 環境保護

1 Air emissions 空氣排放
2 Greenhouse gas emissions 溫室氣體排放
3 Hazardous waste 有害廢棄物
4 Non-hazardous waste 無害廢棄物
5 Energy Use 能源使用
6 Water resources 水資源
7 Materials used 材料使用
8 Protection of the environment and natural resources 保護環境及天然資源
9 Climate change 氣候變化

Employment and labor practices 僱傭及勞動常規

10 Employee diversity and equal opportunities 員工多元化和平等機會
11 Employee compensation 員工待遇
12 Occupational health and safety 職業健康和安全
13 Employee development/training 員工發展／培訓
14 Illegal labor 不合法勞工
28 Promotion of local employment 促進當地就業

Operations 營運

15 Supply chain selection and monitoring 供應鏈選擇和監察
16 Suppliers' environmental and social risks 供應商的環境風險與社會風險
17 Environmental friendliness of products and services 產品和服務對環境友好性

Product liability 產品責任

18 Product health and safety 產品健康及安全
19 Customer satisfaction 客戶滿意度
20 Marketing and promotion 營銷和推廣
21 Intellectual property 知識產權
22 Customer information and privacy 顧客信息和私隱
23 Product and service labels 產品和服務標籤

Anti-corruption 反貪污

24 Corrupt practices 腐敗行為
25 Anti-corruption policy 反貪污政策及舉報
26 Anti-corruption training 反貪污培訓

Social responsibility 社會責任

27 Community support 社區支持

According to the materiality matrix, ESG issues positioned in the upper right corner of the matrix are considered relatively important by both the Group and external stakeholders. Currently, employee diversity and equal opportunities, occupational health and safety, employee development/training, illegal labor practices, employee compensation, customer satisfaction, product and service labeling, intellectual property rights, and customer information and privacy have been identified as issues of high importance for the Group. The issues above are classified as key elements in driving the Group's sustainable business development, and we will elaborate on them further in the following sections.

根據重要性矩陣顯示，於矩陣靠右上方的ESG議題，相對本集團和外部持份者同樣認為比較重要。目前識別出員工多元化和平等機會、職業健康和安全、員工發展／培訓、不合法勞工、員工賠償、客戶滿意度、產品和服務標籤、知識產權及顧客信息和私隱為本集團的高重要性事宜。上述議題被歸類為推動本集團可持續發展業務的主要元素，我們將在下文各章節中對其進一步闡述。

Report feedback

We consistently value stakeholder opinions and consider them fundamental to our continuous improvement. Both Chinese and English versions of this Report have been uploaded to the website of the Hong Kong Stock Exchange. If you have any comments or suggestions regarding this Report and our sustainability efforts, please write to Unit D, 7/F, Kee Shing Centre, 74-76 Kimberly Road, Kowloon, Hong Kong.

報告反饋

我們一貫重視持份者的寶貴意見，並視之為我們持續改進的基礎。本報告的中英文版本已上載於香港聯交所網站。如　閣下對本報告以及我們的可持續發展工作有任何意見及建議，歡迎致函至香港九龍金巴利道74–76號奇盛中心7樓D室。

CREATING VALUES FOR THE ENVIRONMENT

The Group understands the urgency of climate change and other environmental crises, and therefore is committed to promoting green, low-carbon practices by integrating environmental protection into daily operations and minimizing environmental impact in regular operations to fulfill its commitments. We strictly comply with People's Republic of China laws and regulations regarding air and greenhouse gas emissions, water and land pollution, and waste generation, including but not limited to the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and the Regulations on Environmental Protection Management for Construction Projects. During the Year, we are not aware of any significant violations of environmental protection laws and regulations.

為環境創造價值

本集團明白氣候變化和其他環境危機的緊迫性，因此致力提倡綠色低碳，將環保融入日常業務，在日常營運中最大限度地減少對環境的影響，從而履行其承諾。我們堅守中華人民共和國法律及法規有關廢氣及溫室氣體排放、向水及土地的排污、廢棄物產生等的規定，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國節約能源法》、《中華人民共和國環境影響評價法》及《建設項目環境保護管理條例》。本年度，我們並不知悉任何有關重大違反法律及法規的環保事宜。

Energy and gas emissions management

The Group's main business is property development, with all real estate development work carried out by third-party contractors, therefore the Group does not directly generate air, water, and construction waste pollution from construction work. For the Year, the Group's main energy consumption and gas emissions sources were from vehicle fuel consumption and electricity consumed by office, and tenants in the commercial areas. Due to the increase in electricity consumption by commercial area tenants, the Group's total greenhouse gas emission intensity increased compared to 2023.

能源及氣體排放管理

本集團主要業務為物業開發，由此所有房地產開發工程均由第三方承建商負責，因此本集團沒有直接產生因建築工程所引致的空氣、水及建築廢料污染。本年度本集團的主要能源消耗及氣體排放來源為車輛使用的燃料和辦公室及商業區租戶的用電。由於商業區租戶的用電量增加，與二零二三年相比，本集團溫室氣體排放總量密度有所增大。

Energy and gas emissions[1, 2] 能源及氣體排放[1, 2]	2024 二零二四年	2023 二零二三年	Unit 單位
Gas emissions **氣體排放**			
Nitrogen oxides (NO_x) 氮氧化物(NO_x)	0.91	1.23	kg 公斤
Sulphur oxides (SO_x) 硫氧化物(SO_x)	0.04	0.04	kg 公斤
Particular matter (PM) 懸浮顆粒(PM)	0.07	0.09	kg 公斤
Greenhouse gas emissions **溫室氣體排放**			
Scope 1 (Direct emissions) 範圍1(直接排放)	8.68	9.14	tonnes of CO_2 equivalent 公噸二氧化碳當量
Scope 2 (Indirect emissions) 範圍2(間接排放)	374.50	420.60	tonnes of CO_2 equivalent 公噸二氧化碳當量
Total emissions (Scopes 1 and 2) 總排放量(範圍1及2)	381.71	429.74	tonnes of CO_2 equivalent 公噸二氧化碳當量
Intensity of greenhouse gas emissions 溫室氣體排放密度	2.16	2.46	kg of CO_2 equivalent/m^2 公斤二氧化碳當量／平方米

1 Regarding the disclosure of air and greenhouse gas emissions, the referenced materials include, but are not limited to, the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard" published by the World Resources Institute and the World Business Council for Sustainable Development, the "Notice on Managing Greenhouse Gas Emission Reporting for the Power Generation Industry 2023–2025" issued by China's Ministry of Ecology and Environment, the global warming potential values from the "Sixth Assessment Report" published by the Intergovernmental Panel on Climate Change, and the "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Hong Kong Stock Exchange.

2 As our real estate development projects are outsourced to the contractors, the contractors' data on partial construction projects has not been collected and disclosed.

1 有關廢氣及溫室氣體排放的披露，參照的資料包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、中國生態環境部發佈的《關於做好2023–2025年發電行業溫室氣體排放報告管理有關工作》、各國政府間因氣候變化而成立的專門委員會所發佈的《第六次評估報告》內的全球升溫可能值及聯交所發佈的《如何準備環境、社會及管治報告－附錄二：環境關鍵績效指標匯報指引》。

2 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。

Due to the increase in electricity consumption by commercial area tenants, compared with 2023, the Group's total energy consumption intensity increased.

由於商業區租戶的用電量增加，與二零二三年相比，本集團能源消耗總量密度有所增大。

Energy and gas emissions[2, 3] **能源及氣體排放**[2, 3]	**2024** **二零二四年**	**2023** **二零二三年**	**Unit** **單位**
Energy consumption **能源消耗**			
Unleaded petrol 無鉛汽油	26.75	29.23	MWh 兆瓦時
Liquefied petroleum gas 液化石油氣	5.12	5.01	MWh 兆瓦時
Electricity purchased 外購電力	636.40	737.51	MWh 兆瓦時
Total energy consumption 能源消耗總量	640.22	771.75	MWh 兆瓦時
Intensity of energy consumption 能源消耗密度	4.02	4.42	kWh/m² 千瓦時／平方米

2 As our real estate development projects are outsourced to the contractors, the contractors' data on partial construction projects has not been collected and disclosed.

3 The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.

2 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。

3 單位換算的計算方法乃參考國際能源署刊發的《能源統計手冊》。

Water management

The Group is committed to green and low-carbon practices. Regarding domestic sewage and construction wastewater generated during project construction, we require contractors to implement wastewater prevention measures during construction, including setting up wastewater sedimentation tanks to collect various types of industrial wastewater for dust suppression on site, and require timely removal to prevent groundwater contamination from rainfall, ensuring effective reduction of resource consumption and proper recycling. We also strengthen awareness of water conservation among employees through promotional and educational efforts, including posting water-saving reminders in offices and enhancing inspections of all faucets to ensure they are tightly closed, with immediate handling of any leaks to reduce overall water consumption. During the Year, we did not encounter any difficulties in sourcing suitable water.

用水管理

本集團致力實踐綠色低碳，對於項目施工中所產生的生活污水和建設施工廢水，我們要求承建商於施工中採取廢水防治措施，包括設置廢水沉澱池以收集各類生產廢水作場地增濕道路抑塵使用，並需要及時清運以防止因雨水淋浴而導致地下水污染，確保能有效地減少資源消耗並妥善循環利用。而我們亦加強宣傳及教育員工節約用水的意識，除了於辦公室貼上節水提示外，亦加強檢查所有水龍頭是否緊密關閉，並立即處理所有洩漏，從而減少整體耗水量。本年度，我們在求取適用水源方面並無任何困難。

The Group's water consumption intensity in 2024 and 2023 was similar.

本集團二零二四年及二零二三年的耗水密度相若。

Data on water use 用水數據	2024 二零二四年	2023 二零二三年	Unit 單位
Total water consumption 總耗水量	17,482.00	18,402.00	m^3 立方米
Water consumption intensity 耗水密度	0.10	0.11	m^3/m^2 立方米／平方米

Waste management

The Group adheres to compliant waste disposal and is committed to recycling practices. For solid waste generated during project construction, including domestic and construction waste, sealed transportation is required. Waste must not only be collected separately but also stored in waterproof garbage bins to prevent exposure, scattering, or leakage, with final collection and disposal handled daily by the municipal environmental sanitation department. The Group also recycles collected waste based on its usability; for example, construction waste such as broken bricks and residue can be reused as foundation filling materials, while other materials like timber, floor mortar, concrete, metal products, steel, plastic products, and hardware must be transported to designated locations for processing. When applicable, waste is sent to recycling stations or waste collection points for recycling implementation.

For domestic waste from daily office activities, including but not limited to non-hazardous waste such as office paper waste, proper classification and disposal are implemented. Our operations do not generate significant packaging materials or hazardous waste. To continuously strengthen waste management, we will gradually enhance paperless office operations, including moving document processing and expense approval processes online to reduce office paper usage and consumption, thereby conserving forest resources.

廢棄物管理

本集團堅持合規處理廢棄物並致力實踐循環利用，對於項目施工期所產生的固體廢物，包括生活垃圾和建築垃圾在運輸過程需要使用密封化處理，不單需要分類收集，亦需要使用不透水的垃圾桶存放以防止曝露、散落或滲漏的情況發生，最後由市政環境衛生部每天負責收集清理。本集團亦根據廢棄物可使用程度，經收集後進行重複利用，例如建築廢料、碎磚石、殘渣可以重用作為填築地基物料，但其他類型的材料例如木材、落地砂漿、混凝土、金屬製品、鋼材、塑膠製品、小五金等物料，則需要運至指定地點處理。若適用，更會把垃圾分配到回收站或廢品收集站處理，實行循環再用。

對於源於日常辦公活動的生活垃圾，包括但不限於辦公日常的廢紙等無害廢棄物，亦會妥善分類及棄置。我們運營中不會產生重大的包裝物和有害廢棄物。為持續加強廢棄物管理，我們將逐步加強辦公室的無紙化營運模式，包括把公文處理及費用審批等流程轉移至在線處理，以減少辦公用紙的使用和消耗，以節約林木資源。

The Group's non-hazardous waste intensity in 2024 and 2023 was similar.

本集團二零二四年及二零二三年的無害廢棄物密度相若。

Waste[4] 廢棄物[4]	2024 二零二四年	2023 二零二三年	Unit 單位
Non-hazardous waste **無害廢棄物**			
Office waste paper 辦公廢紙	0.15	0.22	tonnes 公噸
Food waste 廚餘	0.1	–	tonnes 公噸
Total amount of non-hazardous waste 無害廢棄物總量	0.16	0.22	tonnes 公噸
Non-hazardous waste intensity 無害廢棄物密度	0.001	0.001	kg/m^2 公斤／平方米

4 Since we outsource our real estate development projects to contractors, the contractor's data on some projects cannot be collected and disclosed. Since other property companies are responsible for processing non-hazardous waste including but not limited to domestic garbage and food waste, relevant data cannot be collected.

4 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。由於其他物業公司負責處理包括但不限於生活垃圾和廚餘等無害廢棄物，故相關數據無法收集。

Environment and resources management

The Group is committed to responding to the nation's carbon neutrality goals and aims to utilize resources efficiently and effectively. We strictly implement current emission reduction and energy-saving measures, striving to minimize losses during production processes, achieve sustainable development, and create long-term value for stakeholders and communities. To minimize the environmental impact of property development projects, we engage professional environmental consultants to conduct environmental impact assessments for approval regarding air emissions, wastewater, solid waste, environmental risks, noise, and ecological impacts during construction and after project completion. If construction sites undergo significant changes in scale or nature, we must submit updated environmental assessment reports to government agencies for approval and report to relevant local government authorities. All projects will only proceed with development after securing necessary approvals.

環境及資源管理

本集團致力回應國家制定的碳中和目標並以充分有效利用資源為宗旨，嚴格執行目前的減排節能措施，盡量降低生產過程中的損耗，實現可持續發展，為持份者及社區創造長遠價值。為了盡量減低物業項目開發對環境的影響，我們會委託專業環境顧問就施工中及項目完成後所產生的廢氣、污水、固體廢物、環境風險、噪音及對生態環境的影響進行環境影響評估作審批，若相關項目的建築工地在規模或性質上有重大變更，我們必須向政府機構提交更新的環境評估報告以作審批，並上報當地相關政府機關，所有項目會確保取得必要審批後才會進行項目開發。

To minimize air pollution, noise pollution, wastewater, and waste emissions, during the tender process, we require partnering contractors to comply with China's relevant environmental protection and safety laws and regulations, and prioritize contractors who propose construction plans that incorporate technologies for reducing environmental pollution. Furthermore, we make regular inspections to the construction site to verify whether the performance of the contractor meets our requirements, so as to ensure that we are able to identify problems in a timely manner and make rectification immediately. Upon project completion, the Group will apply to relevant government authority for the acceptance of environmental inspection to ensure that all requirements are compliant with national and project standards. The Group is aware of the inevitable generation of exhaust and noise during the construction process, so we are committed to requiring the outsourced contractor to take the following effective measures to reduce carbon emission generated from projects and reduce the impact on the environment.

為了盡力降低空氣污染、噪音污染、廢水和廢物排放，在招標過程中，我們要求合作的承包商遵守中國有關的環境保護及安全之法律及法規，並盡量優先採用包含降低環境污染技術的施工方案的承包商。此外，我們亦會定期巡查建築地盤，檢查承包商的表現是否合符規定要求，以確保我們能及時發現問題，並立刻作出糾正措施。而在竣工後，本集團會向相關政府部門申請環境驗收，確保所有要求都符合國家及項目規定。本集團明白在施工過程中無可避免會製造廢氣及噪音，所以我們致力要求負責開發工程的外包承建商採用以下有效的措施以減少項目所產生的碳排放及降低對環境的影響。

Exhaust processing

- In order to prevent dust pollution during the construction process, a closed fence shall be built up around the construction site during construction, and a dust-proof net shall be installed outside;
- The roads at the construction site shall be paved or mobile sprinklers, movable fog guns, tower crane sprays and other equipment shall be in place to spray the ground to reduce dust;
- Application of airtight storage or fence and use of dust-proof cloth to cover building materials that are easily to generate dust;
- A car washing platform shall be set up to clean the transport vehicles in time to prevent from dusting due to mud and dust.

廢氣處理

- 為防止施工過程中出現揚塵污染，在施工建設期間工地會以檔板圍封，並對外設置防塵網；
- 工地內的車行道採用硬化或加設移動灑水車、移動霧炮、塔吊等噴灑地面之設備，減低揚塵情況；
- 採用密閉儲存方式、加設圍擋及使用防塵布覆蓋及存放容易產生揚塵的建築物料；
- 設置洗車平台以及時清洗運輸車輛，保持車輛清潔，防止車輛因沾上泥塵而導致揚塵。

Noise management

- Low-noise equipment shall be used as far as possible, the speed of excavators, loading and unloading vehicles to enter and leave the site shall be limited;
- Reasonable arrangement and allocation processes shall be applied to the construction hours to avoid simultaneous and long-term operation of a large number of high-noise equipment;
- Temporary sound barriers shall be equipped around the construction site to reduce the impact of noise on the surroundings;
- Rational construction hours shall be planned to avoid working during lunch break, and prohibit construction after ten o'clock in the evening and during special periods (such as periods during high school entrance examination and college entrance examination).

Sewage treatment

- A sedimentation tank shall be set up at the vehicle washing platform, and sewage may only be discharged or reused after treatment;
- Oil-repellent pool shall be set up in the canteen, and sundries and grease shall be cleaned on a regular basis to prevent waterway blockage and secondary pollution of water sources;
- Toxic or hazardous wastes for earthwork backfilling are not allowed to avoid contamination of groundwater and soil quality.

Green office

The Group's main energy emissions come from daily office operations. To fulfill our commitment to environmental protection, we are dedicated to reducing operational emissions as our goal, including but not limited to greenhouse gas emissions, energy consumption, water consumption, and waste generation, etc. We actively implement various energy-saving and emission-reduction measures across our offices in different locations, doing our utmost to gradually reduce exhaust emissions, greenhouse gas emissions, waste generation, and water consumption, thereby contributing to environmental protection. Meanwhile, the Group has established environmental protection requirements for all suppliers, including third-party contractors responsible for real estate development projects, to reduce the carbon footprint of our supply chain.

噪音管理

- 盡量採用低噪音設備，挖掘機、裝卸車輛進出工地應限速行駛；
- 妥善安排及分配施工工序，避免大量的高噪音設備同時及長時間施工；
- 在施工現場周圍建設臨時聲障，希望可以減弱噪音對鄰近環境的影響；
- 規劃合理施工時間，避免於午休時間作業，在晚間十點後及特殊時期(如中、高考期間)禁止施工。

污水處理

- 在車輛清洗處設置沉澱池，經處理後的污水方可排放或重用；
- 食堂設置隔油池，並定期清淘雜物和油脂，防止水道堵塞及水源二次污染；
- 禁止將有毒或有害廢棄物用作土方回填，以免污染地下水及土質。

綠色辦公室

本集團的主要能源排放為辦公室日常營運，為了落實對環境保護的承諾，我們致力以減少營運排放作為目標，包括但不限於溫室氣體排放、能源消耗、耗水，以及廢棄物的產生等，積極透過在各地營運的辦公室實施多項節能減排的措施，盡我們最大所能逐步減少廢氣排放、溫室氣體排放、廢棄物量、用水量等，為環境保護作出貢獻。同時，本集團對所有供應商，包括負責房地產開發工程的第三方承建商制定相關環保要求，以減少供應鏈的碳足跡。

Carbon reduction and energy conservation

- Employees are encouraged to close electronics and office equipment not in use and set up automatic turn-off time for printers and screens in the office in advance to reduce energy consumption;
- Light emitting diode ("LED") lamps were applied to office in Hangzhou to improve resources efficiency and reduce electricity consumption;
- Employees are encouraged to reduce arrangement for business travel and try to adopt video or phone meetings to reduce carbon emission;
- Signs or notices on the importance of energy conservation are posted in the office area to improve employees' environmental awareness;
- Water saving notices are posted in restrooms and pantries to remind employees to turn off the taps after use to avoid water waste.

減碳節能

- 鼓勵員工關閉非使用中的電器及辦公設備，而預先為辦公室的打印機及顯示熒幕設置自動關閉時間，以減少能源消耗；
- 杭州的辦公室已採用發光二極管燈(「LED」)以提升資源效能，節約用電；
- 鼓勵職員減少差旅安排，盡可能採用視訊或電話模式進行在線會議，減少產生碳排放；
- 辦公室範圍張貼了節能重要性之標誌或告示以提高職員的環保意識；
- 洗手間及茶水間張貼了節水告示以提醒員工於使用後關緊水龍頭，避免浪費水資源。

Waste reduction and reuse

- Employees are encouraged to use electronic tools such as email and instant messaging software to communicate internally and externally to reduce paper consumption;
- Employees are encouraged to use recyclable cups and cutlery instead of disposable cutlery;
- Employees are encouraged to print or photocopy on both sides;
- Employees are encouraged to reuse stationery such as old envelops and folders.

減廢重用

- 鼓勵員工使用電郵、實時通訊軟件等電子工具對內外溝通，以減少紙張消耗；
- 鼓勵員工使用可循環再用的杯及餐具，代替即棄餐具；
- 鼓勵員工雙面打印或影印；
- 鼓勵員工重用文具，例如舊信封、文件夾。

Climate change

The Group deeply understands the urgency of climate change, and in response to society's growing concern about climate change and related issues, the Group has increased its attention to the risks brought by climate change and is committed to addressing these challenges and closely monitoring the potential impacts of climate change on our business and operations. Following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") framework, the Group identifies and conducts climate risk assessments and strives to manage potential climate-related risks that may affect our business activities.

Physical Risks

Extreme weather events such as typhoons, heavy rain, storms, and extreme cold or hot weather may pose safety risks to the Group's real estate properties and project works and affect project development progress. To address the potential impacts of physical risks, the Group has developed various emergency response plans according to the Environmental and Safety Civilization Management System. These plans clearly define the emergency organization structure and responsibilities of each member, assess potential risks based on extreme weather conditions, and design emergency handling procedures and rescue plans to minimize potential impacts on our operations.

Transition Risks

To actively achieve carbon neutrality goals, governments in project locations may establish new environmental regulations and stricter emission requirements. To comply with stricter regulations, we expect our operational costs for projects will increase. In response, from local project managers to the board of directors, we regularly monitor existing and emerging climate-related trends, policies, and regulations to avoid increased costs, regulatory fines, or reputational damage due to delayed responses.

氣候變化

本集團深明氣候變化的緊迫性，同時為響應社會對氣候變化及相關議題日益增加的關注，本集團亦提高關注氣候變化所帶來的風險，致力於應對此挑戰並密切監察氣候變化對我們業務及營運的潛在影響。本集團根據氣候相關財務資料披露工作小組(「TCFD」)框架的建議，識別及開展氣候風險評估工作並致力管理可能影響本集團業務活動的潛在氣候相關風險。

實體風險

極端天氣事件如颱風、暴雨、風暴及極端寒冷或酷熱天氣，可能會對本集團的房地產物業及項目工程產生安全風險並影響項目開發進度，為了應付實體風險帶來的潛在影響，本集團按照《環境及安全文明管理制度》特製各類應急預案，明確應急組織架構及各成員的職責，根據極端天氣事件狀況評估事故潛在風險，設計應急處理程序及救援方案，盡最大限度地降低對我們的潛在影響。

過渡風險

為了積極實現碳中和目標，項目所在地的政府或會定立新的環境法規和更嚴格的排放要求，為應對更嚴格監管，我們投資在項目上的營運成本預計將會上升。就此，我們從各地項目負責人至董事會定期監控與氣候相關的現有及新興趨勢、政策及法規，以避免因延遲響應而導致成本增加、違規罰款或影響聲譽。

CREATING OPPORTUNITIES FOR OUR EMPLOYEES

Employment practices

The Group firmly believes that talents are the cornerstone of maintaining sustainable development, so it attaches great importance to the contributions of its employees to us. At the same time, it is committed to providing diversified training and development opportunities for each employee, striving to create a healthy and safe working environment for employees, and promoting the common development of the company and employees. The Group strictly abides by the relevant employment laws and regulations, such as Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and Social Insurance Law of the People's Republic of China. During the Year, the Group was not aware of any material violation of related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Recruitment, promotion, and dismissal

The Group continuously optimizes its labor management system and human resources management framework, and it has established a sound employee rights supervision and protection system, including HR policies such as the Employee Handbook to attract and retain talent. To ensure fair and transparent recruitment and promotion processes, we recruit talent through job fairs, recruitment websites, internal promotions, or internal referrals. The Group strictly complies with all laws and regulations, adhering to equal employment principles to ensure all employees legally enjoy various rights and fair treatment. The Group values talent and believes that regular performance evaluations and reviews provide opportunities for employees to discuss their performance and career development with supervisors, which helps enhance employee competitiveness and explore unlimited potential. Employees who perform exceptionally well in evaluations and meet promotion criteria will have opportunities for position advancement and salary increases under fair competition.

為員工創造機會

僱傭常規

本集團深信人才是維持可持續發展的基石，因此高度重視員工對我們的貢獻，同時致力於為每位員工提供多元化培訓及發展機會，努力為員工創造健康安全的工作環境，促進公司與員工共同發展。本集團一直嚴格遵守相關僱傭法律法規例如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國職業病防治法》及《中華人民共和國社會保險法》等。本年度，本集團並不知悉任何與本集團有關違反薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視、其他待遇及福利相關法律法規之重大違規情況。

招聘、晉升及解僱

本集團持續優化勞工管理制度和人力資源管理架構，目前已建立良好的員工權益監督及保障體系，包括《員工手冊》等人力資源政策去吸引及挽留人才。為了保證招聘及晉升程序均以公平及公開的方式進行，我們會透過招聘會、招聘網站、內部晉升或內部推薦等途徑招攬人才。本集團嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇。本集團珍視人才價值，相信透過定期進行的表現評核及檢討，讓員工有機會與主管討論其表現及事業發展，有助提升員工的競爭力，發掘無限潛能。在評核當中表現優異且符合晉升條件的員工會在公平競爭的情況下，獲得職位晉升和加薪的機會。

The Group does not tolerate unfair and illegal dismissals, ensuring dismissal procedures are fair and transparent, with written notice provided to employees within the legally required notice period. Employees have the right to freely choose resignation under legal conditions. Employees must complete work handover and resignation procedures after providing legally required notice periods and obtaining department leader approval. We also conduct exit interviews with departing employees to help management better understand employee needs and improve the overall work environment.

本集團絕不容忍不公平及非法解僱，確保解僱程序公平公開，並在法規要求的通知期內以書面形式通知員工。而員工在合符法規條件情況下，擁有自由選擇離職的權利。員工需要向我們提供法規要求的通知期並經部門領導批准後，完成工作交接及離職程序。我們亦會對離職員工進行離職面談，有助管理層更好地了解僱員的需求及改善整體工作環境。

Compensation and benefits

To further attract and retain experienced talented professionals, the Group continuously improves its employee compensation and benefits system, offering fair and competitive market remuneration packages that align with employees' experience, qualifications, and titles. Additionally, we conduct annual performance evaluations and salary reviews based on market conditions, company and individual performance, and provide discretionary year-end bonuses, directly reflecting employees' value contributions to the Group. The Group cares for its employees and has established a series of benefits including: meal allowances, transportation allowances, communication allowances, and holiday bonuses on public holidays. We implement a 5-day work week, and in addition to statutory annual leave, we provide sick leave, personal leave, national statutory holiday leave, marriage leave, maternity leave, bereavement leave, and work injury leave based on individual needs. We focus on employees' physical and mental development and actively promote work-life balance by regularly organizing birthday celebrations and employee trips to continuously enhance employee motivation, sense of belonging, and team cohesion, which helps improve work efficiency in the long run.

薪酬及福利

為了進一步吸納及挽留經驗豐富的優秀人才，本集團不斷完善員工薪酬福利體系，提供與員工經驗、資格及職銜相符、既公平又具市場競爭力的薪酬待遇。同時，我們每年都會進行表現評核，並根據市場情況、公司及個人表現進行薪資檢討及提供酌情年終花紅，讓員工在集團貢獻的價值有更直接的體現。本集團關愛員工，設立了一系列的福利包括：工作餐補助金、交通補貼，通訊補貼及節假日發放過節費等，同時實行5天工作週，而除法定年假以外，亦會因應個人需要給予病假、事假、國家法定節日假、婚假、產假、喪假、及工傷假等假期。我們關注員工身心發展，積極倡導工作與生活的平衡，因此定期為員工舉行生日慶祝活動及組織員工旅行遊玩，藉以持續增進員工間的積極性，歸屬感及團隊凝聚力，長遠有助提升員工工作效率。

Diversity, equal opportunity, and anti-discrimination

The Group is committed to creating a diverse workforce and healthy work environment, strictly complying with all laws and regulations while adhering to equal employment principles. We ensure all employees legally enjoy various rights and fair treatment, protecting the values, religious beliefs, and privacy of employees of different nationalities, races, genders, and cultural backgrounds from infringement.

多元化、平等機會及反歧視

本集團致力於打造多元化的工作團隊及健康的工作環境，並嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇，保障不同國籍、種族、性別、文化背景的員工的價值觀、宗教信仰和隱私不受侵犯。

As of 31 December 2024, the Group had a total of 30 employees, with all of them working in Mainland China. The breakdowns of them by different categories are set out as follows:

截至二零二四年十二月三十一日，本集團共有30名員工，全部於中國內地任職，按不同性質劃分之員工分佈如下：

Employee were classified **員工分佈**	**2024** **二零二四年**	**2023** **二零二三年**	**Unit** **單位**
By gender **按性別劃分**			
Male 男性	18	21	Number of individuals 人數
Female 女性	12	18	Number of individuals 人數
By contract category **按合約類型劃分**			
Full-time 全職	30	39	Number of individuals 人數
Part-time 兼職	–	–	Number of individuals 人數
By employment category **按僱傭類別劃分**			
Senior management 高級管理層	4	4	Number of individuals 人數
Middle management 中級管理層	8	10	Number of individuals 人數
General and other personnel 一般及其他員工	18	25	Number of individuals 人數
By age **按年齡劃分**			
18–25 18至25歲	4	4	Number of individuals 人數
26–35 26至35歲	4	7	Number of individuals 人數
36–45 36至45歲	15	20	Number of individuals 人數
46–55 46至55歲	7	8	Number of individuals 人數
Over 56 56歲或以上	0	0	Number of individuals 人數

For the year ended 31 December 2024, the Group's employee turnover rate is 30%[5] in Mainland China. The breakdowns of them by different categories are set out as follows:

二零二四年十二月三十一日止年度，本集團於中國內地的員工流失比率為30%[5]，按不同性質劃分之員工流失比率如下：

Employee turnover rate[6] **員工流失比率[6]**	**2024** **二零二四年**	**2023** **二零二三年**	**Unit** **單位**
By gender **按性別劃分**			
Male 男性	14	43	%
Female 女性	33	28	%
By age **按年齡劃分**			
18–25 18至25歲	–	–	%
26–35 26至35歲	43	57	%
36–45 36至45歲	25	40	%
46–55 46至55歲	13	25	%
Over 56 56歲或以上	–	–	%

5 The total employee turnover rate is calculated by dividing the total number of employees who resigned during the Year by the number of employees at the end of the Year, and then multiplying by 100%.

6 The employee turnover rate by category is calculated by dividing the number of employees of that category who resigned during the Year by the number of employees of that category at the end of the Year, and then multiplying by 100%.

5 總僱員流失率是按年內總離職僱員人數除以年末的僱員人數，再乘以100%計算。

6 各類別的僱員流失率是按年內該類別的離職僱員人數除以年末該類別的僱員人數，再乘以100%計算。

Occupational health and safety

The Group places great emphasis on the occupational safety of its employees and strictly complies with the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, the Regulations on Work-Related Injury Insurance, and other applicable laws and regulations with significant impact on the Group. As a property development company, we mainly hire outsourced construction contractors for project management, hence we assume limited potential responsibility for the construction workers on our property projects.

However, as a responsible property developer, the Group has established a safety management system, undertaken supervisory responsibilities, and maintained project safety. In addition to ensuring that employees involved in projects and requiring site access participate in mandatory health and safety training, including the safe use of lifting machinery, working at heights, safety management, and site management, we also arrange for the Chief Engineer's Office to conduct monthly on-site inspections to ensure that all required safety measures are implemented at our project sites. The Group also details policies and procedures related to occupational safety in the Employee Handbook for all employees to reference, ensuring the effective implementation of safety policies. The Group takes all appropriate measures to safeguard the health and safety of employees in the workplace, resulting in no recorded work-related injuries during the Year. Furthermore, the Group is not aware of any major safety incidents or work-related fatalities in the past three years.

職業健康與安全

本集團十分重視員工的職業安全並嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》和《工傷保險條例》及其他對本集團適用且有重大影響的法律法規。作為物業開發企業，我們主要聘用外包建築承包商為項目進行施工管理，因此我們對物業項目的施工工人只能承擔有限度的潛在責任。

然而，作為有責任的物業開發商，本集團已建立安全管理制度，承擔監察責任並維護項目安全，除了確保參與工程項目且需要進入工地的員工均參與強制性的健康與安全培訓，包括安全使用起重機械、高空作業、安全管理和工地管理等，亦安排總師辦每月會進行實地巡查，確保項目工地已執行我們所要求的各項安全措施。本集團亦於《員工手冊》中詳細列明了職業安全相關的政策及程序供所有員工參考，務求安全政策得以落實執行。本集團採取一切適當措施保障員工在工作場所內的健康與安全，因此本年度並未有任何工傷記錄。而本集團於過去三年並不知悉有發生過任何重大安全事故或因工作關係而導致死亡的事件。

Development and training

The Group firmly believes that cultivating talent promotes continuous professional development and sustainable corporate growth. Therefore, it is committed to providing employees with various training programs to enhance their skills and develop their careers. At the same time, the Group continuously promotes and improves training resources to further enhance the quality of talent development. The Employee Handbook also stipulates regulations regarding continuous training.

Induction training

The Group provides induction training for all new employees, helping them quickly understand their job responsibilities and become familiar with the Group's background, work model, and corporate culture. Additionally, during the probation period, the Group assigns instructors to assist new employees in mastering job-related skills as soon as possible. The instructors also participates in the general assessment of new employees and is responsible for evaluating interns for regular employment.

External training

To encourage employees to actively engage in self-improvement activities, we offer external training subsidies based on departmental needs or business requirements. We firmly believe that external training not only aids employee development but also brings new cultures and ideas that help continuously enhance the Group's competitiveness.

人才培育

本集團深信透過培養人才，可推動持續專業發展及公司可持續發展，因此致力為僱員提供各類的培訓課程，以助提升技能並發展職業。同時，本集團不斷促進完善培訓課程資源，以持續提高人才培養質量。本集團亦於《員工手冊》中訂明有關持續培訓的規定。

入職培訓

本集團為每位新入職員工提供入職培訓，有助加快員工了解其職位的責任和熟習本集團的背景、工作模式及企業文化，同時本集團亦會於新員工試用期間委派輔導員，協助新員工盡快掌握崗位技能。輔導員亦會參與新員工的日常評估及擁有轉正考評的責任。

外部培訓

我們為了鼓勵員工主動參與自我增值的活動，提供因應職能部門需要或業務要求的外部培訓津貼。我們深信外部培訓不但有助員工的發展，同時能帶來新的文化與理念，有助本集團競爭力持續提升。

Percentage of employees trained[7, 8] 員工受訓百分比[7, 8]	2024 二零二四年	2023 二零二三年	Unit 單位
Percentage of employees trained by gender **按性別劃分的受訓百分比**			
Male 男	77.78	80.00	%
Female 女	25.00	20.00	%
Percentage of employees trained by category **按僱員類別劃分的受訓百分比**			
Senior management 高級管理層	30.00	30.00	%
Middle management 中級管理層	70.00	70.00	%
General and other personnel 一般及其他員工	–	–	%

7 The data excludes employees who have left the company.

8 Details of trained employees by category are calculated by dividing the number of employees in that category by the total number of employees in training during the Year, and then multiplying by 100%.

7 數據不包括離職員工。

8 各類別受訓僱員明細是按年內該類別的受訓僱員人數除以年內總受訓僱員人數，再乘以100%計算。

Number of training hours of employees[9] 員工培訓時數[9]	2024 二零二四年	2023 二零二三年	Unit 單位
Employee Training Analysis[10] **員工培訓分析**[10]			
Total number of training hours 總培訓時數	22	18.00	hours 小時
Average number of training hours 平均培訓時數	0.73	0.46	hours/person 小時／人
Number of training hours by gender[11] **按性別劃分的平均受訓時數**[11]			
Male 男	0.64	0.76	hours/person 小時／人
Female 女	0.14	0.11	hours/person 小時／人
Number of training hours by employee category[11] **按僱員類別劃分的平均受訓時數**[11]			
Senior management 高級管理層	2	2.00	hours/person 小時／人
Middle management 中級管理層	1	1.00	hours/person 小時／人
General and other personnel 一般及其他員工	–	–	hours/person 小時／人

9 The data excludes employees who have left the company.

10 The average number of training hours completed per employee is calculated by dividing the total number of training hours during the Year by the total number of employees at the end of the Year.

11 The average number of training hours by employee category is calculated by dividing the number of training hours for that employee category during the Year by the number of employees in that category at the end of the Year.

9 數據不包括離職員工。

10 每名僱員完成受訓的平均時數是按年內總受訓時數除以年末總僱員人數計算。

11 各類別僱員的平均受訓時數是按年內該類別僱員的受訓時數除以年末該類別的僱員人數計算。

Labor standards

The Group adheres to the principles of reasonable and lawful recruitment and strictly complies with laws and regulations such as Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Child Labor. We are firmly against any form of forced labor or child labor. The Group has established a comprehensive recruitment process and employment procedures. During the recruitment process, the Human Resources Department clearly outlines the job requirements and qualifications, and verifies the applicant's valid identification documents to ensure the applicant meets the legal employment age and eligibility criteria, and does not violate any relevant laws. Furthermore, before signing employment contracts, the Group provides a comprehensive and detailed explanation of the employment terms to ensure that employees fully understand the contract and sign it voluntarily, thereby ensuring that all employees work of their own free will. We strictly prohibit the use of child labor or forced labor. If any violations of hiring child or forced labor are discovered, we will immediately terminate the labor contract, investigate the cause, and hold the responsible parties accountable, imposing appropriate penalties on violators.

During the Year, the Group did not observe any cases of child labor, forced labor, or illegal labor in its operations.

勞工準則

本集團秉持合理合法招聘的準則並嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動法合同》和《禁止使用童工規定》等法律法規，堅決杜絕任何理由的強制勞動及僱傭童工行為。同時本集團已建立的完善招聘流程及僱用程序，人力資源部於招聘過程中會明確列出招聘要求及崗位任職要求，並會審核應聘者的有效身份證明文件，以確保該應聘者達到法定就業年齡並具有就業資格，並且未觸犯相關法律規定。此外，本集團在與員工簽署勞動合同前，會對有關僱傭條款作出全面及詳細的解釋，以確保員工在簽約前充分了解合約的內容，並在自願的情況下簽訂勞動合同，確保所有僱員均於自願情況下勞動或工作，堅決杜絕使用童工和強制勞工。如發現任何違規聘用童工或強制勞工的情況，我們會立即終止其勞動合同，查明原因及追究責任，對違規員工作出適當處罰。

本年度，本集團沒有在其營運中發現任何有關童工、強迫勞工或非法勞工的違例個案。

CREATING VALUES FOR OUR CUSTOMERS

Supply chain management and quality control

The Group has established a comprehensive supplier evaluation system to ensure that major construction contractors and material suppliers are qualified. Qualified third-party contractors are responsible for all project construction work, including excavation, structural construction, equipment installation, and operational work. By outsourcing construction to professional contractors, we can mitigate some of the risks related to raw material cost fluctuations and engineering personnel management. During the Year, we worked with 35 major suppliers, all operating in China (2023: 79 major suppliers operating in China).

To ensure that the tendering process is fair, just, transparent, and in compliance with the Group's requirements and applicable Chinese laws and regulations, the Group's Cost Management Department has set up tendering documents and established a series of evaluation criteria to select contractors. Contractors must provide certifications such as qualification certificates and safety production licenses. In addition to evaluating the bidding materials, we also consider factors such as contractor size, qualifications, reputation, track record, quotation, and environmental and social considerations. Understanding the increasing importance of environmental protection, the Group prioritize contractors that offer pollution reduction solutions. Meanwhile, our tendering documents require suppliers to sign a Migrant Workers' Rights Protection Agreement, ensuring they are aware of and fulfill their social responsibility regarding labor rights. During the Year, 1 contractor was engaged in our construction projects (2023: 1 contractors were engaged in our construction projects).

為客戶創造價值

供應鏈管理及質量控制

本集團已建立完善的供應商評估系統，確保主要建築承包商及建築材料供應商均為合資格供應商。而合資格的第三方建築承包商則負責我們全部的項目建築工程，包括地基挖掘、主體結構建設、設備安裝及工程作業，我們認為透過將建築工程外包予專業的建築承包商可降低部份原材料成本波動及工程人員管理的風險，本年度與我們合作共35個主要供應商均於中國營運(二零二三年：79個主要供應商均於中國營運)。

而為確保招標程序能公平、公正及公開以及滿足本集團的要求和相關中國法律及法規，本集團成本管理部的招投標團隊亦制定了招標文件及設定一系列評估準則甄選承包商。建築承包商必須提供其單位資質證書及安全生產許可證等文件，過程除對其投標資料進行詳細評估，亦會考慮承包商規模、資質、聲譽、類似項目的往績、報價、環境及社會等多種因素。本集團理解環境保護對社會公眾漸趨重要，因此盡可能優先選用提供降低污染技術方案的承包商，同時亦在招標文件中要求供應商簽定《民工權益保障承諾書》，確保其知悉及履行在勞工權益的社會責任。本年度建築項目委聘1個承建商(二零二三年：建築項目委聘1個承建商)。

Strict procurement of materials

The Group strictly monitors project quality and cost control. As for construction materials, since contractors procure most of the construction materials such as steel and cement for our property development projects, we require them to purchase materials that meet standard specifications and are from designated brands and manufacturers. Where Chinese laws and regulations mandate that contractors must procure certain materials through tendering, we require them to include our selected brands or manufacturers in the tender documents. We also monitor the tender process to ensure that the selected material suppliers meet the compliance standards.

To ensure the stability, reliability, and compliance of procured materials with national safety and environmental standards, we collaborate with supervision companies to conduct random inspections. We verify material certificates, user manuals, performance test reports, and quality assurance documents before including them in our qualified materials list. Furthermore, the Group only directly procures equipment such as windows, air conditioning systems, and elevators from qualified suppliers in our database, prioritizing equipment with less environmental impact or higher energy efficiency. During the Year, the Group was not aware of any major suppliers that caused significant impacts in terms of business ethics, environmental protection, or labor practices.

Monitoring project quality

The Group strictly adheres to Chinese laws and regulations by hiring construction supervision companies and assigning them to oversee various project aspects to ensure quality standards are met. The Cost Management Department sets up a series of control indicators related to cost, quality, and construction progress during the preliminary planning stage based on the overall construction cost budget. The Chief Engineer's Office, consisting of experienced and qualified engineers and construction technicians, supervises the construction quality, progress, and budget control of each project. Monthly on-site inspections are conducted to check the progress and quality of construction materials. We also conduct annual reviews of the overall performance of all ongoing projects to ensure cost, quality, and progress meet our targets. The Group's management performs performance assessments of projects every six months. If any subcontractor fails to meet the required standards, the Group reserves the right to terminate the contract and replace the contractor to maintain high product quality.

嚴格採購物料

本集團嚴格監控項目的質量及成本的控制，對於建築物料，由於承建商於我們的物業開發項目中採購絕大部份的建築材料，如鋼材及水泥等，因此我們會要求承建商採購合乎標準規格及指定的品牌和製造商的建築物料，如因相關中國法律及法規規定承建商須透過招標採購特定種類的建築材料，我們亦會要求有關承建商在招標文件中列入我們選定的品牌或製造商，並監察招標過程，確保選定的建築材料供應商具備合規的資格。

為了保證所採購的物料具有穩定可靠的質量及符合相關國家生產安全及環保標準，我們聯同監理公司會先抽查檢驗承建商提供的物料合格證、使用説明書、性能檢測報告及質保資料後再確認並列入合資格物料清單，同時本集團亦只會從合資格供應商數據庫內的供應商進行直接採購如門窗、空調系統及電梯等設備，並優先考慮採購對環境影響較少或能源效益更高的設備。本年度，本集團並不知悉任何主要供應商在商業道德、環境保護及勞工常規方面造成任何重大的影響。

監控項目質量

本集團堅守中國法律及法規規定聘請建設監理公司，並委派監理公司監察各環節以確保項目質量達標。成本管理部於初步規劃階段將按照總建設成本預算設立有關成本、質量及施工進度的一系列進度控制指標，資深及合資格的工程師和建築技術人員組成的總師辦，於施工過程中監管各項目施工質量、施工進度及控制項目預算，同時每月進行實地巡查項目情況及檢查建築材料質量，並根據既定的項目指標監督施工進度，亦會為所有在建的項目整體表現作年度檢討，確保所產生的成本、質量及施工進度達標，本集團管理層亦會每半年對項目表現進行績效考核。若發現任何外包承建商未能按所要求的標準完成，本集團會保留權利，經過適當程序終止合約及替換其他承包商以維持良好的產品質量。

Customer service

The Group places a high emphasis on brand development and responsibility, striving to enhance brand value and customer satisfaction by continuously improving service management at all project stages.

客戶服務

本集團高度重視品牌建設和品牌責任，致力提升品牌價值，以提升客戶滿意度，因此不斷完善各項目階段服務管理。

Phase One: Project development
第一階段：項目發展

- During the planning stage, we listen to customer feedback and expectations regarding project design and pass this information to the real estate planning team, who discuss it with designers, architects, and contractors.
  在計劃階段，聽取客戶對項目設計的相關意見及期望，把意見交予地產策劃團隊，讓他們與設計師、建築師及承辦商商討。

Phase Two: Quality inspection of building
第二階段：樓宇檢質

- To meet local building requirements and customer expectations, a professional team conducts regular inspections to ensure compliance with predefined control indicators.
  為達到當地建築要求及客戶期望，專業團隊負責定時巡視檢查工程項目，確保符合預先訂立的控制指標。

Phase Three: Property delivery
第三階段：交樓

- According to the Regulations on the Quality Management of Construction Projects, the Regulations on the Registration and Registration of Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, and the Interim Provisions on the Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, real estate developers must report to the county or county level where the project is located. The real estate development authorities of the above local people's governments submit applications for completion acceptance and record filing. Therefore, we will only deliver the project after confirming receipt of the acceptance notice and completion certificate to ensure that the project quality complies with legal and regulatory requirements.
  根據《建設工程質量管理條例》、《房屋建築工程和市政基礎設施工程竣工驗收備案管理辦法》及《房屋建築工程和市政基礎設施工程竣工驗收暫行規定》，房地產開發商須向項目所在縣級或以上地方人民政府的房地產開發主管部門提交申請，用作房屋竣工驗收及備案。因此我們於確認收到驗收合格通知及竣工證明書後才會作出交付，確保項目質量符合法律及法規規定。

Phase Four: After-sales service
第四階段：售後服務

- We have a professional customer service team and a complete complaint mechanism to follow up on relevant issues raised by customers and maintain close contact with customers, which helps deeply understand customer needs and improve service standards. In addition, appropriate warranty periods are reserved for customers after delivery, which is 1 to 5 years from the date of delivery, and the quality warranty scope should include foundation engineering, main structure engineering, floor waterproofing engineering, bathrooms with waterproofing requirements, leakage prevention of rooms and exterior walls, heating and cooling systems, drainage pipes, equipment installation and decoration works, etc. All complaints will be handled carefully and followed up. We received no complaints about our property and property sales services during the Year (2023: 0 case).
  我們設有專業的客戶服務團隊與完善的投訴機制，跟進客戶提出的相關問題，與客戶保持緊密聯繫，有助深入了解客戶需要並有提升服務水平，另外，交付後亦為客戶預留適當的保修期，即交付日起為期1年至5年，而質量保修範圍應該包括地基礎工程、主體結構工程、層面防水工程、有防水要求的衛生間、房間和外墻面的防滲漏、供熱與供冷系統、排水管道、設備安裝和裝修工程等。所有投訴我們都會謹慎處理及跟進。我們於本年度沒有接到有關我們的物業及銷樓服務的投訴（二零二三年：0宗）。

Compliant promotion

The Group strictly complies with the Advertising Law of the People's Republic of China and the Measures for the Administration of Internet Advertising of the People's Republic of China and other laws and regulations. Instructions must pass internal approval and obtain approval from relevant government departments before they can be released. All sales and promotion materials will be carefully checked by the sales department to confirm that sufficient and accurate content has been disclosed in compliance with regulations before they are released and made available to the public for customer reference to make purchasing decisions. At the same time, department employees must abide by the Sales Field Management Manual compiled by the Group and conduct reasonable sales promotions with customers to maintain business ethics.

During the Year, the Group was not aware of any material violation of the relevant laws and regulations in relation to the health and safety, advertising, labeling and privacy of the property and service provided by the Group. In addition, relevant disclosure requirements are not applicable to the Group because the nature of the Group's businesses does not involve the product recall and the significant intellectual property right.

Privacy protection

The Group is committed to protecting data privacy and prohibits any unauthorized disclosure of customer information. When signing sales contracts with customers, we include confidentiality clauses to ensure their privacy is safeguarded. Additionally, all employees must sign confidentiality agreements upon joining the Group, adhering to strict privacy regulations and managing confidential information with care to strengthen privacy protection. During the Year, the Group was not aware of any complaints related to the disclosure of customer information.

合規宣傳

本集團嚴格遵循《中華人民共和國廣告法》及《中華人民共和國互聯網廣告管理辦法》等法律法規，所提供的售樓説明書均需要通過內部審批並獲得有關政府部門審批才可發佈，而所有銷售及推廣資料，亦會由銷售部仔細檢查並確定已合規披露充分及準確內容的情況後，才會對外發佈並供客戶參考以作選購決定。同時部門員工必須遵守本集團定制的《銷售案場管理手冊》，與客戶進行合理推銷宣傳，以維持商業道德。

本年度，本集團並不知悉有關本集團所提供有關我們物業及服務之健康與安全、廣告、標籤及私隱事宜方面的法律及法規發生任何重大違規情況。此外，本集團的業務性質不涉及產品回收及重大的知識產權事宜，因此相關披露並不適用。

保護私隱

本集團致力保護資料私隱，嚴禁任何未經授權的客戶隱私的披露。與客戶簽訂銷售合同時，我們會加入保密條款，以保證客戶的隱私受到保護。此外，每位員工在加入本集團時需要簽訂保密協議，須嚴謹遵守私隱規定並謹慎管理機密資料，以加強保障客戶私隱。本年度，本集團並不知悉有接獲因洩露客戶資料而引致的投訴。

MAKING CONTRIBUTIONS TO THE SOCIETY

Anti-corruption

The Group upholds a corporate culture of integrity and opposes any unethical business practices such as corruption, bribery, extortion, fraud, and money laundering, while strictly complying with local laws and regulations. In accordance with the Law against Unfair Competition of the People's Republic of China, the Criminal Law of the People's Republic of China, and the Interim Provisions on the Prohibition of Commercial Bribery, the Group compiled an Employee Code of Conduct to specify employees' responsibilities and obligations, clarify how to handle conflicts of interest, and raise awareness of self-discipline and integrity.

The Group continues to establish and improve a sound and honest internal control and management system. In addition to monitoring daily management operations and related special projects, it also regularly organizes anti-corruption education and training for directors and employees to improve management and employees' awareness of ethics and corruption issues. In addition, the Group has established a comprehensive reporting channel to ensure that all employees report any relevant suspicious behavior in a safe, reliable and confidential manner. Suspicious incidents will be prudent and comprehensively investigated. If it is confirmed that it is an illegal act, we will transfer the relevant person to the judicial authority in accordance with the law. The Group strictly implements systems and procedures to ensure that the internal control system can effectively identify violations and promptly prevent and stop them. The audit department also regularly reviews relevant anti-corruption policies. The Group has a sound organizational structure and policies in place to maintain high standards of corporate governance and an ethical corporate culture.

During the Year, the Group was not aware of any violations involving bribery, extortion, fraud, or money laundering by the Group or its employees, nor was it involved in any corruption lawsuits.

Connecting with the community

The Group highly values social responsibility and is committed to engaging and contributing to the community as part of our strategic development. The Group has established relevant policies. By encouraging employees to participate in social welfare activities during and outside of work hours, we aim to enhance their sense of corporate social responsibility, foster positive values, and help create more value for the community. Meanwhile, we actively listen to community feedback and incorporate their needs into our construction projects, maintaining our corporate social responsibility and working towards creating a sustainable future for the local people and the communities.

為社會作出貢獻

防貪反腐

本集團堅守誠實守信的企業文化，堅決反對任何不符合商業道德的事件如貪污、賄賂、勒索、欺詐及洗錢等違規行為，並嚴格遵守各地法律法規。本集團根據《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》及《關於禁止商業賄賂行為的暫行規定》制定《員工職務行為準則》以規範員工的責任和義務，明確公司對員工處理利益衝突情況的要求，提高員工自我廉潔自律的警覺性。

本集團持續建立健全廉潔的內部監控管理體系，除了對日常管理經營及相關專項作出監察外，同時定期向董事及員工組織反貪污教育及培訓，以提高管理層及員工對道德操守及貪污議題的關注。此外，本集團已設立完善的舉報途徑，確保所有員工以安全、可靠及保密的方式舉報任何相關可疑行為，發現可疑事件將審慎進行全面調查。若確認是違法行為，我們會依法把有關人士移送司法機關處理。本集團嚴格執行制度流程，以確保內部監控系統能夠有效識別違規行為並及時預防與制止。審計部門亦定期檢討相關的反腐敗政策。本集團設有健全的組織架構及政策，以維持高水平的企業管治及符合道德的企業文化。

本年度，本集團並不知悉我們或我們的員工有任何賄賂、勒索、欺詐與洗黑錢的違規行為，亦不涉及於任何貪污訴訟案件。

聯繫社區

本集團高度重視社會責任並致力參與及貢獻社會，作為我們策略發展的一部分。本集團已制定相關政策。透過鼓勵僱員於工作及工餘時間參與社會公益活動，有助增強僱員的企業社會責任感，建立積極正面的價值觀，協助社區創造更多價值。同時我們亦積極聆聽社區的聲音和意見，藉此將人民需求融入我們的建設項目當中，以維持企業社會責任及致力於為當地人民和社會創造可持續的未來。

INDEX OF THE ESG REPORTING GUIDE OF HONG KONG EXCHANGES AND CLEARING LIMITED

香港交易及結算所有限公司ESG報告指引索引

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General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Creating values for the environment	97–104
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例。	為環境創造價值	97–104
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KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant hazardous waste was generated in 2024	N/A
關鍵績效指標A1.3	所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	二零二四年並無產生重大有害廢棄物	不適用
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KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste management, Green office	101–104
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KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management and quality control	114
關鍵績效指標B5.4	描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	供應鏈管理及質量控制	114

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B6: Product Responsibility **層面B6：產品責任**			
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Creating values for our customers	114–117
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	為客戶創造價值	114–117
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our business does not involve any recall of the product	N/A
關鍵績效指標B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	我們的業務並未涉及產品回收	不適用
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer service	116
關鍵績效指標B6.2	接獲關於產品及服務的投訴數目以及應對方法。	客戶服務	116
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not material for the purpose of the operation of the Group	N/A
關鍵績效指標B6.3	描述與維護及保障知識產權有關的慣例。	知識產權對本集團之營運而言並不重大	不適用
KPI B6.4	Description of quality assurance process and recall procedures.	Supply Chain Management and Quality Control; the Group does not involve any recall of the product	114
關鍵績效指標B6.4	描述質量檢定過程及產品回收程序。	供應鏈管理及質量控制；本集團不涉及產品回收	114
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy protection	117
關鍵績效指標B6.5	描述消費者資料保障及隱私政策，以及相關執行及監察方法。	保護私隱	117

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明	Page No. 頁數
Aspect B7: Anti-corruption **層面B7：反貪污**			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption	118
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	防貪反腐	118
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	118
關鍵績效指標B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	防貪反腐	118
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	118
關鍵績效指標B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	防貪反腐	118
KPI B7.3	Description of anti-corruption training provided to directors and staff.	The Group did not provide anti-corruption training for the Board or employees during the Year	N/A
關鍵績效指標B7.3	描述向董事及員工提供的反貪污培訓。	本集團於本年度並沒有向董事會或員工提供反貪污培訓	不適用
Aspect B8: Community Investment **層面B8：社區投資**			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Connecting with the community	118
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	聯繫社區	118
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	No resources were utilized as community investment during the Year	N/A
關鍵績效指標B8.1	專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	本年度並沒有動用資源作社區投資	不適用
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	No resources were utilized as community investment during the Year	N/A
關鍵績效指標B8.2	在專注範疇所動用資源(如金錢或時間)。	本年度並沒有動用資源作社區投資	不適用

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Global Link CPA Limited

To the members of Xinming China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB589,691,000 for the year ended 31 December 2024. At 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB4,507,983,000. In addition, at 31 December 2024, the Group's borrowings of approximately RMB1,212,708,000 and the convertible bonds issued by the Group amounting approximately RMB282,125,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

致新明中國控股有限公司股東
(於開曼群島註冊成立的有限公司)

不發表意見

我們並無就　貴集團之綜合財務報表發表意見。由於在本報告中「不發表意見的基礎」一節所述事項關係重大，我們未能取得充足適當的審核憑證為該等綜合財務報表之審核意見提供基礎。在所有其他方面，我們認為，該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

不發表意見基礎

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，　貴集團於截至二零二四年十二月三十一日止年度產生虧損淨額約人民幣589,691,000元。於二零二四年十二月三十一日，　貴集團的流動負債超過其流動資產約人民幣4,507,983,000元。此外，於二零二四年十二月三十一日，　貴集團的借款約人民幣1,212,708,000元以及　貴集團已發行可換股債券約人民幣282,125,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對　貴集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

管理層已採取多項措施，以改善　貴集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表乃基於持續經營的假設編製，有關假設的有效性取決於該等措施實施之結果，其受限於多個不確定因素，包括(i)成功與　貴集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為　貴集團可見將來的營運資金及承擔額外撥資；(iv)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘　貴集團未能按持續經營基準經營，而可能須作出有關調整以撇減　貴集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board 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.

董事及肩負管治責任者就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則會計準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及維持董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basic for an audit opinion on the consolidated financial statements.

We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

在編製綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)及採用以持續經營為基礎的會計法，除非 貴公司董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法。

肩負管治責任者須負責監督 貴集團之財務報告流程。

核數師就審計綜合財務報表須承擔的責任

我們的責任為根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則對 貴集團的綜合財務報表進行審計，並發出核數師報告。然而，由於本報告「不發表意見基礎」一節所述事項，我們未能就該等綜合財務報表審核意見提供基準取得充分恰當之審核憑證。

我們僅向 閣下作為整體報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行該守則中的其他專業道德責任。

Global Link CPA Limited
Certified Public Accountants

Hong Kong, 31 March 2025

The engagement director on the audit resulting in this independent auditor's report is:
Au Yeung Ming Yin Gordon
Practising Certificate number: P08219

高嶺會計師有限公司
執業會計師

香港，二零二五年三月三十一日

出具本獨立核數師報告的審計委託董事是：

歐陽銘賢
執業證書編號：P08219

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Revenue	**收益**	5	**86,843**	422,580
Cost of sales	銷售成本		**(66,176)**	(369,140)
Gross profit	毛利		**20,667**	53,440
Other income and gains and losses	其他收入及收益及虧損	6	**21**	(6,186)
Selling and distribution costs	銷售及分銷成本		**(3,577)**	(4,496)
Administrative expenses	行政支出		**(19,821)**	(33,165)
Other expenses	其他開支		**(473,844)**	(440,315)
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	18	**(3,319)**	(34,641)
Changes in fair value of investment properties	投資物業之公允價值變動	14	**(12,270)**	(17,900)
Changes in fair value of convertible bonds	可換股債券之公允價值變動		**(9,463)**	(3,814)
Finance costs	融資成本	7	**(96,663)**	(77,079)
Loss before income tax	**除所得稅前虧損**	7	**(598,269)**	(564,156)
Income tax credit (expenses)	所得稅抵免(支出)	10	**8,578**	(28,475)
Loss for the year	**年內虧損**		**(589,691)**	(592,631)
Other comprehensive expense item that may be reclassified subsequently to profit or loss:	**其後可能重新分類至損益的其他全面開支項目：**			
Exchange difference arising on translation of foreign operation	換算海外業務產生之匯兑差額		**(57)**	–
Total comprehensive expenses for the year	**年內全面開支總額**		**(589,748)**	(592,631)
Loss for the year attributable to:	**以下人士應佔年內虧損：**			
Owners of the Company	本公司擁有人		**(542,523)**	(526,121)
Non-controlling interests	非控股權益		**(47,168)**	(66,510)
			(589,691)	(592,631)
Total comprehensive expenses for the year attributable to:	**以下人士應佔年內全面開支總額：**			
Owners of the Company	本公司擁有人		**(542,580)**	(526,121)
Non-controlling interests	非控股權益		**(47,168)**	(66,510)
Total comprehensive expenses for the year	**年內全面開支總額**		**(589,748)**	(592,631)
Loss per share attributable to owners of the Company	**本公司擁有人應佔每股虧損**	12		
Basic and Diluted (RMB)	基本和攤薄(人民幣)		**(0.289)**	(0.281)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2024 於二零二四年十二月三十一日

		Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	13	668	684
Investment properties	投資物業	14	905,930	918,200
Deferred tax assets	遞延稅項資產	16	227,863	210,093
			1,134,461	1,128,977
Current assets	**流動資產**			
Properties under development	開發中物業	17	402,000	441,699
Completed properties held for sale	持作出售的已竣工物業	18	557,470	601,487
Trade receivables	貿易應收款項	19	3,201	1,426
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	20	45,505	40,233
Restricted deposits	受限制存款	21	1,412	520
Cash and cash equivalents	現金及現金等價物	21	662	1,335
			1,010,250	1,086,700
Current liabilities	**流動負債**			
Trade payables	貿易應付款項	22	459,566	483,698
Other payables and accruals	其他應付款項及應計費用	23	2,487,619	1,873,330
Contract liabilities	合約負債	24	171,213	194,332
Interest-bearing bank and other borrowings	計息銀行及其他借款	25	1,212,708	1,279,465
Tax payable	應付稅項		905,002	903,384
Convertible bonds	可換股債券	26	282,125	272,662
			5,518,233	5,006,871
Net current liabilities	**流動負債淨值**		(4,507,983)	(3,920,171)
Total assets less current liabilities	**總資產減流動負債**		(3,373,522)	(2,791,194)
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延稅項負債	16	175,742	168,322
NET LIABILITIES	**負債淨值**		(3,549,264)	(2,959,516)

At 31 December 2024 於二零二四年十二月三十一日

			2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
EQUITY	**權益**			
Issued capital	已發行股本	27	**14,880**	14,880
Reserves	儲備		**(3,259,346)**	(2,770,911)
			(3,244,466)	(2,756,031)
Non-controlling interests	非控股權益		**(304,798)**	(203,485)
TOTAL DEFICIT	**虧絀總額**		**(3,549,264)**	(2,959,516)

The consolidated financial statements on pages 133 to 220 were approved and authorised for issue by the Board of Directors on 31 March 2025 and signed on its behalf by

第133頁至第220頁綜合財務報表於二零二五年三月三十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

Chen Chengshou
陳承守
Director
董事

Feng Cizhao
豐慈招
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
			Reserves 儲備										
		Issued capital	Share premium	Merger reserve	Capital reserve	Share award scheme reserve	Financial assets at FVOCI reserve	Exchange reserve	Accumulated losses	Total reserves	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	合併儲備	資本儲備	有關股份獎勵計劃的儲備	按公允價值計入其他全面收益儲備的金融資產	外匯儲備	累計虧損	儲備總額	總計	非控股權益	權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元 (Note 28) (附註28)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	–	(2,779,713)	(2,244,790)	(2,229,910)	(136,975)	(2,366,885)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	–	–	–	–	(526,121)	(526,121)	(526,121)	(66,510)	(592,631)
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	–	(3,305,834)	(2,770,911)	(2,756,031)	(203,485)	(2,959,516)
Loss for the year	年內虧損	–	–	–	–	–	–	–	(488,378)	(488,378)	(488,378)	(101,313)	(589,691)
Exchange differences arising on translation of foreign operation	換算海外業務產生之匯兑差額	–	–	–	–	–	–	(57)	–	(57)	(57)	–	(57)
Total comprehensive expense for the year	年內全面開支總額	–	–	–	–	–	–	(57)	(488,378)	(488,435)	(488,435)	(101,313)	(589,748)
At 31 December 2024	於二零二四年十二月三十一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	(57)	(3,794,212)	(3,259,346)	(3,244,466)	(304,798)	(3,549,264)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
OPERATING ACTIVITIES	**經營活動**		
Loss before income tax	除所得稅前虧損	(598,269)	(564,156)
Adjustments for:	就下列各項作出調整：		
Bank interest income	銀行利息收入	(6)	(178)
Changes in fair value of convertible bonds	可換股債券之公允價值變動	9,463	3,814
Changes in fair value of investment properties	投資物業之公允價值變動	12,270	17,900
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	14
Finance costs	融資成本	96,663	77,079
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	3	–
Impairment of completed properties held for sale	持作出售的已竣工物業減值	7,050	19,474
Impairment of properties under development	開發中物業減值	5,699	107,040
Impairment of financial assets, net	金融資產減值淨額	26,840	2,756
Interest penalties	罰息	366,208	314,859
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	3,319	34,641
Operating cash flows before changes in working capital	**營運資金變動前經營現金流量**	(70,747)	13,243
Changes in working capital:	營運資金變動：		
Properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業	82,942	186,641
Trade receivables	貿易應收款項	(10,048)	(366)
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	(23,896)	13,487
Restricted deposits	受限制存款	(892)	2
Trade payables	貿易應付款項	(24,132)	143,681
Other payables and accruals	其他應付款項及應計費用	136,124	(15,367)
Contract liabilities	合約負債	(23,119)	(425,563)
Cash generated from (used in) operations	**營運所得(所用)現金**	66,232	(84,242)
Income tax paid	已付所得稅	(154)	(25)
Net cash used in operating activities	**經營活動所用現金淨額**	66,078	(84,267)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
INVESTING ACTIVITY	**投資活動**			
Bank interest income	銀行利息收入		6	178
Net cash from investing activity	**投資活動產生的現金淨額**		6	178
FINANCING ACTIVITIES	**融資活動**			
New loan raised	已籌集的新貸款	23(a)	3,709	117,280
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款		(70,466)	(290)
Repayment of loan	償還貸款	23(a)	–	(39,000)
Net cash (used in) from financing activities	**融資活動(所用)產生的現金淨額**		(66,757)	77,990
Net decrease in cash and cash equivalents	**現金及現金等價物減少淨額**		(673)	(6,099)
Cash and cash equivalents at beginning of year	**年初現金及現金等價物**		1,335	7,434
Cash and cash equivalents at end of year, represented by cash and bank balances	**年末現金及現金等價物(以現金及銀行結餘呈列)**	21	662	1,335

1. GENERAL INFORMATION

Xinming China Holdings Limited (the "Company") was incorporated in the Cayman Islands on 16 January 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. In the opinion of the directors of the Company, the ultimate holding company is Xinxing Company Limited and the ultimate controlling shareholder is Mr. Chen Chengshou (the "Controlling Shareholder"). The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, properties development and properties leasing.

1. 一般資料

新明中國控股有限公司(「本公司」)於二零一四年一月十六日在開曼群島根據開曼群島法律第22章公司法註冊成立為獲豁免有限公司。本公司董事認為本公司的最終控股公司為Xinxing Company Limited及最終控股股東為陳承守先生(「控股股東」)。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處位於Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事於投資控股、物業開發及物業租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

2. 重大會計政策資料

合規聲明

本綜合財務報表已根據由國際會計準則委員會(「國際會計準則委員會」)頒佈之國際財務報告準則會計準則及香港公司條例之披露規定編製。本綜合財務報表亦符合聯交所證券上市規則(「上市規則」)之適用披露規定。

Going concern

The Group incurred a net loss of approximately RMB589,691,000 for the year ended 31 December 2024. At 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB4,507,983,000.

At 31 December 2024, the Group's borrowings of approximately RMB1,212,708,000 and convertible bonds of approximately RMB282,125,000 were overdue pursuant to the relevant borrowing agreements.

持續經營

截至二零二四年十二月三十一日止年度，本集團產生虧損淨額約人民幣589,691,000元。於二零二四年十二月三十一日，本集團流動負債超過其流動資產約人民幣4,507,983,000元。

於二零二四年十二月三十一日，根據相關借款協議，本集團借款約為人民幣1,212,708,000元及可換股債券約為人民幣282,125,000元均逾期。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

(ii) continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future. As of the date of this report, the Company negotiated with current and other banks and financial institutions using the lands held by the Group as guarantees on the additional financing.

2. 重大會計政策資料(續)

持續經營(續)

所有上述情況表示存在可能對本集團持續經營能力產生重大懷疑的重大不確定性。

鑒於該等情況，於評估本集團是否擁有充足財務資源繼續持續經營時，本公司董事充分考慮本集團未來流動資金及表現以及其可用財務資源。本集團已採取若干措施以緩解流動資金壓力及改善其財務狀況，包括但不限於以下各項：

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括違約條款所涵蓋的借款及利息)及希望達成延展到期日及尚欠借款的還款時間表。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外撥資的機會。截至本報告日期，本公司以本集團持有的土地作為擔保，與現有及其他銀行及金融機構磋商，以獲得額外融資。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. The sale of the phase 3 of Shandong Project was completed. The pre-sale of the phase 4 of Shandong residential project has commenced since September 2023. Majority of the net proceeds from Shandong project has been and will be used for the repayment of the outstanding borrowing.

(iv) actively procuring and formulating the preliminary terms with large property developer to sale individual property development project or whole commercial property at an appropriate price. The Company has been negotiating with certain potential purchaser regarding the sale of the whole Shanghai property development project. The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(v) actively accelerate the de-stocking of its properties. The Company sells the residential property in Shandong and the whole or portion of commercial properties in Taizhou, Hangzhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised IFRS Accounting Standards that are relevant to the Group's operation and effective from the current year.

2. 重大會計政策資料(續)

持續經營(續)

(iii) 加速開發中及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。而第三期山東項目銷售經已完成。第四期山東住宅項目預售自二零二三年九月開展。大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用房。本公司已與若干潛在買方進行協商，以銷售整個上海物業開發項目。管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) 積極加快物業庫存去化。本公司配套出售山東的住宅物業以及台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

除另有註明外，所有數值均四捨五入至最接近之千位數。

綜合財務報表乃按照與本集團於二零二三年的綜合財務報表所採用會計政策一致的基準編製，惟採用下列與本集團業務有關及於本年度生效的新訂／經修訂國際財務報告準則會計準則除外。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Adoption of new/revised IFRS Accounting Standards

In the current year, the Group has applied the following new amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	*Insurance Contracts*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*

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

A summary of the significant accounting policies adopted by the Group is set out below.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for investment properties and convertible bonds which are measured at fair value.

2. 重大會計政策資料(續)

採用新訂／經修訂國際財務報告準則會計準則

於本年度，本集團已首次應用以下由國際會計準則委員會頒佈的新訂及經修訂國際財務報告準則，該等準則強制於本集團於二零二三年一月一日開始的年度期間生效，以編製綜合財務報表：

國際財務報告準則第17號(包括二零二零年六月及二零二一年十二月國際財務報告準則第17號之修訂本)	*保險合約*
國際會計準則第8號之修訂本	*會計估計的定義*
國際會計準則第12號之修訂本	*產生自單一交易的資產及負債相關的遞延稅項*
國際會計準則第12號之修訂本	*國際稅制改革－第二支柱模型規則*
國際會計準則第1號及國際財務報告準則實務報告第2號之修訂本	*會計政策的披露*

本年度應用新訂及經修訂國際財務報告準則會計準則對本集團本年度及過往年度的財務狀況及業績及／或本綜合財務報表所載列的披露並無重大影響。

本集團採用之重大會計政策概要如下。

計量基準

綜合財務報表乃以歷史成本為計量基準編製，惟投資物業及可換股債券以公允價值計量。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

2. 重大會計政策資料(續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力運用對投資對象的權力(即賦予本集團現有能力以主導投資對象的相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象過半數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權利時會考慮所有相關事實及情況，包括：

(a) 與投資對象其他投票持有人的合約安排；

(b) 其他合約安排所產生的權利；及

(c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期間編製，並採用貫徹一致的會計政策。附屬公司業績自本集團取得控制權之日綜合入賬並直至該控制權終止之日為止。

損益及其他全面收益各組成部分乃歸屬於本公司擁有人及非控股權益，即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易之所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (Continued)

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

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

Fair value measurement

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

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

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

2. 重大會計政策資料(續)

綜合賬目基準(續)

非控股權益單獨由本公司擁有人呈列於綜合損益及其他全面收益表及綜合財務狀況表的權益中。屬現時擁有權權益且於清盤時讓持有人有權按比例分佔被收購方資產淨值的非控股權益，可初步按公允價值或現時擁有權工具應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項收購而作出選擇。其他類別的非控股權益初步按公允價值計量，惟國際財務報告準則會計準則規定的另一項計量基準除外。

倘有事實及情況顯示上文所述三個控制因素中有一個或以上出現變動，則本集團將重新評估是否仍控制投資對象。附屬公司之擁有權權益變動(並無喪失控制權)被視為股本交易入賬。

公允價值計量

本集團於各報告期末按公允價值計量其投資物業及可換股債券。公允價值為市場參與者於計量日期在有序交易中出售資產所收取之價格或轉讓負債所支付之價格。公允價值計量乃根據假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產公允價值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者，所產生之經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值技術，以盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement (Continued)

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

Level 1 (highest level):	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 (lowest level):	unobservable inputs for the asset or liability.

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

Impairment of non-financial assets (other than goodwill)

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

2. 重大會計政策資料(續)

公允價值計量(續)

所有於綜合財務報表中計量或披露公允價值之資產及負債，乃按對整體公允價值計量具重大影響之最低層輸入值分類至下述之公允價值等級：

第一級（最高水平）：	根據本集團於計量日期可獲得的相同資產或負債於活躍市場的報價(未經調整)；
第二級：	除第一級包含的報價外，無論是資產或負債直接的或是間接的可觀察輸入資料；
第三級（最低水平）：	資產或負債的不可觀察輸入資料。

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大之最低層輸入值)確定是否發生不同等級轉移。

非金融資產減值(商譽除外)

倘有跡象顯示出現減值，或當需要對資產(開發中物業、持作出售竣工物業、遞延税項資產、金融資產及投資物業除外)作年度減值測試，則須估計資產之可收回價值。資產之可收回價值按資產或現金產生單位之使用價值，以及其公允價值減出售成本之較高者計算，並就各個別資產而釐訂，除非資產並未能在大致獨立於其他資產或組別資產之情況下產生現金流入，在此情況下，須釐訂資產所屬的現金產生單位之可收回金額。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets (other than goodwill) (Continued)

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

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

Related parties

A related party is a person or entity that is related to the Group.

(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 Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

2. 重大會計政策資料(續)

非金融資產減值(商譽除外)(續)

減值虧損只於資產之賬面值超過其可收回數額時確認。於評估使用價值時，使用反映當時市場對貨幣時間值以及與資產相關的特定風險的除稅前貼現率貼現出估計未來現金流量之現值。減值虧損於其產生期間在損益中與已減值資產功能相符的相關開支類別支銷。

於各報告期末，將評估是否有跡象顯示於過往確認之減值虧損不再存在或可能有所減少。倘出現有關跡象，則須估計可收回金額。過往確認之資產(商譽除外)減值虧損只能於用以釐訂資產之可收回數額之估計出現變動始能撥回，惟該數額不得超過假設有關資產於過往年度並未有確認減值虧損而予以釐訂之賬面值(扣除任何折舊／攤銷)。該撥回之減值虧損乃於其產生之期間計入損益，除非該資產乃按重估值列賬，則該撥回減值虧損乃根據該項重估資產的有關會計政策入賬。

關聯方

關聯方乃指與本集團相關的個人或實體。

(a) 倘屬以下人士，則該人士或該人士的近親與本集團有關連：

  (i) 控制或共同控制本集團；

  (ii) 對本集團有重大影響力；或

  (iii) 為本集團或本集團控股公司的主要管理層成員。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each holding company, 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.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a holding company 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 Group or to the holding company of the Group.

2. 重大會計政策資料(續)

關聯方(續)

(b) 倘一間實體符合以下條件，即為與本集團有關聯：

(i) 該實體與本集團為同一集團的成員(這意味著各實體的控股公司、附屬公司和同系附屬公司之間均相互關聯)。

(ii) 一間實體為另一實體的聯營公司或合營公司(或為另一實體所屬集團的成員公司的聯營公司或合營公司)。

(iii) 兩家實體均為同一第三方的合營公司。

(iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。

(v) 該實體為本集團或與本集團有關聯的實體為僱員福利而設的離職後福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。

(vi) 該實體被(a)項所述人士控制或共同控制。

(vii) 於(a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的控股公司)主要管理層。

(viii) 該實體、或其所屬集團之任何成員公司向本集團或本集團之控股公司提供主要管理人員服務。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

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:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Property, plant and equipment

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

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

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

Plant and machinery	19.0%
Furniture and office equipment	19.0 to 49.4%
Motor vehicles	9.9% to 32.9%

2. 重大會計政策資料(續)

關聯方(續)

個人關係密切的家庭成員是指其在和實體進行交易時，預期可能影響該個人或者被該個人影響的家庭成員，包括：

(a) 該個人的子女及配偶或家庭伴侶；

(b) 該個人配偶或家庭伴侶的子女；及

(c) 該個人、該個人配偶或家庭伴侶贍養的人。

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使資產達致其使用狀態及地點作擬定用途所直接產生之成本。

於物業、廠房及設備項目投入運作後所產生的支出，如維修及保養費等，通常於該等支出產生期間計入損益。倘確認條件達標，主要檢查費用可按撥充資本計入作為重置的資產賬面值。倘須定期替換大部分物業、廠房及設備，則本集團會將該等部分確認為有特定可使用年期的個別資產及相應地予以折舊。

折舊乃以直線法按其估計可使用年期撇銷各項物業、廠房及設備的成本至其剩餘價值。就此使用的的折舊年率如下：

廠房及機器	19.0%
傢具及辦公設備	19.0至49.4%
汽車	9.9%至32.9%

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment (Continued)

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

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

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

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

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

2. 重大會計政策資料(續)

物業、廠房及設備(續)

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本按合理基準分配至各部分，每部分單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各報告期末檢討，並於適當時調整。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認期間在損益內確認的任何出售或報廢產生的收益或虧損，乃有關資產出售所得款項淨額與其賬面值的差額。

投資物業

投資物業指持作賺取租金收入及／或資本增值的土地及樓宇權益(包括符合投資物業定義的作為使用權資產而持有的租賃物業)，而非用作生產或作供應貨品或提供服務或作行政管理用途或持作日常業務過程中出售的土地及樓宇權益。該等物業初步按成本(包括交易成本)計量。初始確認後，投資物業按公允價值列賬，以反映報告期末的市況。

投資物業公允價值變動產生的收益或虧損計入其產生期間的損益內。

報廢或出售投資物業產生的任何收益或虧損於報廢或出售期間的損益確認。

就在建物業及持作出售之已竣工物業轉撥至投資物業而言，物業於該日之公允價值與先前賬面值間之差額於損益內確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Lease

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

The Group as lessee

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

2. 重大會計政策資料(續)

開發中物業

開發中物業擬持作竣工後出售。

開發中物業按成本及可變現淨值的較低者列賬，成本包括土地成本、建築成本、借貸成本、專業費用與於開發期內產生與該等物業直接相關的其他成本。

除非開發中物業不會於正常營運周期內竣工，否則其分類為流動資產。物業於竣工時轉至持作出售的已竣工物業。

持作出售的已竣工物業

持作出售的已竣工物業乃按成本與可變現淨值的較低者於綜合財務狀況表列賬。成本乃按未出售物業應佔土地及樓宇總成本的分攤比例釐定。可變現淨值計及最終預期將變現的價格減去銷售該物業時將產生的估計成本。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(a) Right of use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of- use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets (if any).

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

(b) Lease liabilities

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期確認(即相關資產可供使用之日期)。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於租賃期(以較短者為準)及估計可使用年期內(如有)以直線法折舊。

倘租賃資產所有權於租賃期末轉移至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款及預期根據在剩餘價值擔保中將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價，倘租賃期反映了本集團行使終止選擇權，則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於發生觸發付款之事件或狀況期間確認為開支。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(b) Lease liabilities (Continued)

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

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

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

The Group as lessor

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

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

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債(續)

於計算租賃付款現值時，由於租賃中所隱含之利率不易釐定，本集團於租賃開始日期使用其增量借貸利率。於開始日期後，租賃負債金額會增加，以反映利息增加及就所付租賃付款作出調減。此外，倘出現修改、租賃期變動、租賃付款變動(如指數或比率變動所產生之未來租賃付款變動)或購買相關資產之期權評估變更，則租賃負債之賬面值將予重新計量。

(c) 短期租賃及低值資產租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租賃期為12個月或以下且不包含購買權的租賃)應用短期租賃確認豁免。其亦對視作低值的樓宇或辦公室租賃應用低值資產租賃確認豁免。

本集團作為承租人

本集團作為承租人時，於租賃開始日期(或發生租賃修改)將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所隨附的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃組成部分時，本集團按照單獨售價的相對比例將合約中的對價分配給每個組成部分。由於其經營性質，租金收入於租賃期內按直線法列賬並於綜合損益及其他全面收益表內列為收益。於協商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面價值，並於租賃期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

凡將相關資產擁有權之絕大部份隨附回報與風險轉讓予承租人之租賃列賬為經營租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

2. 重大會計政策資料(續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本計量、按公允價值計入其他全面收入(「按公允價值計入其他全面收入」)及按公允價值計入損益(「按公平價值計入損益」)的金融資產。

於初始確認時，金融資產的分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按公允價值加上(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收入確認」所載的政策按國際財務報告準則第15號釐定的交易價格計量。

以攤銷成本分類及計量或按公允價值計入其他全面收入的金融資產產生的現金流量，應純粹為支付本金及未償還的本金所產生的利息(「純粹支付本金及利息」)。並非純粹支付本金及利息之現金流量之金融資產，其以公允價值計入損益進行分類及計量，不論其業務模式如何。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。以攤銷成本分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式內持有，而以公允價值計入其他全面收入進行分類及計量的金融資產則於旨在收取合約現金流量及銷售的業務模式內持有。不屬於上述業務模式內的則為按公允價值計入損益分類及計量的金融資產。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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 marketplace.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Derecognition of financial assets

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

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有金融資產的常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指須在法規或市場慣例普遍規定的期間交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其以下類別：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於綜合損益及其他全面收益表中確認。

金融資產終止確認

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況下終止確認(即從本集團的綜合財務狀況表中剔除)：

- 收取該項資產所得現金流量的權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或須根據一項「轉付」安排承擔在並無重大延誤的情況下向第三方全數支付所得現金流量責任；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

Impairment of financial assets

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

General approach

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產終止確認(續)

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排，其會評估是否有保留該項資產擁有權的風險及回報及保留程度。倘其並無轉讓或保留該項資產的絕大部份風險及回報，亦無轉讓該項資產的控制權，則本集團繼續根據本集團持續參與的程度將轉讓資產確認入賬。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按可反映本集團所保留的權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團對並非按公允價值計入損益的所有債務工具確認預期信貸虧損的撥備(「預期信貸虧損」)。預期信貸虧損乃基於根據合約應收的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施的現金流量。

一般方式

預期信貸虧損分兩個階段確認。對於自首次確認概無重大增加的信貸風險，預期信貸虧損乃是為於未來12個月內可能來自違約事件的預期信貸虧損(12個月預期信貸虧損)而計提。對於該等自首次確認後顯著增加的信貸風險，必須為預期於剩餘年期產生的信貸虧損作出虧損撥備，無須考慮違約事件發生的時間(全期預期信貸虧損)。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At the end of each reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

一般方式(續)

於各報告期結束時，本集團評估金融工具的信貸風險自初始確認以來是否顯著上升。於評估時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性且無須花費不必要成本或努力的資料，包括過往及前瞻性資料。

本集團認為，當合約繳款逾期超過90天，該金融資產屬違約。然而，於若干情況，當內部或外來資料顯示本集團不大可能於考慮本集團所持的任何信貸提升措施前全數收到尚未償還合約款項時，本集團亦可能認為一項金融資產已屬違約。當概無合理預期可回收合約現金流量時，一項金融資產即被撇銷。

按公允價值計入其他全面收入的債務投資及按攤銷成本計量的金融資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟貿易應收款項須應用以下詳述之簡化方法除外。

第一階段： 自初始確認以來信貸風險未有顯著上升的金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損撥備的金融工具

第二階段： 自初始確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融工具

第三階段： 於報告日期已作信貸減值的金融資產(惟不是已購買或源頭信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融資產

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

簡化方法

就並無重大融資成分或本集團應用可行權宜方法未調整重大融資成分影響的貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

金融負債

初始確認及計量

金融負債於初始確認時歸類為按公允價值計入損益的金融負債、或貸款及借貸、應付款項，或指定於有效對沖中作對沖工具的衍生工具(倘適用)。

所有金融負債初步按公允價值確認，而貸款及借貸以及應付款項則須扣除直接應佔交易成本。

後續計量

金融負債的後續計量取決於其以下類別：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定按公允價值於損益中列賬的金融負債。

倘金融負債乃為於短期內出售而購回，則歸類為持有作買賣用途。此類別亦包括本集團所訂立並未指定為對沖關係(定義見國際財務報告準則第9號)中的對沖工具的衍生金融工具。已分開的嵌入式衍生工具亦分類為持作買賣用途，惟指定為實際對沖工具者除外。持作買賣的負債的損益於綜合損益及其他全面收益表中確認。於綜合損益及其他全面收益表中確認的公平淨值收益或虧損不包括就該等金融負債收取的任何利息。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at FVPL (Continued)

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial guarantee contracts

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

2. 重大會計政策資料(續)

金融負債(續)

後續計量(續)

按公允價值計入損益的金融負債(續)

於初步確認時指定按公允價值於損益中列賬的金融負債，僅於初步確認日期符合國際財務報告準則第9號的要求時指定。指定按公允價值計入損益的收益或虧損於綜合損益表確認，惟本集團本身信貸風險產生的於其他全面收益呈列且其後並無重新分類至綜合損益表的收益或虧損除外。於損益內確認的公允價值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

按攤銷成本計量的金融負債(貸款及借貸)

於初始確認後，計息銀行及其他借款其後以實際利率法按攤銷成本計量，倘貼現影響不大，則按成本列賬。收益或虧損於負債終止確認時透過實際利率攤銷程序於損益確認。

計算攤銷成本時已計及任何收購折讓或溢價，以及實際利率所包括的費用或成本。實際利率攤銷則計入損益的融資成本。

財務擔保合約

本集團作出的財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具的條款償還到期款項而招致損失的合約。財務擔保合約初步按其公允價值確認為一項負債，並就作出該擔保直接產生的交易成本作出調整。於初始確認後，本集團按(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初始確認的金額減(如適用)確認收入累計金額(以較高者為準)計量財務擔保合約。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

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

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

2. 重大會計政策資料(續)

金融負債(續)

終止確認金融負債

金融負債於債務責任已解除或取消或到期時終止確認。

當現有金融負債被同一貸款人以與原有負債條款有重大差別的金融負債取代，或現有負債條款經重大修訂，則上述取代或修訂將視為終止確認原有負債並確認新負債，而有關賬面值之間的差額於損益確認。

抵銷金融工具

倘且僅倘現時有可執行的合法權利抵銷已確認金額且有意按淨額基準結算，或同時變現資產及結算負債，則金融資產與金融負債予以抵銷且淨額於綜合財務狀況表呈報。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金與活期存款，以及可隨時轉換成已知金額現金、價值變動風險不大且購買時一般具有不超過三個月短暫有效期的短期高流通投資，再扣除須於要求時償還且為本集團現金管理所包括的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括不限用途的手頭現金及銀行現金(包括定期存款及與現金性質相似的資產)。

撥備

倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，且能夠可靠估計，則該責任所涉金額確認撥備。

倘貼現影響重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。貼現現值隨時間過去而增加的金額計入損益中的融資成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

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

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

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Government Grants

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

2. 重大會計政策資料(續)

所得稅

即期所得稅支出乃根據本期間的業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用的稅率為於報告期末已頒行或實際上已頒行的稅率。

遞延稅項乃就資產及負債的稅基與其於綜合財務報表內所示的賬面值於報告期末的所有暫時性差額，採用負債法計提撥備。然而，初步確認商譽或一項交易(業務合併除外)中的其他資產或負債所產生的任何遞延稅項，倘其於交易時不影響會計溢利或應課稅溢利或虧損，則不會確認。

遞延稅項負債及資產乃根據於報告期末已頒行或實際上已頒行的稅率及稅法，按收回資產或清還負債的期間預期適用的稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時性差額、稅項虧損及抵免，則會確認遞延稅項資產。

遞延稅項按於附屬公司之投資所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，且暫時差額可能不會於可見將來撥回則除外。

政府補助

倘能合理確定將可收到政府補助且所有附帶條件得到遵守，則政府補助按公允價值確認。倘補助與開支項目有關，則會有系統地在擬用作補償的成本支銷期間確認補助為收入以符合該補助。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

2. 重大會計政策資料(續)

收入確認

來自客戶合約的收入

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Sale of properties

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation that best depict the Group's performance in satisfying the performance obligation.

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

For properties development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession, or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

2. 重大會計政策資料(續)

收入確認(續)

來自客戶合約的收入(續)

銷售物業

收益於資產控制權轉移至買方時確認。資產的控制權是在一段時間內或在某一時點轉移，取決於合約條款與適用於合約的法律規定。資產的控制權會在一段時間內轉移，前提是本集團的履約行為：

- 提供買方同時取得及消耗的所有利益；或
- 創造及提升買方在本集團履約時控制的資產；或
- 並無創造對本集團有替代用途的資產，且本集團具有就迄今為止已完成的履約部分獲得付款的可強制執行權利。

倘資產的控制權在一段時間內轉移，會按在合約期間已完成該履約責任的進度確認收益。否則，收益會於買方獲得資產控制權的時點確認。

完全達成履約責任之進度乃根據本集團對履行責任所作付出或投入計量，其必須為描述本集團完成履約責任表現之最佳指標。

在釐定交易價格時，倘融資成份重大，本集團將根據融資成份調整承諾代價。

就於某時點轉讓物業控制權之物業發展及銷售合約而言，收益於買方獲得實物所有權或竣工物業之法定所有權且本集團已獲得現時之付款請求權並很可能收回代價時確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Interest income

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

Contract liabilities

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

Other employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2. 重大會計政策資料(續)

收入確認(續)

其他來源的收入

租金收入於租期內按時間比例基準確認。

利息收入

利息收入以應計基準，採用實際利率法按估計於金融工具的預計年期或於適當時按更短期間內所得未來現金收入折現至該金融資產賬面淨值的折現率計算。

合約負債

本集團轉讓相關商品或服務之前，於已收付款或付款到期時(以較早者為準)確認合約負債。本集團根據合約(即將相關商品或服務的控制權轉讓予客戶)履行合約時，合約負債確認為收益。

其他僱員福利

短期僱員福利

薪金、年度花紅、有薪年假以及非貨幣福利成本乃於僱員提供相關服務年度內計提。

界定供款計劃

界定退休供款計劃的供款責任於產生時在損益中確認為開支，並扣除僱員於未完成供款計劃而離職所發生的供款部分。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Other employee benefits (Continued)

Defined contribution plans (Continued)

The contributions recognised in respect of pension scheme are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature. The Group participates in the pension scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Borrowing costs

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

2. 重大會計政策資料(續)

其他僱員福利(續)

界定供款計劃(續)

有關退休金計劃的已確認供款於其逾期後列為開支。倘出現欠款或預付款項，則可能確認負債及資產，並由於其通常為短期性質而於流動負債或流動資產中入賬。本集團參與其香港僱員可得的香港強制性公積金計劃條例項下的退休金計劃(「強積金計劃」)。本集團及僱員向強積金計劃的供款乃根據僱員基本薪金的百分比作出，且於其根據強積金計劃的規則變為應付後於損益中扣除。強積金計劃的資產與本集團的資產分開，由一獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全面歸屬於僱員。

本集團在中國經營的附屬公司的僱員均須參與由地方市政府運作的中央退休金計劃。該等附屬公司須按其員工成本的一定百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

離職福利

本集團於明確就終止僱用作出承擔或因在一項實際上不可能撤回的詳細正式計劃下僱員自願離職而提供利益及僅在此情況下，方始確認離職福利。

借貸成本

收購、建設或生產合資格資產(即需要一段較長時間方可達致擬定用途或出售的資產)直接應佔的借貸成本會撥充資本，作為該等資產的部分成本。當資產已大致可作擬定用途或出售時，不再將該等借貸成本撥充資本。將待用於合資格資產的特定借貸臨時投資所賺取的投資收入須自撥充資本的借貸成本扣除。所有其他借款成本於其產生期間列為開支。借貸成本包括實體借款時產生的利息及其他成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and the Group because the Group's principal operations are carried out in the PRC.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

2. 重大會計政策資料(續)

外幣

由於本集團的主要業務於中國進行，故綜合財務報表以本公司及本集團的功能貨幣人民幣(「人民幣」)列示。

外幣交易乃按交易日期的現行匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的匯兑收益及虧損，於損益確認。

其功能貨幣與呈列貨幣不同的所有集團實體(「海外業務」)的業績及財務狀況按以下方式換算為呈列貨幣：

- 各財務狀況表的資產及負債按報告期末的收市匯率換算。
- 各損益及其他全面收益表的收支按平均匯率換算。
- 上述換算產生的所有匯兑差額及構成本集團於海外業務的投資淨額一部分之貨幣項目產生的匯兑差額乃確認為權益的獨立部分。
- 出售海外業務(包括出售本集團於海外業務的全部權益、涉及失去包含海外業務之附屬公司的控制權的出售事項，或部分出售於合營安排或聯營公司(包括其保留權益不再於權益列賬的海外業務)的權益)時，與海外業務相關而於其他全面收益中確認並於權益中獨立部分累計的匯兑差額累計金額，於確認出售損益時由權益重新分類至損益。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (Continued)

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, which is the Group's chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 重大會計政策資料(續)

外幣(續)

- 部分出售本集團於包含海外業務之附屬公司的權益，惟並無令本集團失去對該附屬公司的控制權時，按比例分佔於權益中獨立部分確認的匯兑差額累計金額會重新分類至該海外業務的非控股權益，而不會重新分類至損益。

- 就所有其他部分出售(包括部分出售聯營公司或合營公司而並無導致本集團失去重大影響力或共同控制權)而言，按比例分佔於權益獨立部分確認的匯兑差額累計金額乃重新分類至損益。

分部報告

綜合財務報表內所呈報之經營分部及各分部項目之金額，乃自定期就本集團各地理位置之資源分配及表現評估而向本集團最高行政管理層(其為本集團之主要營運決策者)提供之財務資料中識別得出。

個別重大營運分部不會因財務報告而進行聚合，惟各分部具有類似的經濟性質，以及產品與提供的服務性質、生產過程的性質、客戶類型或級別、分銷產品或提供服務所用的方法及監管環境的性質雷同的情況除外。個別不屬重大的營運分部倘其符合絕大部分該等標準則可能進行聚合。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Future changes in IFRSs

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

2. 重大會計政策資料(續)

國際財務報告準則之未來變動

本集團並無提早應用以下已頒佈惟未生效的新訂及經修訂國際財務報告準則：

Standards and amendments	準則及修訂本	Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
Lack of Exchangeability – Amendments to IAS 21	缺乏可兑換性－國際會計準則第21號（修訂本）	1 January 2025 二零二五年一月一日
Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	金融工具分類及計量－國際財務報告準則第9號及國際財務報告準則第7號（修訂本）	1 January 2026 二零二六年一月一日
Annual improvements to IFRS Accounting Standards – Volume 11	國際財務報告準則會計準則的年度改進－第11卷	1 January 2026 二零二六年一月一日
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	國際財務報告準則第1號、國際財務報告準則第7號、國際財務報告準則第9號、國際財務報告準則第10號及國際會計準則第7號(修訂本)	
Presentation and Disclosure in Financial Statements – IFRS 18	財務報表列報及披露－國際財務報告準則第18號	1 January 2027 二零二七年一月一日
Subsidiaries without Public Accountability: Disclosures – IFRS 19	無公眾問責性的附屬公司：披露－國際財務報告準則第19號	1 January 2027 二零二七年一月一日
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	投資者與其聯營公司或合營企業之間的資產出售或注資－國際財務報告準則第10號及國際會計準則第28號（修訂本）	To be determined 待定

The directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the financial performance and financial position of the Group.

本公司董事預期於未來期間應用該等新訂／經修訂國際財務報告準則會計準則將不會對本集團的財務表現及財務狀況造成任何重大影響。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Classification between property, plant and equipment, investment properties and completed properties held for sale

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. Completed properties held for sale comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends.

3. 重要會計判斷及估計

本集團的綜合財務報表編製須管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響所呈報的收益、開支、資產及負債金額及其相關披露以及或然負債的披露。該等假設及估計的不確定性可能導致日後須大幅調整受影響資產或負債的賬面值。

判斷

本集團管理層在應用本集團的會計政策過程中，除作出涉及估計的判斷外，亦作出以下對於綜合財務報表內所確認金額有最重大影響的判斷：

物業、廠房及設備、投資物業及持作出售的已竣工物業之間的分類

本集團會釐定一項物業是否合資格作為投資物業，並已制定作出該判斷的標準。投資物業為持作賺取租金或作資本增值或同時作以上用途的物業。因此，本集團會衡量物業所產生現金流量是否基本上獨立於本集團持有的其他資產。某些物業包括持作賺取租金或作資本增值的部分，亦包括持作生產或提供商品或服務或作行政用途的另一部分。倘該等部分能獨立出售或根據融資租賃獨立出租，則本集團會將各部分獨立入賬。倘該等部分不能獨立出售，則僅於持作生產或提供商品或服務或作行政用途的部分並不重大時，該物業方會視為投資物業。本集團會根據個別物業作出判斷，以釐定配套服務是否重大以致其不合資格歸類為投資物業。持作出售的已竣工物業包括持作於日常業務過程中出售的物業，主要是本集團開發並擬於竣工前或竣工時出售的住宅物業。

分派股息產生的預扣稅

本集團在釐定是否根據司法權區所頒佈的相關稅務規則計算若干附屬公司分派股息所產生的預扣稅時，須對分派股息的計劃作出判斷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Provision for expected credit losses on trade receivables and financial assets included in prepayments, other receivables and other assets at amortised costs

The Group uses a provision matrix to calculate ECLs for trade receivables and financial assets included in prepayments, other receivables and other financial assets at amortised costs. The provision rates are based on days past due for groupings of various debtor segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next financial reporting period which can lead to an increased number of defaults in the property development sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future.

3. 重要會計判斷及估計(續)

估計的不確定因素

以下是於報告日有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源具有導致資產及負債的賬面值於下一個財務報告期內作出大幅調整的重大風險。

貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他資產的金融資產的預期信貸虧損撥備

本集團使用撥備矩陣以計算貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他資產的金融資產的預期信貸虧損。撥備率乃基於具有相似虧損模式的不同債務人分部組別(即按地區、產品種類、客戶類別及評級以及信用證及其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。

撥備矩陣乃初始基於本集團的過往可觀察違約比率。本集團將按經前瞻性資料調整的過往信貸虧損經驗調節該矩陣。例如，倘下一個財務報告期的預測經濟狀況(例如國內生產總值)預期將轉差，可導致物業開發的違約數量增加，過往違約比率將作出調整。於各報告期末，本集團更新過往可觀察違約比率及分析前瞻性估計的變動。

過往可觀察違約比率、預測經濟狀況及預期信貸虧損之間關係的評估乃重大的估計。預期信貸虧損金額對情況的變動及預測經濟狀況相當敏感。本集團的過往信貸虧損經驗及預測經濟狀況就債務人未來實際違約而言亦未必有代表性。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision of properties under development and completed properties held for sale

The Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's historical experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion of properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and completed properties held for sale. Such a provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which the estimate is changed will be adjusted accordingly.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

開發中物業及持作出售的已竣工物業撥備

本集團的開發中物業及持作出售的已竣工物業按成本及可變現淨值的較低者列賬。基於本集團的過往經驗及目標物業的性質，本集團對售價、開發中物業的竣工成本及根據現行市況銷售該物業所產生的成本作出估計。

倘竣工成本增加或銷售淨值減少，則可變現淨值將會減少，而這或會導致就開發中物業及持作出售的已竣工物業作出撥備。該撥備須使用判斷及估計。倘預期不同於原先估計，則於估計發生變動期間物業的賬面值及撥備將作相應調整。

非金融資產(商譽除外)減值

本集團於各報告期末評估所有非金融資產有否減值跡象。無限年期的無形資產於每年及於有關跡象存在的其他時間進行減值測試。其他非金融資產在有跡象顯示其賬面值無法收回時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即其公允價值減銷售成本與其使用價值的較高者)，則存在減值。公允價值減銷售成本乃基於按公平原則進行具約束力的類似資產銷售交易所得數據或可觀察市價扣除出售資產的增量成本計算。計算使用價值時，管理層須估計資產或現金產生單位的預期未來現金流量，選擇合適的貼現率以計算該等現金流量的現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Estimation on the fair value of investment properties

Investment properties, including completed investment properties and investment properties under construction carried at fair value, are revalued at the end of each reporting period based on the appraised market value provided by independent professional valuers. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

PRC land appreciation tax ("LAT")

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

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

投資物業的公允價值估計

投資物業(包括按公允價值列賬的已竣工投資物業及在建投資物業)均於各報告期末基於獨立專業估值師所提供的經評估市值進行重新估值。該估值乃基於若干假設，其存在不確定因素並可能與實際業績相差甚遠。在進行估計時，本集團考慮有關類似物業於活躍市場的當前價格的資料，並採用主要基於各報告期末已存在市況的假設。

對本集團公允價值估計的主要假設包括對相同地區及條件下類似物業的現時市場租金、適當貼現率、預期未來市場租金及未來維修成本的假設。

遞延税項資產

倘可能有應課税溢利可用以抵銷虧損，則就所有未動用的税項虧損確認遞延税項資產。管理層須根據未來應課税溢利的大致時間及數額以及未來税務計劃策略作出重大判斷，以釐定可確認的遞延税項資產金額。

中國土地增值税(「土地增值税」)

本集團須繳納中國土地增值税。土地增值税撥備乃基於管理層對中國相關税務法律及法規所載規定的理解所作最佳估計計提。實際的土地增值税負債須待物業開發項目竣工後由税務機關釐定。本集團尚未就其所有物業開發項目與税務機關最終確定土地增值税的計算及付款。最終結果可能與初步入賬的金額不同，而任何差額會影響差額變現期間的土地增值税開支及相關撥備。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Convertible bonds

The management uses their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. In determining the fair value of convertible bonds, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the properties development segment engages in the development and sale of properties;

(b) the properties leasing segment engages in leasing out properties for their rental income potential and/or for capital appreciation; and

(c) the others segment engages in investment holding.

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

No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers (if any) are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

可換股債券

就於活躍市場上並無報價的金融工具而言，在選擇適當的估值技術時，管理層運用其判斷。市場從業者常用的估值方法會被應用。釐定可換股債券的公允價值時所作出的假設，乃基於就該工具的具體特點調整後的市場報價。

4. 分部資料

就管理而言，本集團按產品及服務劃分其業務單位，且有以下三個可呈報經營分部：

(a) 從事物業開發及銷售的物業開發分部；

(b) 從事出租具租金收入潛力及／或資本增值的物業的物業租賃分部；及

(c) 從事投資控股的其他分部。

管理層獨立監察本集團各經營分部的業績，以作出有關資源分配及業績評價的決策。分部業績乃基於可呈報分部損益(即對經調整除所得稅前損益的計量)進行評價。

由於本集團按經營分部劃分的資產及負債的分析並無定期提交予主要營運決策者審閱，因此並無披露該等分析。

分部間之銷售及轉讓(如有)乃按照當時市場價格銷售予第三方之銷售價而進行交易。

4. SEGMENT INFORMATION (CONTINUED) 4. 分部資料(續)

Year ended 31 December 2024 **截至二零二四年十二月三十一日止年度**

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	85,371	1,472	–	86,843
Segment results	**分部業績**	(335,157)	(142,458)	(120,654)	(598,269)
Loss before income tax	除所得稅前虧損				(598,269)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	(6)	–	–	(6)
Changes in fair value of investment properties	投資物業之公允價值變動	–	12,270	–	12,270
Changes in fair value of convertible bonds	可換股債券之公允價值變動	–	–	9,463	9,463
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9	4	–	13
Finance costs	融資成本	96,663	–	–	96,663
Impairment of completed properties held for sale	持作出售的已竣工物業減值	7,050	–	–	7,050
Impairment of properties under development	開發中物業減值	5,699	–	–	5,699
Impairment of trade receivables, net	貿易應收款項減值淨額	8,273	–	–	8,273
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值淨額	18,567	–	–	18,567
Interest penalties	罰息	303,625	–	62,583	366,208

4. SEGMENT INFORMATION (CONTINUED) 4. 分部資料(續)

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	418,920	3,660	–	422,580
Segment results	**分部業績**	(425,929)	(19,212)	(119,015)	(564,156)
Loss before income tax	除所得稅前虧損				(564,156)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	(12)	(156)	(10)	(178)
Changes in fair value of investment properties	投資物業之公允價值變動	–	17,900	–	17,900
Changes in fair value of convertible bonds	可換股債券之公允價值變動	–	–	3,814	3,814
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	1	1	14
Finance costs	融資成本	70,848	–	6,231	77,079
Impairment of completed properties held for sale	持作出售的已竣工物業減值	19,474	–	–	19,474
Impairment of properties under development	開發中物業減值	107,040	–	–	107,040
Impairment of trade receivables, net	貿易應收款項減值淨額	185	–	–	185
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值淨額	2,571	–	–	2,571
Interest penalties	罰息	213,620	–	101,239	314,859

4. SEGMENT INFORMATION (CONTINUED)

Geographical information

Since the Group solely operates business in the PRC and almost all of the Group's non-current assets are located in the PRC, geographical segment information in accordance with IFRS 8 Operating Segments is not presented.

Information about major customers

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

4. 分部資料(續)

地理資料

由於本集團僅於中國經營業務，且本集團幾乎所有非流動資產位於中國，故並無根據國際財務報告準則第8號經營分部呈列地理分部資料。

有關主要客戶的資料

截至二零二四年及二零二三年十二月三十一日止年度，概無客戶獨自貢獻本集團收益10%或以上。

5. REVENUE

5. 收益

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Revenue from contracts with customers within IFRS 15	**國際財務報告準則第15號範圍內之客戶合約的收益**		
Sales of properties	物業銷售	**85,371**	418,920
Revenue from other sources	**來自其他來源的收益**		
Gross rental income from investment property operating leases	來自投資物業經營租賃的租金收入總額		
– other lease payments, including fixed payments	－其他租賃付款，包括定額付款	**1,472**	3,660
		86,843	422,580

5. REVENUE (CONTINUED)

(a) Disaggregated revenue information

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

5. 收益(續)

(a) 收入分拆資料

除分部披露所顯示之資料以外，國際財務報告準則第15號範圍內之客戶合約的收益細分如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Geographical region:	*地理區域：*		
– The PRC	－中國	85,371	418,920
Timing of revenue recognition:	*收入確認時間：*		
– at a point in time	－於一個時點	85,371	418,920
Type of transaction price:	*交易價格類別：*		
– fixed price	－固定價格	85,371	418,920

The amount of revenue recognised for the year ended 31 December 2024 that was included in the contract liabilities at the beginning of the year is approximately RMB77,801,000 (2023: RMB404,192,000).

於截至二零二四年十二月三十一日止年度確認並計入年初合約負債的收益金額約人民幣77,801,000元(二零二三年：人民幣404,192,000元)。

(b) Performance obligations

Information about the Group's performance obligations in respect of sales of properties is summarised below:

The performance obligation is satisfied when customers obtain the physical possession or the legal title of the completed properties and the Group has right to payment and the collection of the consideration is probable.

(b) 履約責任

有關本集團物業銷售履約責任的資料概述如下：

履約責任於客戶取得已竣工物業實際擁有權或合法產權，本集團擁有付款權利且可收取代價時履行。

6. OTHER INCOME AND GAINS AND LOSSES

6. 其他收入及收益及虧損

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Other income	**其他收入**		
Bank interest income	銀行利息收入	6	178
Government grants	政府補助	5	22
Others	其他	–	116
		11	316
Gains and losses	**收益及虧損**		
Exchange losses, net	匯兑虧損淨額	–	(6,505)
Other gain, net	其他收益淨額	10	3
		10	(6,502)
		21	(6,186)

7. LOSS BEFORE INCOME TAX

This is stated after charging (crediting):

7. 除所得稅前虧損

經扣除(計入)下列項目後列賬：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Finance costs	**融資成本**		
Interest on interest-bearing bank and other borrowings	計息銀行及其他借款的利息	114,071	102,121
Total interest expenses	總利息開支	114,071	102,121
Less: Interest capitalised	減：資本化利息	(17,408)	(25,042)
Total finance costs	**融資成本總額**	96,663	77,079

7. LOSS BEFORE INCOME TAX (CONTINUED)

This is stated after charging (crediting):

7. 除所得稅前虧損(續)

經扣除(計入)下列項目後列賬：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Staff costs (excluding directors' emoluments)	**員工成本(董事酬金除外)**		
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	6,918	11,518
Contribution to defined contribution plans	界定供款計劃的供款	1,656	1,714
		8,574	13,232
Other items	**其他項目**		
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	1,692	1,743
Cost of properties sold	已出售物業成本	65,534	367,253
Cost of leasing properties	租賃物業成本	642	1,887
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	14
Impairment of financial assets, net (included in "other expenses")	金融資產減值淨額(計入「其他開支」)		
– Impairment of trade receivables, net	– 貿易應收款項減值淨額	8,273	185
– Impairment of financial assets included in prepayments, other receivables and other assets, net	– 計入預付款項、其他應收款項及其他資產的金融資產減值淨額	18,567	2,571
		26,840	2,756
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	3,319	34,641
Impairment of properties under development (included in "other expenses")	開發中物業減值(計入「其他開支」)	5,699	107,040
Impairment of completed properties held for sale (included in "other expenses")	持作出售的已竣工物業減值(計入「其他開支」)	7,050	19,474
Interest penalties (included in "other expenses")	罰息(計入「其他開支」)	366,208	314,859
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租賃付款	257	412

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to each of the following directors were as follows:

8. 董事及主要行政人員之薪酬

已付或應付下列各董事的薪酬如下：

For the year ended 31 December 2024 **截至二零二四年十二月三十一日止年度**

		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	–	983
Mr. Feng Cizhao	豐慈招先生	–	80	–	–	80
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong	蔡偉康先生	–	235	–	–	235
Mr. Zhou Zhencun	周振存先生	–	169	–	–	169
Ms. Gao Qiaoqin	高巧琴女士	–	180	–	–	180
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Chiu Kung Chak	趙公澤先生	169	–	–	–	169
Mr. Lau Wai Leung, Alfred	劉偉樑先生	165	–	–	–	165
Mr. Khor Khie Liem, Alex	許麒麟先生	235	–	–	–	235
		569	1,647	–	–	2,216

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

For the year ended 31 December 2023

8. 董事及主要行政人員之薪酬（續）

截至二零二三年十二月三十一日止年度

		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	–	983
Mr. Feng Cizhao	豐慈招先生	–	80	–	–	80
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong	蔡偉康先生	–	227	–	–	227
Mr. Zhou Zhencun	周振存先生	–	164	–	–	164
Ms. Gao Qiaoqin	高巧琴女士	–	180	–	–	180
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Chiu Kung Chak	趙公澤先生	164	–	–	–	164
Mr. Lau Wai Leung, Alfred	劉偉樑先生	164	–	–	–	164
Mr. Khor Khie Liem, Alex	許麒麟先生	227	–	–	–	227
		555	1,634	–	–	2,189

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

Mr. Chen Chengshou is the chief executive officer of the Group, and his emoluments disclosed above included those for services rendered by him as chief executive officer during the years ended 31 December 2024 and 2023.

For the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived or agreed to waive any emoluments in respect of the years ended 31 December 2024 and 2023.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2023: five) director, details of whose remuneration are set out in note 8 above.

For the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the highest paid individuals as a payment for loss of office or as an inducement to join or upon joining the Group.

For the years ended 31 December 2024 and 2023, no individuals waived or agreed to waive any emoluments.

8. 董事及主要行政人員之薪酬（續）

陳承守先生為本集團行政總裁，而其上述所披露的酬金包括彼截至二零二四年及二零二三年十二月三十一日止年度期間擔任行政總裁所提供服務的酬金。

截至二零二四年及二零二三年十二月三十一日止年度，本集團並無向董事支付酬金作為吸引其加入本集團或於加入本集團時之獎勵或離職補償。截至二零二四年及二零二三年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金。

9. 五名最高薪酬僱員

本年度五名最高薪酬僱員包括五名（二零二三年：五名）董事，彼等之薪酬詳情載列於上文附註8。

截至二零二四年及二零二三年十二月三十一日止年度，本集團概無支付最高薪人士任何酬金，作為離職之補償或作為加入或於加入本集團時之獎勵。

截至二零二四年及二零二三年十二月三十一日止年度，概無人士放棄或同意放棄任何酬金。

10. INCOME TAX (EXPENSES) CREDIT

10. 所得稅(開支)抵免

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Current tax	**即期稅項**		
PRC Enterprise Income Tax – current year	中國企業所得稅－本年度	–	–
Land appreciation tax ("LAT")	土地增值稅(「土地增值稅」)	1,772	31,325
		1,772	31,325
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences	暫時差額的產生及撥回	(10,350)	(2,850)
Total income tax expenses (credit) for the year	年內所得稅開支(抵免)總額	(8,578)	28,475

The Group is subject to income tax on an entity based on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group's entities incorporated in the Cayman Islands and the BVI are not subject to any income tax.

本集團須就實體於本集團成員公司註冊及經營所在稅務司法權區產生或取得的溢利繳納所得稅。根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團於開曼群島及英屬處女群島註冊成立的實體毋須繳納任何所得稅。

The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income arising in Hong Kong during the year ended 31 December 2024 and 2023.

本集團於香港註冊成立的附屬公司毋須繳納所得稅，乃因截至二零二四年及二零二三年十二月三十一日止年度，其於年內並無在香港產生任何應課稅收入。

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25% the years ended 31 December 2024 and 2023.

截至二零二四年及二零二三年十二月三十一日止年度，本集團於中國成立的實體須按法定稅率25%繳納中國企業所得稅。

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

其他地區之應課稅溢利稅項乃按本集團經營所在司法權區當時之稅率計算。

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

根據於一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》及於一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例(實施細則)》的規定，出售或轉讓中國國有土地租賃權益、建築物及其附著物所得全部收入均須就增值按30%至60%的累進稅率繳納土地增值稅，惟倘增值並不超過可扣稅項目總和的20%，則普通住宅物業的物業銷售可免繳土地增值稅。

10. INCOME TAX (EXPENSES) CREDIT (CONTINUED)

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

10. 所得稅(開支)抵免(續)

本集團根據相關中國稅法及法規所載規定估計土地增值稅並就此作出稅項撥備。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定，而稅務機關可能對計算土地增值稅撥備的基準提出異議。

Reconciliation of income tax expenses

所得稅開支之對賬

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(598,269)	(564,156)
Tax at the statutory tax rate of 25% (2023: 25%)	按法定稅率25%計算的稅項（二零二三年：25%）	(145,215)	(141,039)
Lower tax rate for specific entities	特定實體之較低稅率	19,040	28,000
Non-deductible expenses	不可扣稅開支	(14,259)	–
Non-taxable income	非應課稅收入	(3)	(984)
Unrecognised tax losses and temporary differences	未確認稅項虧損及暫時差額	130,530	118,998
Subtotal	小計	(9,907)	4,975
Provision for LAT	土地增值稅撥備	1,772	31,325
Deferred tax effect of LAT	土地增值稅的遞延稅項影響	(443)	(7,825)
Total income tax (credit) expenses for the year	年內所得稅(抵免)開支總額	(8,578)	28,475

11. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2024 and 2023.

11. 股息

本公司董事不建議就截至二零二四年及二零二三年十二月三十一日止年度派付股息。

12. LOSS PER SHARE

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

12. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損的計算乃基於下列數據：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Loss: Loss attributable to owners of the Company, used in basic and diluted loss per share calculation	**虧損：** 計算每股基本及攤薄虧損所採用之本公司擁有人應佔虧損	**(542,523)**	(526,121)

		2024 二零二四年	2023 二零二三年
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and dilutive loss per share	**股份數目：** 用以計算每股基本及攤薄虧損之普通股加權平均數	**1,878,622,000**	1,878,622,000

Diluted loss per share is same as basic loss per share as there were no potential ordinary shares outstanding during the year ended 31 December 2023 and 2024.

每股攤薄虧損與每股基本虧損相同，乃由於截至二零二三年及二零二四年十二月三十一日止年度概無尚未行使潛在普通股。

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and office equipment 傢具及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	**成本**				
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	於二零二三年一月一日、二零二三年十二月三十一日、二零二四年一月一日及二零二四年十二月三十一日	2,662	4,601	5,964	13,227
Disposals	出售	–	–	(241)	(241)
At 31 December 2024	於二零二四年十二月三十一日	**2,662**	**4,601**	**5,723**	**12,986**
Accumulated depreciation	**累計折舊**				
At 1 January 2023	於二零二三年一月一日	2,529	4,195	5,805	12,529
Charge for the year	年內扣除	–	14	–	14
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	**2,529**	**4,209**	**5,805**	**12,543**
Charge for the year	年內扣除	**–**	**13**	**–**	**13**
Disposals	出售	**–**	**–**	**(238)**	**(238)**
At 31 December 2024	於二零二四年十二月三十一日	**2,529**	**4,222**	**5,567**	**12,318**
Net carrying amounts At 31 December 2024	賬面淨值 於二零二四年十二月三十一日	**133**	**379**	**156**	**668**
At 31 December 2023	於二零二三年十二月三十一日	133	392	159	684

None of the Group's property, plant and equipment have been pledged to secure borrowings granted to the Group at 31 December 2024 and 2023.

於二零二四年及二零二三年十二月三十一日，本集團概無抵押物業、廠房及設備以作為本集團獲授借款之擔保。

14. INVESTMENT PROPERTIES

14. 投資物業

		RMB'000 人民幣千元
Fair value	**公允價值**	
At 1 January 2023	於二零二三年一月一日	936,100
Changes in fair value	公允價值變動	(17,900)
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	**918,200**
Changes in fair value	公允價值變動	**(12,270)**
At 31 December 2024	**於二零二四年十二月三十一日**	**905,930**

The Group's investment properties consist of commercial properties completed in the PRC. The Group's investment properties were revalued on 31 December 2024 based on valuations performed by independent professionally qualified valuers at approximately RMB905,930,000 (2023: RMB918,200,000). For each financial reporting period, the Group's senior management may decide, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior management have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for annual financial reporting.

本集團的投資物業包括於中國內地已竣工的商業物業。本集團投資物業於二零二四年十二月三十一日由獨立專業合資格估值師重新估值，約為人民幣905,930,000元(二零二三年：人民幣918,200,000元)。於各財務報告期間，本集團高層管理人員可能決定委任負責本集團物業外部估值之外部估值師。挑選準則包括市場知識、信譽、獨立性以及專業準則是否得到秉持。於就年度財務申報進行估值時，本集團高層管理人員每年就估值假設及估值結果與估值師討論兩次。

At 31 December 2024, the Group's investment properties with aggregate values of approximately RMB792,847,000 (2023: RMB918,200,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

於二零二四年十二月三十一日，本集團已抵押總價值約為人民幣792,847,000元(二零二三年：人民幣918,200,000元)的投資物業，以擔保本集團獲授的計息銀行及其他借款(附註25)。

14. INVESTMENT PROPERTIES (CONTINUED)
14. 投資物業(續)

Fair value hierarchy
公允價值層級

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

下表載列本集團投資物業的公允價值計量層級：

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for commercial properties: **At 31 December 2024**	**對商業物業進行經常性公允價值計量：** **於二零二四年十二月三十一日**	**–**	**–**	**905,930**	**905,930**
At 31 December 2023	於二零二三年十二月三十一日	–	–	918,200	918,200

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於年內，公允價值計量無第一級與第二級間的轉換，亦無第三級的轉入或轉出。

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

以下為投資物業估值時所使用的估值技術及主要輸入數據的概要：

Valuation techniques 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Range 範圍 2024 二零二四年	Range 範圍 2023 二零二三年
Direct comparable method 直接比較法	Unit rate per gross floor area (RMB per square meter) 每建築面積單位價(人民幣／平方米)	**5,000–8,000**	5,262–6,594

A significant increase (decrease) in the estimated unit rate per gross floor area would result in a significant increase (decrease) in the fair value of the investment properties.

每建築面積單位價大幅增加(減少)會導致投資物業公允價值大幅增加(減少)。

15. LEASES
15. 租賃

The Group as lessee
本集團作為承租人

During the year ended 31 December 2024, the Group has lease contracts for various items of buildings or offices used in its operations with lease terms of 12 months or less and/or individually low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

截至二零二四年十二月三十一日止年度，本集團擁有其經營所用的各類樓宇或辦公室的租期為12個月或以下及／或個別樓宇或辦公室價值較低租賃合約。一般而言，本集團不可向本集團以外人士轉讓及轉租租賃資產。

15. LEASES (CONTINUED)

The Group as lessee (Continued)

(a) The amounts recognised in profit or loss in relation to lease are as follows:

15. 租賃(續)

本集團作為承租人(續)

(a) 在損益中確認有關租賃的款項如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Expense relating to leases of low-value assets (included in "administrative expenses")	與低價值資產租賃有關的開支(計入「行政開支」)	257	412

(b) The total cash outflow for leases (including short-term leases and leases of low-value assets) for the year ended 31 December 2024 was approximately RMB257,000 (2023: RMB412,000).

(b) 截至二零二四年十二月三十一日止年度，租賃的現金流出總額(包括短期租賃及低價值資產租賃)約為人民幣257,000元(二零二三年：人民幣412,000元)。

The Group as lessor

At the end of the reporting period, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

本集團作為出租人

於報告期末，未來期間本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃款項如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Within one year	一年內	–	1,168
Over one year	一年以上	–	314
		–	1,482

The details of the lease income from operating leases are set out in note 2 to the consolidated financial statements.

經營租賃的租賃收入詳情載於綜合財務報表附註2。

16. DEFERRED TAX
16. 遞延稅項

Deferred tax liabilities
遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Fair value adjustment of investment properties 投資物業公允價值調整 RMB'000 人民幣千元	Capitalised interest 資本化利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	60,980	–	102,367	163,347
Charge to profit or loss	於損益中扣除	–	–	4,975	4,975
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	60,980	–	107,342	168,322
Charge to profit or loss	於損益中扣除	–	3,068	4,352	7,420
At 31 December 2024	**於二零二四年十二月三十一日**	60,980	3,068	111,694	175,742

Deferred tax assets
遞延稅項資產

		Loss available for offsetting against future taxable profit 可用於抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals and provisions 應計費用及撥備 RMB'000 人民幣千元	Accrued LAT 應計土地增值稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	37,715	22,918	141,635	202,268
Credit to profit or loss	於損益中計入	–	–	7,825	7,825
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	37,715	22,918	149,460	210,093
Credit to profit or loss	於損益中計入	–	17,327	443	17,770
At 31 December 2024	**於二零二四年十二月三十一日**	37,715	40,245	149,903	227,863

The Group has tax losses arising in the PRC of approximately RMB2,534,984,000 (2023: RMB2,012,306,000) that will expire in one to five years for offsetting against future taxable profits.

本集團於中國產生稅項虧損約為人民幣2,534,984,000元(二零二三年:人民幣2,012,306,000元),並將於一至五年內屆滿用於抵銷未來應課稅溢利。

16. DEFERRED TAX (CONTINUED)

Deferred tax assets (Continued)

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At the end of the reporting period, the Group had unrecognised deferred tax assets arising from unused tax losses of approximately RMB10,139,936,000 (2023: RMB8,049,224,000) available for set-off against future taxable profit.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2024, no deferred tax liabilities have been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the subsidiaries of the Group established in the PRC. In the opinion of the Company's directors, it is not probable that these subsidiaries will distribute earnings arising from 1 January 2008 to 31 December 2023 in the foreseeable future. The aggregate amount of temporary differences associated with the investments in these subsidiaries in the PRC for which deferred tax liabilities have not been recognised totalled approximately RMB140,000,000 (2023: RMB135,000,000).

16. 遞延稅項(續)

遞延稅項資產(續)

並無就該等虧損確認遞延稅項資產，乃因該等虧損乃由已虧損一段時間之附屬公司所產生及認為不大可能有應課稅溢利可用於抵銷上述稅項虧損。

於報告期末，本集團並未就可用於抵扣未來應課稅溢利的尚未動用稅項虧損約人民幣10,139,936,000元(二零二三年：人民幣8,049,224,000元)確認遞延稅項資產。

根據中國企業所得稅法，於中國成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為10%。因此，本集團須就該等在中國內地成立的附屬公司自二零零八年一月一日起所產生的盈利而分配的股息履行徵收預扣稅的義務。

於二零二四年十二月三十一日，概無就本集團於中國成立的附屬公司的未匯出盈利(須繳納預扣稅者)而應付的預扣稅確認遞延稅項負債。本公司董事認為，該等附屬公司於可預見將來不大可能分派於二零零八年一月一日至二零二三年十二月三十一日產生的盈利。有關投資於該等中國的附屬公司的暫時性差額總數(未就此確認遞延稅項負債)合共約為人民幣140,000,000元(二零二三年：人民幣135,000,000元)。

17. PROPERTIES UNDER DEVELOPMENT

17. 開發中物業

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	441,699	709,464
Additions	添置	–	205,654
Transfer to PHS	轉讓予PHS	(34,000)	(366,379)
Impairment	減值	(5,699)	(107,040)
At the end of the reporting period	於報告期末	402,000	441,699

17. PROPERTIES UNDER DEVELOPMENT (CONTINUED)

The movements in impairment of properties under development are as follows:

17. 開發中物業(續)

開發中物業減值變動如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	454,858	347,818
Additions	添置	5,699	107,040
At the end of the reporting period	於報告期末	460,557	454,858

At the end of the reporting period, approximately RMB281,315,000 (2023: RMB279,314,000) of the properties under development is expected to be completed after more than one year.

於報告期末，約人民幣281,315,000元(二零二三年：人民幣279,314,000元)開發中物業預期於一年後竣工。

18. COMPLETED PROPERTIES HELD FOR SALE

18. 持作出售的已竣工物業

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	601,487	712,804
Additions	添置	34,000	366,379
Transferred to cost of properties sold	轉撥至已售出物業成本	(65,534)	(367,253)
Disposal upon court ordered sales (Notes)	透過法院命令出售的銷售(附註)	(5,433)	(90,969)
Impairment	減值	(7,050)	(19,474)
At the end of the reporting period	於報告期末	557,470	601,487

At 31 December 2024, certain of the Group's completed properties held for sale with an aggregate carrying amount of approximately RMB79,351,000 (2023: RMB105,530,000) have been pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

於二零二四年十二月三十一日，本集團抵押賬面總值約為人民幣79,351,000元(二零二三年：人民幣105,530,000元)的若干持作出售已竣工物業，以擔保本集團獲授的計息銀行及其他借款(附註25)。

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

Notes:

(a) In August 2022, Zhejiang Wenzhou Intermediate People's Court (浙江省溫州市中級人民法院) has enforced an order to auction and sell the land use right held by Hangzhou Xinming Property Investment Limited (杭州新明置業投資有限公司) ("Hangzhou Xinming"), in respect of the 20 immovable properties located at Tower 2, Xinming Commercial Centre, Gongshu District, Hangzhou City, the PRC and Xiaohe Road, Gongshu District, Hangzhou City ("Xinming Commercial Centre"), the PRC which are classified as completed properties held for sale since Hangzhou Xinming was unable to repay the overdue borrowings with principal amount of approximately RMB193,250,000 plus interests and penalty owed to Zhejiang Zheshang Asset Management Company Limited* (浙江省浙商資產管理有限公司) ("Zhejiang Zheshang") (the "Total Outstanding Loan").

During the year ended 31 December 2022, an auction in respect of the said land use right of Hangzhou Xinming has taken place and the said land use right had been sold in the said auction for an amount of RMB35,332,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB5,660,000 was charged to profit or loss for the year ended 31 December 2022.

During the year ended 31 December 2023, another auction in respect of the land use right of Hangzhou Xinming, in respect of another 28 immovable properties located at Xinming Commercial Centre had been taken place and the said land use right had been sold in the said auction for an amount of RMB56,328,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB34,641,000 was charged to profit or loss for the year ended 31 December 2023.

For further details, please refer to the announcements of the Company dated 12 August 2022 and 18 October 2022.

During the year ended 31 December 2024, an auction in respect of certain completed properties held for sale of Taizhou Xinming has taken place and the said completed properties held for sale had been sold in the said auction for an amount of RMB2,114,000 which is same as the aggregate reserve price and accordingly the loss on court-ordered sale of approximately RMB3,319,000 was charged to profit or loss for the year ended 31 December 2024.

18. 持作出售的已竣工物業(續)

附註：

(a) 於二零二二年八月，浙江省溫州市中級人民法院已命令拍賣並出售杭州新明置業投資有限公司(「杭州新明」)所持有位於中國杭州市拱墅區新明商業中心(「新明商業中心」)2座及中國杭州市拱墅區小河路的20處不動產的土地使用權。由於杭州新明無法償還結欠浙江省浙商資產管理有限公司(「浙江浙商」)之逾期借款本金額約人民幣193,250,000元連利息及罰款(「未償還貸款總額」)，故分類為持作出售之已竣工物業。

截至二零二二年十二月三十一日止年度，杭州新明的上述土地使用權已進行拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣35,332,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣5,660,000元於截至二零二二年十二月三十一日止年度於損益中扣除。

截至二零二三年十二月三十一日止年度，杭州新明已就位於新明商業中心的另外28處不動產的土地使用權進行另一次拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣56,328,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣34,641,000元於截至二零二三年十二月三十一日止年度於損益中扣除。

有關詳情，請參閱本公司日期為二零二二年八月十二日及及二零二二年十月十八日的公告。

截至二零二四年十二月三十一日止年度，台州新明若干持作出售的已竣工物業已進行拍賣，而上述持作出售的已竣工物業已於上述拍賣中以人民幣 2,114,000元(與底價總額相同)售出，因此法院命令出售虧損約人民幣 3,319,000元已於截至二零二四年十二月三十一日止年度的損益中扣除。

* *English name is for identification purpose only.*

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

18. 持作出售的已竣工物業(續)

The movements in impairment of completed properties held for sale are as follows:

持作出售已竣工物業之減值撥備變動如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**390,290**	370,816
Additions	添置	**7,050**	19,474
At the end of the reporting period	於報告期末	**397,340**	390,290

19. TRADE RECEIVABLES

19. 貿易應收款項

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	**11,474**	28,734
Less: Allowance for impairment	減：減值撥備	**(8,273)**	(27,308)
		3,201	1,426

Trade receivables represent rentals receivable from tenants which are normally payable on demand and sales income receivables from customers which are payable in accordance with the terms of the related sales and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

貿易應收款項指應收租戶的租金(一般按要求支付)及應收客戶的銷售收入，乃根據相關買賣協議的條款支付。本集團致力保持對其未收回應收款項的嚴格控制，並設有信貸控制部門降低信貸風險。逾期結餘由管理層定期審核。鑒於以上所述及本集團的貿易應收款項與眾多多元化客戶有關，故本集團並無面臨重大集中信貸風險。

Trade receivables are unsecured and non-interest-bearing.

貿易應收款項為無抵押及免息。

19. TRADE RECEIVABLES (CONTINUED)

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

19. 貿易應收款項(續)

於報告期末，基於發票日期的貿易應收款項(扣除虧損撥備)賬齡分析如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Within 1 year	一年內	3,201	1,426

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

貿易應收款項減值虧損撥備變動如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	27,308	27,123
Increase in allowance, net	撥備增加淨額	8,273	185
Written off	撇銷	(27,308)	–
At the end of the reporting period	於報告期末	8,273	27,308

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

減值分析於各報告日期進行，使用撥備矩陣以計量預期信貸虧損。撥備率乃基於具有相似虧損模式的不同客戶分部組別(即按地區、產品種類、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。有關計算反映概率加權產出、金錢的時間值以及於報告日期可獲得的有關過往事件、目前狀況及未來經濟狀況預測的合理及支持性資料。一般而言，倘逾期超過一年及不受強制執行活動所規限，則貿易應收款項予以撇銷。

19. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

19. 貿易應收款項(續)

下列資料乃有關本集團貿易應收款項所面臨的信貸風險(使用撥備矩陣計量):

At 31 December 2024 **於二零二四年十二月三十一日**

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	**72.10**	**11,474**	**8,273**

At 31 December 2023 於二零二三年十二月三十一日

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	45.36	2,610	1,184
More than 1 year	一年以上	100.00	26,124	26,124
		95.04	28,734	27,308

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

20. 預付款項、其他應收款項及其他資產

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Prepayments	預付款項	**2,397**	3,152
Other tax recoverable	其他可收回稅項	**2,123**	2,123
Deposits and other receivables	按金及其他應收款項	**174,186**	167,970
		178,706	173,245
Less: Allowance for impairment	減:減值撥備	**(133,201)**	(133,012)
		45,505	40,233

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Deposits and other receivables mainly represent deposits with suppliers. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The average loss rate applied for where there were no comparable companies at 31 December 2024 was 76.5% (2023: 79.2%).

The movements in allowance for impairment are as follows:

20. 預付款項、其他應收款項及其他資產(續)

按金及其他應收款項主要為供應商按金。倘無法識別具有信貸評級的可資比較公司，則應參考本集團的歷史虧損記錄採用虧損率法估計預期信貸虧損。虧損率將於適當時候作出調整以反映現時情況及預測未來經濟情況。於二零二四年十二月三十一日在並無可資比較公司情況下使用的平均虧損率為76.5%(二零二三年：79.2%)。

減值撥備變動如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	133,012	130,441
Increase in impairment	減值增加	18,567	2,571
Written off	撇銷	(18,378)	–
At the end of the reporting period	於報告期末	133,201	133,012

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Cash and equivalents	**現金及現金等價物**		
Cash at bank, unrestricted	銀行現金，不受限制	662	1,335
Denominated in RMB	以人民幣計值	661	1,332
Denominated in HK$	以港元計值	1	2
Denominated in US$	以美元計值	–	1
		662	1,335

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Restricted deposits	**受限制存款**		
Represented by restricted pre-sales proceeds	以受限制預售所得款項呈列	1,412	520

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

人民幣不可自由轉換為其他貨幣，然而，根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兑換為其他貨幣。銀行現金按基於每日銀行存款利率的浮動利率賺取利息。

21. CASH AND CASH EQUIVALENTS (CONTINUED)

In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amounts of pre-sale proceeds of properties as deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and the payments of construction fees of the relevant property projects when approval from the PRC State-Owned Land and Resource Bureau is obtained.

21. 現金及現金等價物(續)

根據中國國有土地資源管理局發出的有關文件，本集團旗下若干物業開發公司均須將預售物業所得款項的若干金額存放於指定銀行賬戶內作為建設有關物業的存款。該等存款只可在獲得中國國有土地資源管理局批准時用於購買建築材料及支付相關物業項目的建造費用。

22. TRADE PAYABLES

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

22. 貿易應付款項

於報告期末基於發票日期的未償還貿易應付款項的賬齡分析如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Less than one year	少於一年	16,842	131,593
Over one year	一年以上	442,724	352,105
		459,566	483,698

The trade payables are unsecured and non-interest-bearing.

貿易應付款項為無抵押及免息。

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及應計費用

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Other payables and accruals	其他應付賬款及應計費用	337,605	263,545
Interest penalties	罰息	1,502,093	1,072,149
Other tax payables	其他應付稅項	87,036	82,957
BE City Loan (Note (a))	北控城投貸款(附註(a))	117,280	117,280
Deposits related to sales of properties	與銷售物業有關的按金	–	2,132
Interest payables	應付利息	358,116	269,054
Deposits related to construction	與建設有關的按金	–	2,333
Payroll and welfare payables	應付工資及福利	1,780	3,721
Rental payables	應付租金	–	159
Others	其他	43,709	20,000
Provision for litigations and claims (Note (b))	訴訟及申索撥備(附註(b))	40,000	40,000
		2,487,619	1,873,330

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Except for interest payables and interest penalties which are repayable on demand and BE City Loan set out below, other payables and accruals are unsecured and non-interest-bearing.

Notes:

(a) Included in other payables and accruals at 1 January 2022 was a loan of RMB43,000,000 from 北控城投控股集團有限公司 (BE City Investment Holding Group Limited*) ("BE City Investment") which carries interest rate of 15% per annum to the Company's subsidiary 山東興盟置業有限公司 (Shandong Xingmeng Property Limited*) ("Shandong Xingmeng") and is repayable after one year from date of drawdown ("BE Investment Loan"). The BE Investment Loan was secured by a charge on 75% equity interest in a subsidiary of the Company and a corporate guarantee of a subsidiary of the Company (collectively the "Charges").

During the year ended 31 December 2022, BE City Investment, 北控城市開發有限公司 (BE City Development Limited) ("BE City Development") and the Group entered into a loan transfer agreement pursuant to which BE City Development has provided a loan of RMB33,000,000 in cash to the Group for partial settlement of BE Investment Loan and the Charges were transferred to loan from BE City Development upon full settlement of BE Investment Loan. The remaining balance of BE Investment Loan of RMB10,000,000 was also settled during year ended 31 December 2022.

At 31 December 2022, the loan from BE City Development of RMB39,000,000 ("BE Development Loan") carries interest rate of 24% per annum and is repayable within one year. The BE Development Loan was secured by charge on 75% equity interest in a subsidiary of the Company and corporate guarantee of a subsidiary of the Company. The full balance of BE Development Loan was settled during the year ended 31 December 2023.

At 31 December 2023, the loan from BE City Development of RMB117,280,000 ("BE Loan") carries interest rate of 21% per annum and is repayable within two years. The BE Loan was secured by charge on 75% equity interest in a subsidiary of the Company, completed properties held for sale and corporate guarantee of a subsidiary of the Company.

During the year ended 31 December 2023, BE CE City Investment initiated proceedings in the 山東省棗莊市中級人民法院 ("Court C") against Shandong Xingmeng to demand outstanding BE Loan approximately RMB117,280,000 together with interest and penalty which shall accrue up to the date of actual payment and all litigation costs relating to the case shall be borne by Shandong Xingmeng.

In April 2024, the Court C handed down the first-instance judgement that, among others, Shandong Xingmeng shall pay outstanding BE Loan of RMB117,280,000 and interest amounting to RMB5,720,000 as of 24 November 2023 to BE City Development.

* *English name is for identification purpose only.*

23. 其他應付款項及應計費用(續)

除應付利息及罰息須按要求償還及載列如下的北控城投貸款外，其他應付款項及應計費用為無抵押及免息。

附註：

(a) 於二零二二年一月一日，其他應付款項及應計費用包括來自北控城投控股集團有限公司(「北控城投」)向本公司附屬公司山東興盟置業有限公司(「山東興盟」)提供的貸款人民幣43,000,000元，以15%的年利率計息，自提取之日起一年後償還(「北控城投貸款」)。北控城投貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押(統稱「該等押記」)。

截至二零二二年十二月三十一日止年度，北控城投、北控城市開發有限公司(「北控城市開發」)與本集團訂立一份貸款轉讓協議，據此，北控城市開發以現金方式向本集團提供貸款人民幣33,000,000元，用作結算北控城投貸款的部分款項，而該等押記於悉數結清北控城投貸款後轉移至北控城市開發的貸款。北控城投貸款的餘下結餘人民幣10,000,000元亦於截至二零二二年十二月三十一日止年度結算。

於二零二二年十二月三十一日，北控城市開發的貸款人民幣39,000,000元(「北控城市開發貸款」)以24%的年利率計息，並於一年內償還。北控城市開發貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押。北控城市開發貸款餘額於截至二零二三年十二月三十一日止年度悉數結清。

於二零二三年十二月三十一日，來自北控城市開發之貸款人民幣117,280,000元(「北控貸款」)之年利率為21%，並須於兩年內償還。北控貸款以本公司一間附屬公司之75%股權、持作銷售之已建成物業及本公司一間附屬公司之公司擔保作抵押。

截至二零二三年十二月三十一日止年度，北控城市開發於山東省棗莊市中級人民法院(「法院C」)對山東興盟提出訴訟，要求其支付尚未償還之北控貸款約人民幣117,280,000元，連同應計利息及罰款(計至實際付款日期)，而與此案有關之所有訴訟費用由山東興盟承擔。

於二零二四年四月，法院C作出一審判決，其中包括，山東興盟須向北控城市開發支付截至二零二三年十一月二十四日尚未償還之北控貸款人民幣117,280,000元及利息人民幣5,720,000元。

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (Continued)

(a) (Continued)

In April 2024, Shandong Xingmeng did not accept the civil judgment of the Court, and appealed to the 山東省高級人民法院 ("Court D"). After accepting the case on 3 June 2024, Court D had formed a collegial panel for the hearing. In 19 August 2024, the Court D handed down the second instance judgement that, among others, Shandong Xingmeng shall pay outstanding BE Loan of RMB117,280,000 and interest amounting to RMB5,720,000 to BE City Development.

In August 2024, 山東興盟置業有限公司 did not accept the civil judgment of the Court D, and appealed to the 中華人民共和國最高人民法院 ("Court E"). After accepting the case on 27 November 2024, Court E had formed a collegial panel for the hearing. Up to the date of this report, there is no further update of the above litigation.

(b) During the year ended 31 December 2020, a service provider (the "Plaintiff") of the Company's subsidiary 杭州新明置業投資有限公司 (Hangzhou Xinming Property Investment Limited*) ("Hangzhou Xinming") initiated proceedings in the People's Court of Gongshu District ("Court A"), Hangzhou City, Zhejiang Province against Hangzhou Xinming to demand outstanding entrusted management service fee, employee salary and benefit and penalty in the sum of approximately RMB68,652,000, together with penalty which shall accrue up to the date of actual payment and all litigation costs relating to the case shall be borne by Hangzhou Xinming.

In September 2020, the Court A handed down the first-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB13,188,000 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

In November 2020, Hangzhou Xinming did not accept the civil judgment of the Court, and appealed to the Intermediate People's Court of Hangzhou City, Zhejiang Province ("Court B"). After accepting the case on 19 January 2021, Court B had formed a collegial panel for the hearing. During the year ended 31 December 2021, the Court B handed down the second-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB2,443,417 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

Accordingly, the Group has charged RMB40,000,000 to profit or loss in relation to the above litigation for the year ended 31 December 2020. Up to the date of this report, there is no further update of the above litigation.

* *English name is for identification purpose only.*

23. 其他應付款項及應計費用(續)

附註：(續)

(a) (續)

於二零二四年四月，山東興盟不接受法院民事判決，並向山東省高級人民法院(「法院D」)提出上訴。法院D於二零二四年六月三日受理案件後，已組成合議庭進行審理。於二零二四年八月十九日，法院D作出二審判決，其中包括，山東興盟須向北控城市開發支付尚未償還的北控貸款人民幣117,280,000元及利息人民幣5,720,000元。

於二零二四年八月，山東興盟置業有限公司不接受法院D民事判決，並向中華人民共和國最高人民法院(「法院E」)提出上訴。法院E於二零二四年十一月二十七日受理案件後，已組成合議庭進行審理。截至本報告日期，上述訴訟並無進一步更新。

(b) 截至二零二零年十二月三十一日止年度，本公司之附屬公司杭州新明置業投資有限公司(「杭州新明」)的一個服務提供商(「原告」)向浙江省杭州市拱墅區人民法院(「法院A」)對杭州新明提起訴訟，索要尚未支付的信託管理服務費、僱員薪酬及福利以及罰款，總額約為人民幣68,652,000元，連同應計至實際付款日的罰款以及與該案件有關的杭州新明須承擔的所有訴訟費。

於二零二零年九月，法院A下發一審判決書，裁定(其中包括)杭州新明須向原告支付尚未支付的信託管理服務費、僱員薪酬及福利，總額約為人民幣24,688,000元，以及約人民幣13,188,000元的罰款，連同按每日0.03%自二零二零年四月一日起計至上述金額償還日期為止的罰款。

於二零二零年十一月，杭州新明不服法院民事判決，向浙江省杭州市中級人民法院(「法院B」)提起上訴。法院B於二零二一年一月十九日受理該案後，已組成合議庭進行審理。截至二零二一年十二月三十一日止年度，法院B作出二審判決，其中杭州新明須向原告支付拖欠的委託管理服務費、員工薪酬及福利合計約人民幣24,688,000元及罰款約人民幣2,443,417元，連同自二零二零年四月一日起至上述款項償還日期止按每日0.03%計算的罰款。

故此，於截至二零二零年十二月三十一日止年度，本集團已就上述訴訟將人民幣40,000,000元計入損益。截至本報告日期，上述訴訟並無進一步最新消息。

24. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

24. 合約負債

合約負債詳情載列如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Short-term advances received from customers	**來自客戶的短期墊款**		
Sale of properties	銷售物業	**171,213**	194,332

Contract liabilities represent the sales proceeds received from buyers in connection with the Group's pre-sale of properties at the end of the reporting period.

合約負債指於報告期末就本集團預售物業自買方收取的銷售所得款項。

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

25. 計息銀行及其他借款

		2024 二零二四年			2023 二零二三年		
		Effective interest rate 實際利率 % %	Maturity 到期日	RMB'000 人民幣千元 (Unaudited) (未經審核)	Effective interest rate 實際利率 % %	Maturity 到期日	RMB'000 人民幣千元 (Audited) (經審核)
Current	**即期**						
Current portion of interest-bearing borrowings, secured	計息借款的即期部分，有抵押	3.00–15.60	On demand or within one year 應要求或於一年內	1,212,708	6.80–11.50	On demand or within one year 應要求或於一年內	1,279,465

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Analysed into:	**分析為：**		
Interest-bearing borrowings repayable within one year	須於一年內償還的計息借款	**1,212,708**	1,279,465

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

At 31 December 2024, the Group's borrowings amounting approximately RMB1,209,000,000 (2023: RMB1,279,465,000) were overdue pursuant to the relevant agreements which constituted events of defaults.

In connection with the default and cross-default (if applicable), the Group was subject to penalties of approximately RMB1,028,095,000 (2023: RMB1,175,760,000) which were included in the other payables and accruals at 31 December 2024.

The Group's borrowings are secured by the pledges of the following assets 31 December 2024 and 2023 as follows:

(i) At 31 December 2024, the Group's borrowings of approximately RMB216,847,000 (2023: RMB239,606,000) were secured by the 100% equity interest in 台州溫商時代置業有限公司 (Taizhou Wenshang Times Property Limited*) ("Wenshang Times"), a subsidiary of the Company.

At 31 December 2024, the Group's borrowings of approximately RMB879,877,000 (2023: RMB875,000,000) were secured by the Group's investment properties with aggregate carrying values of approximately RMB792,847,000 (2023: RMB918,200,000).

25. 計息銀行及其他借款(續)

於二零二四年十二月三十一日，本集團借款金額約人民幣1,209,000,000元(二零二三年：人民幣1,279,465,000元)根據相關協議已為逾期，構成違約事件。

本集團就違約及交叉違約(如適用)遭受罰款約人民幣1,028,095,000元(二零二三年：人民幣1,175,760,000元)，並於二零二四年十二月三十一日計入其他應付款項及應計費用。

於二零二四年及二零二三年十二月三十一日，本集團的借款由下列資產的抵押所擔保，詳情如下：

(i) 於二零二四年十二月三十一日，本集團的借款約人民幣216,847,000元(二零二三年：人民幣239,606,000元)以本公司一間附屬公司台州溫商時代置業有限公司(「溫商時代」)100%的股權作擔保。

於二零二四年十二月三十一日，本集團的借款約人民幣879,877,000元(二零二三年：人民幣875,000,000元)以本集團賬面總值約人民幣792,847,000元(二零二三年：人民幣918,200,000元)的投資物業作擔保。

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25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(ii) At 31 December 2024, the Group's borrowings of approximately RMB216,847,000 (2023: RMB239,606,000) were jointly guaranteed by (i) the Controlling Shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) a subsidiary of the Company, and (iv) Xinming Group Limited, a related party of the Group.

At 31 December 2024, the Group's borrowings of approximately RMB532,152,000 (2023: RMB584,858,000) were jointly guaranteed by (i) the Controlling Shareholders, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, and (iii) a subsidiary of the Company.

At 31 December 2024, the Group's borrowings of approximately RMB460,000,000 (2023: RMB455,000,000) were jointly guaranteed by (i) the Controlling Shareholders, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) Xinming Group Limited, a related party of the Group, and (iv) Miss Chen Xi and Mr. Chen Junshi, the daughter and the son of the Controlling Shareholder, Mr. Chen Chengshou and (v) a subsidiary of the Company.

25. 計息銀行及其他借款(續)

(ii) 於二零二四年十二月三十一日，本集團的借款約人民幣216,847,000元(二零二三年：人民幣239,606,000元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本公司一間附屬公司，及(iv)本集團關聯方新明集團有限公司作出共同擔保。

於二零二四年十二月三十一日，本集團的借款約人民幣532,152,000元(二零二三年：人民幣584,858,000元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士，及(iii)本公司一間附屬公司作出共同擔保。

於二零二四年十二月三十一日，本集團的借款約人民幣460,000,000元(二零二三年：人民幣455,000,000元)由(i)控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本集團關聯方新明集團有限公司、(iv)陳希女士及陳俊士先生(控股股東陳承守先生的女兒及兒子)及(v)本公司一間附屬公司作出共同擔保。

26. CONVERTIBLE BONDS

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (equivalent to approximately RMB252,604,000) (the "Convertible Bonds") at the price of 100% of their principal amount. The Convertible Bonds were redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bore interest at the rate of 6.5% plus 1% handling fee per annum (the "Coupon Rate") and were payable in arrears every six months.

The convertible bonds were jointly guaranteed by the Controlling Shareholder, Mr. Chen Chengshou, and the non-executive director, Ms. Gao Qiaoqin, pursuant to a deed of guarantee, and secured by Xinxing Company Limited by 940,000,000 shares of the Company held by Xinxing Company Limited, a company controlled by Mr. Chen Chengshou.

The Convertible Bonds were matured on 31 May 2020 and the outstanding principal amount was not yet settled up to 31 December 2024.

The Convertible Bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

26. 可換股債券

於二零一八年六月一日，本公司按本金額100%的價格發行本金總額為300,000,000港元（相當於約人民幣252,604,000元）的可換股債券（「可換股債券」）。可換股債券可由債券持有人選擇於二零二零年六月一日按每張債券1.39港元的價格贖回。可換股債券的年利率為6.5%，另加1%手續費（「票面利率」）及每六個月支付一次。

可換股債券由控股股東陳承守先生及非執行董事高巧琴女士根據擔保契據共同擔保，及由陳承守先生控股的Xinxing Company Limited通過其持有的本公司940,000,000股股份作抵押。

可換股債券已於二零二零年五月三十一日到期，且直至二零二四年十二月三十一日，未償還本金尚未結清。

可換股債券被確認為於初始確認時指定為按公允價值計入損益的金融負債。

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	268,848
Changes in fair value	公允價值變動	3,814
At 31 December 2023	於二零二三年十二月三十一日	**272,662**
Changes in fair value	公允價值變動	**9,463**
At 31 December 2024	**於二零二四年十二月三十一日**	**282,125**

At 31 December 2024 and 2023, the Group's Convertible Bonds were valued by management of the Group by using discounted cash flow method with the following key assumptions:

於二零二四年及二零二三年十二月三十一日，本集團管理層採用現金流量折現法按以下主要假設對本集團可換股債券進行估值：

Discount Rate	Coupon Rate
貼現率	票面利率

The fair value of the Convertible Bonds was categorised into level 3 fair value hierarchy as defined in IFRS 13, Fair Value Measurement. The significant unobservable input into this valuation approach is the discount rate. An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the Convertible Bonds.

可換股債券的公允價值分類為國際財務報告準則第13號公允價值計量所界定的第三級公允價值層級。此估值方法的重大不可觀察輸入數據為貼現率。單獨使用的貼現率增加將導致可換股債券的公允價值計量減少。

27. ISSUED CAPITAL

27. 已發行資本

		Number of shares 股份數目	Nominal value 面值 HK$ 港元	Nominal value 面值 Equivalent to RMB 折合人民幣元
Authorised:	**法定：**			
At 31 December 2024 and 2023	於二零二四年及二零二三年十二月三十一日	1,880,000,000	18,800,000	14,891,000
Issued and fully paid:	**已發行及繳足：**			
At 31 December 2024 and 2023	於二零二四年及二零二三年十二月三十一日	1,878,622,000	18,786,220	14,880,000

28. RESERVES

Share premium

Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value.

Merger reserves

The merger reserve represents the aggregate amount of the paid-up capital of those companies comprising the Group prior to the incorporation of the Company and the application of merger method of accounting for business combinations under common control. Details of the movements in the merger reserve are set out in the consolidated statement of changes in equity.

Capital reserves

Capital reserve comprises the difference arising from changes in ownership interests in subsidiaries which do not result in change of control.

28. 儲備

股份溢價

股份溢價指本公司發行股份所得款項淨額或代價超出其股份面值的部分。

合併儲備

合併儲備指於本公司註冊成立以及應用共同控制下的業務合併的合併會計法前本集團旗下公司的繳足資本總額。合併儲備變動詳情載於綜合權益變動表。

資本儲備

資本儲備包括並不會導致控制權變更的於附屬公司所有權權益變動產生之差額。

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group has no major non-cash transactions during the years ended 31 December 2024 and 2023.

(b) Changes in liabilities arising from financing activities

29. 綜合現金流量表附註

(a) 重大非現金交易

截至二零二四年及二零二三年十二月三十一日止年度，除於綜合財務報表其他部分所披露者外，本集團概無主要非現金交易。

(b) 融資活動產生的負債變動

		Interest-bearing bank and other borrowings 計息銀行及其他借款 RMB'000 人民幣千元	Included in "Other payables and accruals" 計入「其他應付款項及應計費用」 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	1,279,755	39,000	1,318,755
Changes from financing cash flows	融資現金流量變動	(290)	78,280	77,990
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	**1,279,465**	**117,280**	**1,396,745**
Changes from financing cash flows	融資現金流量變動	**(66,757)**	**–**	**(66,757)**
At 31 December 2024	**於二零二四年十二月三十一日**	**1,212,708**	**117,280**	**1,329,988**

30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

30. 或然負債

於報告期末，並無於綜合財務報表計提撥備的或然負債如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	就本集團物業買家獲授的按揭融資提供的擔保	27,996	28,570

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee agreements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted to banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends after the execution of individual purchaser's collateral agreement.

本集團就若干銀行向本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保。根據擔保協議的條款，倘買家拖欠按揭付款，本集團負責償還未償還按揭貸款連同違約方結欠銀行的任何應計利息及罰款。其後，本集團有權接管相關物業的合法業權。本集團的擔保期自授出相關按揭貸款當日起至執行個別買家的抵押協議後為止。

The Group did not incur any material losses during the year in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

本集團並無於年內就本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保而產生任何重大虧損。董事認為，倘發生拖欠付款，相關物業的可變現淨值將足以償還未償還按揭貸款連同任何應計利息及罰款，故並無就有關擔保計提撥備。

31. CAPITAL COMMITMENTS

31. 資本承擔

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Contracted, but not provided for properties under development	已訂約但未撥備開發中物業	24,467	3,774

32. RELATED PARTY TRANSACTIONS
32. 關聯方交易

Name and relationship
名稱／姓名及關係

Name of related party 關聯方名稱／姓名	Relationship with the Group 與本集團的關係
Mr. Chen Chengshou 陳承守先生	Controlling Shareholder 控股股東
Ms. Gao Qiaoqin 高巧琴女士	Wife of the Controlling Shareholder 控股股東之妻子
Xinming Group Limited 新明集團有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yuanyang Holdings Group Share Limited Company 遠揚控股集團有限公司	Significantly influenced by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 受鄭翔天先生(控股股東的胞兄)重大影響
Hangzhou Taoyuan Shanzhuang Property Development Limited ("Hangzhou Taoyuan") 杭州桃源山莊房地產開發有限公司(「杭州桃源」)	Controlled by the Controlling Shareholder 由控股股東控制
Qi'an Insurance Brokers Limited ("Qi'an Insurance") 祁安保險經紀有限公司(「祁安保險」)	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Kaijie Decoration Co., Ltd. 杭州開捷門窗有限公司	Significantly influenced by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 受鄭翔天先生(控股股東的胞兄)重大影響
Zhejiang Tianmao Landscape Engineering Co., Ltd. 浙江天茂園林工程有限公司	Controlled by Mr. Zheng Xiangtian, brother of the Controlling Shareholder 由鄭翔天先生(控股股東的胞兄)控制

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had no significant transactions with related parties during the years ended 31 December 2024 and 2023.

除該綜合財務報表中其他部分所披露的資料外，截至二零二四年及二零二三年十二月三十一日止年度，本集團並無與關連方進行重大交易。

32. RELATED PARTY TRANSACTIONS (CONTINUED)

32. 關聯方交易(續)

Compensation of key management personnel of the Group

本集團主要管理人員的薪酬

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Salaries, bonus, allowances and benefits-in-kind	薪金、花紅、津貼及實物利益	2,216	2,189
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	2,216	2,189

33. FINANCIAL INSTRUMENTS BY CATEGORY

33. 按類別劃分的金融工具

The table below is an analysis of the carrying amounts of financial instruments by category at the end of the reporting period:

下表為於報告期末按類別劃分的金融工具的賬面值分析：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Financial assets at amortised cost	**按攤銷成本計量的金融資產**		
Trade receivables	貿易應收款項	3,201	1,426
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	40,985	34,958
Restricted deposits	受限制存款	1,412	520
Cash and cash equivalents	現金及現金等價物	662	1,335
		46,260	38,239
Financial liabilities at amortised cost	**按攤銷成本計量的金融負債**		
Trade payables	貿易應付款項	459,566	483,698
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	2,360,583	1,745,908
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,212,708	1,279,465
		4,032,857	3,509,071
Financial liabilities at FVPL	**按公允價值計入損益的金融負債**		
Convertible bonds	可換股債券	282,125	272,662

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

34. 金融工具之公允價值及公允價值層級

本集團金融工具(賬面值與公允價值合理相若者除外)的賬面值及公允價值如下:

		Carrying amounts 賬面值		Fair values 公允價值	
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Financial liabilities	**金融負債**				
Convertible bonds	可換股債券	282,125	272,662	282,125	272,662

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

管理層已評估,現金及現金等價物、貿易應收款項、貿易應付款項、計入預付款項、其他應收款項及其他資產之金融資產、計入其他應付款項及應計費用之金融負債之公允價值與其賬面值相若,主要由於此等工具於短期內到期。

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

本集團財務融資部由融資經理領導,負責釐定金融工具公允價值計量之政策及程序。融資經理直接向財務總監及審核委員會報告。於各報告期末,財務融資部分析金融工具之價值變動及釐定應用於估值之主要輸入數據。估值交由財務總監審核及批准。評估過程及結果每年兩次與審核委員會討論以進行中期及年度財務報告。

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

金融資產及負債的公允價值按自願雙方在當前交易(而非強制或清盤出售)中就有關工具進行交易的金額入賬。用於估計公允價值的方法及假設如下:

The convertible bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

可換股債券確認為金融負債,並於初步確認時指定為按公允價值計入損益。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

34. 金融工具之公允價值及公允價值層級(續)

Fair value hierarchy

公允價值層級

Liabilities measured at fair value

按公允價值計量的負債

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Convertible bonds At 31 December 2024	**可換股債券 於二零二四年十二月三十一日**	**–**	**–**	**282,125**	**282,125**
At 31 December 2023	於二零二三年十二月三十一日	–	–	272,662	272,662

At 31 December 2024 and 2023

於二零二四年及二零二三年十二月三十一日

Liability 負債	Fair value hierarchy 公允價值層級	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
Convertible bonds 可換股債券	Level 3 第三級	Discounted cash flow method 現金流量貼現法	Discount rate 貼現率	The higher the discount rate, the lower the fair value 貼現率越高，公允價值越低

Save as disclosed above, during the years ended 31 December 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Accordingly, the Group assessed the fair value of the Convertible Bonds using discounted cash flow method at 31 December 2024 and 2023 since the valuation using binomial model was no longer applicable to assess fair value of the Convertible Bonds upon maturity.

除上文所披露者外，截至二零二四年及二零二三年十二月三十一日止年度，就金融資產及金融負債而言，公允價值計量並無第一級與第二級之間的轉換，亦無第三級的轉入或轉出。因此，由於使用二項式模型估值於到期後不再適用於評估可換股債券的公允價值，故於二零二四年及二零二三年十二月三十一日，本集團使用現金流量貼現法評估可換股債券的公允價值。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Liabilities measured at fair value (Continued)

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy are as follows:

34. 金融工具之公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債(續)

經常性公允價值計量分類為公允價值層級第三級的變動詳情如下：

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	268,848
Changes in fair value	公允價值變動	3,814
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	272,662
Changes in fair value	公允價值變動	9,463
At 31 December 2024	**於二零二四年十二月三十一日**	282,125

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents, restricted deposits, trade receivables and trade payables, which arise directly from its operations. The Group has other financial assets and liabilities such as interest-bearing bank and other borrowings, convertible bonds, deposits and other receivables, and other payables and accruals. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest- bearing bank and other borrowings with a floating interest rate. The Group does not use derivative financial instruments to hedge its interest rate risk.

35. 金融風險管理目標及政策

本集團的主要金融工具主要包括直接自其經營產生的現金及現金等價物、受限制存款、貿易應收款項以及貿易應付款項。本集團擁有其他金融資產及負債，如計息銀行及其他借款、可換股債券、按金及其他應收款項，以及其他應付款項及應計費用。該等金融工具的主要用途是為本集團的運營籌集資金。

本集團金融工具所產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團並無持有或發行衍生金融工具以作對沖或買賣之用。董事會檢討並同意管理各風險的政策，乃概述如下：

利率風險

本集團因利率變動而承受的市場風險主要與浮動利率的計息銀行及其他借款有關。本集團並無使用衍生金融工具對沖其利率風險。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (Continued)

The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts. At 31 December 2024 and 2023, 100% of the Group's interest-bearing bank and other borrowings bore interest at fixed rates. The Group's exposure to interest rate risk is not significant.

Foreign currency risk

The Group's businesses are located in the PRC and all transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. The Group has not hedged its foreign exchange rate risk. At 31 December 2024 and 2023, the Group's exposure to foreign currency risk is not significant.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

35. 金融風險管理目標及政策(續)

利率風險(續)

本集團之政策為以定息及浮動利率債項混合的方式管控其利息成本。於二零二四年及二零二三年十二月三十一日，本集團100%計息銀行及其他借款按固定利率計息。本集團所承受之利率風險並不重大。

外幣風險

本集團於中國經營業務，所有交易均以人民幣進行。本集團大部分資產及負債以人民幣計值。本集團並未對沖其匯率風險。於二零二四年及二零二三年十二月三十一日，本集團所承受之外幣風險並不重大。

信貸風險

本集團僅與獲認可且聲譽良好的第三方進行交易。本集團的政策為所有打算以信貸期交易的客戶均須接受信貸核實程序。此外，本集團持續監察應收款項結餘，故所承受壞賬的風險並不重大。對於並非以有關營運單位功能貨幣計值的交易，本集團在未經信貸管理部主管特定批准的情況下不會給予信貸期。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and period end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

35. 金融風險管理目標及政策(續)

最高風險及年末階段

下表顯示於十二月三十一日，基於本集團信貸政策的信貸質素及面臨的最高信貸風險(主要基於過往到期資料，除非有其他毋須花費不必要成本或精力的可用資料)及期末階段分類。

呈列的金額為金融資產的賬面總值及就金融擔保合約面臨的信貸風險。

At 31 December 2024 **於二零二四年十二月三十一日**

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	–	–	11,474	–	11,474
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	4,372	–	–	–	4,372
– Doubtful (Note (ii))	–存疑(附註(ii))	–	10	167,726	2,078	169,814
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	1,412	–	–	–	1,412
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	662	–	–	–	662
		6,446	10	179,200	2,078	187,734

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

35. 金融風險管理目標及政策(續)

Credit risk (Continued)

信貸風險(續)

Maximum exposure and year-end staging (Continued)

最高風險及年末階段分類(續)

At 31 December 2023

於二零二三年十二月三十一日

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	–	–	–	28,734	28,734
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	51,000	–	–	–	51,000
– Doubtful (Note (ii))	–存疑(附註(ii))	–	24,161	92,809	–	116,970
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	520	–	–	–	520
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	1,335	–	–	–	1,335
		52,855	24,161	92,809	28,734	198,559

Notes:

(i) For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 19 to the consolidated financial statements.

(ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 19 and 20 to the consolidated financial statements respectively.

附註：

(i) 就本集團應用簡化方法作減值的貿易應收款項而言，資料乃基於綜合財務報表附註19所披露的撥備矩陣。

(ii) 倘計入預付款項、其他應收款項及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初始確認以來顯著增加，則其信用質素被認作「正常」。否則，該等金融資產的信貸質素被認作「存疑」。

有關本集團因貿易應收款項以及計入預付款項、其他應收款項及其他資產的金融資產所產生之信貸風險之進一步定量資料分別於綜合財務報表附註19及20中披露。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

The movements in the loss allowance for impairment of the financial assets included in prepayments, other receivables and other assets are as follows:

35. 金融風險管理目標及政策(續)

信貸風險(續)

最高風險及年末階段分類(續)

計入預付款項、其他應收款項及其他資產的金融資產減值撥備虧損變動如下：

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損		
		Stage 1 第一級	Stage 2 第二級	Stage 3 第三級	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	4,068	20,786	105,587	130,441
Increase (Decrease) in allowance, net	撥備增加(減少)淨額	6,699	3,375	(7,503)	2,571
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	10,767	24,161	98,084	133,012
Increase (Decrease) in allowance, net	撥備增加(減少)淨額	(10,706)	(24,161)	35,056	189
At 31 December 2024	**於二零二四年十二月三十一日**	61	–	133,140	133,201

The significant increase in allowance for impairment in Stage 3 for the years ended 31 December 2024 is due to the prolonged weak investment sentiments in the commercial property market in the PRC, which adversely affect relationship with the Group's business partner and suppliers.

截至二零二四年十二月三十一日止年度第三級減值撥備大幅增加乃因中國商業物業市場的投資氣氛持續走低，對本集團與其業務夥伴及供應商的關係造成不利影響。

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are being closely monitored on an ongoing basis.

流動資金風險

本集團採用週期性流動資金計劃監控流動資金短缺之風險。此工具監控其金融工具與金融資產(如貿易應收款項)之到期日以及來自業務現金流量之預測。

本集團的目標為透過使用計息銀行及其他借款維持資金連續性與靈活性之間的平衡。現金流量持續受到密切監控。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

35. 金融風險管理目標及政策(續)

流動資金風險(續)

於報告期末，本集團基於合約未貼現付款的金融負債到期情況如下：

At 31 December 2024 **於二零二四年十二月三十一日**

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	459,566	459,566
Other payables and accruals	其他應付款項及應計費用	2,243,303	117,280	2,360,583
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,212,708	–	1,212,708
Convertible bonds	可換股債券	282,125	–	282,125
		3,738,136	576,846	4,314,982

At 31 December 2023 於二零二三年十二月三十一日

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	483,698	483,698
Other payables and accruals	其他應付款項及應計費用	1,628,628	117,280	1,745,908
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,279,465	–	1,279,465
Convertible bonds	可換股債券	272,662	–	272,662
		3,180,755	600,978	3,781,733

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

資本管理

本集團資本管理的主要目標為確保其維持良好信用評級及穩健的資本比率以支持其業務及使股東價值最大化。

本集團管理其資本架構並根據經濟狀況的變動對其作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東返還資本或發行新股。截至二零二四年及二零二三年十二月三十一日止年度，並無對管理資本的目標、政策或程序作出調整。

36. SUBSIDIARIES

Details of the subsidiaries at the end of the reporting period are as follows:

36. 附屬公司

於報告期末附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Xinming Capital Limited	The British Virgin Islands (the "BVI")	US$50,000	100% (2023: 100%)	–	Investment holding
Xinming Capital Limited	英屬處女群島（「英屬處女群島」）	50,000美元	100%（二零二三年：100%）	–	投資控股
Xinming China Investment Limited	Hong Kong	HK$1,000,000	–	100% (2023: 100%)	Investment holding
新明中國投資有限公司	香港	1,000,000港元	–	100%（二零二三年：100%）	投資控股
Wangdate Marketing Consultancy Company	Hong Kong	HK$1	10%	–	Investment management
Wangdate Marketing Consultancy Company	香港	1港元	10%	–	投資管理
杭州時刻企業管理諮詢有限公司 (Hangzhou Times Enterprise Management Consulting Limited)	The PRC	RMB30,000,000	–	100% (2023: 100%)	Investment holding
杭州時刻企業管理諮詢有限公司	中國	人民幣30,000,000元	–	100%（二零二三年：100%）	投資控股
新明集團控股有限公司 (Xinming Group Holding Limited)	The PRC	RMB50,000,000	–	100% (2023: 100%)	Investment holding
新明集團控股有限公司	中國	人民幣50,000,000元	–	100%（二零二三年：100%）	投資控股
台州市新明房地產開發有限公司 (Taizhou City Xinming Real Estate Development Company Limited)	The PRC	RMB10,000,000	–	100% (2023: 100%)	Property development
台州市新明房地產開發有限公司	中國	人民幣10,000,000元	–	100%（二零二三年：100%）	物業開發
Taizhou Xinming	The PRC	RMB30,000,000	–	100% (2023: 100%)	Property development and property investment
台州新明	中國	人民幣30,000,000元	–	100%（二零二三年：100%）	物業開發及物業投資
Wenshang Times	The PRC	RMB50,000,000	–	100% (2023: 100%)	Property development and property investment
溫商時代	中國	人民幣50,000,000元	–	100%（二零二三年：100%）	物業開發及物業投資

36. SUBSIDIARIES (CONTINUED)

36. 附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Shanghai Xinming	The PRC	RMB50,000,000	–	79% (2023: 79%)	Property development and property investment
上海新明	中國	人民幣50,000,000元	–	79% (二零二三年：79%)	物業開發及物業投資
Shandong Xingmeng	The PRC	RMB50,000,000	–	75% (2023: 75%)	Property development and property management
山東興盟	中國	人民幣50,000,000元	–	75% (二零二三年：75%)	物業開發及物業管理
Hangzhou Xinming	The PRC	RMB50,000,000	–	100% (2023: 100%)	Property development and property management
杭州新明	中國	人民幣50,000,000元	–	100% (二零二三年：100%)	物業開發及物業管理
杭州智耀商業有限公司 (Hangzhou Zhiyao Commercial Limited)	The PRC	RMB100,000,000	–	100% (2023: 100%)	Industrial investment
杭州智耀商業有限公司	中國	人民幣100,000,000元	–	100% (二零二三年：100%)	實業投資
浙江靜航投資管理有限公司 (Zhejiang Jinhang Investment Management Limited)	The PRC	RMB5,000,000	–	79% (2023: 79%)	Investment management
浙江靜航投資管理有限公司	中國	人民幣5,000,000元	–	79% (二零二三年：79%)	投資管理

Note: The subsidiaries established in the PRC are registered as limited liability companies under PRC law.

附註： 於中國成立的附屬公司乃根據中國法律註冊為有限公司。

* *English name is for identification purpose only.*

The above table lists the subsidiaries of the Company which, in opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列出董事認為主要影響年度業績或構成本集團大部分淨資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情將導致詳情過於冗長。

None of the subsidiaries had any debt securities outstanding during the reporting period or at the end of the reporting period.

概無附屬公司於報告期內或報告期末持有任何未贖回之債務證券。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司的財務狀況表

		Note 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Current liabilities	**流動負債**			
Other payables	其他應付款項		513,436	449,065
Convertible bonds	可換股債券		282,125	272,622
			795,561	721,687
Net current assets	**流動資產淨額**		795,561	721,687
Total assets less current liabilities	**總資產減流動負債**		(795,561)	(721,687)
NET LIABILITIES	**負債淨額**		(795,561)	(721,687)
Capital and reserves	**資本及儲備**			
Issued capital	已發行股本		14,880	14,880
Reserves	儲備	37(a)	(810,441)	(736,567)
TOTAL EQUITY	**權益總額**		(795,561)	(721,687)

37(a) Movement of the reserves

37(a) 儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	496,155	(1,121,415)	(625,260)
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	–	(111,307)	(111,307)
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	496,155	(1,232,722)	(736,567)
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	–	(73,874)	(73,874)
At 31 December 2024	**於二零二四年十二月三十一日**	496,155	(1,306,596)	(810,441)

38. EVENTS AFTER THE REPORTING PERIOD

(a) On 16 January 2025, the Company was informed by Mr. Lai Kar Yan (Derek) and Mr. Ho Kwok Leung Glen of Deloitte Touche Tohmatsu whom were appointed by Chance Talent Management Limited as joint and several receivers over the Placing Shares and the Sale Shares ("the Receivers") that on 8 January 2025 (after trading hours), the Xinxing Company Limited (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and Innovax Securities Limited ("Placing Agent") entered into the Placing Agreement, pursuant to which the Placing Agent place an aggregate of 752,137,800 Placing Shares held by the Vendor (representing approximately 40.04% of the entire issued share capital of the Company as of 8 January 2025) to the Placees at the Placing Price.

On 16 January 2025, the Company was informed by the Receivers that on 13 January 2025, the Placing Agent successfully placed all the 752,137,800 Placing Shares at the Placing Price of HK$0.011 per Placing Share to the respective Placees. The 752,137,800 Placing Shares placed under the Placing represents approximately 40.04% of the entire issued share capital of the Company as at 16 January 2025.

Details of the placing of existing shares by controlling shareholder were set out in the Company's announcements dated 16 January 2025 and 21 January 2025.

38. 報告期後事項

(a) 於二零二五年一月十六日，本公司獲Chance Talent Management Limited委任為配售股份及銷售股份的共同及個別接管人的德勤•關黃陳方會計師行的黎嘉恩先生及何國樑先生(「接管人」)告知，於二零二五年一月八日(交易時段後)，Xinxing Company Limited(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)、接管人及創陞證券有限公司(「配售代理」)訂立配售協議，據此，配售代理按配售價向承配人配售賣方所持合共752,127,800股配售股份(相當於截至二零二五年一月八日本公司全部已發行股本約40.04%)。

於二零二五年一月十六日，本公司獲接管人告知，於二零二五年一月十三日，配售代理已按配售價每股配售股份0.011港元成功向相應承配人配售全部752,137,800股配售股份。配售項下所配售的752,137,800股配售股份佔於二零二五年一月十六日本公司全部已發行股本的約40.04%。

有關控股股東配售現有股份的詳情載於本公司日期為二零二五年一月十六日及二零二五年一月二十一日的公告。

38. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(b) On 16 January 2025, the Company was informed by the Receivers that on 8 January 2025 (after trading hours), the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge), the Receivers and the Share Purchaser entered into the Share Sale Agreement pursuant to which, the Vendor (acting by the Receivers as its attorney without personal liability pursuant to the powers granted under the Share Charge) agreed to sell and the Share Purchaser agreed to purchase an aggregate of 187,862,200 Sale Shares (representing 10.00% of the entire issued share capital of the Company as of 8 January 2025) at the total consideration of HK$1,983,700.

The Company was further informed by the Receivers that completion of the Share Sale took place on 16 January 2025.

After the Share Sale, the Share Purchaser, Motivational Mathematics, held an aggregate of 187,862,200 Shares, representing 10.00% of the existing issued share capital of the Company and has become a substantial shareholder of the Company.

(c) On 16 January 2025, the Company was informed by Chance Talent that on 15 January 2025, Advance Day and Chance Talent ("CB Sellers") transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK$31.5 million. After the Share Sale and the CB Sale and as at the date of this report, Motivational Mathematics Limited held an aggregate of 187,862,200 Shares, representing 10.00% of the existing issued share capital of the Company and upon full exercise of the conversion rights attaching to the convertible bonds, Motivational Mathematics Limited will be interested in 403,689,538 Shares, representing approximately 19.27% of the enlarged issued share capital of the Company.

38. 報告期後事項(續)

(b) 於二零二五年一月十六日，本公司獲接管人告知，於二零二五年一月八日(交易時段後)，賣方(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)、接管人及股份買方訂立股份銷售協議，據此，賣方(由接管人根據該等押記授予的權力作為其受權人行事而無須承擔個人責任)及股份買方同意以總代價1,983,700港元出售及購買合共187,862,200股銷售股份(相當於二零二五年一月八日本公司全部已發行股本約10.00%)。

本公司獲接管人進一步告知股份銷售於二零二五年一月十六日完成。

於股份銷售後，股份買方Motivational Mathematics持有合計187,862,200股股份，佔本公司現有已發行股本的10.00%，成為本公司的主要股東。

(c) 於二零二五年一月十六日，本公司獲Chance Talent告知，於二零二五年一月十五日，Advance Day及Chance Talent(「可換股債券賣方」)已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券，以及所有附帶的權利及應有的收益，予可換股債券買方Motivational Mathematics Limited。於股份銷售及可換股債券轉讓後及於本報告日期，Motivational Mathematics Limited持有合共187,862,200股股份，佔本公司現有已發行股本10.00%，而於悉數行使可換股債券附帶之換股權後，Motivational Mathematics Limited將持有403,689,538股股份之權益，佔本公司經擴大後已發行股本約19.27%。

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

For the Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

The five-year financial summary is as follows: 五年財務概要如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
CONTINUING OPERATIONS	**持續經營業務**					
REVENUE	**收益**	**86,843**	422,580	35,198	101,833	128,537
Cost of sales	銷售成本	**(66,176)**	(369,140)	(15,187)	(24,214)	(66,977)
Gross profit	毛利	**20,667**	53,440	20,011	77,619	61,560
Other income and gains	其他收入及收益	**21**	(6,186)	(22,738)	279,894	3,435
Selling and distribution costs	銷售及分銷成本	**(3,577)**	(4,496)	(13,206)	(19,592)	(18,533)
Administrative expenses	行政開支	**(19,821)**	(33,165)	(55,634)	(41,476)	(48,134)
Other expenses	其他開支	**(473,844)**	(440,315)	(599,391)	(421,367)	(1,051,238)
Net loss on de-consolidation of a subsidiary	取消綜合入賬一間附屬公司的虧損淨額	**–**	–	–	(640,056)	–
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業的虧損	**(3,319)**	(34,641)	(280,788)	–	–
Loss on court-ordered sale of an investment property	法院命令出售一項投資物業的虧損	**–**	–	(686,597)	–	–
Changes in fair value of investment properties	投資物業公允價值變動	**(12,270)**	(17,900)	(1,082,900)	(2,000)	(22,900)
Changes in fair value of convertible bonds	可轉股債券公允價值變動	**(9,463)**	(3,814)	(24,336)	8,092	20,363
Finance costs	融資成本	**(96,663)**	(77,079)	(84,044)	(83,053)	(973)
LOSS BEFORE INCOME TAX	**除所得稅前虧損**	**(598,269)**	(564,156)	(2,829,623)	(841,939)	(1,056,420)
Income tax (expenses)/credit	所得稅(開支)／抵免	**8,578**	(28,475)	440,019	10,833	(59,484)
LOSS FOR THE YEAR	**年內虧損**	**(589,691)**	(592,631)	(2,389,604)	(831,106)	(1,115,904)
Other comprehensive expense item that maybe reclassified subsequently to profit or loss:	**其後可能重新分類至損益的其他全面開支項目：**					
Exchange difference arising on translation of foreign operation	換算海外業務產生之匯兑差額	**(57)**	–	–	–	–
Total comprehensive expense for the year	**年內全面開支總額**	**(589,748)**	(592,631)	(2,389,604)	(831,106)	(1,115,904)
Loss for the year attributable to:	**以下人士應佔年內虧損：**					
Owners of the Company	本公司擁有人	**(542,523)**	(526,121)	(2,250,428)	(863,935)	(1,000,756)
Non-controlling interests	非控股權益	**(47,168)**	(66,510)	(139,176)	32,829	(115,148)
		(589,691)	(592,631)	(2,389,604)	(831,106)	1,115,904

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

For the Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		For the year ended 31 December 截至十二月三十一日止年度				
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Total comprehensive expense for the year	**年內全面開支總額**	**(589,748)**	(592,631)	(2,389,604)	(831,106)	(1,115,904)
Total comprehensive expense for the year attributable to:	**以下人士應佔年內全面開支總額：**					
Owners of the parent company	母公司擁有人	**(542,580)**	(526,121)	(2,250,428)	(863,935)	(1,000,756)
Non-controlling interests	非控股權益	**(47,168)**	(66,510)	(139,176)	32,829	(115,148)
		(589,748)	(592,631)	(2,389,604)	(831,106)	(1,115,904)
ASSETS AND LIABILITIES	**資產及負債**					
Non-current assets	非流動資產	**1,134,461**	1,128,977	1,139,066	3,064,833	3,386,208
Current assets	流動資產	**1,010,250**	1,086,700	1,487,760	2,158,841	3,036,023
Current liabilities	流動負債	**5,518,233**	5,006,871	4,830,364	4,722,485	4,977,168
Non-current liabilities	非流動負債	**175,742**	168,322	163,347	478,470	581,013
Non-controlling interests	非控股權益	**(304,798)**	(203,485)	(136,975)	2,201	(20,403)
Total (deficit) equity	(虧絀)權益總額	**(3,549,264)**	(2,959,516)	(2,366,885)	22,719	864,050



新明中国控股

XINMING CHINA

新明中国控股

XINMING CHINA

XINMING CHINA HOLDINGS LIMITED

新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock code 股份代號:2699

年報

2025 ANNUAL REPORT



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CORPORATE INFORMATION
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DIRECTORS
Executive Directors
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Shi Jianwen (appointed on 22 August 2025)

Mr. Hu Chaozhou (appointed on 22 August 2025 and resigned on 3 March 2026)
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (retired on 14 April 2025)

Non-executive Directors
Mr. Cao Zhiqiang (redesignated on 11 April 2025 and resigned on 3 March 2026)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Independent Non-executive Directors
Ms. Lee Yin Man
Ms. Huang Chunlian
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

AUDIT COMMITTEE
Ms. Lee Yin Man *(Chairman)* (re-designated on 14 April 2025)

Ms. Huang Chunlian
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

REMUNERATION COMMITTEE
Ms. Lee Yin Man *(Chairman)* (re-designated on 14 April 2025)

Ms. Huang Chunlian (appointed on 9 August 2024)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

NOMINATION COMMITTEE
Mr. Chen Chengshou *(Chairman)*
Ms. Lee Yin Man
Ms. Huang Chunlian
Mr. Cao Zhiqiang (appointed on 11 April 2025 and resigned on 3 March 2026)
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

董事
執行董事
陳承守先生 *(主席兼行政總裁)*
石艦文先生 (於二零二五年八月二十二日獲委任)
胡朝州先生 (於二零二五年八月二十二日獲委任及於二零二六年三月三日辭任)
豐慈招先生 (於二零二五年四月十四日退任)
周奮力先生 (於二零二五年四月十四日退任)

非執行董事
曹志強先生 (於二零二五年四月十一日調任及於二零二六年三月三日辭任)
高巧琴女士 (於二零二五年四月十四日退任)
周振存先生 (於二零二五年四月十四日退任)
蔡偉康先生 (於二零二五年二月二十四日辭任)

獨立非執行董事
李彥雯女士
黃春蓮女士
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)

審核委員會
李彥雯女士 *(主席)* (於二零二五年四月十四日調任)
黃春蓮女士
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)

薪酬委員會
李彥雯女士 *(主席)* (於二零二五年四月十四日調任)
黃春蓮女士 (於二零二四年八月九日獲委任)
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)
蔡偉康先生 (於二零二五年二月二十四日辭任)

提名委員會
陳承守先生 *(主席)*
李彥雯女士
黃春蓮女士
曹志強先生 (於二零二五年四月十一日獲委任及於二零二六年三月三日辭任)
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)

AUTHORIZED REPRESENTATIVES
Mr. Law Hok Yu (appointed on 11 March 2026)

Mr. Shi Jianwen (appointed on 3 March 2026)
Mr. Kam Chun Ying Francis (resigned on 11 March 2026)
Mr. Cao Zhiqiang (appointed on 5 March 2025 and resigned on 3 March 2026)

COMPANY SECRETARY
Mr. Law Hok Yu (appointed on 11 March 2026)

Mr. Kam Chun Ying Francis (resigned on 11 March 2026)

REGISTERED OFFICE
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS IN THE PRC
Block I, 5th Floor
Hengli Building
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Zhejiang Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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74–76 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

COMPANY'S WEBSITE ADDRESS
http://www.xinm.com.cn

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR
Tricor Investor Services Limited
17/F, Far East Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS
Industrial and Commercial Bank of China, Tengzhou Branch
Agricultural Bank of China, Branch of Datong Road, Tengzhou
China Construction Bank, Branch of Datong Road, Tengzhou
Agricultural Bank of China, Taizhou Jiazhi Branch
Taizhou Bank, Hongjia Branch

AUDITOR
Global Link CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LISTING INFORMATION
The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
(Stock Code: 02699)

授權代表
羅學儒先生(於二零二六年三月十一日獲委任)
石艦文先生(於二零二六年三月三日獲委任)
甘俊英先生(於二零二六年三月十一日辭任)
曹志強先生(於二零二五年三月五日獲委任並於二零二六年三月三日辭任)

公司秘書
羅學儒先生(於二零二六年三月十一日獲委任)
甘俊英先生(於二零二六年三月十一日辭任)

註冊辦事處
Windward 3, Regatta Office Park
PO Box 1350
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Cayman Islands

中國總部
中國浙江省
杭州市黃龍路5號
恒勵大廈
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香港
九龍尖沙咀
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奇盛中心7樓D室

公司網址
http://www.xinm.com.cn

股份過戶登記總處

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記處
卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行
中國工商銀行滕州支行
中國農業銀行滕州市大同路支行
中國建設銀行滕州市大同路分理處
中國農業銀行台州葭芷支行
台州銀行洪家支行

核數師
高嶺會計師有限公司
執業會計師
註冊公眾利益實體核數師

上市資料
本公司普通股於香港聯合交易所有限公司主板上市
(股份代號:02699)

CHAIRMAN'S STATEMENT
主席報告書

To all Shareholders,

On behalf of the board of directors (the "Board") of Xinming China Holdings Company Limited (the "Company" or "Xinming China"), I hereby announce the annual results of the Company for the year ended 31 December 2025 (the "Year under Review").

Looking back at the year 2025, China's real estate industry remained under significant pressure, though some signs of stabilization emerged in the latter part of the year. Liquidity challenges persisted across the sector due to high outstanding developer debt, while consumer confidence recovered only modestly amid a cautious economic outlook. Property demand remained subdued, sales continued to decline, and price corrections were observed in most tiered cities.

According to data from the National Bureau of Statistics and industry sources, total real estate investment for the full year of 2025 amounted to approximately RMB9.5 trillion, representing a year-on-year decrease of approximately 10.0%. Investment in residential properties fell to approximately RMB7.2 trillion, a decrease of 9.8% compared to 2024. The total sales area of commercial properties was approximately 950 million square metres, down by approximately 10.5% year-on-year, with residential sales area declining by approximately 11.2%. Total sales revenue of commercial properties was approximately RMB9.6 trillion, a decline of approximately 12.5% from the previous year, while residential property sales revenue fell by approximately 13.0%. These statistics reflect that while the overall market remained weak, the rate of decline lessened compared to 2024, hinting at early stabilization in select regions.

During 2025, the Central Government intensified its efforts to reverse the downturn and stabilize the real estate market. Key measures included the expansion of the "whitelist" mechanism for project financing, further reductions in minimum down payment ratios (to as low as 15% for first-time homebuyers in many cities), easing or full removal of home purchase restrictions in all but a few megacities, and targeted financing support for distressed developers. Additionally, the government accelerated the monetization of affordable housing and urban redevelopment projects to absorb excess inventory. However, the transmission of these policies to broader market recovery remained uneven, with tier-1 and select tier-2 cities showing moderate improvement, while lower-tier cities continued to face oversupply and weak demand. The industry is expected to undergo further consolidation over the next two to three years.

During the Year under Review, facing these persistent challenges, the Group proactively prioritized a dual strategic focus: revitalizing existing assets and reducing liabilities. Through practical measures and diversified approaches—including asset disposals, and restructuring of debt—we sought to ease the Company's ongoing operational strains and improve long-term viability.

致各位股東：

本人謹代表新明中國控股有限公司(「本公司」或「新明中國」)董事(「董事」)會(「董事會」)欣然宣佈本公司截至二零二五年十二月三十一日止年度(「回顧年度」)之全年業績。

回顧二零二五年，中國房地產行業仍承受巨大壓力，儘管下半年出現部分企穩跡象。由於開發商未償債務高企，行業流動性挑戰持續；同時，在經濟前景審慎的背景下，消費者信心僅溫和恢復。物業需求依然疲軟，銷售持續下滑，大多數線級城市均錄得價格調整。

根據國家統計局及行業數據，二零二五年全年房地產總投資額約為人民幣9.5萬億元，同比下降約10.0%。住宅投資額約為人民幣7.2萬億元，較2024年下降9.8%。商品房總銷售面積約為9.5億平方米，同比下降約10.5%，其中住宅銷售面積下降約11.2%。商品房總銷售額約為人民幣9.6萬億元，較上年下降約12.5%，住宅銷售額下降約13.0%。這些數據反映，儘管整體市場仍然疲弱，但跌幅相較二零二四年有所收窄，預示部分地區初步呈現企穩跡象。

二零二五年期間，中央政府加大力度扭轉下行趨勢並穩定房地產市場。主要措施包括：擴大項目融資「白名單」機制、進一步降低最低首付比例(多數城市首套房低至15%)、除少數超大城市外放鬆或全面取消購房限制，以及為困境開發商提供定向融資支持。此外，政府加快保障性住房及城市更新項目的貨幣化進程，以消化過剩庫存。然而，這些政策向更廣泛市場復甦的傳導仍不平衡，一線及部分二線城市呈現溫和改善，而低線城市仍面臨供應過剩及需求疲軟。預計未來兩到三年，行業將進一步整合。

在回顧年度內，面對持續挑戰，本集團主動實施雙重戰略重點：盤活現有資產與降低負債。通過切實可行的措施及多元化方式—包括資產出售及債務重組—我們力求緩解公司持續的營運壓力，並提升長期生存能力。

The Company will continue to actively negotiate with financial institutions to extend repayment dates or refinance outstanding borrowings. We will also proactively pursue feasible asset revitalization options as part of our overall strategy, including but not limited to changes in property use, sale of investment properties, introduction of strategic partners, and, where appropriate, equity restructuring. While market conditions remain challenging, the Board believes that our focus on liquidity preservation and liability reduction is the most prudent path forward.

本公司將繼續積極與金融機構協商，延長還款期限或為未償還借款再融資。我們亦將積極尋求可行的資產盤活方案，作為整體策略的一部分，包括但不限於改變物業用途、出售投資物業、引入戰略合作夥伴，以及適當時進行股權重組。儘管市場環境仍然嚴峻，董事會相信，專注於保持流動性及降低負債是最審慎的前進路徑。

PROSPECTS AND DEVELOPMENT STRATEGIES

Looking ahead to 2026 and beyond, China's macro-economy is expected to remain on a steady but moderate growth trajectory. While the property market has yet to see a full recovery, certain positive signals have emerged. During 2025, many cities relaxed or fully removed purchase restrictions and loan curbs, while the central government continued to implement supportive measures. These policies are gradually stabilizing market expectations and investment sentiment, though the pace of recovery will likely vary across cities and property types.

前景展望及發展策略

展望二零二六年及以後，中國宏觀經濟預期將保持平穩溫和增長。房地產市場雖尚未全面復甦，但已出現若干積極信號。二零二五年期間，多個城市放鬆或全面取消購房限制及貸款調控，中央政府亦持續實施支持性措施。這些政策正逐步穩定市場預期及投資情緒，惟不同城市及物業類型的復甦步伐可能有所差異。

In line with the National Economic Program of the 20th National Congress of the PRC government, the authorities have reiterated the need to maintain stable and healthy development of the real estate market, adhering to the principle that "housing is for living in, not for speculation." At the same time, as China's urbanization rate continues to rise gradually and the economies of third-and fourth-tier cities show potential for growth, real estate investment opportunities in these regions may become a relative focus of market attention, particularly in residential and mixed-use projects that meet genuine housing demand.

根據中華人民共和國政府第二十次全國代表大會的國民經濟規劃，主管當局重申保持房地產市場平穩健康發展，堅持「房子是用來住的，不是用來炒的」定位。同時，隨著中國城鎮化率持續逐步提高，以及三四線城市經濟展現增長潛力，這些地區的房地產投資機會可能成為市場關注的相對焦點，尤其是滿足真實住房需求的住宅及綜合用途項目。

Against this backdrop, the Group will actively accelerate the de-stocking of completed properties, prioritizing cash flow generation. Concurrently, we will continue to explore the feasibility of asset revitalization, including but not limited to changing property use, selling properties in their entirety (bulk sales), and introducing co-development or asset-light partnerships. Furthermore, the Group will maintain ongoing negotiations with various financial institutions regarding its outstanding borrowings, with a view to extending maturities, reducing interest costs, and improving overall liability and gearing conditions.

在此背景下，本集團將積極加快已完工物業的去庫存，優先保障現金流產生。同時，我們將繼續探討資產盤活的可行性，包括但不限於改變物業用途、整棟出售物業（大宗銷售）、引入合作開發或輕資產合作夥伴。此外，本集團將繼續與各類金融機構就未償還借款進行協商，以期延長到期日、降低利息成本，並改善整體負債及資產負債狀況。

SUMMARY

Xinming China is still facing the most difficult time in the history of the domestic real estate industry. We will continue to adhere to our original intention, fulfil our duties with a firm belief, overcome difficulties, and find high-valued business opportunities, focus on de-stocking and de-leveraging with dedicated efforts, thereby creating best value to our shareholders.

總結

新明中國仍面對國內房產行業最艱難時刻，我們繼續堅守初心，恪盡職守，堅定信念，克服困難，全力專注去存貨、降槓桿，及找高增值機遇為股東創造最佳價值。

On behalf of the Board, I would like to take this opportunity to express the heartfelt and sincere gratitude to our management and all staff members for their persistent efforts in the previous year and to all the shareholders for their support and trust.

本人謹藉此機會，代表董事會向管理層及全體員工在過去一年的努力不懈，以及全體股東的支持和信賴，表示衷心和誠摯的感謝！

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, China
31 March 2026

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二六年三月三十一日

INDUSTRY REVIEW AND OPERATION MANAGEMENT

Market Environment and Macroeconomic Conditions

For the Year under Review, the Group operated amidst a complex and volatile PRC real estate environment. Following the significant downward pressure and sluggish market sentiment deeply affected by the aftermath of the pandemic, 2025 was initially anticipated to be a year of recovery. However, recovery remained slower than expected as the supply-demand dynamics continued to restructure and divergences between cities of different tiers intensified.

During this period, despite targeted policy support from the Central Government, such as the "white list" financing mechanism and the "ensuring property delivery" mandate, the overall financing environment remained tightened and market risk appetite stayed cautious. For developers, including the Group, with a strategic focus on second and third-tier cities, liquidity remained the primary challenge and inventory levels remained high and sales cycles were prolonged.

Amidst this real estate environment, the Group's financial performance for 2025 demonstrated resilience, achieving moderate growth in revenue while loss for the year had been significantly trimmed compared to 2024. By leveraging its established presence in key regions, the Group successfully stabilized its business foundation and maintained operational continuity despite persistent pressure on gross profit margins. Looking ahead to 2026, as the policy effect of "stabilization and recovery" continues to be released, the Group expects a gradual transition towards sustainable development. We remain committed to our asset revitalization strategy, particularly through the optimisation of the Shanghai and Shandong projects, to ensure a systematic recovery of the Group's credit profile and long-term value.

行業回顧及經營管理

市場環境及宏觀經濟狀況

回顧年度內，本集團在複雜多變的中國房地產環境下經營。繼深受疫情餘波影響而面臨重大下行壓力及市場情緒低迷後，二零二五年最初預期為復甦之年。然而，由於供需動態持續重組，且不同等級城市之間的差異加劇，復甦進度仍較預期緩慢。

在此期間，儘管中央政府提供針對性的政策支持（如融資「白名單」機制及「保交樓」指令），整體融資環境仍然緊縮，市場風險偏好保持審慎。對於包括本集團在內、戰略重點在於二、三線城市的開發商而言，流動性仍為主要挑戰，且庫存水平維持於高位，銷售週期亦有所延長。

在此房地產環境下，本集團於二零二五年的財務表現表現出韌性，取得適度收益增長，而本年度虧損較二零二四年大幅縮減。憑藉於主要地區建立的業務，儘管毛利率持續受壓，本集團仍成功穩定業務基礎並維持經營連續性。展望二零二六年，隨着「穩增長、促復甦」的政策效應持續釋放，本集團預期將逐步向可持續發展轉型。我們仍致力於資產活化策略，尤其是透過優化上海及山東項目，以確保本集團的信用狀況及長期價值得到系統性修復。

BUSINESS REVIEW

During the Year under Review, the Group recorded property sales of approximately RMB108.5 million, representing an increase of approximately RMB23.1 million or approximately 27.1% as compared to approximately RMB85.4 million in 2024, It was mainly due to the overall downturn in the PRC property market. In recent years, the real estate industry has witnessed a continuous downturn, and property sales has significantly decreased for a prolonged period. As a result, debt issues emerged for a significant number of real estate companies, leading to a buyer's lack of confidence in properties under construction, further intensifying the difficulties in property sales. This has restricted the delivery progress of existing property projects and the development, promotion and selling of new property projects. Although PRC policymakers had implemented stabilization policies during 2024 and in early 2025, the market environment had yet to recover to reflect the effects of these policies. The Company recorded moderate sales from the Shandong Project; however, average selling price of the properties had decreased during the Year under Review. Further, the sale of newly developed properties in the Shanghai project contributed to the increase in revenue during the Year under Review, but had a lower profit margin due to the higher development costs. Total GFA delivered during the Year under Review was approximately 14,397.7 sq.m., representing approximately 93.2% increase compared to approximately 7,451.3 sq.m. in 2024. Property sales was the major revenue source of the Group, representing approximately 99.1% of the Group's total revenue. In the meantime, many real estate developers aggressively pursued sales by lowering prices and offering promotions, intensifying market competition. In response, the Group proactively adjusted its business strategy, exploring flexible approaches for each project – such as repurposing properties or selling entire developments – to accelerate cash flow. However, these measures did not significantly boost the Group's revenue during the Year under Review.

業績回顧

回顧年度內，本集團錄得物業銷售額約人民幣108.5百萬元，較二零二四年約人民幣85.4百萬元增加約人民幣23.1百萬元或約27.1%，主要是由於中國房地產市場整體低迷所致。近年來，房地產行業經歷持續下行，物業銷售長期大幅下降。因此，大量房地產公司出現債務問題，導致買家對在建物業缺乏信心，進一步加劇物業銷售困難情況。其限制現有物業項目的交付進度，以及新物業項目的開發、推廣及銷售。儘管中國決策者已於二零二四年及二零二五年年初實施穩定政策，但市場環境尚未復甦以反映該等政策的效果。本公司從山東項目錄得溫和的銷量；然而，物業的平均售價於回顧年度有所下降。此外，上海項目新開發物業的銷售貢獻回顧年度的收益增加，但由於開發成本較高，其利潤率較低。回顧年度內交付的總建築面積約14,397.7平方米，較二零二四年的約7,451.3平方米增加約93.2%。物業銷售為本集團主要的收入來源，佔本集團總收入約99.1%。同時，各物業開發商通過減價促銷，從而加劇競爭。就此，本集團已積極進行業務調整並為每個項目探索靈活的方法，以加快現金流。然而，該等措施暫未能顯著提升本集團回顧年度的收入。

Loss attributable to the shareholders of the Company amounted to approximately RMB219.0 million, representing a decrease of approximately RMB323.5 million or approximately 59.6% as compared to approximately RMB542.5 million in 2024, mainly attributable to the decrease of other expenses during the Year under Review. Loss per share was approximately RMB4.139 (2024 (restated): approximately RMB23.378).

本公司股東應佔虧損約為人民幣219.0百萬元，較二零二四年約人民幣542.5百萬元減少約人民幣323.5百萬元或約59.6%，主要歸因於回顧年度內的其他開支減少。每股虧損約人民幣4.139元（二零二四年（經重列）：約人民幣23.378元）。

During the Year under Review, the Board did not recommend payment of a final dividend for the year ended 31 December 2025. As at 31 December 2025, total assets of the Group amounted to approximately RMB2,195.8 million (31 December 2024: approximately RMB2,144.7 million); total liabilities were approximately RMB5,912.2 million (31 December 2024: approximately RMB5,964.0 million); total deficit was approximately RMB3,716.4 million (31 December 2024: approximately RMB3,549.3 million); and net liabilities per share were approximately RMB39.56 (31 December 2024 (restated): approximately RMB37.79).

於回顧年度內董事會不建議就截至二零二五年十二月三十一日止年度派發末期股息。於二零二五年十二月三十一日，本集團資產總值約人民幣2,195.8百萬元（二零二四年十二月三十一日：約人民幣2,144.7百萬元）；負債總值約人民幣5,912.2百萬元（二零二四年十二月三十一日：約人民幣5,964.0百萬元）；虧絀總值約人民幣3,716.4百萬元（二零二四年十二月三十一日：約人民幣3,549.3百萬元）；及每股淨負債約人民幣39.56元（二零二四年十二月三十一日（經重列）：約人民幣37.79元）。

Property Development

As at 31 December 2025, the Group's property portfolio consisted of 5 property development projects with an aggregate GFA of approximately 364,600 sq.m. developed and under various stages of development in various cities in the PRC.

物業開發

於二零二五年十二月三十一日，本集團物業組合現有5項物業開發項目，於中國不同城市已開發及在不同開發階段的總建築面積約364,600平方米。

Property Sales

During the Year under Review, the Group recorded property sales of approximately RMB108.5 million, representing an increase of approximately RMB23.1 million or approximately 27.1% as compared to approximately RMB85.4 million in 2024. Total GFA of property sales delivered during the Year under Review was approximately 14,397.7 sq.m., representing an increase of approximately 6,946.4 sq.m. as compared with 2024 due to the increase in sales activity of the Shangdong Project and the Shanghai Project but at lower selling prices and the sluggish market sentiment resulting in prolonged sales cycles and intensified market competition as real estate developers aggressively pursued sales by lowering prices and offering promotions. In this regard, The Group has undertaken active business realignment measures, assessing all potential project applications including, without limitation, alterations to property usage and property divestments. These actions have not, as at the reporting date, yielded measurable revenue contributions.

物業銷售

於回顧年度內，本集團錄得物業銷售額約人民幣108.5百萬元，較二零二四年約人民幣85.4百萬元增加約人民幣23.1百萬元或約27.1%。於回顧年度內交付物業銷售總建築面積約14,397.7平方米，較二零二四年增加約6,946.4平方米，主要是由於較低售價的山東項目及上海項目銷售活動增加，及市場情緒低迷導致銷售週期延長，且房地產開發商透過降價及提供促銷活動積極推銷，導致市場競爭加劇所致。本集團已就此積極進行業務調整，評估所有潛在的項目申請，包括但不限於變更房產用途及出售物業。於報告日期，該等行動尚未帶來可計量的收入貢獻。

Property Leasing

The Group carries out property leasing business through leasing its commercial properties held for investment and leasing the sold commercial properties leased back from third parties by the Group. As at 31 December 2025, the actual area leased out was approximately 8,905.6 sq.m., representing approximately 5.6% of the Group's total investment properties held-for lease and the sold commercial properties leased back from third parties purchasers.

物業租賃

本集團通過出租其持作投資的商業物業及出租本集團向第三方回租的已售商業物業，從事物業租賃業務。於二零二五年十二月三十一日，實際租賃面積約為8,905.6平方米，佔本集團持作出租用途的投資物業及透過第三方買家回租的已售商業物業約5.6%。

During the Year under Review, the rental income was approximately RMB0.9 million, representing a decrease of approximately RMB0.5 million or 35.6% as compared to approximately RMB1.5 million in 2024.

於回顧年度內，租金收入約人民幣0.9百萬元，較二零二四年約人民幣1.5百萬元，減少約人民幣0.5百萬元或35.6%。

All properties were located in the PRC, and were held under medium term lease.

所有物業均位於中國，並根據中期租賃持有。

Land Reserves

As at 31 December 2025, the Group's property portfolio consisted of 5 property development projects located in a number of cities throughout China. These projects were at various stages of development, with total GFA amounting to approximately 364,600 sq.m., of which approximately 263,600 sq.m. was completed, approximately 22,000 sq.m. was under development, and approximately 79,000 sq.m. was held for future development.

土地儲備

於二零二五年十二月三十一日，本集團的物業組合包括位於中國不同城市的5個物業開發項目。該等項目處於不同開發階段，總建築面積約364,600平方米，其中約263,600平方米的建築面積已竣工，約22,000平方米的建築面積正在開發中，另約79,000平方米的建築面積持作未來開發。

PROSPECTS

Looking ahead to 2026, the Group expects a gradual and steady recovery as the effect of government's supportive policies filters through to the broader market, transitioning into a return to normal business operations. The Group will also focus on the objective of carrying out financial restructuring and the proposed rights issue, which will significantly improve the Group's liability and financial gearing position.

前景展望

展望二零二六年，隨着政府支持政策的效應滲透至更廣泛的市場，並過渡至恢復正常業務營運，本集團預期將逐步穩健復甦。本集團亦將專注於進行財務重組及建議供股的目標，其將顯著改善本集團的負債及財務槓桿狀況。

The Group will remain cautious yet proactive, by leveraging the Group's established presence in Shandong and the Yangtze River Delta to capture emerging demand. By focusing on the restoration of the Group's credit profile and the successful property sales of the Shanghai Project, the Group aims to transition from a period of financial survival to a stage of sustainable revitalization in 2026.

本集團將維持審慎積極，利用本集團於山東及長江三角洲建立的業務抓緊新興需求。透過專注於修復本集團的信用狀況及成功銷售上海項目物業，本集團目標為於二零二六年由財務生存期轉型至可持續活化階段。

The Group will actively accelerate its de-stocking of completed properties while exploring feasibility of assets revitalisation, including but not limited to changing of property use and sale of properties in its entirety. Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

本集團將積極加快已竣工物業庫存去化，同時探索盤活資產的可行性，包括但不限於變更房產用途及整棟房產出售，以及與不同金融機構就本集團就未償還借款進行磋商，務求改善其負債及財務槓桿狀況。

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property sales and property leasing services, which contributed approximately 99.1% and 0.9%, respectively, to the revenue during the Year under Review of approximately RMB109.5 million. Property sales, the major revenue source of the Group, increased by approximately RMB23.1 million from approximately RMB85.4 million in the same period of last year, mainly represented by the property sales of the Shandong and Shanghai residential projects during the Year Under Review. Property leasing recorded a decrease of approximately RMB0.5 million as compared to approximately RMB1.5 million in the same period of last year.

Cost of sales

During the Year under Review, the Group's cost of sales was approximately RMB104.5 million, representing an increase of approximately RMB38.3 million or 57.9% as compared to approximately RMB66.2 million in the same period of last year. Such increase was primarily attributable to an increase of the delivered properties sales during the Year under Review and an increase in the sales contribution of the Shanghai Project, which has a higher construction costs as compared to the Shandong Project.

Gross profit

During the Year under Review, gross profit amounted to approximately RMB4.9 million, representing a decrease of approximately RMB15.7 million or approximately 76.1% as compared to approximately RMB20.7 million in the same period of last year. The gross profit margin was approximately 4.5%, which decreased as compared to approximately 23.8% last year, which was mainly attributable to an increase in the sales contribution of the Shanghai Project, which has a higher construction costs as compared to the Shandong Project and the lower average selling price of properties sold amid increased competitive pricing amongst property developers.

Other income and gains and losses

Other income and gains and losses during the Year under Review increased by approximately RMB13.9 million to approximately RMB13.9 million as compared to approximately RMB21,000 in the same period of last year, mainly due to the partial waiver of interests by holder of the convertible bonds of the Company during the Year under Review.

Selling and administrative expenses

During the Year under Review, the selling and administrative expenses amounted to approximately RMB16.7 million, representing a decrease of approximately RMB6.6 million or approximately 28.4% as compared to approximately RMB23.4 million in last year, mainly due to a decrease in administrative expenses by approximately RMB8.7 million as compared to the same period of last year through continued streamlining of the Group's cost structure including the manpower of the Group amid the challenging property market environment.

財務回顧

收益

本集團收益主要由物業銷售及物業租賃服務產生，於回顧年度內的收入約人民幣109.5百萬元，佔比分別約為99.1%及0.9%。物業銷售是本集團主要收入來源，較去年同期約人民幣85.4百萬元增加約人民幣23.1百萬元，主要是回顧年度內銷售山東及上海住宅項目的物業。物業租賃收入較去年同期約人民幣1.5百萬元減少約人民幣0.5百萬元。

銷售成本

於回顧年度內，本集團銷售成本約人民幣104.5百萬元，較去年同期約人民幣66.2百萬元增加約人民幣38.3百萬元或57.9%。該增加主要歸因於回顧年度內交付物業銷售增加及上海項目銷售貢獻增加，其與山東項目相比建築成本較高。

毛利

於回顧年度內的毛利約人民幣4.9百萬元，較去年同期的約人民幣20.7百萬元減少約人民幣15.7百萬元或約76.1%。毛利率約為4.5%，較去年的約23.8%有所減少，主要歸因於上海項目銷售貢獻增加，其與山東項目相比建築成本較高，以及在物業發展商競爭定價加劇的情況下，已售物業的平均售價較低。

其他收入及收益及虧損

於回顧年度內的其他收入及收益及虧損增加約人民幣13.9百萬元至約人民幣13.9百萬元，去年同期則約為人民幣21,000元，主要是由於回顧年度本公司可換股債券持有人豁免部分利息所致。

銷售及行政開支

於回顧年度內的銷售及行政開支約人民幣16.7百萬元，較去年的約人民幣23.4百萬元減少約人民幣6.6百萬元或約28.4%，主要是由於本集團在充滿挑戰的物業市場環境中透過持續精簡人力等成本架構，令行政開支較去年同期減少約人民幣8.7百萬元。

Other expenses

Other expenses during the Year under Review was approximately RMB143.0 million, representing a decrease of approximately RMB330.8 million or approximately 69.8% as compared to approximately RMB473.8 million in the same period of last year, mainly due to (i) decrease in liquidated damages on borrowings; and (ii) reversal of impairment on properties under development and completed properties held for sale. Breakdown of other expenses are set out below:

其他開支

於回顧年度內的其他開支約人民幣143.0百萬元，較去年同期的約人民幣473.8百萬元減少約人民幣330.8百萬元或約69.8%，主要是由於(i)借款違約金減少；及(ii)開發中物業及持作出售的已竣工物業減值撥回。其他開支明細載列如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Liquidated damages on borrowings	借款違約金	**188,984**	412,709
(Reversal of impairment)/impairment on properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業（減值撥回）／減值	**(61,753)**	55,861
Impairment losses on financial assets, net	金融資產之減值虧損淨額	**15,805**	5,273
Total	合計	**143,036**	473,843

Change in fair value of investment properties

During the Year under Review, the gain on change in fair value of investment properties amounted to approximately RMB21.9 million, a loss on change in fair value of investment properties of approximately RMB12.3 million was recorded in the same period of last year. The gain on fair value of investment properties reflected the increase in unit rate per gross floor area of the investment properties held by the Group during the Year Under Review.

投資物業公允價值變動

於回顧年度內的投資物業公允價值變動收益約人民幣21.9百萬元，而去年同期則錄得投資物業公允價值變動虧損約人民幣12.3百萬元。投資物業公允價值收益反映回顧年度內本集團持有的投資物業每建築面積單位價格上升。

Finance costs

During the Year under Review, the finance costs amounted to approximately RMB97.7 million, representing an increase of approximately RMB1.0 million or approximately 1.1% as compared to approximately RMB96.7 million in the same period of last year.

融資成本

於回顧年度內的融資成本約人民幣97.7百萬元，較去年同期約人民幣96.7百萬元增加約人民幣1.0百萬元或約1.1%。

Operating loss

During the Year under Review, the operating loss amounted to approximately RMB216.8 million, representing a decrease of loss of approximately RMB381.5 million or approximately 63.8% as compared to the operating loss of approximately RMB598.3 million in the same period of last year which was mainly due to a decrease in other expenses.

營業虧損

於回顧年度內的營業虧損約人民幣216.8百萬元，較去年同期營業虧損的約人民幣598.3百萬元減少虧損約人民幣381.5百萬元或約63.8%，主要是由於其他開支減少所致。

Income tax (expenses)/credit

During the Year under Review, the income tax expenses amounted to approximately RMB22.6 million as compared to income tax credit of approximately RMB8.6 million in the same period of last year, mainly due to deferred tax movements.

所得稅(支出)／抵免

於回顧年度內的所得稅開支約人民幣22.6百萬元，去年同期所得稅抵免則約為人民幣8.6百萬元，主要是由於遞延稅項變動所致。

Loss attributable to the shareholders

During the Year under Review, the loss attributable to the shareholders amounted to approximately RMB219.0 million, representing a decrease of approximately RMB323.5 million or approximately 59.6% as compared to the loss of approximately RMB542.5 million in the same period of last year. The basic loss per share was approximately RMB4.139 (2024 (restated): approximately RMB23.378).

股東應佔虧損

於回顧年度內股東的應佔虧損約人民幣219.0百萬元，較去年同期的虧損約人民幣542.5百萬元減少約人民幣323.5百萬元或約59.6%。每股基本虧損為約人民幣4.139元(二零二四年(經重列)：約人民幣23.378元)。

Cash and bank deposits

As at 31 December 2025, cash and bank deposits of the Group, including restricted cash, was approximately RMB7.4 million in aggregate (31 December 2024: approximately RMB2.1 million), representing an increase of approximately RMB5.3 million or approximately 2.6 times.

現金及銀行存款

本集團於二零二五年十二月三十一日的現金及銀行存款(包括受限制現金)共約人民幣7.4百萬元(二零二四年十二月三十一日：約人民幣2.1百萬元)，增加約人民幣5.3百萬元，增幅約2.6倍。

Borrowings

As at 31 December 2025, the total borrowings of the Group were approximately RMB1,222.6 million, representing an increase of approximately RMB9.9 million or approximately 0.8% as compared to approximately RMB1,212.7 million as at 31 December 2024.

The borrowings on demand and repayable within one year of the Group were approximately RMB1,222.6 million, representing an increase of approximately RMB9.9 million or approximately 0.8% as compared to approximately RMB1,212.7 million as at 31 December 2024.

借款情況

於二零二五年十二月三十一日，本集團的借款總額約人民幣1,222.6百萬元，較二零二四年十二月三十一日的約人民幣1,212.7百萬元增加約人民幣9.9百萬元或約0.8%。

本集團須按要求及於一年內償還的借款約人民幣1,222.6百萬元，較二零二四年十二月三十一日的約人民幣1,212.7百萬元增加約人民幣9.9百萬元或約0.8%。

Trade receivables, prepayments, other receivables and other assets

As at 31 December 2025, the sum of trade receivables, prepayments, other receivables and other assets of the Group was approximately RMB121.8 million, representing an increase of approximately RMB73.1 million or approximately 150.0% as compared to approximately RMB48.7 million as at 31 December 2024, mainly due to an increase in sales income receivables from customers.

貿易應收款項、預付款項、其他應收款項及其他資產

於二零二五年十二月三十一日，本集團的貿易應收款項、預付款項、其他應收款項及其他資產總額約人民幣121.8百萬元，較二零二四年十二月三十一日的約人民幣48.7百萬元，增加約人民幣73.1百萬元或約150.0%，主要是應收客戶的銷售收入增加所致。

Trade payables, contract liabilities and other payables and accruals

As at 31 December 2025, the sum of trade payables, contract liabilities, other payables and accruals of the Group was approximately RMB3,327.1 million, representing an increase of approximately RMB208.7 million or approximately 6.7% as compared to approximately RMB3,118.4 million as at 31 December 2024. The increase was mainly due to an increase in other payables and accruals offset by a decrease in trade payables.

貿易應付款項、合約負債及其他應付款項及應計費用

於二零二五年十二月三十一日，本集團的貿易應付款項、合約負債、其他應付款項及應計費用合共約人民幣3,327.1百萬元，較二零二四年十二月三十一日的約人民幣3,118.4百萬元增加約人民幣208.7百萬元或約6.7%。有關增加主要是由於其他應付款項及應計費用的增幅由貿易應付款項減少所抵銷。

Assets and liabilities

As at 31 December 2025, the total assets of the Group was approximately RMB2,195.8 million, representing an increase of approximately RMB51.1 million as compared to approximately RMB2,144.7 million as at 31 December 2024. The total current assets was approximately RMB1,050.3 million, representing approximately 47.8% (31 December 2024: approximately 47.1%) of the total assets, with an increase of approximately RMB40.0 million as compared to approximately RMB1,010.3 million as at 31 December 2024. The total non-current assets was approximately RMB1,145.6 million, representing approximately 52.2% (31 December 2024: approximately 52.9%) of the total assets, with an increase of approximately RMB11.1 million as compared to approximately RMB1,134.5 million as at 31 December 2024.

資產與負債

於二零二五年十二月三十一日，本集團資產總額約人民幣2,195.8百萬元，較二零二四年十二月三十一日的約人民幣2,144.7百萬元增加約人民幣51.1百萬元。流動資產總額約人民幣1,050.3百萬元，較二零二四年十二月三十一日約人民幣1,010.3百萬元增加約人民幣40.0百萬元，佔資產總額的約47.8%（二零二四年十二月三十一日：約47.1%）。非流動資產總額約人民幣1,145.6百萬元，較二零二四年十二月三十一日的約人民幣1,134.5百萬元增加約人民幣11.1百萬元，佔資產總額的約52.2%（二零二四年十二月三十一日：約52.9%）。

As at 31 December 2025, the total liabilities of the Group was approximately RMB5,912.2 million, representing an increase of approximately RMB218.2 million as compared to approximately RMB5,694.0 million as at 31 December 2024. The total current liabilities was approximately RMB5,726.7 million, representing approximately 96.9% (31 December 2024: approximately 96.9%) of the total liabilities, with an increase of approximately RMB208.4 million as compared to approximately RMB5,518.2 million as at 31 December 2024. The total non-current liabilities was approximately RMB185.6 million, representing approximately 3.1% (31 December 2024: approximately 3.1%) of the total liabilities, with an increase of approximately RMB9.8 million as compared to approximately RMB175.7 million as at 31 December 2024.

於二零二五年十二月三十一日，本集團負債總額約人民幣5,912.2百萬元，較二零二四年十二月三十一日的約人民幣5,694.0百萬元增加約人民幣218.2百萬元。流動負債總額約人民幣5,726.7百萬元，較二零二四年十二月三十一日的約人民幣5,518.2百萬元增加約人民幣208.4百萬元，佔負債總額的約96.9%（二零二四年十二月三十一日：約96.9%）。非流動負債總額約人民幣185.6百萬元，較二零二四年十二月三十一日的約人民幣175.7百萬元增加約人民幣9.8百萬元，佔負債總額的約3.1%（二零二四年十二月三十一日：約3.1%）。

As at 31 December 2025, the net current liabilities of the Group was approximately RMB4,676.4 million, representing an increase of approximately RMB168.4 million or approximately 3.7% as compared to the net current liabilities of approximately RMB4,508.0 million as at 31 December 2024.

於二零二五年十二月三十一日，本集團流動負債淨額約人民幣4,676.4百萬元，較二零二四年十二月三十一日的流動負債淨額約人民幣4,508.0百萬元增加約人民幣168.4百萬元或約3.7%。

Current ratio

As at 31 December 2025, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 0.18:1 (31 December 2024: 0.18:1).

流動比率

於二零二五年十二月三十一日，本集團的流動比率(即流動資產除以流動負債之比率)為0.18：1(二零二四年十二月三十一日：0.18：1)。

Gearing ratio

As at 31 December 2025, the gearing ratio of the Group was calculated based on net debt divided by the sum of total equity and net debt. The Group's net debt consists of interest-bearing bank and other borrowings and convertible bonds, less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratio of the Group was (62.0)% (31 December 2024: (72.7)%).

資本負債比率

於二零二五年十二月三十一日，本集團的資本負債比率乃按債務淨額除以權益總額加債務淨額而計算。本集團的債務淨額含有計息銀行及其他借款及可換股債券減現金及現金等價物。權益總額包括母公司擁有人應佔權益及非控股權益。本集團的資本負債比率為(62.0)%(二零二四年十二月三十一日：(72.7)%)。

Convertible bonds

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (the "Convertible Bonds" or "CB") at the price of 100% of their principal amount. The Convertible Bonds were redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bore interest at the rate of 6.5% plus 1% handling fee per annum (the "Coupon Rate") and were payable in arrears every six months. The convertible bonds were jointly guaranteed by the former controlling shareholder Mr. Chen Chengshou, and a former non-executive Director, Ms. Gao Qiaoqin, pursuant to a deed of guarantee, and secured by Xinxing Company Limited by 940,000,000 shares of the Company held by Xinxing Company Limited, a company controlled by Mr. Chen Chengshou, of which the aforesaid shares was completely sold and transferred to Share Purchasers on 16 January 2025.

可換股債券

於二零一八年六月一日，本公司按本金額100%的價格發行本金總額為300,000,000港元的可換股債券(「可換股債券」)。可換股債券可由債券持有人選擇於二零二零年六月一日按每張債券1.39港元的價格贖回。可換股債券的年利率為6.5%，另加1%手續費(「票面利率」)計息及每六個月支付一次。可換股債券由前控股股東陳承守先生及前非執行董事高巧琴女士根據擔保契據共同擔保，及由陳承守先生控制的Xinxing Company Limited通過其持有的本公司940,000,000股股份作抵押，而上述股份已於二零二五年一月十六日全部出售及轉讓予股份購買人。

On 16 January 2025, the Company was informed by Chance Talent ("CB Sellers") that on 15 January 2025, Advance Day and CB Sellers transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK$31.5 million.

於二零二五年一月十六日，本公司獲Chance Talent(「可換股債券賣方」)告知，於二零二五年一月十五日，Advance Day及可換股債券賣方已以總代價31.5百萬港元轉讓不受任何擔保限制的可換股債券，以及所有附帶的權利及應有的收益，予可換股債券買方Motivational Mathematics Limited。

For details, please refer to the Company's announcements dated 16 January 2025 and 21 January 2025 respectively.

詳情請參閱本公司日期分別為二零二五年一月十六日及二零二五年一月二十一日的公告。

As at the date of this annual report, interest of approximately HK$70 million was repaid utilizing the proceeds from the rights issue of the Company completed on 29 July 2025 and approximately HK$14 million of interest was waived after negotiations with the CB Purchaser.

於本年報日期，利息約70百萬港元已動用本公司於二零二五年七月二十九日完成的供股的所得款項償還，而約14百萬港元的利息已於與可換股債券買方進行磋商後獲豁免。

Significant investments

During the Year under Review, the Group has no significant investment.

重大投資

於回顧年度內，本集團並無任何重大投資。

Material acquisitions and disposals of subsidiaries

During the Year under Review, the Group has no material acquisitions or disposals of any subsidiaries.

有關附屬公司的重大收購及出售

於回顧年度內，本集團並無任何附屬公司的重大收購或出售。

Guarantees on mortgage facilities

As at 31 December 2025, the Group provided guarantees over the mortgage loans of certain purchasers of approximately RMB35.3 million (31 December 2024: approximately RMB28.0 million).

按揭融資的擔保

於二零二五年十二月三十一日，本集團就若干買家的按揭貸款提供擔保約人民幣35.3百萬元（二零二四年十二月三十一日：約人民幣28.0百萬元）。

Assets guarantees

As at 31 December 2025, the Group has pledged or restricted deposits in the bank deposits of RMB0.4 million (31 December 2024: approximately RMB1.4 million). In addition, partial other borrowings of the Group were secured by the Group's certain properties under development, completed properties held for sale, investment properties and the equity interests in certain subsidiaries of the Group, and jointly guaranteed by the Chairman, Chief Executive Officer and executive Director, Mr. Chen Chengshou ("Mr. Chen"), Mr. Chen's spouse and children, the Group's related company, Xinming Group Limited, and other minority shareholders of certain subsidiaries of the Group free of charge.

資產擔保

於二零二五年十二月三十一日，本集團已抵押或受限制的銀行存款為人民幣0.4百萬元（二零二四年十二月三十一日：約人民幣1.4百萬元）。此外，本集團部分其他借款以本集團若干開發中物業、持作出售的已竣工物業、投資物業及於本集團若干附屬公司的股權作抵押，並由主席、行政總裁及執行董事陳承守先生（「陳先生」）、陳先生的配偶及子女、本集團的關聯公司新明集團有限公司以及本集團若干附屬公司的其他少數權益股東免費共同擔保。

Capital structure

On 6 December 2024, the Board proposed to implement the capital reorganisation (the "Capital Reorganisation") involving:

(i) the share consolidation, capital reduction and share subdivision, pursuant to which every one hundred (100) issued and unissued existing shares of par value HK$0.01 each consolidated into one (1) consolidated share of par value HK$1.00 each;

(ii) the capital reduction, pursuant to which (a) any fractional consolidated Share in the issued share capital of the Company arising from the share consolidation will be cancelled, and (b) the par value of each issued consolidated Share will be reduced from HK$1.00 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.99 on each issued consolidated Share; and

資本結構

於二零二四年十二月六日，董事會建議實施資本重組（「資本重組」），當中涉及：

(i) 股份合併、資本削減及股份拆細，據此，每一百(100)股每股面值0.01港元的已發行及未發行現有股份合併為一(1)股每股面值1.00港元的合併股份；

(ii) 資本削減，據此(a)本公司已發行股本中因股份合併而產生的任何碎股合併股份將予註銷；及(b)透過註銷每股已發行合併股份0.99港元的繳足股本，將每股已發行合併股份的面值由1.00港元削減至0.01港元；及

(iii) the share subdivision, pursuant to which immediately following the capital reduction, each of the authorised but unissued consolidated Shares of par value of HK$1.00 each will be subdivided into 100 adjusted Shares of par value of HK$0.01 each.

The Capital reorganisation was completed and effective on 26 May 2025. Immediately following the Capital Reorganisation having become effective, the authorised share capital of the Company as HK$100,000,000 divided into 10,000,000,000 Shares of par value of HK$0.01 each, and the aggregate nominal value of the issued share capital of the Company was approximately HK$187,862.20, details of which were disclosed in the Company's circular dated 25 February 2025.

Capital expenditure

During the Year under Review, the Group's total capital expenditure was approximately RMB0 million (31 December 2024: approximately RMB0 million).

Capital commitments

As at 31 December 2025, the capital commitments related to activities of properties under development were approximately RMB39.9 million (31 December 2024: approximately RMB24.5 million).

Exposure to exchange rate fluctuations

The Group operates mainly in Renminbi, and certain bank deposits of the Group are denominated in Hong Kong dollars. Save as disclosed above, the Group was not exposed to any material exchange rate fluctuation risk and did not enter into foreign currency hedging policies. However, the Group will monitor closely the foreign exchange risk and may, as the case may be and depending on the trend of foreign currencies, consider to apply significant foreign currency hedging policies in the future.

(iii) 股份拆細，據此，緊隨資本削減後，每股面值1.00港元的法定但未發行合併股份將拆細為100股每股面值0.01港元的經調整股份。

資本重組已於二零二五年五月二十六日完成並生效。緊隨資本重組生效後，本公司的法定股本為100,000,000港元，分為10,000,000,000股每股面值0.01港元的股份，而本公司已發行股本的總面值約為187,862.20港元，其詳情已披露於本公司日期為二零二五年二月二十五日的通函。

資本開支

於回顧年度內，本集團資本開支總額約人民幣0百萬元（二零二四年十二月三十一日：約人民幣0百萬元）。

資本承擔

於二零二五年十二月三十一日，有關開發中物業活動的資本承擔約為人民幣39.9百萬元（二零二四年十二月三十一日：約人民幣24.5百萬元）。

匯率波動風險

本集團主要以人民幣經營業務。本集團若干銀行存款以港元計值。除上述披露者外，本集團並無承受任何重大外匯匯率波動風險。本集團並無訂立外匯對沖政策。然而，本集團會緊密監察外匯風險及日後可能（視情況及外幣走勢而定）考慮採用重大外幣對沖政策。

Employees and remuneration policy

As at 31 December 2025, the Group has a total of 47 employees (31 December 2024: a total of 50 employees). The Group promoted the upgrading of talents, cultivated and recruited excellent talents with sales and management experience, improved the allocation system of remuneration linked to performance and maintained harmonious labor relations. The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. Moreover, the Group has also adopted a share option scheme and a share award scheme which had been terminated on 26 January 2026.

Contingent liabilities

As at 31 December 2025, the Company had guarantees in respect of mortgage facilities granted to purchasers of the Group's properties of approximately RMB35.3 million (31 December 2024: approximately RMB28.0 million).

AUDITOR'S MODIFIED OPINION

The Auditor does not express an opinion on consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of their report, it is not possible for them to form an opinion on these consolidated financial statements. In all other respects, in their opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB239,340,000 for the year ended 31 December 2025. At 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB4,676,401,000. In addition, at 31 December 2025, the Group's borrowings of approximately RMB1,213,499,000 and the convertible bonds issued by the Group amounting approximately RMB269,983,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

員工及薪酬政策

於二零二五年十二月三十一日，本集團共有僱員47人(二零二四年十二月三十一日：共50人)，本集團繼續推動人才升級，培育招聘優秀銷售及管理經驗人才，完善薪酬表現掛鈎的分配體系和保持良好和諧勞資關係。本集團根據僱員表現、工作經驗及現行市場工資水準給予僱員薪酬。此外，本集團亦採納購股權計劃及股份獎勵計劃，其已於二零二六年一月二十六日終止。

或然負債

於二零二五年十二月三十一日，本公司就本集團物業買家獲授的按揭融資提供擔保約人民幣35.3百萬元(於二零二四年十二月三十一日：約人民幣28.0百萬元)。

核數師修改意見

核數師沒有就本集團的綜合財務報表發表意見，基於在本報告中無法表示意見的基礎一節所述，由於多個不確定事項之間可能相互影響及對綜合財務報表產生累計影響，彼等無法就該等綜合財務報表形成意見。在所有其他方面，彼等認為該等綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

不發表意見基礎

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載， 貴集團於截至二零二五年十二月三十一日止年度產生虧損淨額約人民幣239,340,000元。於二零二五年十二月三十一日， 貴集團的流動負債超過其流動資產約人民幣4,676,401,000元。此外，於二零二五年十二月三十一日， 貴集團借款約人民幣1,213,499,000元以及 貴集團已發行可換股債券約人民幣269,983,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對 貴集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

管理層已採取多項措施，以改善　貴集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設編製，其有效性取決於該等措施實施之結果，並受限於多個不明朗因素，包括(i)成功與　貴集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款（包括已逾期本金及利息）磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為　貴集團可見將來的營運資金及承擔額外撥資；(iv)成功加速開發中及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款（倘認為價格合適）。

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘　貴集團未能按持續經營基準經營，而可能須作出有關調整以撇減貴集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於綜合財務報表中反映。

Details of the Audit Modification and the Management's Position, View and Assessment on the Relevant Audit Modification

In view of the detailed conditions set out in the note 2 to the consolidated financial statement for the year ended 31 December 2025 in this report, the auditor is of the view that, there's significant uncertainties that may cast significant doubt regarding the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is subject to the Group's ability to generate sufficient financial and operating cash flows. As at 31 December 2025, the Group's certain borrowings amounted to approximately RMB1,213,499,000 and convertible bonds amounted to approximately RMB269,983,000 were overdue in accordance with repayment schedules pursuant to the borrowing agreements. In view of these circumstances, in assessing whether the Group will have sufficient financial resources to continue as a going concern, the management of the Group (the "Management") has taken into full consideration of the future liquidity and performance of the Group and its available sources of finance. To mitigate the liquidity pressure and improve the cash flow position of the Group, the Management has adopted and will continue to implement various measures mentioned in this report. Therefore, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

The auditor was unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

審核保留意見的詳情以及管理層有關審核保留意見的立場、意見及評估

鑒於本報告所載截至二零二五年十二月三十一日止年度之綜合財務報表附註2詳述的狀況，核數師認為，存在重大不確定性，可能對本集團持續經營的能力帶來重大疑慮。本集團是否能持續經營將取決於本集團產生足夠的財務及經營現金流的能力。於二零二五年十二月三十一日，本集團若干借款本金約人民幣1,213,499,000元及可換股債券約人民幣269,983,000元已根據借款協議的還款時間表逾期。鑒於相關情況，於評估本集團是否擁有充足財務資源繼續持續經營時，本集團的管理層（「管理層」）充分考慮本集團未來流動資金及表現以及其可用財務資源。為緩解本集團的流動資金壓力及改善現金流狀況，管理層亦已採取並將繼續執行本報告所述的各項措施。因此，董事認為，按持續經營基準編製本集團截至二零二五年十二月三十一日止年度之綜合財務報表乃恰當之舉。

核數師未能就編製綜合財務報表時採用持續經營會計基準的適當性取得足夠的適當審核憑證。倘本集團無法以持續經營基準經營，則須作出調整，將本集團資產的賬面值撇減至其可收回金額，為可能產生的任何進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在綜合財務報表中。

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no actions will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 31 December 2025, the outstanding amount of the total principal is RMB1,222.6 million. According to the recent negotiations with various financial institutions and the current market situations, the Management considers that after repayment or waive of overdue interests, the financial institutions will be willing to extend the current repayment schedule of outstanding borrowings and waive the penalty interest.

管理層一直與本集團現有貸款人就未償還借款的續期或延期償還進行磋商，以確保相關貸款人不會採取行動要求立即償還拖欠利息的借款，包括有交叉違約條款的借款，並希望延長未償還借款的到期日及還款時間表。截至二零二五年十二月三十一日，未償還本金總額為人民幣1,222.6百萬元。根據近期與各金融機構的磋商及目前的市場情況，管理層認為在償還或豁免逾期利息後，金融機構將願意延長目前未償還借款的還款期及豁免罰息。

Mitigation measures disclosed in the 2024 annual report of the Group **本集團二零二四年年報披露的緩解措施**	**Reasons such measures failed to resolve the Audit Modification in 2025** **此類措施未能解決二零二五年審核保留意見的原因**
i. Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; i. 就尚欠借款(包括已逾期本金及利息)正與各家金融機構繼續磋商達成重續或延展還款安排；	The commercial real estate business environment in the PRC has yet to fully recover. Banks and financial institutions in the PRC tended to adopt a more conservative and risk avoidance approach in granting new loans or extending existing loans to the real estate sector. 中國的商業房地產業務環境尚未完全恢復。中國的銀行及金融機構在向房地產行業發放新貸款或延長現有貸款時更多採取更為保守及風險規避的方法。
ii. Continuously negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; ii. 與各家金融機構以及潛在貸款人／投資者繼續磋商及物色多種選擇為本集團可見將來的營運資金及承擔額外撥資；	

Mitigation measures disclosed in the 2024 annual report of the Group 本集團二零二四年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2025 此類措施未能解決二零二五年審核保留意見的原因
iii. Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and controlling capital expenditure so as to generate adequate net cash inflows; iii. 加速開發中物業及已竣工物業之預售和銷售諸如山東項目，以及控制成本和控制資本開支，從而產生充足現金流入淨額：	The Group has partially completed the pre-sale and sale of Block 9 and no. 16 of the 4th phase of the residential zone of Shandong Project in 2024 and continues to sell the rest of the Block 9 and no. 16 of the residential properties. 本集團已於二零二四年完成山東項目第四期住宅區第9座及第16座的部分預售及銷售工作，並繼續銷售餘下的第9座及第16座住宅物業。 The construction of Block 9 and 16 of phase 4 of the Shandong Project was completed as planned and the said blocks were delivered since September 2025. 山東項目第四期第9座及第16座的建築工程已按計劃完成，上述樓座已自二零二五年九月交付。 The Management has been negotiating financing arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not occur at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds. The number of contractors interested in such arrangement has increased in light of the policies and initiatives introduced by the PRC policymakers to stabilise the PRC property market and prevent further declines. 管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算將不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。鑑於中國決策者為穩定中國房地產市場及防止市場進一步下滑而推出的政策及措施，對此類安排感興趣的承建商數目有所增加。

Mitigation measures disclosed in the 2024 annual report of the Group 本集團二零二四年年報披露的緩解措施	Reasons such measures failed to resolve the Audit Modification in 2025 此類措施未能解決二零二五年審核保留意見的原因
iv. Actively procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project or whole commercial property at a price deemed appropriate. iv. 積極促使及與大型物業開發企業磋商有關出售個別物業開發項目或整棟商用房的初步條款(倘認為價格合適)。	The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations were either not fruitful or proceeded very slowly. 本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商並已開展初步盡職審查工作,但由於房地產市場尚未完全恢復,該等談判均無成果或進展緩慢。
v. Actively accelerate the de-stocking of its properties by selling the residential properties in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions. v. 積極加快其物業去庫存,將位於山東的住宅物業及位於台州及上海的商業物業全部或部分配套出售,以加快回收營運資金,改善其負債及財務資產負債狀況。	The Group is negotiating with other property development enterprises and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations did not proceed smoothly. 本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商並已開展初步盡職審查工作,但由於房地產市場尚未完全恢復,有關磋商未能順利進行。 The Management is also planning to renovate the commercial properties in Shanghai and Taizhou to increase its underlying value before selling the commercial properties of the said project. The renovation costs are expected to be funded by a private investor through a profit-sharing scheme or by advanced receipts from customers and operating cash flow. 管理層亦計劃在出售上述項目的商業物業前,翻新位於上海及台州的商業物業,以提升其相關價值。預期翻新成本將由私人投資者透過利潤分享計劃或客戶預收款項及營運現金流撥付。

The action plan in response to the audit modification of the group and the impact of the audit modification on the financial position of the company

In response to the uncertainties that may cast doubt regarding the Group's ability to continue as a going concern and for the purpose of the removal of the Audit Modification, the Company has adopted and intends to continue the implementation of the following measures, including but not limited to:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

(ii) continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future. As of the date of this report, the Company negotiated with current and other banks and financial institutions using the lands held by the Group as guarantees on the additional financing. The Management has also been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not be occurred at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds.

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. The construction of Block 9 and 16 of phase 4 of the Shandong Project was completed as planned and the said blocks were delivered since September 2025.

本集團應對審核保留意見的行動計劃及審核保留意見對本公司財務狀況的影響

為應對可能對本集團持續經營的能力帶來疑慮的不確定性，且由於移除審核保留意見之目的，本公司已採取並繼續執行下述的各項措施，包括但不限於：

(i) 就尚欠借款（包括已逾期本金及利息）與各家金融機構磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與本集團的現有貸款人磋商，以確保相關貸款人不會採取行動要求即時償還拖欠的借款及利息（包括交叉違約條款所涵蓋的借款及利息），並希望延展到期日及尚欠借款的還款時間表。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商，為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。截至本報告日期，本公司以本集團持有的土地作為擔保，與現有及其他銀行及金融機構磋商，以獲得額外融資。管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算將不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。

(iii) 加速開發中物業及已竣工物業之預售和銷售，如山東項目，以及控制成本及控制資本開支，從而為本集團帶來充足現金流入淨額。山東項目第四期第9座及第16座的建築工程已按計劃完成，上述樓座已自二零二五年九月交付。

The Management has also been negotiating financing arrangements with self-financed contractor, who will advance construction costs during the contract period, settlement will not occur at the topping-off stage but rather at or around the handover stage, with payments made according to the sales proceeds. Due to weak market conditions, the management is committed to implementing attractive sales promotion plans and strategies to sell residential properties, thereby maintaining adequate cash inflows.

管理層一直與自負盈虧的承建商商討融資安排，承建商將於合約期內墊支建築成本，結算不會於封頂階段進行，而是於交樓階段或其前後進行，並根據銷售所得款項支付。由於市況疲弱，管理層致力推出具吸引力的銷售推廣計劃及策略以出售住宅物業，從而維持充足的現金流入。

Majority of the net proceeds from the Shandong Project has been and will be used for the repayment of the outstanding borrowings.

大部分山東項目所得款項淨額已經及將會用於償還尚欠借款。

(iv) actively procuring and formulating the preliminary terms with large property developers to sell individual property development projects or whole commercial properties at an appropriate price.

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格出售個別物業開發項目或整棟商用物業。

The Group is in discussions with other property developers and investors regarding the Shanghai real estate development project and has completed preliminary due diligence. However, due to the incomplete recovery of the real estate market, these negotiations have yet to progress smoothly. The Management is actively seeking new investors to participate in the redevelopment projects in Shanghai and Taizhou, aiming to increase their underlying value and to accelerate the sales of commercial properties more rapidly and effectively.

本集團正與其他物業開發商及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行。管理層積極爭取新投資者參與投資上海及台州的重建項目，旨在提升其相關價值，並更快及更有效地加快商業物業的銷售。

The Management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將遵守上市規則的相關規定。

(v) actively accelerate the de-stocking of its properties by selling the residential properties in Shandong and the whole or portion of commercial properties in Taizhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

(v) 積極加快物業去庫存，透過出售山東的住宅物業以及台州及上海的全部或部分商業物業，務求加快回收營運資金，以改善其負債及財務槓桿狀況。

Due to weak market conditions, the Company's management is committed to implementing attractive sales promotion plans and strategies to sell residential properties, thereby ensuring ample cash inflows. Additionally, the management has initiated proposals for capital restructuring and a rights issue to raise funds of up to HKD106.0 million, which will be used to repay the Company's borrowings and maintain sufficient working capital to support its normal operations. For details, please refer to the announcement dated 16 February 2026.

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。此外，本公司管理層已展開資本重組及供股之建議，以籌集不超過106.0百萬港元之資金，以償還本公司借款及維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二六年二月十六日之公告。

Under the influence of the negative property market debt crisis since 2022 onward, the nationwide sale of the residential and commercial properties has been severely and adversely affected. Therefore, the Group failed to implement its previous plans effectively, including accelerating the sale of its properties under development or completed properties as expected or the sale of the Shandong residential project to repay the borrowings during the year ended 31 December 2025.

在二零二二年以來負面房產市場債務危機的影響下，全國範圍內的住宅及商業物業的銷售已經受到嚴峻不利影響。因此，本集團未能有效執行其先前的計劃，包括於截至二零二五年十二月三十一日止年度以預期速度加快開發中物業及已竣工物業的銷售或出售山東住宅項目以償還借款。

However, in view of the global economic downturn, deterioration of geopolitical relationships and the drag on China's overall real estate market recovery, the central government of the PRC launched a series of policies to stabilize the sound development of the real estate market on 17 May 2024 and 24 September 2024 respectively, including the introduction of a "white list" policy, lowering of down payment ratios, reduction of restrictions on housing purchases and provision of financing support to developers. With various cities relaxing restrictions on purchases and loans, followed by the introduction of "three-arrow" measures such as guaranteeing the delivery of properties, credit, debt issuance and equity financing, which are all favourable to real estate developers, the downturn of the real estate market is expected to stabilise and gradually reverse.

然而，鑒於全球經濟低迷，地緣政治關係持續惡化，拖累中國房地產市場的整體復甦，中國中央政府於二零二四年五月十七日及二零二四年九月二十四日分別推出一系列穩定房地產市場健康發展的政策措施，其中包括推出「白名單」政策、降低首付比例、減少住房限購及向發展商提供融資支持等。隨著各城市放寬限購、限貸，以及隨後推出的保證交樓、信貸、發債、股權融資等「三箭」措施，均對物業開發商有利，房地產市場的低迷勢頭有望穩定並逐漸扭轉。

The property market and investment sentiment is expected to gradually stabilise and recover. In the best case scenario, assuming (i) the Company could sell the whole or portion of commercial properties in Taizhou and Shanghai as a package; (ii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iii) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, it will be able to fully repay all overdue interests and principal.

預期物業市場及投資氣氛將逐漸回穩復甦。於最佳情境下，假設(i)本公司能打包出售台州及上海的全部或部分商業物業；(ii)本公司能成功延長現有借款的還款時間表；以及(iii)金融機構願意豁免逾期償還本金及／或利息的罰款，本公司將能悉數償還所有逾期利息及本金。

Even if the Company could not sell the whole or portion of commercial properties in Taizhou and Shanghai as a package, assuming (i) the Company is able to sell its residential properties in Shandong and commercial properties in Taizhou and Shanghai to individual customers; (ii) the Company is able to sell whole of commercial properties in Shanghai as a package; (iii) the Company is able to successfully extend the repayment schedules of existing borrowings; and (iv) financial institutions are willing to waive penalty after repayment of overdue principal and/or interest, the Company will be able to fully repay the overdue interest and principal of the borrowings.

儘管本公司未能成功打包出售台州及上海的全部或部分商業物業，假設(i)本公司能向個人客戶出售其山東的住宅物業及台州及上海的商業物業；(ii)本公司能打包出售上海的全部商業物業；(iii)本公司能成功延長現有借款的還款時間表；以及(iv)金融機構願意豁免逾期本金及／或利息的罰款，本公司仍能償還借款的所有逾期利息及本金。

The Management is of the view that the repayment terms of the major liabilities of the Group, i.e. the bank borrowings and convertible bond are negotiable. The Management has been negotiating terms of the liabilities with its major creditors and given the fact that most of the outstanding bank borrowings are secured by properties and the market value of the properties held by the Group exceed the principal amount of total bank borrowings and convertible bonds, the Management considers the Group has the ability to repay the principal amount of total bank borrowings and convertible bonds of the Group and negotiate the waiver of the interest and default penalties eventually in relation to the said liabilities.

管理層認為，本集團主要負債（即銀行借款及可換股債券）的償還條款可議。管理層一直與其主要債權人商討有關負債的條款，鑒於大部分未償還銀行借款均以物業作抵押，而本集團所持物業的市值超過銀行借款總額及可換股債券的本金額，管理層認為本集團有能力償還銀行借款總額及可換股債券的本金額，並商討最終豁免有關上述負債的利息及違約罰款。

Additionally, the Group has been actively developing its existing property development projects. Meanwhile, the Management has been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, with payments made according to the sales proceeds.

此外，本集團一直積極發展其現有物業發展項目。同時，管理層一直與自負盈虧的承建商商討財務安排，承建商將於合約期內墊支建築成本，並根據銷售所得款項支付。

The Management is also planning to renovate the commercial properties in Shanghai and Taizhou to increase its underlying value before selling the commercial properties of the said projects. The renovation costs are expected to be funded by a private investor through a profit-sharing scheme or by advanced receipts from customers and operating cash flows.

管理層亦計劃在出售上述項目的商業物業前，翻新位於上海及台州的商業物業，以提升其相關價值。預期翻新成本將由私人投資者透過利潤分享計劃或客戶預收款項及營運現金流撥付。

Having considered the above, the Management considers it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

經考慮上述因素後，管理層認為按持續經營基準編製本集團截至二零二五年十二月三十一日止年度的綜合財務報表乃屬適當。

However, as the auditor was unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in preparation of the consolidated financial statements, the auditor of the Group issued the disclaimer of opinion on the Company's consolidated financial statements for the year ended 31 December 2025.

然而，由於核數師未能就編製綜合財務報表時採用持續經營會計基準的適當性取得足夠的適當審計憑證，本集團核數師對本公司截至二零二五年十二月三十一日止年度的綜合財務報表發出不發表意見。

The Audit Modification by itself does not have any material impact on the financial position of the Group for the year ended 31 December 2025. As stated in the independent auditor's report, these events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

審核保留意見本身對本集團截至二零二五年十二月三十一日止年度的財務狀況並無任何重大影響。誠如獨立核數師報告所述，該等事件或情況，連同綜合財務報表附註2所載的其他事項，顯示存在重大不確定性，可能對本集團持續經營的能力構成重大疑問。

AUDIT COMMITTEE'S VIEW ON THE AUDIT MODIFICATION

The Audit Committee has been closely communicating with the Management and the Auditor on the Audit Modification. The Management has reported regularly to the Audit Committee on the measures taken to improve the conditions of the Group's cash flow and their progress during the year. The Board and the Audit Committee have taken into account of the following actions taken by the Management prior to publication of the unaudited consolidated financial statements of the Company for the year ended 31 December 2025: including (i) renewal or extension of outstanding borrowings; (ii) additional financing; (iii) accelerating the pre-sale and sale of properties under development and completed properties; (iv) selling properties as a whole; and (v) developing properties through joint efforts of the Company and its potential investors. The Management also provides explanation to the Audit Committee, the reasons that the Company failed to remove the Audit Modification for the year ended 31 December 2025.

Having taken into consideration of the overdue interest of the outstanding loans and the amount of the principal, the Board and the Audit Committee understood that the action plan was still ongoing as at the date of approval of the financial statements and the Company will need time for completing the action plan, in particular the disposal of investment properties which will lead to the Group receiving substantial amount of proceeds and will mitigate the Group's liquidity pressure and address the Audit Modification.

審核委員會關於審核保留意見的觀點

審核委員會一直就審核保留意見與管理層及核數師密切溝通。管理層已定期就改善本集團現金流狀況所採取的措施及年內的進展向審核委員會匯報。董事會及審核委員會已考慮管理層於刊發本公司截至二零二五年十二月三十一日止年度的未經審核綜合財務報表前所採取的下列行動：包括(i)重續或延長尚欠借款；(ii)額外融資；(iii)加速開發中物業及已竣工物業的預售及銷售；(iv)整體出售物業；及(v)透過本公司及其潛在投資者的共同努力開發物業。管理層亦向審核委員會解釋了本公司未能移除截至二零二五年十二月三十一日止年度審核保留意見的原因。

經考慮未償還貸款的逾期利息及本金金額後，董事會及審核委員會理解，於財務報表批准日期，行動計劃仍在進行中，且本公司將需要時間完成行動計劃，尤其是出售投資物業將使本集團收取大量所得款項，並將緩解本集團的流動資金壓力及應對審核保留意見。

Based on the above, the Audit Committee believes the Management has used its best endeavors to act in accordance with its previous plan in order to address the Audit Modification and the Audit Committee continues to support the Management point of view on the Audit Modification and agrees that the Group will have sufficient financial resources to continue as a going concern for the next 12 months and have been meeting regularly with the Management for monitoring the progress of its actions taken to address the Audit Modifications.

根據上述者，審核委員會相信，管理層已竭盡全力根據其先前計劃行事，旨在應對審核保留意見。審核委員會繼續支持管理層對審核保留意見的觀點，並同意本集團將有足夠財務資源於未來十二個月持續經營，且已定期與管理層舉行會議，以監察其為處理審核保留意見而採取的行動的進展。

Given (i) the value of the investment properties owned by the Group amounted to approximately RMB927.8 million as at 31 December 2025; and (ii) residential property market is expected to stabilise and gradually recover in 2026 and the pre-sale and sale of residential properties of the Shandong Project is ongoing, the Audit Committee agreed with the Management that despite the previous plan failed to adequately address the Audit Modification, the Company's revised action plan is reasonable and adequate to resolve the Audit Modification.

鑒於(i)本集團於二零二五年十二月三十一日所擁有的投資物業價值約為人民幣927.8百萬元；及(ii)住宅物業市場預期於二零二六年穩定並逐漸復甦，而山東項目住宅物業的預售及銷售正在進行中，審核委員會同意管理層的意見，儘管先前計劃未能充分應對審核保留意見，本公司經修訂的行動計劃仍屬合理並足以解決審核保留意見。

The Audit Committee is also of the view that the Management should continue to act in the best interests of the Shareholders in implementing the actions and measures set out in the action plan with the intention of mitigating the Group's liquidity pressure and removing the Audit Modification.

審核委員會亦認為，管理層應繼續以股東的最佳利益執行行動計劃所載的行動及措施，旨在緩解本集團的流動資金壓力及移除審核保留意見。

The Company will publish further announcement(s) disclosing any developments and updates on (a) the Company's negotiations with banks and financial institutions; (b) the progress of the pre-sale and sale of properties under development and completed properties; and (c) the disposal of the residential properties in Shandong and whole or portion of commercial properties in Taizhou and Shanghai as a package.

本公司將另行刊發公告，披露有關以下事項的任何進展及更新：(a)本公司與銀行及金融機構進行的磋商；(b)開發中物業及已竣工物業的預售及銷售進度；及(c)打包出售山東的住宅物業以及台州及上海的全部或部分商業物業。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層簡介

The biographical details of Directors as at 31 March 2026, being the date of this annual report, are set out below:

EXECUTIVE DIRECTORS

Mr. Chen Chengshou, aged 60, was appointed as an executive Director, the chairman, chief executive officer, chairman of the Nomination Committee and an authorized representative of the Company on 16 January 2014. Mr. Chen ceased to be an authorized representative of the Company as a result of his intention to concentrate on his other role on the Board on 5 February 2020. He is the founder of the Group and primarily responsible for corporate strategic planning and overall business development of the Group. Mr. Chen had over 30 years of experience in the real estate industry. He has been the chairman of the board of Taizhou City Xinming Real Estate Development Company Limited* (台州市新明房地產開發有限公司) since February 2007 and a director of certain subsidiaries of the Group. Mr. Chen has been first participated in the management of the property development business in the PRC since June 2001 when he was appointed as the chairman of Hangzhou Taoyuan Shanzhuang Property Development Limited* (杭州株洲山莊房地產開發有限公司) ("Taoyuan Property").

Mr. Chen is the chairman of Hangzhou City Chamber of Commerce for Enterprises Invested in Hangzhou* (杭州市來杭投資企業(商會)聯合會), a member of the standing committee of Federation of Industry & Commerce of Zhejiang Province* (浙江省工商聯), the vice-chairman of Hangzhou Public Diplomacy Association* (杭州公共外交協會), a member of the Eleventh Hangzhou City Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十一屆杭州市委員會), the honorary chairman of the Hangzhou City Wenzhou Chamber of Commerce* (杭州市溫州商會), the chairman of the Nationwide Taishun Entrepreneurs Fellowship Association* (全國泰順企業家聯誼會) and the vice chairman of Hangzhou City Chamber of Commerce* (杭州市總商會). He was appointed as the deputy director of the market committee of Chinese General Chamber of Commerce* (中國商業聯合會) in March 2013. He has also been a director of Wenzhou Bank since November 2012 and a part-time tutor of master degree in international business of Zhejiang University (浙江大學) since February 2014.

於二零二六年三月三十一日(即本年報日期),董事的履歷詳情載列如下:

執行董事

陳承守先生,60歲,於二零一四年一月十六日獲任為本公司執行董事、主席、行政總裁、提名委員會主席及授權代表。於二零二零年二月五日陳先生因有意專注於其在董事會的其他角色而不再擔任本公司的授權代表。彼為本集團的創辦人,主要負責本集團的公司策略規劃及整體業務發展。陳先生於房地產行業擁有逾30年經驗。彼自二零零七年二月起為台州市新明房地產開發有限公司的董事會主席及本集團若干附屬公司的董事。陳先生自二零零一年六月獲委任為杭州株洲山莊房地產開發有限公司(「株源房地產」)的主席時初次參與中國物業開發業務的管理。

陳先生為杭州市來杭投資企業(商會)聯合會會長、浙江省工商聯常務委員會委員、杭州公共外交協會副會長、中國人民政治協商會議第十一屆杭州市委員會委員、杭州市溫州商會榮譽會長、全國泰順企業家聯誼會會長及杭州市總商會副會長。彼於二零一三年三月獲委任為中國商業聯合會市場委員會副主任。彼亦自二零一二年十一月起擔任溫州銀行的董事及自二零一四年二月起擔任浙江大華國際商務碩士學位的兼職導師。

Mr. Chen was awarded "Excellent Entrepreneur of Hangzhou* (傑出杭商)" in October 2016, "Outstanding Contribution of Entrepreneurs of Wenzhou for years 2013 to 2015* (2013-2015年度溫商回歸突出貢獻人物)" in September 2016, "Top ten in Zhejiang Real Estate Industry in the '12th Five-Year Plan'* (十二五) 浙江房地產十大風人物)" in June 2016, "2016 Worldwide Outstanding 30 People of Entrepreneur of Wenzhou (External)* (二零一六年世界溫商百名風人物—在外傑出溫商三十人)" in February 2016; "Wenzhou People of the Year* (世界溫州人年度人物)" and "One Hundred Excellent Entrepreneur of Wenzhou* (世界溫商百名風雲人物)" in December 2014; "Entrepreneur with Good Character of Hangzhou* (品質杭商)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in October 2013; "Outstanding Representative of Credible Entrepreneurs of Wenzhou* (誠信溫商傑出代表)" jointly by Promotion Department of Wenzhou Municipal Committee of the Communist Party of China* (温州市委宣傳部) and Wenzhou Credibility Office* (温州市信用辦公室) in August 2011; "Outstanding Builder of Socialist Undertaking* (優秀社會主義事業建設者)" jointly by Hangzhou Municipal Committee of the Communist Party of China* (中共杭州市委) and The People's Government of Hangzhou* (杭州市人民政府) in September 2010; and "Staff Caring Excellent Entrepreneur* (關愛員工優秀企業家)" jointly by Federation of Trade Union of Hangzhou* (杭州市總工會) and Hangzhou Federation of Industry and Commerce (杭州市工商聯合會) in December 2009.

陳先生於二零一六年十月獲得「傑出杭商」榮譽稱號，於二零一六年九月獲得「2013-2015年度溫商回歸突出貢獻人物」榮譽稱號。於二零一六年六月獲選為「十二五」浙江房地產十大風雲人物」，於二零一六年二月獲得「二零一六年世界溫商百名風雲人物－在外傑出溫商三十人」榮譽稱號；於二零一四年十二月獲得「世界溫州人年度人物」和「世界溫商百名風雲人物」榮譽稱號；於二零一三年十月獲中共杭州市委及杭州市人民政府共同授予「品質杭商」稱號。於二零一一年八月獲溫州市委宣傳部及溫州市信用辦公室共同授予「誠信溫商傑出代表」稱號。於二零一零年九月獲中共杭州市委及杭州市人民政府共同授予「優秀社會主義事業建設者」稱號及於二零零九年十二月獲杭州市總工會及杭州市工商聯合會共同授予「關愛員工優秀企業家」稱號。

Mr. Chen obtained a graduation certificate in administrative management (through online courses) from Huazhong University of Science and Technology (华中科技大学) in the PRC in July 2013. Mr. Chen obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商学院) in the PRC in September 2015. Mr. Chen obtained a master's degree in business administration from Tsinghua University in April 2018.

陳先生於二零一三年七月在中國 (透過網路課程) 取得華中科技大學的行政管理學畢業證書。陳先生於二零一五年九月取得中國修讀長江商學院的行政人員工商管理碩士學位。陳先生於二零一八年四月取得清華大學工商管理碩士專業學位。

Mr. Shi Jianwen, aged 32, was appointed as an executive Director on 22 August 2025. Mr. Shi has over 8 years of experience in finance and corporate management. Since 2020, he has worked in Shenzhen Zhongzhu Kaixuan Supply Chain Management Co., Ltd. and is currently the general manager. Prior to 2020, he also worked in Shenzhen BYD International Financial Leasing Co., Ltd. and Hengtai International Financial Leasing Co., Ltd., as a project manager and account manager respectively. Since 20 May 2024, Mr. Shi served as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee and as an independent non-executive director of Hang Yick Holdings Company Limited (stock code: 1894.hk). Mr. Shi obtained a bachelor's degree in Economics from Zhuhai College of Beijing Institute of Technology in 2017.

石艦文先生，32歲，於二零二五年八月二十二日獲委任為執行董事。石先生擁有超過8年的財務及企業管理經驗。自二零二零年起，彼就職於深圳市中築凱旋供應鏈管理有限公司，現任總經理。於二零二零年前，彼亦曾任職於深圳比亞迪國際融資租賃有限公司及恆泰國際融資租賃有限公司，分別擔任項目經理及客戶經理。自二零二四年五月二十日起，石先生擔任恆益控股有限公司（股份代號：1894.hk）審核委員會、提名委員會及薪酬委員會成員，並擔任該公司獨立非執行董事。石先生於二零一七年獲得北京理工大學珠海學院的經濟學學士學位。

* *English name is for identification purpose only.*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lee Yin Man, aged 42, was appointed as an independent executive Director on 9 August 2024. She has 15 years of experience in human resources management, administration, company secretarial services and corporate communications of various companies listed on the Stock Exchange. From August 2016 to January 2018, Ms. Lee served as the human resources director of China Innovation Investment Limited (stock code: 1217). From February 2018 to December 2019, Ms. Lee served as the administration and human resources manager of Hope Life International Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1683). From January 2020 to March 2023, Ms. Lee served as the administration and human resources director of Greater Bay Convergence Services Limited. Ms. Lee holds a Bachelor of Arts Degree from the City University of Hong Kong and a Master Degree in Human Resources Management from Hong Kong Baptist University.

Ms. Huang Chunlian, aged 30, was appointed as an independent executive Director on 9 August 2024. She has over 7 years of experience in finance and corporate management. Ms. Huang has served as the financial director of Shenzhen Guangyi Xiangtong Trading Company Limited.* (深圳市廣明翔通貿易有限公司) since 2020. Ms. Huang obtained a Bachelor's Degree in Accounting from South China Normal University (華南師範大學) in China in 2020.

Ms. Chan Wai Yan, aged 30, obtained a bachelor's degree in Accounting from University of Hull in England. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 8 years of financial and accounting experiences. Ms. Chan is currently an INED of Hope Life International Holdings Limited (stock code: 1683), since October 2023, an INED of China New Holdings Limited (stock code: 8125), since May 2024 and an INED of OneConstruction Group Limited (Nasdaq stock code: ONEG) from the listing in December 2024 to June 2025.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this section, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

獨立非執行董事

李彥雯女士，42歲，於二零二四年八月九日獲委任為獨立執行董事。彼於人力資源管理、行政、公司秘書服務及多家聯交所上市公司的企業通訊方面擁有15年經驗。自二零一六年八月至二零一八年一月，李女士擔任中國創新投資有限公司(股份代號：1217)人力資源總監。自二零一八年二月至二零一九年十二月，李女士擔任曠逸國際控股有限公司(其股份於聯交所主板上市(股份代號：1683))行政及人力資源經理。自二零二零年一月至二零二三年三月，李女士擔任大灣區人力資源服務有限公司行政及人力資源總監。李女士持有香港城市大學文學學士學位及香港浸會大學人力資源管理碩士學位。

黃春蓮女士，30歲，於二零二四年八月九日獲委任為獨立執行董事。彼於財務及企業管理方面擁有逾7年經驗。自二零二零年起，黃女士擔任深圳市廣明翔通貿易有限公司的財務總監。黃女士於二零二零年取得華南師範大學會計學士學位。

陳慧恩女士，30歲，獲得英格蘭赫爾大學會計學學士學位。陳女士為香港會計師公會會員。陳女士在財務及會計方面擁有超過8年的經驗。陳女士自二零二三年十月起目前為曠逸國際控股有限公司(股份代號：1683)之獨立非執行董事，自二零二四年五月起為中新控股有限公司(股份代號：8125)之獨立非執行董事以及自一建築集團有限公司(納斯達克股份代號：ONEG)於二零二四年十二月上市起至二零二五年六月擔任其獨立非執行董事。

董事資料變更

除本節披露者外，無其他須根據上市規則第13.51B(1)條予以披露的董事資料變更。

The Directors present to the shareholders the Directors' report together with the audited consolidated financial statements of the Group for the Year.

董事向股東提呈董事會報告書連同本集團於本年度之經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the current and continuing principal activities of the Group are property development, property investment and property leasing during the Year under Review. The principal activities and other particulars of its subsidiaries as at 31 December 2025 are set out in Note 36 to the consolidated financial statements.

As required by the Schedule 5 of the Hong Kong Companies Ordinance, business review regarding business of the Group can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 4 to 5 and pages 6 to 29 respectively. An indication of possible future development in the Group's business can be found in the Management Discussion and Analysis set out on page 6 of this annual report. This discussion forms part of this Directors' report.

主要業務

本公司為投資控股公司，本集團於回顧年度之目前及持續主要活動為物業開發、物業投資以及物業租賃。其附屬公司於二零二五年十二月三十一日之主要業務及其他資料載於綜合財務報表附註36。

根據香港公司條例附表5所規定，有關該等業務之回顧審視本集團業務載於第4至5頁主席報告及第6至29頁管理層討論與分析。有關本集團業務未來可能發展之指引載於本年報第6頁管理層討論與分析。該討論構成本董事會報告之一部份。

BUSINESS REVIEW

Compliance with laws and regulations

To the best of the knowledge of the Board and the management, the Group complied with the relevant laws and regulations which constitutes material impact on the business and operation of the Company and its subsidiaries in all material respects during the year ended 31 December 2025.

Due to the nature of the business of the Group, the Directors are of the opinion that there are no specific laws or regulations related to environmental protection which have a significant impact on the operations of the Group. Environmental protection policies and performance regarding the Group are set out in "Environmental, Social and Governance Report" on pages 80 to 115.

Relationship with employees, customers and suppliers

Remuneration packages of employees are determined generally with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including pension and performance related bonus.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

業務審視

遵守法規

據董事會及管理層所深知，於截至二零二五年十二月三十一日止年度，本集團於各重大方面遵守對本公司及其附屬公司業務及運營產生重大影響的相關法律及法規。

基於本集團業務之性質，董事認為並無有關環境保護的任何特定法律或法規會對本集團之營運造成重大影響。有關本集團環保政策及表現載於第80至115頁環境、社會及管治報告書。

與僱員、客戶及供應商之關係

僱員薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據績考表現評估及其他相關因素檢討。除工資外，本集團另有其他員工福利，包括養老金及個人表現掛鈎花紅。

於中國內地營運的本集團附屬公司的僱員須參與地方市政府管理的中央退休金計劃。該等附屬公司須按其工資成本的若干比例向中央退休金計劃供款。供款於按照中央退休金計劃的規定應付時自損益扣除。

Relationship with customers is the fundamental of business. The Group fully understands this principle and thus maintains close relationship with customers to fulfil their immediate and long-term need. Given the nature of its business, the Group has no major suppliers which have a material impact on its operations, but the Group is striving to maintain fair and cooperative relationship with suppliers. Details are set out in "Environmental, Social and Governance Report".

客戶關係乃生意之根本，本集團深悉此原則，故會與客戶保持密切關係以滿足其當下及長期之需要。基於業務之性質，本集團並無任何對其營運有重大影響之主要供應商，惟本集團致力與供應商維持公平及合作之關係。有關詳細內容載於環境、社會及管治報告書內。

PRINCIPAL RISKS AND UNCERTAINTIES

(1) Intensified competition may materially and adversely affect our business, results of operations and financial condition

Competition within the PRC real estate industry is intense. Both domestic and overseas property developers have also entered the property development markets in cities where we have operations. Some of them may have more financial, marketing, technical or other resources than us. Competition among property developers may cause an increase in land premium and raw material costs, shortages in quality construction contractors, surplus in property supply leading to decreasing property prices, further delays in issuance of governmental approvals, and higher costs to attract or retain skilled employees. If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

(2) PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects

All of our revenue during the Year under Review was derived from our operations in the PRC. Our Group anticipates that China will remain our primary market in the foreseeable future. Accordingly, our business, prospects, results of operation and financial position are, to a significant extent, subject to the economic, political and legal developments of the PRC.

The PRC economy differs from the economies of most of the developed countries in many aspects, including political structure, PRC government involvement and control of housing policies.

主要風險及不明朗因素

(1) 競爭加劇或會對本集團的業務、經營業績及財務狀況造成重大不利影響

中國房地產業競爭激烈。國內外物業開發商亦已進佔本集團已有業務的城市的物業開發市場。當中若干開發商可能較我們擁有更多財政、營銷、技術或其他資源。物業開發商之間的競爭或會造成土地出讓金及原材料成本增加、優質建築承包商短缺、物業供應過剩，導致房價下跌、進一步延遲發出政府批文，及吸引或挽留熟練僱員的成本增加。倘本集團未能有效競爭，我們的業務、經營業績及財務狀況或會受到重大不利影響。

(2) 中國的經濟、政治及社會狀況以及政府政策可能對本集團的業務及前景產生不利影響

本集團於回顧年度的所有收益均來自在中國的業務。本集團預計，在可預見的未來，中國將仍然為本集團的主要市場。因此，本集團的業務、前景、經營業績及財務狀況在很大程度上受中國的經濟、政治及法律發展影響。

中國經濟與大多數發達國家的經濟在許多方面都有不同，包括政治架構、中國政府對房產政策干預及管制的範疇。

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For nearly three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. However, the PRC government continues to exercise significant control over the PRC economy through allocating resources, restricting capital flow and foreign exchange, setting monetary and fiscal policies, imposing industrial policies and various directives, providing government grants and other preferential treatment to particular industries and companies. The Group cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, results of operations and financial position. Moreover, even if new policies may benefit or damage the real estate developers in the long term, the Group cannot assure you the accuracy of the forecasts on the business and financial condition.

中國經濟一直由中央計劃經濟過渡至日漸以市場為導向的經濟。近三十多年來，中國政府實施經濟改革措施，利用市場力量推動中國經濟發展。然而，中國政府仍繼續通過資源分配、資本流量及外匯限制、制定貨幣及財政政策、實施行業政策及各項指令、向特定行業及公司提供政府補助及其他優惠待遇大力控制中國經濟。本集團無法預測中國經濟、政治和社會狀況以及其法律、法規及政策變化是否會對本集團當前或未來的業務、經營業績及財務狀況產生任何不利影響。此外，即使新政策對房地產開發商長遠可能有利或有弊，本集團仍無法對業務及財務狀況有準確性預測保證。

(3) Interest rate risk may aggravate the debt costs of the Group

The main source of loan of the Group is derived from bank loans. Therefore, the benchmark interest rate announced by the People's Bank of China will directly affect the Group's debt costs. Changes in future interest rates will have a certain impact on the Group's debt costs.

(3) 利率風險可能對本集團的債務成本加重影響

本集團主要貸款來源於銀行貸款，因此中國人民銀行公佈的貸款基準利率將直接影響本集團的債務成本，未來利率的變化情況將對本集團債務成本產生一定的影響。

(4) Uncertainties from the environmental policies

As the Group is subject to the intensive monitoring and control from the PRC and its environmental policies relate to production and operation, we shall comply with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, energy consumption, public health and safety, and receive inspections from the relevant national environmental protection departments. Currently, the Company has met the national environmental protection standards. However, if the national environmental policies are adjusted with higher environmental protection standards, our investment in environmental protection will increase and that may adversely affect our results of operations. We will spare no effort in minimizing the potential adverse effects on our environmental performance despite the uncertainties from the policies and environments that are impossible to predict and our inexperience of overall risk management in environmental protection. The Company's current directions, measures and analyses regarding environmental policies are set out in the ESG report.

(4) 環保政策不確定性風險因素

本集團的生產經營是國家環保政策重點監控的行業之一，須遵守多項有關空氣、水質、廢料處理、能源耗用、公眾健康安全的環境法律和法規，並接受國家有關環保部門的檢查。本公司目前環保指標均達到國家標準。但是，如果國家的環保政策作出調整，環保標準進一步提高，對公司提出更高的環保要求，這將增加本公司的環保投入，從而可能對公司的經營業績造成不利影響。本集團的整體環保風險管理在初步學習階段，對政策和環境轉變的不確定性因素難以預測，尋求儘量減低對本集團環保表現的潛在不利影響。有關本公司對環境政策目前實施的方針、措施和指標分析載於環境社會及管治報告內。

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 119.

業績及分配

本集團於本年度之業績載於第119頁之綜合損益及其他全面收益報表。

FINAL DIVIDEND

The Board did not propose to declare a final dividend for the year ended 31 December 2025.

末期股息

本年度董事會不建議宣派截至二零二五年十二月三十一日止年度之末期股息。

SEGMENT INFORMATION

An analysis of the Group's revenue and profit or loss for the Year contributed by its principal activities is set out in Note 4 to the consolidated financial statements. Details of the segment information can be found in the Management Discussion and Analysis set out on pages 159 to 162 of this annual report.

分類資料

本集團按主要業務劃分之本年度收入及損益貢獻分析載於綜合財務報表附註4。分類資料詳情載於本年報第159至162頁之管理層討論及分析。

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 207 and 208, which does not constitute part of the consolidated financial statements.

五年財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第207至208頁內。該概要不構成綜合財務報表的一部份。

ISSUED CAPITAL

Details of the issued capital of the Company during the Year under Review are set out in Note 27 to the consolidated financial statements.

已發行股本

本公司已發行股本於回顧年度內之詳情載於綜合財務報表附註27。

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司上市證券

於本年度內，本公司及其各附屬公司並無購買、出售或贖回本公司之任何上市證券。

INVESTMENT PROPERTIES

For the year ended 31 December 2025, the details of change of the Company's and the Group's investment properties were set out in Note 14 to the consolidated financial statement.

投資物業

於截至二零二五年十二月三十一日止年度內，本公司及本集團的投資物業變動詳情載於綜合財務報表附註14。

RESERVES

Movements in the reserves of the Group and the Company during the Year are set out in Note 37(a) to the consolidated financial statements respectively.

儲備

本集團及本公司之儲備於本年度內之變動情況分別載於綜合財務報表附註37(a)。

CHARITABLE DONATIONS

No charitable donations were made by the Group during the Year (2024: Nil).

慈善捐款

本集團於本年度並無作出慈善捐款(二零二四年：零)。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of Cayman Islands where the Company is incorporated.

優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的規定。

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company.

稅項減免

本公司並不知悉有任何因股東持有本公司股份而使其獲得之稅項減免。

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2025, no individual customer accounted for 10% or more of the Group's revenue. For the year ended 31 December 2025, no supplier individually accounted for 10% or more of the Group's purchases. All transactions between the Group and the relevant suppliers and customers were entered into on normal commercial terms. None of the Directors and their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the issued shares of the Company) had any interest in the above major suppliers.

主要供應商及客戶

截至二零二五年十二月三十一日止年度，概無客戶個別佔本集團收入10%或以上。截至二零二五年十二月三十一日止年度，概無供應商個別佔本集團採購額10%或以上。本集團與相關供應商及客戶進行之所有交易均按一般商業條款訂立。概無董事及其緊密聯繫人或任何股東(根據董事所知擁有本公司5%以上已發行股份數目)持有上述主要供應商之任何權益。

SIGNIFICANT LITIGATION AND EVENTS

The Company does not have any significant litigation and events during the Year under review.

重大訴訟及事項

本公司於回顧年度內並無任何重大訴訟及事項。

DIRECTORS

The Directors in the year and up to the date of this Directors' Report are:

Executive Directors

Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Shi Jianwen (appointed on 22 August 2025)

Mr. Hu Chaozhou (appointed on 22 August 2025 and resigned on 3 March 2026)
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (retired on 14 April 2025)

Non-executive Directors

Mr. Cao Zhiqiang (redesignated on 11 April 2025 and resigned on 3 March 2026)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Independent Non-executive Directors

Ms. Lee Yin Man
Ms. Huang Chunlian
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

According to Article 108(a) of the Articles of Association of the Company: "Notwithstanding any other provisions in these articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office."

Mr. Shi Jianwen, Ms. Lee Yin Man and Ms. Huang Chunlian will retire from their positions at the AGM and being eligible, offer themselves for re-election.

Pursuant to Article 112 of the Articles of Association of the Company, Mr. Shi Jianwen being a Director appointed by resolution of the Board immediately prior to the date of this annual report, will retire at the AGM and, being eligible, offered herself for re-election at the AGM.

董事

於本年度內及直至本董事會報告書日期止，本公司的董事為：

執行董事

陳承守先生 *(主席兼行政總裁)*
石艦文先生 (於二零二五年八月二十二日獲委任)
胡朝州先生 (於二零二五年八月二十二日獲委任及於二零二六年三月三日辭任)
豐慈招先生 (於二零二五年四月十四日退任)
周奮力先生 (於二零二五年四月十四日退任)

非執行董事

曹志強先生 (於二零二五年四月十一日調任及於二零二六年三月三日辭任)
高巧琴女士 (於二零二五年四月十四日退任)
周振存先生 (於二零二五年四月十四日退任)
蔡偉康先生 (於二零二五年二月二十四日辭任)

獨立非執行董事

李彥雯女士
黃春蓮女士
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)

根據本公司的組織章程細則第108(a)條：「儘管受本細則任何其他條文所規限，在每屆股東週年大會上，當時的三分之一董事或如其人數並非三或三的倍數，則最接近但不少於三分之一的董事人數的董事應輪值退任，但每名董事 (包括以指定任期獲委任的董事) 須至少每三年輪值退任一次。退任董事有資格重選連任。本公司可在股東大會上就任何董事的退任填補該等職位的空缺。」

石艦文先生、李彥雯女士及黃春蓮女士將在股東週年大會上卸任，並合資格重選連任。

根據本公司之組織章程細則第112條，石艦文先生 (即於緊接本年報日期前由董事會決議案委任的董事) 將於股東週年大會輪席退任並符合資格在股東週年大會上重選連任。

DIRECTORS' REMUNERATION

The Directors' fees are determined by the Remuneration Committee with reference to Directors' duties, responsibilities and operating results of the Company, which are subject to the review of the Board and shareholders' approval at annual general meetings. Please refer to Note 8 to the consolidated financial statements of this annual report.

董事酬金

董事袍金由薪酬委員會根據董事職務，責任及本公司經營業績擬訂，經董事會審議，由股東週年大會批准。請參閱本年報之綜合財務報表附註8。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange. As at the date of this annual report, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required to be recorded in the register referred to therein pursuant to section 352 of the SFO; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

董事及主要行政人員於證券之權益

本公司股份於香港聯交所主板上市。於本年報日期，董事及主要行政人員於本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）第XV部之涵義）之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所之權益或淡倉（包括根據證券及期貨條例有關條文彼等被視為或當作擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條規定須列入該條例所指之登記冊內之權益或淡倉；或(c)根據載於上市規則附錄10之上市公司董事進行證券交易之標準守則須通知本公司及香港聯交所之權益或淡倉如下：

Long positions in the shares and underlying shares

於股份及相關股份之好倉

The Company

本公司

Name of Directors 董事姓名	Capacity/Nature of interest 身份/權益性質	Number of shares/ underlying shares 股份/相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
Mr. Chen Chengshou 陳承守先生	Interest of controlled corporation (Note 1) 受控制法團之權益 (附註1)	243,300 (L)	0.26%

(L): represents long positions

(L)：指好倉

Notes:

附註：

1. 24,330,000 shares are registered in the name of Xinxing Company Limited which is wholly-owned by Mr. Chen.

1. 24,330,000股股份乃以Xinxing Company Limited之名義登記，該公司由陳先生全資擁有。

Associated corporation – Xinxing Company Limited

相聯法團－Xinxing Company Limited

Name of Directors 董事姓名	Nature of interest 權益性質	Number and class of securities in the associated corporation 於相聯法團的證券數目及類別	Approximate percentage of interest in the associated corporation 於相聯法團的權益概約百分比
Mr. Chen Chengshou 陳承守先生	Beneficial owner 實益擁有人	1 share (Note 1) 1股股份（附註1）	100%

Notes:

1. The disclosed interest represents the interests in the associated corporation, Xinxing Company Limited, which is held as to 100% by Mr. Chen as at the date of this annual report.

附註：

1. 所披露權益指於相聯法團Xinxing Company Limited的權益，而於本年報日期，Xinxing Company Limited由陳先生持有100%權益。

Save as disclosed above, as at the date of this annual report, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於本年報日期，概無本公司董事或主要行政人員於本公司或其相關法團（定義見證券與期貨條例第XV部）之股份、相關股份或債券中擁有或被視為擁有須記入根據證券及期貨條例第352條存置之登記冊或須根據標準守則知會本公司及香港聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES

主要股東於證券之權益

As at the date of this report, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO, and so far as known to the Directors or chief executives of the Company, the Company does not have any controlling nor substantial shareholder, i.e. entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company or any its subsidiaries or had interests in 5% or more of the issued share capital of the Company.

於本報告日期，根據本公司根據證券及期貨條例第336條規定而置存之主要股東登記冊及就董事或本公司主要行政人員所知，本公司並無任何控股或主要股東，即有權於任何本公司或任何附屬公司股東大會上行使或控制行使10%或以上投票權或於本公司已發行股本中擁有5%或以上權益。

As at the date of this report, the Company had not been notified by any persons, other than Directors and chief executives of the Company, who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

於本報告日期，本公司並未獲任何人士（本公司董事及主要行政人員除外）知會其於本公司股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露或須記入根據證券及期貨條例第336條本公司須存置之登記冊之權益或淡倉。

USE OF PROCEEDS FROM RIGHTS ISSUE

During the year ended 31 December 2025, the Company completed the Rights Issue of 75,144,880 Rights Shares at a subscription price of HK$1.12 per Rights Share on the basis of four Rights Shares for every one adjusted Share. The Rights Issue was approved by the independent shareholders of the Company at an extraordinary general meeting convened by the Company on 13 March 2025 and dealings in the Rights Shares commenced on 31 July 2025. The gross proceeds raised from the Rights Issue were approximately HK$84.2 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK$78.3 million. As at the date of this report the net proceeds from the Rights Issue was entirely utilised.

供股之所得款項用途

於截至二零二五年十二月三十一日止年度，本公司已完成供股，按每持有一股經調整股份獲發四股供股股份之基準，以認購價每股供股股份1.12港元發行75,144,880股供股股份。供股已於本公司於二零二五年三月十三日召開的股東特別大會上獲本公司獨立股東批准，且供股股份於二零二五年七月三十一日開始買賣。供股籌集的所得款項總額約為84.2百萬港元，而供股所得款項淨額（扣除相關開支後）約為78.3百萬港元。於本報告日期，供股所得款項淨額已悉數動用。

		Intended use of proceeds 所得款項 擬定用途 HK$'000 千港元	Actual use of proceeds as at 31 December 2025 於二零二五年 十二月三十一日 所得款項 實際用途 HK$'000 千港元	Remaining balance of unutilised proceeds as at 31 December 2025 於二零二五年 十二月三十一日 未動用 所得款項 之餘額 HK$'000 千港元
Settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group	償還可換股債券、償還計息銀行貸款及其他借款以及本集團其他應付賬款及應計費用	72,038	72,038	–
General working capital	一般營運資金	6,264	6,264	–
Total	總計	78,302	78,302	–

SHARE OPTION SCHEME

As of the date of this report, the Company did not have any share option scheme.

購股權計劃

於本報告日期，本公司並無任何購股權計劃。

SHARE AWARD SCHEME

On 26 January 2016, the Company adopted the share award scheme (the "Scheme"), pursuant to which Bank of Communications Trustee Limited served as trustee (the "Trustee"). The Company adopted the Scheme to recognize the contribution by certain eligible participants and to attract suitable personnel for further development of the Group. Each of the Company and Mr. Chen, an executive Director, may make contribution to the trust for the purpose of vesting awarded shares to the selected participants. Pursuant to the Scheme, the Company may from time to time at its sole discretion subject to requirements under this Scheme, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase shares in the market at prevailing market price. Mr. Chen may from time to time transfer shares to the Trustee, for the purpose of vesting awarded shares to the selected participants, subject to the compliance with the requirements of the Listing Rules and all applicable laws from time to time. The Trustee will hold the awarded shares on trust for all or one or more of the eligible participants until such awarded shares are vested with the relevant selected participants in accordance with the rules of the Scheme.

The Scheme is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the trust deed. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

The share award scheme will remain in force for a period of 10 years since the date of adoption of the Scheme. Early termination should be done by the Board in accordance with the rules of the Scheme. On 7 April 2016, the Board resolved to award 13,716,666 awarded shares ("Awarded Shares") to 150 selected participants through the deployment of the shares of the Company. All Awarded Shares have been vested to the eligible participants. For details, please refer to the announcements of the Company dated 18 February 2016 and 7 April 2016. Apart from that, the Company has not granted, exercised or cancelled any Awarded Shares.

During the Year under Review, (i) no share options were granted, and (ii) exercised or cancelled by the Company, the Board has neither paid any funding to the trustee of the Scheme nor allowed the trustee to purchase the shares of the Company on the Stock Exchange. During the Year under Review, the trustee of the Scheme also did not purchase any shares of the Company on the Stock Exchange.

股份獎勵計劃

本公司於二零一六年一月二十六日採納股份獎勵計劃(「本計劃」),並由交通銀行信託有限公司作為受託人(「受託人」),以嘉許若干合資格參與者所作出之貢獻,及吸引合適人才推動本集團之未來發展。為將獎勵股份歸屬獲選參與者,本公司及本公司執行董事陳先生各自均可向信託作出供款。根據本計劃,本公司可不時全權酌情根據本計劃之規定向受託人支付任何金額,並指示受託人按現時市價於市場上購買股份。為將獎勵股份歸屬獲選參與者,陳先生可不時向受託人轉讓股份,惟須遵守上市規則及所有適用法例不時之規定並受限制期間規限。受託人將以信託形式為全部或一名或多名合資格參與者持有獎勵股份,直至該等獎勵股份根據本計劃規則歸屬相關獲選參與者為止。

本計劃為本公司一項酌情制訂之計劃。根據本計劃及信託契據之規則,本計劃須受董事會及受託人管理。倘董事會授出獎勵股份後會導致根據本計劃已授出之股份面值超過本公司不時已發行股本之百分之十(10%),則不應再進一步授出獎勵股份。獲選參與者根據本計劃可獲授之最高股份數目不可超過本公司不時已發行股本之百分之一(1%)。本計劃並不構成上市規則第17章所界定之購股權計劃。

股份獎勵計劃自採納日期起計10年之期限內有效,惟可由董事會根據本計劃規則決定提早終止。於二零一六年四月七日,董事會議決向150位獲選參與者透過調配本公司股份的形式授予13,716,666股獎勵股份(「獎勵股份」)。所有獎勵股份已歸屬予合資格參與者。詳情請參閱本公司日期為二零一六年二月十八日及二零一六年四月七日的公告。除此之外,本公司概無授出、行使或註銷任何獎勵股份。

於回顧年度內,(i)本公司概無授出及(ii)行使或註銷購股權,董事會既沒有向本計劃之受託人支付任何資金,讓受託人可於聯交所購買本公司之股份。於回顧年度內,本計劃之受託人也沒有於聯交所購買本公司之任何股份。

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, neither the Company, nor any of its holding companies, its subsidiaries or its fellow subsidiaries was a party to any arrangement to enable the Directors and chief executives of the Company, including their spouses and children under 18 years of age, to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations, within the meaning of Part XV of the SFO.

董事購買股份的權利

除上文所披露者外，本公司、其任何控股公司、其附屬公司或其同系附屬公司從未訂立任何安排，使本公司董事及主要行政人員（包括彼等的配偶及未滿18歲子女）於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份或相關股份或債券中持有任何權益或淡倉。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year under Review or at any time during the Year under Review, and in which a Director or an entity connected with the Director have or had, whether directly or indirectly, a material interest, nor were there any other trans actions, arrangements or contracts of significance in relation to the Group's business between the Company or any of the Company's Subsidiaries and controlling Shareholder or any of its subsidiaries.

董事及控股股東於交易、安排或合約之權益

於回顧年度年結時或回顧年度的任何時間，概無與本公司業務有關而本公司或本公司任何附屬公司作為訂約方之仍然存續且董事或與董事相關聯的實體於其中有或曾有重大權益（無論直接或間接）之交易、安排或合約，而且本公司或本公司任何附屬公司及控股股東或其任何附屬公司亦無訂立與本集團業務有關之其他重大交易、安排或合約。

CONTINUING CONNECTED TRANSACTIONS

In accordance with the disclosure requirements of the continuing connected transactions in Chapter 14A of the Listing Rules of the Hong Kong, during the Year under Review, the Company has not conducted any continuing connected transactions with connected persons that are not exempted from annual reporting requirement under the Listing Rules.

持續關連交易

按照香港上市規則第14A章有關持續關連交易的披露規定，於回顧年度內，本公司概無與關連人士進行任何未獲豁免遵守上市規則年度報告規定的持續關連交易。

The related party transactions set out in Note 32 to the consolidated financial statements are not required to be disclosed pursuant to Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

載於綜合財務報表附註32所列的關連方交易並非根據上市規則第14A章須予披露的關聯交易。本公司確認已符合上市規則第14A章的披露規定。

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 for the year ended 31 December 2025.

管理合約

於截至二零二五年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

PERMITTED INDEMNITY PROVISION

Pursuant to the memorandum and bye-laws ("Bye-laws") of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. During the year ended 31 December 2025, the Company was unable to extend Directors' and officers' liability insurance coverage which was expired on 22 June 2023 due to the suspension of trading of the shares of the Company on the Stock Exchange. As at the date of this annual report, the Company has not arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

Code provision C.1.8 of the CG Code requires that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. The Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

獲准許彌償條文

根據本公司的組織章程大綱及細則(「細則」)、適用法律及法規,每名董事在執行其職務時可能招致或蒙受的所有訴訟、費用、收費、損失、損害賠償及開支,均可從本公司的資產及利潤獲得彌償保證及免受損害。截至二零二五年十二月三十一日止年度,由於本公司股份於聯交所暫停買賣,本公司未能延續已於二零二三年六月二十二日屆滿的董事及高級職員責任保險。於本年報日期,本公司並無為本集團董事及高級職員安排適當的董事及高級職員責任保險。

企業管治守則的守則條文第C.1.8規定,本公司應就針對董事的法律訴訟安排適當的保險。董事會將根據當時情況不時檢討此項安排,並在必要時安排適當的保險。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 December 2025, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

董事於競爭性業務之權益

截至二零二五年十二月三十一日止年度,概無董事於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the Year as required under the Listing Rules.

公眾持股量

根據本公司所得悉的公開資料及董事所知悉,本公司於本年度內已按上市規則規定維持指定數額的公眾持股量。

CHANGE OF AUDITOR

On 13 August 2024, Forvis Mazars CPA Limited ("Forvis Mazars") was resigned as the auditor of the Company and Global Link CPA Limited ("Global Link") was appointed as the new auditor of the Company with effect from 13 August 2024 to fill in the causal vacancy following the resignation of Forvis Mazar. The consolidated financial statements for the financial year 2025 have been audited by Global Link. Global Link will retire from office at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election. A resolution will be proposed at the forthcoming annual general meeting of the Company for the re-appointment of Global Links as the auditor of the Company.

更換核數師

於二零二四年八月十三日,富睿瑪澤會計師事務所有限公司(「富睿瑪澤」)辭任本公司核數師,而高嶺會計師有限公司(「高嶺」)獲委任為本公司新核數師,自二零二四年八月十三日起生效,以填補富睿瑪澤辭任後的暫時空缺。二零二五財政年度的綜合財務報表已由高嶺進行審核。高嶺將於本公司應屆股東週年大會上退任,並合資格且願意連任。一項決議案將於本公司應屆股東週年大會上提呈以重新委任高嶺為本公司核數師。

By order of the Board

Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hangzhou, PRC
31 March 2026

承董事會命

新明中國控股有限公司
主席兼行政總裁
陳承守

中國 • 杭州
二零二六年三月三十一日

MISSION

The Board is committed to maintaining a high level of corporate governance and ensuring transparency in business operations, so as to enhance the operation efficiency of the Company and protect the interests of the Company and the shareholders in all respects. The Board seeks to perform strict integrity and ethics in all aspects of our business, to maintain sound risk management and internal control system and attract high-caliber members to the Board.

理念

董事會致力維持高水平的企業管治，確保本公司運作具透明度，以此促進本公司運作效率及全面保障本公司及股東的利益。董事會力求於業務的各方面均貫徹嚴謹的誠信及道德操守，以維持良好之風險管理及內部監控制度及吸納卓越之成員加入董事會。

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2025, the Board had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules applicable at the relevant time, except the disclosure in "Chairman and Chief Executive Officer" below.

To the Directors' knowledge, there is no information reasonably indicates that the Company has not complied with the code provisions of the CG Code set out in Appendix C3 to the Listing Rules at any time for the year ended 31 December 2025.

For the year ending 31 December 2025, the Company will continue to comply with the code provisions set out under the update CG Code, and where appropriate, explain on the deviations from any code provisions of the CG Code.

企業管治守則

截至二零二五年十二月三十一日止年度，除於下述所披露之「主席兼行政總裁」外，董事會已採納、應用及遵守於相關時間適用的上市規則附錄14的企業管治守則（「企業管治守則」）所載之守則條文。

就董事所知，並無任何數據合理顯示本公司現時或曾經於截至二零二五年十二月三十一日止年度任何時間不遵守上市規則附錄C3所載的《企業管治守則》之守則條文。

截至二零二五年十二月三十一日止年度，本公司將繼續遵守最新企業管治守則所載的守則條文，並（倘適當）解釋偏離企業管治守則任何守則條文的情況。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries of all the Directors, each of them has confirmed that they complied with the required standards set out in the Model Code during the Year under Review.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when they possess inside information in relation to those securities. The Company is not aware of any non-compliance with the Model Code by the relevant officers and employees.

證券交易的標準守則

本公司已採納上市規則附錄C3所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事買賣本公司證券的操守準則。經向全體董事作出特定查詢後，全體董事確認彼等於回顧年度內已遵守標準守則所載的規定標準。

根據本公司要求，本公司有關高級職員及僱員亦須受標準守則約束，當其獲得有關證券內幕消息時，禁止於任何時候買賣本公司證券。本公司並無察覺有相關高級職員及僱員違反標準守則。

BOARD OF DIRECTORS

Structure

As at the date of this annual report, the Board comprised one executive Director, one non-executive Director and three independent non-executive Directors. The composition of the Board is as follows:

Executive Directors

Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*
Mr. Shi Jianwen (appointed on 22 August 2025)

Mr. Hu Chaozhou (appointed on 22 August 2025 and resigned on 3 March 2026)
Mr. Feng Cizhao (retired on 14 April 2025)
Mr. Zhou Fenli (retired on 14 April 2025)

Non-executive Directors

Mr. Cao Zhiqiang (redesignated on 11 April 2025 and resigned on 3 March 2026)
Ms. Gao Qiaoqin (retired on 14 April 2025)
Mr. Zhou Zhencun (retired on 14 April 2025)
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)

Independent Non-executive Directors

Ms. Lee Yin Man
Ms. Huang Chunlian
Ms. Chan Wai Yan (appointed on 11 April 2025)

Mr. Khor Khie Liem Alex (retired on 14 April 2025)
Mr. Chiu Kung Chak (retired on 14 April 2025)

The independent non-executive Directors (the "INEDs") represent over one-third members of the Board. The profiles of the directors as at the date of this report are set out on pages 30 to 32 of this annual report. Save as disclosed in this annual report, there is no other relationship among members of the Board, including financial, business, family or other material/relevant relationship. The INEDs are highly experienced professionals and businessmen with a broad range of expertise and experience in accounting, finance, legal and business management and one of them has appropriate professional accounting qualification as required by the Hong Kong Stock Exchange.

The Board is responsible for directing and supervising affairs of the Company. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to affairs of the Company during the Year under Review.

董事會

架構

於本年報日期，董事會由一名執行董事、一名非執行董事及三名獨立非執行董事組成。董事會之組成如下：

執行董事

陳承守先生 *(主席兼行政總裁)*
石艦文先生 (於二零二五年八月二十二日獲委任)
胡朝州先生 (於二零二五年八月二十二日獲委任及於二零二六年三月三日辭任)
豐慈招先生 (於二零二五年四月十四日退任)
周奮力先生 (於二零二五年四月十四日退任)

非執行董事

曹志強先生 (於二零二五年四月十一日調任及於二零二六年三月三日辭任)
高巧琴女士 (於二零二五年四月十四日退任)
周振存先生 (於二零二五年四月十四日退任)
蔡偉康先生 (於二零二五年二月二十四日辭任)

獨立非執行董事

李彥雯女士
黃春蓮女士
陳慧恩女士 (於二零二五年四月十一日獲委任)
許麒麟先生 (於二零二五年四月十四日退任)
趙公澤先生 (於二零二五年四月十四日退任)

獨立非執行董事(「獨立非執行董事」)之人數超過董事會成員總數之三分之一。於本報告日期的董事之履歷載於本年報第30頁至第32頁。除本年報所披露者外，董事會成員之間並無其他關係，包括金融、商業、家庭或其他重要／相關關係。獨立非執行董事為極富經驗之專業人士及商界人士，在會計、金融、法律及商業管理具備豐富專業知識及經驗，其中一人更具備香港聯交所規定之合適專業會計資格。

董事會負責領導及監督本公司事務。各董事均以本公司之最佳利益為前提，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。於回顧年度內，彼等已付出足夠時間及專注力以處理本公司事務。

At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company may fill the vacancy at the general meeting when a Director retires. As such, the term of office of each Director has been governed by the Articles of Association of the Company.

在每次之股東週年大會上，當時三分之一之董事（或倘董事人數並非三或三之倍數，則以最接近但不少於三分之一人數為準）須輪值退任，惟每名董事（包括獲委任特定年期者）均須最少每三年輪席退任一次。退任董事可膺選連任。本公司可於董事退任之股東大會上填補空缺。因此，各董事之任期按本公司組織章程細則而特定。

Code provision C.1.8 of the CG Code requires that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. During the year ended 31 December 2025, the Company was unable to extend Directors' and officers' liability insurance coverage which was expired on 22 June 2023 due to the suspension of trading of the shares of the Company on the Stock Exchange. As at the date of this annual report, the Company has not arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group. The Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

企業管治守則的守則條文第C.1.8規定，本公司應就針對董事的法律訴訟安排適當的保險。截至二零二五年十二月三十一日止年度，由於本公司股份於聯交所暫停買賣，本公司無法延續於二零二三年六月二十二日屆滿的董事及高級職員責任保險。於本年報日期，本公司並無為本集團董事及高級職員安排適當的董事及高級職員責任保險。董事會將根據當時情況不時檢討此項安排，並在必要時安排適當的保險。

Assistance to Directors in Decision Making

During their term of office, the Directors have been informed of the business of the Group, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry where it operates as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為公司董事之法定及其他職能以及職責獲提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meeting agenda, and are supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors providing them with the opportunity to attend the meeting. For regular Board meetings, and so far as practicable for all other meetings, an agenda and accompanying board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and prepare adequately for the meeting. Senior management members are invited to attend the meeting to address to the Board members' queries. For non-regular Board meetings, reasonable notices are given. This enables the Board to have pertinent data and insight for a comprehensive and informed assessment, which helps the Board to make decision.

The Chairman has delegated the responsibility to the company secretary (the "Company Secretary") of the Company for drawing up and approving the agenda of the meeting for each Board meeting, taking into account of any matter proposed by each Director for inclusion in the agenda. The proceedings of the Board at its meetings are generally monitored by the Chairman who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to each Director to express his/her views and concerns.

All Directors have full access to the advice and services of the Company Secretary to ensure the procedures, rules and regulations of the Board are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within a reasonable time after the meeting. The minutes of the Board's and the Board committees' meetings are kept by the Company, which are available for inspection by the Directors upon reasonable notice.

會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，讓其有機會出席會議。就定期舉行的董事會會議而言，及在切實可行情況下就所有其他會議而言，議程及隨附的董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，以解答董事會成員之提問。對於非定期董事會會議，將發出合理通知。此舉令董事會在作出全面而知情之評估時，具有相關之數據及認知，有助董事會作出決策。

主席已委派公司秘書（「公司秘書」）負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。董事會之議事程序一般由主席監察，以確保分配充裕時間作出討論及考慮議程內之各個項目。每位董事均獲平等機會表達意見及其關注事宜。

全體董事均有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。各董事會會議之詳盡記錄草稿及定稿將於舉行會議後的合理時間內，送交董事提供意見及記錄。董事會會議及董事會轄下委員會會議之記錄由本公司存置，並可由董事發出合理通知下供其查閱。

For the year ended 31 December 2025, the Company held 10 board meetings in total. Individual attendance of each Director and committee member at the meeting held in detail is as follows:

截至二零二五年十二月三十一日止年度內，董事會共舉行十次董事會會議。各董事及委員會的成員及其出席會議的出席率詳情如下：

		The Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	AGM 股東週年大會
Number of Meetings held	**會議次數**	10	4	4	4	1
Executive Directors	**執行董事**					
Mr. Chen Chengshou *(Chairman and Chief Executive Officer)*	陳承守先生 *(主席兼行政總裁)*	3/10	N/A 不適用	N/A 不適用	0/4	0/1
Mr. Shi Jianwen (appointed on 22 August 2025)	石艦文先生 (於二零二五年八月二十二日獲委任)	2/2	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Hu Chaozhou (appointed on 22 August 2025 and resigned on 3 March 2026)	胡朝州先生 (於二零二五年八月二十二日獲委任及於二零二六年三月三日辭任)	2/2	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Feng Cizhao (retired on 14 April 2025)	豐慈招先生 (於二零二五年四月十四日退任)	1/4	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Zhou Fenli (retired on 14 April 2025)	周奮力先生 (於二零二五年四月十四日退任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Non-executive Directors	**非執行董事**					
Mr. Cao Zhiqiang (appointed on 9 August 2024 and redesignated on 11 April 2025 and resigned on 3 March 2026)	曹志強先生 (於二零二四年八月九日獲委任及於二零二五年四月十一日調任及於二零二六年三月三日辭任)	8/10	N/A 不適用	N/A 不適用	3/4	0/0
Ms. Gao Qiaoqin (retired on 14 April 2025)	高巧琴女士 (於二零二五年四月十四日退任)	1/4	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Zhou Zhencun (retired on 14 April 2025)	周振存先生 (於二零二五年四月十四日退任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)	蔡偉康先生 (於二零二五年二月二十四日辭任)	0/0	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Independent non-executive Directors	**獨立非執行董事**					
Ms. Lee Yin Man	李彥雯女士	10/10	4/4	4/4	4/4	1/1
Ms. Huang Chunlian	黃春蓮女士	9/10	4/4	4/4	4/4	1/1
Ms. Chan Wai Yan (appointed on 11 April 2025)	陳慧恩女士 (於二零二五年四月十一日獲委任)	6/6	2/2	2/2	2/2	1/1
Mr. Khor Khie Liem Alex (retired on 14 April 2025)	許麒麟先生 (於二零二五年四月十四日退任)	3/4	2/2	1/2	1/2	0/0
Mr. Chiu Kung Chak (retired on 14 April 2025)	趙公澤先生 (於二零二五年四月十四日退任)	4/4	2/2	1/2	1/2	0/0

Works Performed

During the Year under Review, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgment on the strategy, performance and standards of conduct of the Company; had taken a leading role when potential conflict of interest arose; had served on Board committees; had approved various corporate governance related matters and policies; had ensured that the Board maintained high standards of financial and other mandatory reporting; carried out reviews on matters reported by the Board committees; and had provided adequate checks and balance to safeguard the interests of shareholders and the Company as a whole. In addition, the Board delegates to the management of the Company certain functions, including the implementation of general daily operation, strategies approved by the Board, the implementation of internal control procedures and ensuring compliance with relevant requirements and other rules and regulations.

履行之工作

於回顧年度內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事亦對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事會轄下委員會委員；通過企業管治相關事宜及政策；確保董事會維持高水平之財務及其他強制申報準則；審閱董事會轄下委員會報告之事項；以及提供足夠審查及平衡以保障全體股東與本公司之整體利益。此外，董事會將若干職能下放予本公司管理層，包括進行一般日常運作、董事會批准的策略、落實內部監控程序，以及確保符合相關規定及其他規則及規例。

As at the date of this report, other than the executive Director, Mr. Chen Chengshou, who has entered into a letter of appointment with the Company with a term of three years, executive Director, Mr. Shi Jianwen, and independent non-executive Directors, Ms. Lee Yin Man, Ms. Huang Chunlian and Ms. Chan Wai Yan, each of whom entered into a letter of appointment with the Company with a term of one year respectively.

於本報告日期，除執行董事陳承守先生已與本公司訂立為期三年的委聘函外，執行董事石艦文先生及獨立非執行董事李彥雯女士、黃春蓮女士及陳慧恩女士各自已與本公司訂立為期一年的委聘函。

During the Year under Review, the non-executive Directors and INEDs had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings.

於回顧年度內，非執行董事及獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

Besides attending the meetings of the Board or the committees, in order to make timely decision and effectively implement the policies and practice of the Company, the Board had also adopted written resolutions signed by all Directors to make decision on corporate affairs from time to time.

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納經全體董事簽署之書面決議書為公司事務作出決定。

As part of the continuing process on supervising the business of the Company, the Directors, acted by the Audit Committee of the Company (the "Audit Committee"), had reviewed the adequacy of resources, qualifications and experience of the accounting staff of the Company and financial reporting functions.

作為持續監督本公司業務之程序，董事已由審核委員會(「審核委員會」)代行審閱本公司會計員工的資源、資歷及經驗以及財務匯報職能是否足夠。

Independent Non-executive Directors' Confirmation

The Company has received, from each INED, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all the INEDs are independent. The Company is in compliance with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the INEDs.

獨立非執行董事之確認

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。本公司並符合上市規則第3.10及3.10A條關於獨立非執行董事之規定。

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Chen is the chairman and the chief executive officer of the Company ("CEO"). The Group therefore does not separate the roles of the chairman and the CEO. The Board considered that Mr. Chen had in-depth knowledge and experience in the property investment and development industry and was the most appropriate person to manage the Group. Vesting the roles of both chairman and CEO in Mr. Chen has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Besides, three independent non-executive Directors of the Board had actively participated in the Board meetings, made independent judgments on matter of meeting and expressed their opinions on the information or reports proposed at the meetings. Although Mr. Chen is the chairman and chief executive officer, the Company believes the Board will not make any biased decisions under Mr. Chen's influence. The Board will continue to review and consider splitting the roles of chairman and CEO of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

主席兼行政總裁

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁之職位應有所區分，且不應由同一人士兼任。陳先生為本公司主席兼行政總裁（「行政總裁」）。故此本集團並無區分主席及行政總裁之職位。董事會相信陳先生於物業投資及發展行業具備淵博的學識及豐富的經驗，為最適合管理本集團之人士，由陳先生兼任主席及行政總裁的角色，可確保本集團內之貫徹領導及可令本集團之整體策略規劃更有效及具效率。董事會認為，目前的安排將不會削弱權力制衡，而這個架構將有助本公司迅速及有效地作出及實行決策。再者，董事會的三位獨立非執行董事均積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見，雖陳先生為本公司主席兼行政總裁，本公司認為並不會影響董事會作出任何有偏頗之嫌的決定。董事會將持續檢討，屆時顧慮到本集團的整體情況，考慮將本公司的主席與行政總裁的職能分開是否適當及適合。

BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee (the "Remuneration Committee") and Nomination Committee (the "Nomination Committee") with defined roles and terms of reference.

董事會轄下委員會

董事會已成立審核委員會、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」），並界定其角色及職權範圍。

Audit Committee

Structure

The Company established the Audit Committee on 8 June 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C.3.4 of the CG Code as set out in Appendix 14 to the Listing Rules. The updated terms of reference of the Audit Committee are adopted on 29 December 2015, and are available on the websites of the Hong Kong Stock Exchange and the Company. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

審核委員會

架構

本公司於二零一五年六月八日成立審核委員會，並遵照上市規則第3.21條及上市規則附錄14列載之企業管治守則第C.3.4段制訂其書面職權範圍。審核委員會之最新職權範圍已於二零一五年十二月二十九日獲採納，並可於香港聯交所及本公司網站查閱。審核委員會的主要職責為就本集團財務申報程序、內部控制及風險管理制度的有效性向董事會提供獨立審查、監察審核程序及行使由董事會分配之其他職責。

All members under the Audit Committee possess diversified business experience. The chairman of the Audit Committee has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules.

As at the date of this annual report, the Audit Committee is made up of three INEDs:

Ms. Lee Yin Man (*Chairman*)
Ms. Huang Chunlian
Ms. Chan Wai Yan

Functions

The terms of reference of the Audit Committee can be found on the websites of the Company and the Hong Kong Stock Exchange. The major duties of the Audit Committee are summarized as below:

(i) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues relating to the resignation or dismissal of such auditor;

(ii) to monitor the integrity of the Company's financial statements and annual reports and accounts, half year reports and, if prepared for publication, quarterly reports, and to review material comments on financial reporting contained in the statements and reports;

(iii) to review the financial controls, risk management and internal control systems of the Company, unless the risk committee otherwise under the Board or the Board itself has expressly stated that they will deal with it;

(iv) to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; and

(v) to consider and identify risks of the Group and review the effectiveness of the decision-making processes of the Group in crisis and emergency situations and approve the major decisions affecting the risk profile or exposure of the Group.

審核委員會全體成員具備多元化的業務經驗。審核委員會主席具備了上市規則規定之適當專業資格、會計或相關財務管理專業知識。

於本年報日期，審核委員會由三位獨立非執行董事組成：

李彥雯女士 *(主席)*
黃春蓮女士
陳慧恩女士

職能

有關審核委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。審核委員會之主要職責概述如下：

(i) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款、及處理任何有關該核數師辭職或辭退該核數師的問題；

(ii) 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；

(iii) 檢討本公司的財務監控，以及(除非有另設的董事會轄下風險委員會及或董事會本身會明確處理)檢討本公司的風險管理及內部監控系統；

(iv) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；及

(v) 審議及識別本集團的風險，並審議危機及緊急情況發生時本集團的決策程序的成效，以及批准影響本集團風險概況或風險的重要決策。

Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and dispatches an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year under Review, the Audit Committee members reviewed the information memorandum with due care and discussed with the senior management of the Company during the meetings. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company and copies of the minutes were delivered to the Audit Committee members for records.

會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。於回顧年度內，審核委員會成員審慎地審閱資料備忘錄，並於會議上與本公司高級管理層成員討論。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員提供意見。經簽署之會議記錄由本公司存置，而有關副本亦已送交審核委員會成員以作記錄。

Works Performed

The works performed by the members of Audit Committee during the Year under Review are summarized as below:

(i) to review the annual accounts and consolidated financial statements and interim accounts of the Group;

(ii) to review, discuss and agree with the Independent Auditor in respect of the audit fee for the Year under Review; the nature, scope of audit and reporting obligations for the Year under Review;

(iii) to review the effectiveness of the action plan to mitigate the Group's liquidity pressure and remove the Audit Modification;

(iv) to review and assess the adequacy and effectiveness of the financial reporting and controls, internal control procedures and risk management system of the Group;

(v) to review the corporate governance practices and monitor the progress of compliance of the CG Code and its disclosure in the Corporate Governance Report;

(vi) to review the performance of the properties of the Group for the year ended 31 December 2025;

(vii) to review the continuing connected transactions to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements in respect of these continuing connected transactions;

(viii) to review the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget; and

(ix) to discuss with the Independent Auditor with respect to the accounting principles and practices adopted by the Group, compliance with the Listing Rules and other financing reporting requirements.

履行之工作

審核委員會成員於回顧年度內所履行之工作概述如下：

(i) 審閱本集團年度之賬目及綜合財務報表，以及中期賬目；

(ii) 與獨立核數師審閱、討論及同意回顧年度內之核數費用；核數之性質、範圍及申報責任；

(iii) 審閱行動計劃的有效性以緩解本集團流動資金壓力及撤銷審核保留意見；

(iv) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；

(v) 檢討企業管治常規及監控遵守企業管治守則之進度及其於企業管治報告中的披露情況；

(vi) 審閱本集團截至二零二五年十二月三十一日止年度之物業表現；

(vii) 審閱持續關連交易，以確保其乃按正常商業條款訂立，為公平合理並根據該等持續關連交易相關協議的條款進行；

(viii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；及

(ix) 就有關本集團所採納的會計原則及慣例、上市規則的合規情況及其他財務匯報規定與獨立核數師討論。

Overall, the Audit Committee is satisfied with the condition of the Company, including the corporate governance practices, internal control system, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes.

整體而言，審核委員會滿意本公司之狀況，包括企業管治實務、內部監控制度以及會計及財務匯報職能方面的員工之資歷及經驗與員工所接受的培訓課程是足夠的。

One of the specific works vested upon the Audit Committee is to develop and review the corporate governance policies and practices of the Company. Upon reviewed by the Audit Committee and approved by the Board, the main policies for the corporate governance of the Company are to develop the Company itself as a sustainable and competitive company in the business sector in the interests of the Company and the shareholders as a whole, with an aim for a prudent and profitable development and long-term achievement of growth through the well-established corporate governance principles, risk monitoring management and practices. As a listed company in Hong Kong, the Company is obliged to follow the principles, code provisions and recommended best practices (if applicable) set forth in Appendix 14 to the Listing Rules as the substantial requirement on achieving high standards of corporate governance as well as a cornerstone of the corporate governance policy of the Company.

審核委員會的其中一項特定工作為發展及檢討本公司有關企業管治的政策及常規。經審核委員會審閱並由董事會批准後，本公司的主要企業管治政策乃於符合本公司及股東整體利益的情況下將本公司本身發展為一間可持續發展及具競爭力的商業公司，並旨在透過成熟的企業管治原則、風險監管、管理及常規，達致審慎及高利潤的發展以及長遠增長。作為一間香港上市公司，本公司須遵守上市規則附錄14所載的原則、守則條文及建議最佳常規（如適用），此乃達致高水平企業管治的重大要求及本公司企業管治政策的基石。

Remuneration Committee

Structure

The Remuneration Committee has been established on 8 June 2015 with written terms of reference in compliance with Rule 3.26 of the Listing Rules and code provision B.1.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the roles to assist the Board in reviewing and determining the framework or specific policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other matters as defined by the Board.

As at the date of this annual report, the Remuneration Committee is made up of three INEDs:

Ms. Lee Yin Man *(Chairman)*
Ms. Huang Chunlian
Ms. Chan Wai Yan

薪酬委員會

架構

薪酬委員會於二零一五年六月八日成立，並遵照上市規則第3.26條及上市規則附錄14列載之企業管治守則第B.1.3條制訂及公開其書面職權範圍。其角色為協助董事會檢討及釐定董事及高級管理層之薪酬架構或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

於本年報日期，薪酬委員會由三位獨立非執行董事組成：

李彥雯女士 *(主席)*
黃春蓮女士
陳慧恩女士

Functions

The principal responsibilities of the Remuneration Committee are as follows:

(i) to make recommendations to the Board on the policy and structure of the Company for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment);

(iii) to make recommendations to the Board on the remuneration of executive and non-executive Directors; and

(iv) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company.

The terms of reference of the Remuneration Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their recommendations relating to the remuneration of other executive Directors and may also obtain independent professional advice.

職能

薪酬委員會之主要職責如下：

(i) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；

(ii) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；

(iii) 就執行及非執行董事的薪酬向董事會提出建議；及

(iv) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須對本公司而言屬公平合理及不致過多。

有關薪酬委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

薪酬委員會應就其他執行董事之薪酬建議諮詢主席及／或行政總裁，亦可索取獨立的專業意見。

Works Performed

The works performed by the members of the Remuneration Committee during the Year under Review are summarized as below:

(i) to consider and make recommendations to the Board for endorsement of the remuneration policy of the Company and letters of appointment of the Directors and senior management with major terms and conditions, to comply with the CG Code; and

(ii) to assess performance of executive Directors and consider and make recommendations to the Board on the remuneration of the Directors and senior management during the Year under Review.

(iii) Pursuant to code provision B.1.5 of the CG Code, the five highest paid employees during the year is one Director (2024: one Director), details of whose remuneration are set out in Note 8 to the financial statements. During the Year under Review, the remuneration paid to the senior management fell within the following band:

履行之工作

薪酬委員會成員於回顧年度內所履行之工作概述如下：

(i) 就本公司薪酬政策及本公司董事及高級管理層委聘函的主要條款及條件作出考慮並提出建議予董事會作批註，以符合企業管治守則；及

(ii) 評核執行董事的表現及考慮董事及高級管理層於回顧年度內的薪酬並向董事會提出建議。

(iii) 根據企業管治守則的守則條文第B.1.5條，本年度五名最高薪酬僱員為一名董事（二零二四年：一名董事），彼等之薪酬詳情載列於財務報表附註8。於回顧年度，向高級管理層成員支付之薪酬範圍如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Directors' fee, salaries, allowances and benefits in kind	董事酬金、薪金、津貼及實物利益	**1,489**	2,216
Equity-settled share award expense	以股權結算股份獎勵開支	**–**	–
Pension scheme contributions	退休金計劃供款	**–**	–
		1,489	2,216

The number of the highest paid employees who were Directors and whose remuneration fell within the following band is as follows:

董事且薪酬介乎以下範圍之最高薪酬僱員之人數如下：

		2025 二零二五年	2024 二零二四年
Nil to HK$1,000,000	零至1,000,000港元	**14**	7
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	**–**	–
		14	7

Nomination Committee

Structure

The Nomination Committee was established on 8 June 2015 with written terms of reference in compliance with code provisions A.5.2 and A.5.3 of the CG Code as set out in Appendix 14 to the Listing Rules with the role to lead the process and to make recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing the Company, as well as business development and requirements of the Company.

As at the date of this annual report, the Nomination Committee is made up of one executive Director and three INEDs, namely:

Mr. Chen Chengshou *(Chairman)*
Ms. Lee Yin Man
Ms. Huang Chunlian
Ms. Chan Wai Yan

Functions

The principal responsibilities of the Nomination Committee are as follows:

(i) to review the structure, size, composition and diversity (including but not limited to gender, age, culture and education background, ethnicity, professional experience, skills, knowledge and service term, etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the strategy of the Company;

(ii) to assess the independence of the independent non-executive Directors; and

(iii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer, taking into account the corporate strategy of the Company and the mix of skills, knowledge, experience and diversity needed in the future.

提名委員會

架構

提名委員會於二零一五年六月八日成立，並遵照上市規則附錄14列載之企業管治守則之守則條文第A.5.2條及A.5.3條制訂及公開其書面職權範圍。其角色為就委任程序作出領導及向董事會提出建議，（當不論作為新增委任或填補董事空缺發生時），以應付本公司所面對的挑戰及機遇，以及本公司業務開發及要求。

於本年報日期，提名委員會由一位執行董事及三位獨立非執行董事組成，彼等為：

陳承守先生 *(主席)*
李彥雯女士
黃春蓮女士
陳慧恩女士

職能

提名委員會之主要職責如下：

(i) 至少每年檢討董事會的架構、人數、組成及成員多元化（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；

(ii) 評核獨立非執行董事的獨立性；及

(iii) 因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議。

Board Diversity Policy

The Nomination Committee has adopted a "Board Diversity Policy" for the nominations of Directors to achieve diversity on the Board. The Board deeply believes that the diversity will benefit a lot to the Company in terms of enhancing the quality of its performance. To achieve the goal of sustainable and balanced development, the Company regards the increasing diversity to the strategic goals as the key element to maintain sustainable development. The Board adheres to the principle that "talent is priority", and appoints the Directors who can contribute to the diversity of the Board. The Company devotes to find the most suitable people as the member of committee. The Company will base on the scope of diversity, not only including the education background, experience, skills, knowledge and term of appointment but also including but not limited to gender, age, culture background and race, with reference to business model and specific needs of the Company. The final determination is based on merit and contribution that the selected candidates will bring to the Board. "Board Diversity Policy" is publicly available on the website of the Company.

董事會成員多元化政策

提名委員會已就董事之提名採納《董事會成員多元化政策》以達致董事會成員多元化。董事會深信董事會成員多元化對提升本公司的表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。董事會所有委任均以用人唯才為原則，並在考慮人選時以適當的條件充分顧及董事會成員多元化的裨益。本公司致力於選擇最佳人選作為董事會成員。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族，並同時考慮本公司之業務模式及具體需要。最終將按人選的長處及可為董事會提供的貢獻而作決定。《董事會成員多元化政策》已載於本公司網站供公眾瀏覽。

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one-third of the members of the Board shall be independent non-executive Directors;

(B) at least one of the member of the Board shall have obtained accounting or other professional qualifications; and

(C) members of the Board shall consist of professional talents both from PRC and Hong Kong.

For the year ended 31 December 2025, the Board has achieved the measurable objectives in the board diversity policy. The Nomination Committee will monitor the implementation of this policy and review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The terms of reference of the Nomination Committee can be found on the websites of the Company and the Hong Kong Stock Exchange.

Works Performed

The works performed by the members of Nomination Committee during the Year under Review are summarized as below:

(i) to formulate, consider and review the policy, procedures and process and criteria for the nomination of the Directors and make recommendations to the Board for its endorsement; and

(ii) review the structure, size and composition of the Board and assess on the independence of the independent non-executive Directors.

Director Nomination Policy

The director nomination policy formulated by the Nomination Committee is as follows:

This policy sets out the key selection criteria and principles of the Nomination Committee in making any such recommendations.

就實施董事會成員多元化政策而言，乃採納以下可計量目標：

(A) 至少三分之一董事會成員須為獨立非執行董事；

(B) 至少一名董事會成員須獲得會計或其他專業資格；及

(C) 董事會成員組成包括中港兩地專業人才。

截至二零二五年十二月三十一日止年度，董事會已實現董事會成員多元化政策中的可計量目標。提名委員會監察本政策的執行，並在適當時候檢討本政策，以確保本政策行之有效。提名委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

有關提名委員會之職權範圍，可瀏覽本公司及香港聯交所網頁。

履行之工作

提名委員會成員於回顧年度內所履行之工作概述如下：

(i) 訂定、考慮及審閱提名董事的政策、程序及過程及準則，並向董事提出建議，以供其批註；及

(ii) 檢討董事會的架構、規模及組成以及評估獨立非執行董事的獨立性。

董事提名政策

提名委員會訂定的《董事提名政策》如下：

此政策旨在列明提名委員會於作出任何有關建議時所採用的主要甄選標準及原則。

Selection Criteria

The Nomination Committee shall consider the following factors, which are not exhaustive and shall be used by the Board at its discretion, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):

(a) reputation for integrity;

(b) accomplishment, experience and reputation in the business and industry;

(c) commitment in respect of time availability, interest and attention to the businesses of the Company and its subsidiaries;

(d) the diversity of the candidates in all aspects with reference to the Board Diversity Policy of the Company (as adopted and amended by the Board from time to time), including but not limited to gender, age, cultural/educational and professional background, ethnicity, professional experience, independence, skills, knowledge and length of service;

(e) in case of a candidate for an independent non-executive director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements in relation to independent non-executive directors as set out in Code Provision A.5.5 of Appendix 14 to the Listing Rules and in the "Guidance for Boards and Directors" published by the Hong Kong Stock Exchange; and

(f) any other relevant factors that may be considered by the Nomination Committee or the Board from time to time at their discretion.

Nomination Procedures

The nomination procedures to select and recommend candidates for the directorship of the Company can be summarised as follows:

(a) The chairman of the Nomination Committee will, upon his/her own motion or receipt of a nomination from a Board member (as the case may be), convene a meeting of the Nomination Committee or circulate a resolution in writing to the members of the Nomination Committee to consider the same in accordance with the terms of reference.

甄選標準

提名委員會在評估候選人是否適合任命董事或重新任命董事時，應考慮下列因素，這些因素並非詳盡無遺，董事會認為適當時候可酌情決定：

(a) 誠信的聲譽；

(b) 在商業和行業中的成就、經驗和聲譽；

(c) 對本公司及其子公司的業務給予足夠的時間、興趣和關注的承諾；

(d) 參考本公司的董事會成員多元化政策（經董事會採納並不時修訂），考慮其所有方面的多樣性，包括但不限於性別、年齡、文化／教育和專業背景、種族、專業經驗、獨立性、技能、知識及服務期長短；

(e) 就本公司獨立非執行董事候選人而言，將予評估：(i)有關候選人的獨立性（參考（其中包括）上市規則第3.13條所載的獨立性標準）；及(ii)上市規則附錄14守則條文第A.5.5條及香港聯交所公佈的「董事會及董事指引」所載的有關獨立非執行董事之指引及規定；及

(f) 提名委員會或董事會不時酌情決定的任何其他相關因素。

提名程序

甄選及推薦本公司董事候選人的提名程序可概述如下：

(a) 提名委員會主席將出於自願或於獲得董事會成員提名（視情況而定）時，召開提名委員會會議或向提名委員會成員傳閱書面決議案，以根據職權範圍考慮有關事項。

(b) For filling a casual vacancy to the Board or as an addition to the Board, the Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) to the nominated candidate and make recommendations to the Board for consideration, and the Board will then decide as to whether the nominated candidate shall be eligible to be appointed as a Director of the Company.

(b) 填補董事會的臨時空缺或為董事會增補董事時，提名委員會將對獲提名的候選人執行相關甄選程序（連同相關甄選標準），並向董事會提出推薦意見以供考慮，而董事會屆時將決定獲提名候選人是否有資格獲委任為本公司董事。

(c) For the re-election of Directors of the Company:

(c) 於重選本公司董事時：

(i) the Nomination Committee will conduct the relevant selection process and selection criteria to the director proposed to be re-appointed and make recommendations to the Board for consideration, and the Board will then decide as to whether the director shall be eligible to be re-appointed as a Director of the Company; and

(i) 提名委員會將對擬獲重選董事執行相關甄選程序及甄選標準，並向董事會提出推薦意見以供考慮，而董事會屆時將決定董事是否有資格獲重新委任為本公司董事；及

(ii) if the director proposed to be re-appointed or re-elected due to retirement by rotation under the Articles of Association of the Company is an independent non-executive Director who has served the Board for more than 9 years, the Nomination Committee shall also assess whether the director has remained independent in the context of the Listing Rules, as amended from time to time (the "Listing Rules") and shall be re-elected at the next general meeting of the Company and make recommendations to the Board for consideration. The Board will then decide as to whether the director has remained independent in the context of the Listing Rules, and if so, recommend the proposed re-appointment/re-election of the director to the shareholders of the Company for consideration at the next general meeting of the Company. According to the Code Provision A.4.3 of the Appendix 14 to the Listing Rules, the circular of the Company relating to the proposed reappointment of such director shall include the reasons why the Board believes that the director is still independent and shall be re-elected.

(ii) 倘因根據本公司組織章程細則輪席告退而擬獲重新委任或重選的董事為出任董事會逾9年的獨立非執行董事，則提名委員會亦應評估董事就上市規則(經不時修訂)（「上市規則」）而言是否仍屬獨立及應否於本公司下屆股東大會上膺選連任，並向董事會提出推薦意見以供考慮。董事會屆時將決定董事就上市規則而言是否仍屬獨立，倘屬獨立，將於本公司下屆股東大會向本公司股東推薦擬重新委任／重選董事。根據上市規則附錄14守則條文第A.4.3條，有關擬重新委任有關董事的本公司通函應包括董事會相信董事仍屬獨立且應獲重選之理由。

Information of the Candidates

The proposed candidates will be required to submit the necessary personal information in a prescribed form by the Nomination Committee. Candidates may be required to provide additional information and documents, if deemed necessary by the Nomination Committee.

候選人資料

提名委員會將要求推薦的候選人按指定的形式提交必要的個人資料，候選人或需提供額外資料及文件（倘提名委員會認為必要）。

MANAGEMENT FUNCTIONS

Basically, the Board and its committees were responsible for the following matters during the year:

(i) oversee the general operations of the Company;

(ii) ensure effective implementation of the Board decisions and corporate governance, with the assistance of the Company Secretary;

(iii) ensure the short-term and long-term sustainability of the business;

(iv) lead the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(v) provide consistent leadership to the Company;

(vi) satisfy itself on the integrity of financial information and on robustness and defensibility of the financial controls and systems of risk management and carry out review thereon;

(vii) scrutinize the performance of the management of the Company in meeting agreed goals and objectives and monitor the reporting of performance;

(viii) provide constructive proposals and help on developing business strategic plan;

(ix) uphold high standards of corporate governance and compliance; and

(x) participate in the process of dealing with any conflict of interest between the Company and the Directors, his/her associates or substantial shareholders who have material interests in the transaction with the Company.

管理層職能

基本上，董事會及其委員會於本年度內負責以下事項：

(i) 監察本公司的一般營運；

(ii) 於公司秘書的協助下，確保董事會的決定及企業管治能有效實施；

(iii) 確保業務具有短期及長期的持續性；

(iv) 領導本公司管理層於達致協定方針及目標的表現以及監察表現的申報工作；

(v) 為本公司提供一致的領導；

(vi) 信納財務資料的真確性、財務監控及風險管理系統的可信性及可辯解性，並就此進行有關檢討；

(vii) 詳細檢討本公司管理層於達致協定方針及目標的表現，並監管表現的申報；

(viii) 就發展業務策略計劃書提供具建設性的建議及協助；

(ix) 保持高水平的企業管治及合規工作；及

(x) 參與處理就本公司與董事、彼等聯繫人或於本公司交易中擁有重大權益的主要股東之間的任何利益衝突的過程。

During the Year under Review, the management was mainly responsible for the following matters:

1. daily investment, management, operation and administration of the Company;
2. comply with the rules and regulations, including the Listing Rules, and implement corporate governance policy determined by the Board;
3. draw the Directors' attention on the new corporate governance requirements;
4. organize the Board and various meetings for the Directors' discussion;
5. prepare various reports to the Board for review and decision making; and
6. organize training for the Directors.

During the Year under Review, the management provided all members of the Board updates every half year in accordance with the code provision C.1.2 of the CG Code.

於回顧年度內，管理層主要負責：

1. 本公司的日常投資、管理、營運及行政；
2. 遵守規例及法規（包括上市規則）以及推行董事會所釐定的企業管治政策；
3. 提請董事關注有關企業管治的新規定；
4. 組織董事會會議及各種會議供董事討論；
5. 編製各種報告供董事會審閱及決策；及
6. 為董事安排培訓。

回顧年度內，管理層已根據企業管治守則之守則條文第C.1.2條向全體董事會成員提供每半年更新資料。

MULTIPLE MATERIAL UNCERTAINTIES RELATING TO GOING CONCERN

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB239,340,000 for the year ended 31 December 2025. At 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB4,676,401,000. In addition, at 31 December 2025, the Group's outstanding borrowings of approximately RMB1,213,499 and the convertible bonds issued by the Group amounting approximately RMB269,983,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities from which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，本集團於截至二零二五年十二月三十一日止年度產生虧損淨額約人民幣239,340,000元。於二零二五年十二月三十一日，本集團的流動負債超過其流動資產約人民幣4,676,401,000元。此外，於二零二五年十二月三十一日，本集團尚欠借款約人民幣1,213,499元以及本集團已發行可換股債券約人民幣269,983,000 元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所述其他事宜，表明存在的重大不確定性可能對本集團持續經營業務的能力帶來重大疑問。

管理層已採取多項措施，以改善本集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表乃基於持續經營的假設編製，有關假設的有效性取決於該等措施實施之結果，其受限於多個不確定因素，包括(i)成功與本集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為本集團可見將來的營運資金及承擔額外撥資；(iv)成功加速開發中物業及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘本集團未能按持續經營基準經營，而可能須作出有關調整以撇減本集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於該等綜合財務報表中反映。

THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

During the course of audit of the consolidated financial statements of the Group for the year ended 31 December 2025, the Auditor had raised concern on the Group's ability to operate as a going concern. In order to address this concern, the Company has, among other things, taken the following measures, including but not limited to:

(i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests.

The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no actions will be taken by the relevant lenders to demand immediate repayment of borrowings and interest payments in default, including those with cross default terms, and hopes to extend the due dates and repayment schedules of the outstanding borrowings. As of 31 December 2025, there is still a total principal amount of RMB1,213,499,000 outstanding and convertible bonds of approximately RMB269,983,000 that are overdue pursuant to the borrowing agreements.

(ii) Continuously negotiating with various financial institutions and potential lenders/investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future.

As of the date of this report, the Company intends to obtain additional financing from other financial institutions using the Group's completed residential properties on terms deemed appropriate by the Group. The Management has also been negotiating financial arrangements with self-financed contractor, who will advance construction costs during the contract period, with payments made according to the sales proceeds.

管理層有關無法表示意見的立場、意見及評估

於審核本集團截至二零二五年十二月三十一日止年度之綜合財務報表過程中，核數師已就本集團持續經營業務的能力提出關注。為解決此問題，本公司已採取以下措施（其中包括），包括但不限於：

(i) 就尚欠借款（包括已逾期本金及利息）與各家金融機構繼續磋商達成重續或延展還款安排。

管理層一直就尚欠借款的重續或延展還款安排與現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息（包括交叉違約條款所涵蓋的借款及利息）及希望延展到期日及尚欠借款的還款時間表。截至二零二五年十二月三十一日，仍尚欠本金總額人民幣1,213,499,000元，以及根據有關借款協議已逾期的可換股債券約人民幣269,983,000元。

(ii) 與各家金融機構及潛在貸款人／投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外融資的機會。

截至本報告日期，本公司擬按本集團認為合適的條款，利用本集團已落成的住宅物業向其他金融機構取得額外融資。管理層亦一直與自負盈虧的承建商商討財務安排，承建商將於合約期內墊支建築成本，並根據銷售所得款項支付。

(iii) Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group.

The construction of Block 9 and 16 of phase 4 of the Shandong Project was completed as planned and the said blocks were delivered since September 2025, given that revenue of the Group for the year ended 31 December 2025 amounted to approximately RMB109.5 million, representing an increase of approximately 26.0% as compared with the prior year. Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

Majority of the net proceeds from Shandong Project has been and will be used for the repayment of the outstanding borrowings.

(iv) Actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price.

Currently, the Company has been negotiating with certain potential purchasers and have done preliminary due diligence work regarding the sale of the whole Shanghai property development project at price deemed appropriate by the Group. The Group is negotiating with other property development enterprise and investors in relation to Shanghai property development project and have done preliminary due diligence work but since the real estate market has yet to fully recover, such negotiations have yet to progress smoothly and the management of the Company is identifying new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively.

The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowings. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(iii) 加速開發中及已竣工物業之預售和銷售，諸如山東項目，以及控制成本和控制資本開支，從而為本集團帶來充足現金流入淨額。

山東項目第四期第9座及第16座的建築工程已按計劃完成，上述樓座自二零二五年九月起交付，本集團截至二零二五年十二月三十一日止年度的收益約為人民幣109.5百萬元，較上年度增加約26.0%。由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充足的現金流入狀況。

大部分山東項目所得款項淨額已經並將用於償還尚欠借款。

(iv) 積極促使並與大型物業開發商制定初步條款，以按合適的價格銷售個別物業開發項目或整棟商用房。

本公司現時已與若干潛在買方進行協商並已開展初步盡職審查工作，以按本集團認為合適的價格銷售整個上海物業開發項目。本集團正與其他物業開發企業及投資者就上海物業開發項目進行磋商，並已完成初步盡職審查工作，但由於房地產市場仍未全面復甦，該等磋商未能順利進行，本公司管理層正在物色新投資者參與投資上海及台州的改造工程，以提升其相關價值並更快及更有效地加快商業物業的銷售。

管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章下本公司須予公佈的交易，並將須遵守上市規則的相關規定。

(v) Actively accelerate the sale of its properties. The Company intends to sell the whole or portion of commercial properties in Taizhou and Shanghai, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

Due to the weakened market segment, the management of the Company strive to launch an attractive sale promotion plan and strategy to sell the residential properties in order to maintain the adequate cash inflow position.

In addition, the management of the Company has launched the proposal of capital re-organization and rights issue with view to fundraising of approximately not more than HK$106.0 million to repay the Group's borrowings and to maintain adequate working capital for company's normal operation. For details, please refer to an announcement dated 16 February 2026.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis. Notwithstanding the above, material uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures above. The Group's ability to continue as a going concern will depend upon whether the Group is able to obtain financing when required, while the attainability will depend on the performance of the Group and whether the Group is able to generate sufficient cash flow from operations and plans to control costs, and the attainability depends on the market performance.

Despite the efforts made by the Company to address the concern, the Auditor proposed the disclaimer of opinion. The management of the Company has considered the Auditor's rationale and understood their consideration in arriving at the disclaimer of opinion.

(v) 積極加快物業銷售。本公司擬以合理價格出售台州及上海的全部或部分商業物業，務求加快回流營運資金改善負債及財務槓桿狀況。

由於市場疲弱，本公司管理層致力推出具吸引力的銷售推廣計劃及策略，以出售住宅物業，從而維持充裕的現金流入狀況。

此外，本公司管理層已展開資本重組及供股之建議，以籌集約不超過106.0百萬港元之資金，以償還本集團貸款、可換股債券及其他貸款，並維持充足營運資金以應付公司之正常營運。詳情請參閱日期為二零二六年二月十六日之公告。

因此，董事認為按持續基準編製本集團截至二零二五年十二月三十一日止年度的綜合財務報表屬恰當。儘管上文所述，本集團能否獲得實現上述計劃及措施的必要資金仍存在重大不確定因素。本集團持續經營的能力將取決於本集團能否取得所需融資，而可獲得性將取決於本集團的表現及本集團能否產生充足的經營現金流量及控制成本的計劃，可獲得性取決於市場表現。

儘管本公司已作出努力解決此問題，而核數師已發表無法表示意見。本公司管理層已考慮核數師的理據，並理解彼等作出無法表示意見的考慮。

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

The Group recognises the importance of continuous professional development for Directors to broaden and supplement their knowledge and skills. Each Director strictly abides by their responsibilities as a director of the Company and always keeps abreast of the Company's conduct, business activities and development. In accordance with the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide their training records to the Company. Based on the training records provided by the Directors, the training attended by the Directors during the financial year 2025 is summarised as follows:

董事之持續專業發展

本集團深諳持續專業發展對董事拓展及補充知識及技能的重要性。各董事均恪守作為本公司董事的責任，並時刻緊貼本公司的操守、業務活動及發展。根據企業管治守則規定，所有董事應參與持續專業發展，發展並更新其知識及技能，並應向本公司提供其培訓記錄。根據董事提供的培訓記錄，彼等於二零二五財政年度所參與的培訓概述如下：

Directors	董事	Corporate Governance, Regulatory Development and Trainings on other relevant topics 企業管治、監管發展及其他相關議題的培訓
Executive Directors	**執行董事**	
Mr. Chen Chengshou (Chairman and Chief Executive Officer)	陳承守先生（主席兼行政總裁）	✓
Mr. Shi Jianwen (appointed on 22 August 2025)	石艦文先生（於二零二五年八月二十二日獲委任）	✓
Mr. Hu Chaozhou (appointed on 22 August 2025 and resigned on 3 March 2026)	胡朝州先生（於二零二五年八月二十二日獲委任及於二零二六年三月三日辭任）	✓
Mr. Feng Cizhao (retired on 14 April 2025)	豐慈招先生（於二零二五年四月十四日退任）	✓
Mr. Zhou Fenli (retired on 14 April 2025)	周奮力先生（於二零二五年四月十四日退任）	✓
Non-executive Directors	**非執行董事**	
Mr. Cao Zhiqiang (redesignated on 11 April 2025 and resigned on 3 March 2026)	曹志強先生（於二零二五年四月十一日調任及於二零二六年三月三日辭任）	✓
Ms. Gao Qiaoqin (retired on 14 April 2025)	高巧琴女士（於二零二五年四月十四日退任）	✓
Mr. Zhou Zhencun (retired on 14 April 2025)	周振存先生（於二零二五年四月十四日退任）	✓
Mr. Choi Clifford Wai Hong (resigned on 24 February 2025)	蔡偉康先生（於二零二五年二月二十四日辭任）	✓
Independent Non-executive Directors	**獨立非執行董事**	
Ms. Lee Yin Man	李彥雯女士	✓
Ms. Huang Chunlian	黃春蓮女士	✓
Ms. Chan Wai Yan (appointed on 11 April 2025)	陳慧恩女士（於二零二五年四月十一日獲委任）	✓
Mr. Khor Khie Liem Alex (retired on 14 April 2025)	許麒麟先生（於二零二五年四月十四日退任）	✓
Mr. Chiu Kung Chak (retired on 14 April 2025)	趙公澤先生（於二零二五年四月十四日退任）	✓

DIVIDEND POLICY

The Board of the Company has approved and adopted a dividend policy (the "Dividend Policy") on 26 February 2019. The Company considers stable and sustainable returns to the shareholders of the Company as its goal. Pursuant to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

(a) financial performance, cash flow position, business condition and strategic position of the Group

(b) actual and future demand for working capital and liquidity of the Group

(c) expected future expansion plans of the Group

(d) debt to equity ratios and the debt level of the Group

(e) retained earnings and distributable reserves of the Group

(f) the expectation of the shareholders and investors and the norm of the industry

(g) the general market conditions

(h) any restrictions on payment of dividends

(i) any other relevant factors that the Board deems appropriate

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. Pursuant to the Memorandum and Articles of the Association of the Company and all applicable laws and regulations and the factors set out below, the Board may from time to time declare payment of interim dividends or special dividends to the shareholders as appear to the Board to be justified by the financial conditions and profit of the Company. The Company in general meeting may declare final dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Board of the Company will review the Dividend Policy as appropriate from time to time.

股息政策

本公司董事會已於二零一九年二月二十六日批准及採納股息政策(「股息政策」)。本公司以提供穩定及可持續回報予本公司股東作為目標。根據股息政策,在決定是否建議派發股息及釐定股息金額時,董事會將考慮(其中包括):

(a) 本集團的財務業績、現金流狀況、業務狀況及策略狀況

(b) 本集團的實際和未來營運及流動資金需求狀況

(c) 本集團預期未來擴展計劃

(d) 本集團的負債對權益比率及債務水準

(e) 本集團的保留盈餘和可供分派儲備

(f) 股東及投資者的期望及行業的常規

(g) 一般市場情況

(h) 任何派付股息的限制

(i) 董事會認為適當的任何其他相關因素

在建議或宣派股息時,本公司應維持足夠現金儲備,以應付其資金需求、未來增長以及其股權價值。根據本公司組織章程大綱及細則、所有適用法規及下列因素,董事會可不時向股東宣派其鑑於本公司的財務狀況及溢利而認為合理的中期股息或特別股息,而本公司亦可在股東大會中宣派任何貨幣之末期股息,但任何股息均不得多於董事會所建議的款額。

本公司董事會將在有需要時檢討股息政策。

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "Audit Committee") consists of three independent non-executive Directors, namely Ms. Lee Yin Man (being the chairman of the Audit Committee), Ms. Chan Wai Yan and Ms. Huang Chunlian. The Company's consolidated annual results and financial report for the Year under Review have been reviewed by the Audit Committee.

審閱年度業績

本公司審核委員會(「審核委員會」)成員包括三名獨立非執行董事,即李彥雯女士(即審核委員會主席)、陳慧恩女士及黃春蓮女士。審核委員會已審閱本公司回顧年度內的綜合年度業績及財務報告。

INDEPENDENT AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the remuneration paid or payable to the Independent Auditor of the Company, Global Link CPA Limited, was approximately HK$1.2 million for audit services (2024: approximately HK$1.9 million).

獨立核數師酬金

截至二零二五年十二月三十一日止年度,就核數服務已付或應付予本公司的獨立核數師高嶺會計師有限公司的酬金總額為約為1.2百萬港元(二零二四年:約1.9百萬港元)。

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以儘早發佈為基礎,而中期報告及年報,連同其他股價敏感資料公佈及財務披露則根據上市規則之規定而公佈。

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

管理層向董事會提供解釋、資料及最新進度,讓董事會就財務及其他事項於提交董事會審批及考慮前,可作出知情評估。

Throughout the Year under Review, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. A statement made by the Independent Auditor on their reporting responsibilities for the Year under Review is set out in this annual report.

於回顧年度內,董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目,賬目須真實而公平,並根據國際會計準則理事會頒佈之國際財務報告準則而編製。獨立核數師就彼等於回顧年度內之報告責任所發出之聲明已載於本年報內。

The Group's auditor has issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2025 with the basis of multiple material uncertainties relating to going concern. For details, please refer to "Management Discussion and Analysis" and Note 2 to the consolidated financial statements.

基於與持續經營相關的多個不確定事項,本集團核數師對本集團截至二零二五年十二月三十一日止年度綜合財務報表無法表示意見。詳情請參閱「管理層討論及分析」及綜合財務報表附註2。

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and objectives

The Board acknowledges that it is the responsibility of the Board to maintain adequate risk management and internal control systems and to review the effectiveness of such systems on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalize the risk management of the Group, build up a standard and effective risk management system and improve the ability of risk prevention, so as to ensure that the Group could operate in a safe and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

The Board has delegated the work (with relevant authorities) of risk management and internal controls to the Audit Committee. For the year ended 31 December 2025, the Audit Committee, on behalf of the Board, oversaw the management in the design, implementation and monitoring of the risk management and internal control systems.

Main features of the risk management and internal control systems

The risk governance structure and the main responsibilities of each level of the structure of the Group are summarised as below:

Board

- Determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of risks it is willing to take in achieving the strategic objectives of the Group;
- Ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems; and
- Oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

風險管理及內部監控

方針及目標

董事會確認對風險管理及內部監控系統充分性負責，並有責任持續檢討其有效性。該風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。

風險管理政策的制定旨在使本集團的風險管理正規化，建立標準及有效風險管理系統，提升防範風險能力，從而確保本集團於安全穩定的環境中經營業務，經營管理水平可獲提升，且可達成本集團的經營策略及目標。現有慣例將被定期審閱及更新，以遵循企業管治中的最新慣例。

董事會已將其風險管理及內部監控的職責（與相關權力）轉授予審核委員會。截至二零二五年十二月三十一日止年度，審核委員會（代表董事會）監督管理層對風險管理及內部監控系統的設計、實施及監察。

風險管理及內部監控系統的主要特點

本集團之風險管治架構以及架構內各階層的主要職責簡介如下：

董事會

- 釐定本集團之業務策略與目標，及評估並釐定本集團達成策略目標時所願意接納的風險性質及程度；
- 確保本集團建立及維持合適及有效的風險管理及內部監控系統；及
- 監督管理層對風險管理及內部監控系統的設計、實施及監察。

Audit Committee

- Assists the Board to perform its responsibilities of risk management and internal control;
- Oversees the risk management and internal control systems of the Group on an ongoing basis;
- Reviews the effectiveness of the risk management and internal control systems of the Group at least once annually, which includes the reliability of financial reporting, operational effectiveness and efficiency, compliance with applicable laws and regulations, staff qualifications and experience, and adequacy of relevant budget, and such review shall cover all material controls including financial, operational and compliance control;
- Ensures the adequacy of resources, staff qualifications and experience, training programmes and relevant budget of the accounting, internal audit and financial reporting functions of the Group; and
- Considers major findings on risk management and internal control matters, and reports and makes recommendations to the Board.

Management

- Designs, implements and maintains appropriate and effective risk management and internal control systems;
- Identifies, evaluates and manages the risks that may potentially impact the major processes of the operations;
- Monitors risks and takes measures to mitigate risks in day-today operations;
- Gives prompt responses to, and follows up the findings on risk management and internal control matters raised by the internal audit team or the external risk management and internal control review adviser; and
- Provides confirmation to the Board and Audit Committee (there is no risk management committee) on the effectiveness of the risk management and internal control systems.

審核委員會

- 協助董事會執行其風險管理及內部監控的職責；
- 持續監督本集團的風險管理及內部監控系統；
- 最少每年檢討一次本集團的風險管理及內部監控系統是否有效。當中包括財務匯報的可靠性，營運效益及效率，適用法令及法規的遵從，員工資格與經驗，以及有關預算是否足夠，有關檢討應涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控；
- 確保本集團在會計、內部審核及財務匯報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程，以及有關預算；及
- 考慮有關風險管理及內部監控事宜的重要調查結果，並向董事會匯報及作出建議。

管理層

- 設計、實施及維持合適及有效的風險管理及內部監控系統；
- 識別、評估及管理可能對運作之主要程序構成潛在影響之風險；
- 監察風險並採取措施降低日常營運風險；
- 對內部審計團隊或外部風險管理及內部監控審閱顧問提出之有關風險管理及內部監控事宜之調查結果，作出及時的回應及跟進；及
- 向董事會及審核委員會（並無風險管理委員會）提供有關風險管理及內部監控系統是否有效的確認。

Internal Control Management Team

- Reviews the adequacy and effectiveness of the risk management and internal control systems of the Group;
- Reports to the Audit Committee the findings of the review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified;
- Reviews the risks of major investment development projects, and continuously improves the policies and standards for environmental control in accordance with the COSO internal control framework and the comprehensive risk management framework to ensure effective risk prevention and control; and
- Based on five elements, namely environment control, risk assessment, activities control, information and communication, monitoring to assess the internal control system of the Group. The methods, findings and results of the annual review have been reported to the Audit Committee and the Board.

內控管理團隊

- 審閱本集團風險管理及內部監控系統是否足夠及有效；
- 向審核委員會匯報審閱結果並向董事會及管理層作出建議，以改善制度之重大不足之處或所發現之監控缺失；
- 審查重大投資開發項目的風險，按照COSO內部控制框架和全面風險管理框架，持續改善控制環境的政策及標準，確保風險的有效防控；及
- 根據控制環境、風險評估、控制活動、信息和溝通及監督五大範疇，評估本集團之內部監控系統。年度檢討之方法、發現及結果經已向審核委員會及董事會匯報。

Process used to identify, evaluate and manage significant risks

As a routine procedure and part of the risk management and internal control systems, executive Directors and the senior management would meet at least once every three months to review the financial and operating performance of each department. The senior management of the key operating subsidiaries is also required to keep executive Directors informed of material developments of the business of the department and implementation of the strategies and policies set by the Board on a regular basis.

用於識別、評估及管理重大風險的程序

作為常規程序及部分風險管理及內部監控系統的一部分，執行董事及高級管理層將至少每三個月會見一次，以檢討各部門的財務及營運業績。主要經營附屬公司的高級管理層亦須告知執行董事部門業務的重大發展以及實施董事會定期制定的策略及政策。

The processes for identifying, evaluating and managing significant risks by the Group are summarised as follows:

本集團用於識別、評估及管理重大風險的程序簡介如下：

Risk Identification

- Identifies risks that may potentially affect the business and operations of the Group.

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact of risk on the business and the likelihood of their occurrence.

風險評估

- 使用管理層建立之評估標準，評估已識別之風險；及
- 考慮風險對業務之影響及出現之可能性。

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control procedures to prevent, avoid or mitigate the risks.

風險應對

- 透過比較風險評估之結果，排列風險優先次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control procedures are in place;
- Revises the risk management strategies and internal control procedures in case of any significant changes; and
- Reports the results of risk monitoring to the management and the Board regularly.

The Board has in place an internal audit function as required under code provision C.2.5 of the CG Code. To strengthen the risk management and internal control of the Group, the Company has engaged an independent professional adviser ("Internal Control Adviser") to perform an independent appraisal of certain subsidiary's risk management and internal control system for the year ended 31 December 2025. The scope of review for the Year included capital management, borrowing management, expenditure management and financial reporting process of a principal operating subsidiary. The Internal Control Adviser has reported the results of internal control review and recommendations for improvement to the Audit Committee. The Group will closely follow up on each recommendation for improvement to ensure that it is implemented within a reasonable period of time. The Board, therefore, considers that the risk management and internal control procedures of the Group are adequate to meet the needs of the Company in its current business environment and that nothing has come to its attention to cause the Board to believe the risk management and internal control systems of the Group are inadequate.

Information disclosure policy

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosures are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- Designated reporting channels from different operations informing any potential inside information to designated departments;
- Designated persons and departments to determine further escalation and disclosure as required; and
- Designated persons authorised to act as spokespersons and respond to external enquiries.

風險監察及匯報

- 持續並定期監察有關風險，以及確保設有適當的內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 向管理層及董事會定期匯報風險監察的結果。

董事會已根據企業管治守則的守則條文第C.2.5條設立內部審核職能。為加強本集團的風險管理及內部監控，本公司已委聘獨立專業顧問(「內部監控顧問」)對若干附屬公司於截至二零二五年十二月三十一日止年度的風險管理及內部監控系統展開獨立評估。本年度檢討的範圍包括一間主要營運附屬公司的資金管理、貸款管理、費用支出管理及財務匯報流程。內部監控顧問已向審核委員會報告內控審閱結果及改善建議。本集團會密切跟進各改善建議，確保於合理的時間範圍內實施。因此，董事會認為本集團的風險管理及內部監控程序有效，足以應付本公司當前業務環境的需求，且未有發現任何導致董事會相信本集團風險管理及內部監控體系並不充分之事宜。

信息披露政策

本集團訂有信息披露政策，確保能掌握潛在內幕消息並加以保密，直至按上市規則作出一致且適時的披露為止。該政策規管處理及發放內幕消息的方式，包括以下各項：

- 特設匯報渠道，讓不同營運單位向指定部門匯報潛在內幕消息的信息；
- 指定人士及部門按需要決定進一步行動及披露方式；及
- 指定人士為發言人，回應外界查詢。

REVIEW OF THE AUDIT COMMITTEE AND THE BOARD

The Audit Committee and the Board had reviewed the risk management and internal control of the Group for the Year under Review. They considered the risk management and internal control system were effective and adequate as they allowed the Board to monitor the overall financial position of the Group and to provide reasonable assurance that assets are safeguarded against unauthorised use or material financial misstatement; transactions were executed with authorization of the management; and the accounting records were reliable for preparing financial information used within the business or for publication and reflecting accountability for assets and liabilities.

審核委員會及董事會之審閱

審核委員會及董事會已審閱本集團回顧年度內之風險管理及內部監控。審核委員會認為風險管理及內部監控系統屬有效及足以讓董事會監察本集團之整體財務狀況及可合理確定資產不會被未授權使用或虛報重大財務資料；交易乃根據管理層之授權簽立；及會計記錄能可靠地編製供業務內使用或作刊發之財務資料，並反映資產及負債之可表述性。

COMPANY SECRETARY

The company secretary of the Company, Mr. Law Hok Yu ("Mr. Law"), directly reports to the chief executive officer and is responsible to the Board for ensuring that the Board procedures, applicable laws, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and arranging the induction training and professional development for the Directors.

According to Rule 3.29 of the Listing Rules, Mr. Law has taken no less than 15 hours of relevant professional training for the year ended 31 December 2025.

公司秘書

本公司公司秘書羅學儒先生(「羅先生」)直接向行政總裁匯報，並向董事會負責，以確保遵從董事會程序、適用法律、規定及法規，且董事會活動有效率並有效地進行。彼亦負責確保董事會全面評估與本集團有關的相關企業管治發展及安排董事的入職培訓及專業發展。

根據上市規則第3.29條，羅先生已於截至二零二五年十二月三十一日止年度參與不少於15小時的相關專業培訓。

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association on 8 June 2015, which became effective on the Listing Date. There had been no significant changes in the constitutional documents of the Company during the year ended 31 December 2025.

章程文件的重大變更

本公司已於二零一五年六月八日採納經修訂及經重列之備忘錄及組織章程細則並於上市日期生效。本公司截至二零二五年十二月三十一日止年度之章程文件並無重大變更。

SHAREHOLDERS' RIGHTS

The Company treats all shareholders equally with a view to ensuring that their rights can be fully exercised and their legitimate interests can be safeguarded and that the shareholders' general meetings can be convened and held in strict compliance with the relevant laws and regulations. The governing structures of the Company ensure equality among all shareholders, especially the minority shareholders and that they will undertake their obligations accordingly.

股東權利

本公司平等對待所有股東，確保股東能充分行使權利。保護其合法權益：能夠嚴格按照相關法律法規的要求召集、召開股東大會、本公司的管治結構確保所有股東，特別是中小股東享有平等的權利，並承擔相應的義務。

Procedures for convening general meetings by shareholders

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東召開股東大會之程序

根據組織章程細則第64條，董事會可按其認為合適的時候召開特別股東大會。特別股東大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在存放該請求書後2個月內召開。如董事會在請求書存放日期起計21日內未有進行安排召開有關會議，則請求（或多名請求人）可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

Procedures for putting forward proposals at Shareholders' meeting

Shareholders are requested to follow Article 64 of the Articles of Association for proposing a resolution at an extraordinary general meeting. The requirements and procedures are set out in the paragraph headed the "Procedures for convening general meetings by shareholders" above.

於股東大會上提呈建議之程序

在股東特別大會上提呈決議案的股東應遵循組織章程細則第64條的規定。有關規定及程序載於上文「股東召開股東大會之程序」一段。

Procedures for nominating a candidate for election as a Director by shareholders of the Company

Pursuant to Article 113 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office of the Company. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

本公司股東提名人選參選董事之程序

根據公司章程第113條，除非一項有意提名選舉該位人士為董事的書面通知以及一項該位被推選人士簽發表明其願意選舉之書面通知已呈交至本公司總辦事處或註冊辦事處，否則概無人士（退任董事除外）有權在任何股東大會上選舉出任董事職位（除非由董事會推選）。提交該等通知之期間須由不早於指定進行該推選之股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七日結束，而向本公司發出該等通知之最短期間須為最少七日。

For details of "the procedures for nominating a candidate for election as a Director by shareholders", please visit the website of the Company.

有關「本公司股東提名人選參選董事之程序」的詳情，請瀏覽本公司網站。

Constitutional Documents

There was no significant changed in the Company's constitutional documents during the year ended 31 December 2025. The Articles is available on the websites of the Stock Exchange and the Company.

章程文件

截至二零二五年十二月三十一日止年度，本公司組織章程文件並無發生重大變動。章程可於聯交所及本公司網站查閱。

SHAREHOLDERS COMMUNICATION POLICY

1. Purpose

1.1 This policy aims to set out the objective of providing shareholders with information about the Company, so that they can engage actively with the Company and exercise their rights as shareholders in an informed manner.

2. General policy

2.1 Information shall be circulated to shareholders through the financial reports of the Company (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the (i) corporate communication documents including, but not limited to, copy of annual reports, interim reports, notices of meetings, circulars, proxy forms ("Corporate Communication"); (ii) other documents issued by the Company which are published on the website of the Main Board of the Hong Kong Stock Exchange for the information or action of holders of any of its securities, including announcements, monthly returns on movements in the securities of the Company for each month and next day disclosure returns; (iii) constitutional documents of the Company and Board committees; (iv) corporate information including a list of directors ("Directors") of the Company; and (v) other corporate publications including the procedures for nominating a candidate for election as a Director by shareholders on the website of the Company.

2.2 Effectively and timely dissemination of information to shareholders shall be ensured at all times. Any question regarding this policy shall be directed to the Company Secretary or the Board of Directors of the Company.

股東傳訊政策

1. 目的

1.1 本政策旨在載列向股東提供有關本公司的資料之目標，讓其可積極與本公司交流及以有根據的方式行使其作為股東之權利。

2. 整體政策

2.1 本公司須通過本公司之財務報告（中期報告及年度報告）、股東週年大會及可能召開之其他股東大會向股東提供資料，並須在本公司網站內提供所有(i)公司通訊文件（包括（但不限於）年報、中期報告、大會通告、通函、代表委任表格）（「公司通訊」）；(ii)本公司所發出而在香港聯交所主板之網站刊登以供其任何證券持有人參考或行動的其他文件，包括公佈、每個月本公司的證券變動月報表及翌日披露報表；(iii)本公司及董事會委員會之憲章文件；(iv)公司資料，包括本公司董事（「董事」）名單；及(v)其他公司刊物，包括股東可提名某人競選董事的程序。

2.2 須時刻確保有效及適時向股東分發資料。有關本政策之任何疑問可向本公司之公司秘書或本公司董事會提出。

3. Communication strategies

Shareholders' enquiries

3.1 Shareholders may send their enquiries and concerns to the Company Secretary by mail at Unit D, 7/F, Kee Shing Centre, 74–76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company Secretary is responsible for forwarding communications relating to matters within the direct responsibilities of the Board to it and communications relating to ordinary business matters, such as suggestions and inquiries, to the CEO of the Company.

3.2 Shareholders will be provided with the information of designated contact person, e-mail address and hotlines to enable them to raise any questions regarding the Company.

Corporate communication

3.3 Corporate Communication will be provided to shareholders in plain language and in both English and Chinese versions to facilitate their understanding.

Corporate website

3.4 A dedicated "Investor Relations" section is available on the website of the Company (http://www.xinm.com.cn). Information on the website of the Company will be updated on a regular basis.

3.5 Information released by the Company to the Hong Kong Stock Exchange is also uploaded on the website of the Company immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

3. 溝通策略

股東查詢

3.1 股東可將其查詢及關注事項郵寄至香港九龍尖沙咀金巴利道74–76號奇盛中心7樓D室，註明公司秘書收，以便送交董事會。公司秘書會將有關董事會直接負責事宜的通訊轉交董事會及將有關建議及查詢等日常業務事宜的通訊轉交本公司行政總裁。

3.2 股東將獲提供指定聯絡人、電郵地址及查詢熱線，讓其可就本公司提出任何疑問。

公司通訊

3.3 公司通訊將會以中、英文以淺白語言提供予股東，以便股東理解。

公司網站

3.4 本公司網站(http://www.xinm.com.cn)設有「投資者關係」一欄。本公司網站的資料會定期更新。

3.5 本公司向香港聯交所發放的資料亦於其後隨即上載本公司網站。有關資料包括財務報表、業績公佈、通函及股東大會通告及相關說明文件等。

Shareholders' meetings

3.6 Shareholders are encouraged to attend general meetings or if they fail to do so, to appoint proxies to attend and vote at such meetings on their behalf.

3.7 Appropriate arrangements for annual general meetings shall be in place to encourage shareholders' participation.

3.8 The process of a general meeting of the Company will be monitored and reviewed on a regular basis, and changes will be made if necessary to ensure compliance with shareholders' needs.

3.9 The members of the Boards (especially the Chairman or the representative of the Board committee), appropriate management executives and external auditors will attend annual general meetings and answer shareholders' questions.

股東大會

3.6 鼓勵股東參與股東大會，或如其無法出席股東大會，則委任代表代其出席股東大會及於會上表決。

3.7 股東週年大會將訂有適當安排以鼓勵股東參與。

3.8 本公司股東大會之過程將獲得監察及定期檢討，如有需要，會作出更改，以確保能配合股東需要。

3.9 董事會成員（特別是董事會委員會主席或其代表）、適當的管理行政人員及外聘核數師，將出席股東週年大會，回答股東提問。

4. Shareholder privacy

4.1 The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law.

4. 股東私隱

4.1 本公司肯定股東私隱的重要性，除非法律要求，否則在未得其同意的情況下，不會披露股東資料。

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a website (http://www.xinm.com.cn) to make the corporate information available on the internet to facilitate its communication with shareholders and to provide the public investors with important information, including corporate governance structure and terms of reference of Board committees.

The Company welcomes comments from investors and shareholders, and invites them to share their views and suggestions at:

investorcontact@yahoo.com

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東（包括機構投資者）定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁(http://www.xinm.com.cn)，使股東可透過互聯網取得公司資料，加強與股東之溝通，並提供重要資料予公眾投資者，包括企業管治架構以及董事會轄下委員會之職權範圍。

本公司歡迎投資者及股東提出意見，並誠邀彼等分享意見及建議，電郵地址為：

investorcontact@yahoo.com

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In accordance with Appendix C2 – Environmental, Social and Governance ("ESG") Reporting Guide ("ESG Reporting Guide") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Xinming China Holdings Company (the "Company") and its subsidiaries (collectively as the "Group" or "we") is pleased to present its Environmental, Social and Governance Report (the "ESG Report" or the "Report") for the year ended 31 December 2025. In this report, the Group has strictly followed the mandatory disclosure requirements and "comply or explain" provisions set out in the ESG Reporting Guide to disclose ESG matters during the reporting period. The Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Scope and duration of the report

The information presented in this ESG Report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period", "Year" or "2025"). The information contained in this report was collected and compiled through various channels, including but not limited to the Group's internal control policies, factual evidence of ESG-related measures implementation, key performance indicators ("KPIs") as set out in the ESG Guide, and quantitative data on the Group's annual performance in its business operations and ESG management. The scope of the Report during the Year is the same as the period from 1 January 2024 to 31 December 2024 ("Last Year", or "2024"), including:

- The Group's headquarter office in Hangzhou;
- Shandong Xingmeng Property Limited ("Shandong Xingmeng") Office; and
- Shandong Xingmeng project company and its property development projects.

關於環境、社會及管治報告

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄C2－環境、社會及管治(「ESG」)報告指引(「ESG報告指引」),新明中國控股有限公司(「本公司」)及其附屬公司(統稱「本集團」或「我們」)欣然提呈截至二零二五年十二月三十一日止年度的環境、社會及管治報告(「ESG報告」或「本報告」)。在本報告中,本集團已嚴格依循ESG報告指引所載的強制披露規定及「不遵守就解釋」條文,對報告期內的環境、社會及管治事項進行披露。本報告以中文及英文刊發於聯交所網站。倘中英版本間出現不符,概以中文版為準。

匯報範圍及報告期

本ESG報告中所呈述的資料涵蓋二零二五年一月一日至二零二五年十二月三十一日期間(「報告期」、「本年度」或「二零二五年」)。本報告所載資料的收集與整理途徑多樣,包括但不限於本集團的內部監控政策;執行ESG相關措施的事實證據;ESG指引所載的關鍵績效指標(「KPI」),以及本集團在其業務運營及ESG管理方面的年度表現量化數據。本年度的報告範圍與二零二四年一月一日至二零二四年十二月三十一日期間(「去年度」或「二零二四年」)相同,包括:

- 本集團位於杭州的總部辦公室;
- 山東興盟置業投資有限公司(「山東興盟」)辦公室;及
- 山東興盟項目公司及其物業開發項目。

Reporting standards

The Group has prepared, evaluated and presented relevant information in this report with reference to the ESG Reporting Guide. Details regarding corporate governance are separately contained in the section headed "Corporate Governance Report". The following four principles outlined in the ESG Reporting Guide have been incorporated into this Report.

1. Materiality: The ESG Report should cover the Company's prominent impact on the economy, environment and society, or such scopes that substantively influence stakeholder assessment and decisions. We identified material sustainability issues and disclosed relevant information through stakeholder engagement.

2 Quantitative: The ESG Report should disclose KPIs in quantitative terms. We disclosed KPIs in the Report with quantitative measures whenever feasible and provide explanatory notes stating the standards, methodologies, assumptions and source of conversion factors used in calculating the relevant data.

3. Balance: The ESG Report should present a balanced picture of each of these issues in an objective manner, be they positive or negative, to ensure a comprehensive picture of performance is reasonably reflected. The Report identified and elaborated both the achievements and the challenges faced by the Group in the Year.

4. Consistency: The ESG Report should disclose information in a consistent manner so that stakeholders can analyse and assess the Company's performance in different periods of time. The company should explain the change(s) to any of its methods. Unless otherwise specified, the Report adopted consistent methodologies to compare the KPIs of different areas for the Year and 2024, so that stakeholders can compare our performance.

報告準則

本集團已參照ESG報告指引，在本報告中編製、評估並呈列相關資料。有關企業管治的詳情個別載於「企業管治報告書」一節。ESG報告指引所概述的以下四項原則已被納入本報告中。

1. 重要性：ESG報告應涵蓋反映公司對經濟、環境及社會的顯著影響，或實質上影響持份者評估及決定的範疇。我們透過持份者參與來識別重大可持續發展議題並披露相關資料。

2. 量化：ESG報告應以可計量的方式披露關鍵績效指標。我們在可行情況下，以量化方式披露關鍵績效指標於本報告內，並在解釋性批註中列明了計算相關數據時的標準、方法、假設，以及主要換算因素的來源。

3. 平衡：ESG報告應以客觀態度持平地描述每項議題，無論屬於正面或負面，以確保合理地反映公司的整體績效。本報告識別並闡述本集團在本年度所獲得的成就及所面對的挑戰。

4. 一致性：ESG報告應使用一致方式披露信息，以便持份者分析及評估公司於不同時間的表現。公司應就任何方法的變化作出解釋。除特別指明外，本報告採用一致的方法比較不同範疇在本年度及二零二四年的關鍵績效指標，以便持份者對我們的表現作比較。

BUILDING A SUSTAINABLE FUTURE

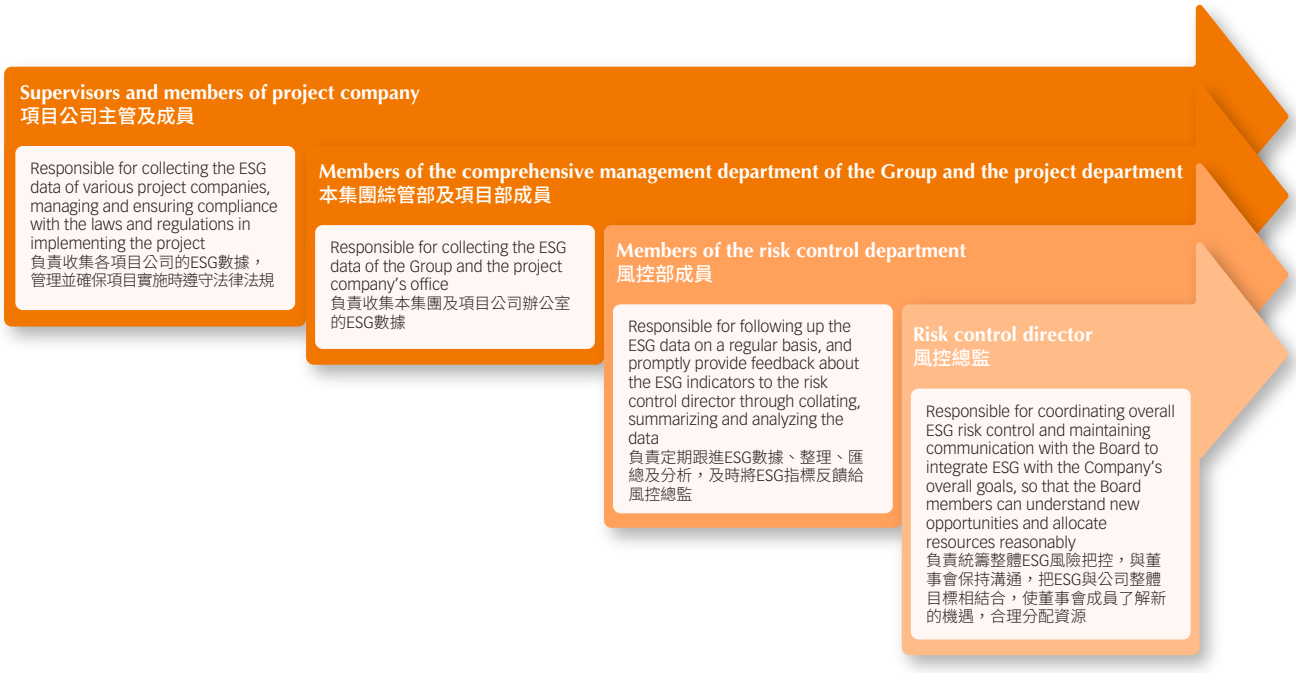
Sustainability governance structure

To integrate sustainable development management into the Group's corporate governance framework, the Group established an ESG Committee in 2018, which is primarily responsible for annual ESG data collection and reporting matters, identifying and assessing potential ESG-related risks of the Group, and developing and monitoring business-related ESG objectives. The Board is the ultimate decision-making body for the sustainable development framework and bears overall responsibility for sustainability matters. It oversees the Group's sustainable development direction and strategy, ensures the effectiveness of risk management (including climate and ESG-related risks) and internal control systems, and establishes and reviews sustainability goals. The ESG group also reports to the Board on a regular basis of the progress of ESG work and targets for review and assessment. Set out below are members and individual responsibilities of our ESG group:

建立可持續發展未來

可持續發展管治架構

為了將可持續發展管理納入本集團的企業管治架構，本集團自二零一八年起成立了ESG小組，主要負責年度ESG數據收集及報告事宜、識別及評估本集團ESG相關的潛在風險、制定及監察與業務相關的ESG目標。董事會為可持續發展架構的最終決策單位，肩負可持續發展事宜的整體責任，負責監督本集團的可持續發展方向和策略，確保風險管理（包括氣候及ESG相關風險）和內部監控系統的有效性，以及制定與檢討可持續發展目標。ESG小組需定期向董事會匯報ESG工作及目標的進展，以作檢討及評估之用。以下為我們的ESG小組成員及個別職責：



ESG risk management

The Board holds the ultimate responsibility for the Group's ESG strategy and risk management. During the Reporting Period, the Board and the management have focused on identifying and managing significant ESG risks related to the Group's operational stability and financial liquidity. Instead of a fixed reporting cycle, the management monitors potential ESG impacts through ongoing internal communications and targeted assessments of key business units. This approach helps the Group identify risks that may affect its business continuity and ensures that material issues are promptly reported to the Board for strategic decision-making. Any material ESG risks identified are addressed through response plans and internal control measures tailored to the Group's current resources and operational priorities, aiming to mitigate potential negative impacts on stakeholders. For details of risk management and internal control, please refer to the section headed "Corporate Governance Report", and for details of the principal risks and uncertainties identified by the Group, please refer to the section headed "Directors' Report".

ESG風險管理

董事會對本集團的ESG策略及風險管理承擔最終責任。在本報告期內，董事會與管理層專注於識別及管理與本集團營運穩定性和財務流動性相關的重大ESG風險。管理層並非採用固定的匯報周期，而是通過持續的內部溝通及對關鍵業務單位的針對性評估來監控潛在的ESG影響。這種方式有助於本集團識別可能影響業務持續性的風險，並確保重大事項能及時向董事會匯報以便進行戰略決策。針對識別出的任何重大ESG風險，本集團根據當前資源及營運優先級制定相應的應對方案及內部監控措施，旨在減輕對持份者的潛在負面影響。有關風險管理及內部監控詳情請參閱「企業管治報告書」一節，而本集團已識別的主要風險及不確定性詳情請參閱「董事會報告書」一節。

Stakeholder engagement

The Group values stakeholder engagement and actively maintains close communication with various stakeholders through diverse and open communication channels. By understanding and responding to stakeholders' needs and expectations regarding both internal and external interests, the Group formulates its sustainable development strategy and identifies ESG risks and opportunities. Through these efforts, the Group is committed to creating lasting value for its stakeholders.

持份者參與

本集團重視各持份者的參與，通過搭建多元化且暢通的溝通管道，積極與各持份者保持密切的聯繫和溝通，了解並回應持份者對本集團內部及外部利益相關方的需要和期望，從而擬定本集團的可持續發展策略，辨識本集團的ESG風險與機遇，致力為利益相關方創造恒久的價值。

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
Internal stakeholders **內部持份者**	Shareholders and investors 股東及投資者	• Return on investment 投資回報 • Financial stability and sustainability 財政穩定及持續性 • Information disclosure and transparency 信息披露及透明度 • Corporate governance 公司管治 • Risk control 風險控制	• Periodic reporting 定期報告 • Annual General Meeting 股東週年大會 • Company's website and email 公司網站及電郵
	Employees 員工	• Employment rights and interests 僱傭權益 • Compensation and benefits 薪酬及福利 • Occupational safety and health 職業安全及健康 • Training and career development 培訓及事業發展	• Regular meetings and training 定期會議及培訓 • Performance assessment 績效考核 • Employee activity 員工活動 • Internal communication 內部通訊

Stakeholder engagement 持份者的參與		Main concerns 主要關注事項	Main communication channels 主要溝通管道
External stakeholders 外部持份者	Customers 客戶	• Property delivery and quality 房產交付及質量 • Protection of customer privacy and rights 客戶隱私及權益的保護 • Business ethics 商業道德	• Customer service hotline and email 客戶服務熱線及電郵 • Direct communication 直接溝通 • Official announcements and disclosures 官方公告與信息披露
	Suppliers 供應商	• Supplier management 供應商管理 • Honesty and integrity 誠信廉潔 • Environmental protection 環境保護	• Public bidding 公開招標 • Standard procurement procedures 標準的採購程序 • Direct communication 直接溝通 • On-site inspection 實地考察 • E-mail and telephone 電郵及電話 • Meetings 會議
	Professional organizations 專業機構	• Environmental protection and social responsibility 環境保護及社會責任 • Standard ethics and business practices 標準的操守及營商手法	• Periodic reporting and circulars 定期報告及通函 • Telephone discussion 電話討論
	Government and regulators 政府及監管機關	• Compliance with laws, regulations and policies 遵守法律、規例及政策 • Occupational health and safety 職業健康及安全 • People's welfare 人民福祉 • Employment 就業情況 • Tax payment in accordance with laws 依法納稅	• Monitor compliance with relevant laws and regulations 監察遵守相關法律及規例 • Routine reporting and tax payments 例行報告和稅務繳納 • E-mail and telephone 電郵及電話
	Communities 社區	• Community engagement 社區參與 • Care for the environment 愛護環境	• Company's website 公司網站 • Mass media 大眾傳媒

ESG materiality assessment

To ensure the Group's sustainability strategy remains aligned with its current operational context, the Group conducted a materiality assessment during the Reporting Period. In light of the ongoing business challenges, the management has prioritized ESG issues based on their impact on business continuity and the immediate concerns of key stakeholders, such as creditors and property owners. This process helps us identify and focus on matters that are most critical to the Group's survival and future recovery.

To continuously improve the Group's sustainability performance, during this Reporting Period, the Group continued to implement annual reviews and conduct materiality assessments. This helps us identify and prioritise matters of importance to stakeholders, gradually building their trust in us. Selected stakeholders were invited to participate in electronic questionnaire surveys to determine their views on key ESG issues of the Group. A materiality assessment was conducted to help more accurately and objectively understand the concerns and changing demands of various stakeholders, further advancing the Group's sustainable business strategy. The specific process for materiality assessment is as follows:

ESG的重要性評估

為確保本集團的可持續發展策略與當前的經營狀況保持一致，本集團在報告期內開展了重要性評估。鑒於持續的業務挑戰，管理層根據各項 ESG 議題對業務持續性的影響，以及債權人和業主等關鍵持份者的迫切關注點，對議題進行了優先排序。這一過程有助於我們識別並集中處理對本集團生存及未來復蘇最為關鍵的事項。

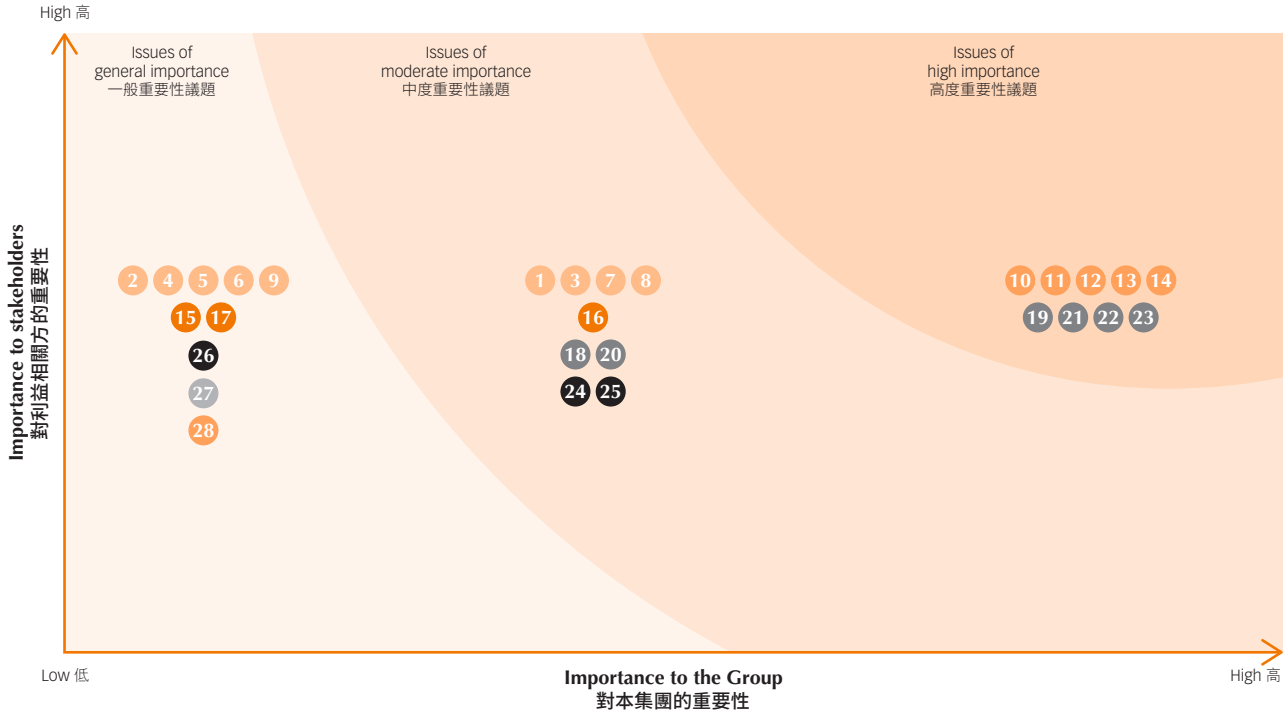
為不斷優化本集團的可持續發展工作表現，本集團在本報告期內繼續實施年度檢討，開展重要性評估，有助我們識別和優先處理持份者重視的事項，從而逐漸建立持份者對我們的信任。選定的持份者受邀參與電子問卷調查，確定持份者對本集團ESG關鍵問題的看法，並對本集團進行實質性評估，有助更準確、客觀地了解各利益相關方的關注點以及訴求變化，進一步推動集團的可持續業務策略，具體重要性評估過程如下：



The chart below summarizes the results of this materiality assessment:

下圖概述本次重要性評估的結果：

Materiality assessment matrix
重要性分析矩陣



Environmental protection 環境保護

1 Air emissions 空氣排放
2 Greenhouse gas emissions 溫室氣體排放
3 Hazardous waste 有害廢棄物
4 Non-hazardous waste 無害廢棄物
5 Energy Use 能源使用
6 Water resources 水資源
7 Materials used 材料使用
8 Protection of the environment and natural resources 保護環境及天然資源
9 Climate change 氣候變化

Employment and labor practices 僱傭及勞動常規

10 Employee diversity and equal opportunities 員工多元化和平等機會
11 Employee compensation 員工待遇
12 Occupational health and safety 職業健康和安全
13 Employee development/training 員工發展／培訓
14 Illegal labor 不合法勞工
28 Promotion of local employment 促進當地就業

Operations 營運

15 Supply chain selection and monitoring 供應鏈選擇和監察
16 Suppliers' environmental and social risks 供應商的環境風險與社會風險
17 Environmental friendliness of products and services 產品和服務對環境友好性

Product liability 產品責任

18 Product health and safety 產品健康及安全
19 Customer satisfaction 客戶滿意度
20 Marketing and promotion 營銷和推廣
21 Intellectual property 知識產權
22 Customer information and privacy 顧客信息和私隱
23 Product and service labels 產品和服務標籤

Anti-corruption 反貪污

24 Corrupt practices 腐敗行為
25 Anti-corruption policy 反貪污政策及舉報
26 Anti-corruption training 反貪污培訓

Debt Management and Stakeholder Communication 債務管理及持份者溝通

27 Community support 社區支持

Based on the internal assessment and prioritization by the management, the Group has identified the most significant ESG issues for the current Reporting Period. Considering the current operational environment, we have prioritized property delivery, debt management, protection of basic employee rights, and occupational health and safety as issues of high importance. These elements are critical to maintaining the Group's business continuity and fulfilling our primary social responsibilities. We will further elaborate on our efforts and response strategies in the following sections.

Report feedback

We value stakeholder opinions as the foundation for our continuous improvement. Both Chinese and English versions of this Report are available on the website of the Hong Kong Stock Exchange. If you have any comments or suggestions regarding this Report and our sustainability efforts, please write to our office at Unit D, 7/F, Kee Shing Centre, 74-76 Kimberly Road, Kowloon, Hong Kong.

CREATING VALUES FOR THE ENVIRONMENT

The Group remains committed to basic environmental compliance and minimizing the environmental impact of our property projects within our available resources. We strictly adhere to the laws and regulations of the People's Republic of China regarding emissions, sewage, and waste management, including the Environmental Protection Law and the Energy Conservation Law. During the Reporting Period, the Group has focused on ensuring that suspended or ongoing projects maintain basic environmental safety standards to prevent secondary environmental pollution. During the Year, we are not aware of any significant violations of environmental protection laws and regulations that would have a material adverse impact on the Group.

根據管理層的內部評估及優先排序，本集團已識別出本報告期內最重要的ESG議題。考慮到當前經營環境，我們將房產交付、債務管理、保障員工基本權益以及職業健康與安全列為高重要性事項。這些元素對於維持本集團的業務持續性及履行核心社會責任至關重要。我們將在下文各章節中進一步闡述我們的努力及應對策略。

報告反饋

我們一貫重視持份者的意見，並視之為我們持續改進的基礎。本報告的中英文版本已上載於香港聯交所網站。如　閣下對本報告以及我們的可持續發展工作有任何意見及建議，歡迎致函至香港九龍金巴利道74–76號奇盛中心7樓D室。

為環境創造價值

本集團致力於落實基本環保合規，並在現有資源範圍內，最大限度地減少房產項目對環境的影響。我們嚴格遵守中華人民共和國有關排放、污水及廢棄物管理的法律法規，包括《環境保護法》及《節約能源法》。在本報告期內，本集團重點確保停工或在建項目維持基本的環境安全標準，以防止產生次生環境污染。本年度，我們並不知悉任何對本集團構成重大不利影響的違反環保法律法規的事宜。

Energy and gas emissions management

During the Reporting Period, the Group's main energy consumption and gas emissions were derived from vehicle fuel for necessary business operations and electricity consumed by the Group's offices and certain commercial areas. Reflecting the Group's strategic contraction and the suspension of certain projects, the total energy consumption and greenhouse gas (GHG) emissions have shown a downward trend compared to 2024. All construction works remain outsourced to third-party contractors; however, due to the suspension of various projects, the environmental impact from construction sites has been minimal during the Year.

能源及氣體排放管理

在本報告期內，本集團的主要能源消耗及氣體排放來源於業務營運所需的車輛燃料，以及辦公場所和部分商業區的用電。反映本集團的策略性收縮及部分項目停工的現狀，總能源消耗及溫室氣體排放量較2024年呈現下降趨勢。所有建築工程仍由第三方承建商負責；然而，由於多個項目處於停工狀態，本年度建築工地產生的環境影響極小。

Energy and gas emissions[1,2] 能源及氣體排放[1,2]	2025 二零二五年	2024 二零二四年	Unit 單位
Gas emissions **氣體排放**			
Nitrogen oxides (NO_x) 氮氧化物(NOx)	0.75	0.91	kg 公斤
Sulphur oxides (SO_x) 硫氧化物(SO_x)	0.03	0.04	kg 公斤
Particular matter (PM) 懸浮顆粒(PM)	0.06	0.07	kg 公斤
Greenhouse gas emissions **溫室氣體排放**			
Scope 1 (Direct emissions) 範圍1 (直接排放)	7.12	8.68	tonnes of CO_2 equivalent 公噸二氧化碳當量
Scope 2 (Indirect emissions) 範圍2 (間接排放)	315.00	374.50	tonnes of CO_2 equivalent 公噸二氧化碳當量
Total emissions (Scopes 1 and 2) 總排放量 (範圍1及2)	322.12	381.71	tonnes of CO_2 equivalent 公噸二氧化碳當量
Intensity of greenhouse gas emissions 溫室氣體排放密度	1.85	2.16	kg of CO_2 equivalent/m^2 公斤二氧化碳當量／平方米

1 Regarding the disclosure of air and greenhouse gas emissions, the referenced materials include, but are not limited to, the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard" published by WRI/WBCSD, the latest "Average Emission Factors of China's Regional Power Grids" issued by the Ministry of Ecology and Environment of the PRC, the global warming potential (GWP) values from the "Sixth Assessment Report" (AR6) of the IPCC, and "Appendix 2: Reporting Guidance on Environmental KPIs" of the ESG Reporting Guide published by the Hong Kong Stock Exchange.

2 Due to the suspension of certain real estate projects and the operational challenges faced during the Reporting Period, the Group encountered difficulties in obtaining comprehensive environmental data from third-party contractors. Consequently, data for certain outsourced construction sites has not been fully collected or disclosed in this Report. The Group will strive to improve data collection consistency as project operations normalize.

1 有關廢氣及溫室氣體排放的披露，參照的資料包括但不限於WRI/WBCSD刊發的《溫室氣體核算體系：企業核算與報告標準》、中國生態環境部發佈的最新《全國電網平均排放因子》、IPCC《第六次評估報告》(AR6)內的全球升溫潛能值(GWP)，以及聯交所刊發的《環境、社會及管治報告指引》之「附錄二：環境關鍵績效指標匯報指引」。

2 由於部分房地產項目停工以及在本報告期內面臨的經營挑戰，本集團在獲取第三方承建商的全面環境數據方面存在困難。因此，部分外判工程項目的施工數據未能予以完整收集及在本報告中披露。隨著項目營運恢復正常，本集團將致力於提高數據收集的連續性。

Due to the increase in electricity consumption by commercial area tenants, compared with 2024, the Group 's total energy consumption intensity increased.

由於商業區租戶的用電量增加，與二零二四年相比，本集團能源消耗總量密度有所增大。

Energy and gas emissions[2,3] 能源及氣體排放[2,3]	2025 二零二五年	2024 二零二四年	Unit 單位
Energy consumption **能源消耗**			
Unleaded petrol 無鉛汽油	22.50	26.75	MWh 兆瓦時
Liquefied petroleum gas 液化石油氣	4.20	5.12	MWh 兆瓦時
Electricity purchased 外購電力	520.00	636.40	MWh 兆瓦時
Total energy consumption 能源消耗總量	546.70	640.22	MWh 兆瓦時
Intensity of energy consumption 能源消耗密度	3.50	4.02	kWh/m² 千瓦時／平方米

2 As our real estate development projects are outsourced to the contractors, the contractors' data on partial construction projects has not been collected and disclosed.

3 The unit conversion factors used for energy consumption calculation are based on the "Energy Statistics Manual" issued by the International Energy Agency (IEA) and the "General Principles for Calculation of Total Production Energy Consumption" (GB/T 2589-2020) of the PRC.

2 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。

3 能源消耗計算所採用的單位換算系數乃參考國際能源署(IEA)刊發的《能源統計手冊》及中國國家標準《綜合能耗計算通則》(GB/T 2589-2020)。

Water management

The Group adheres to water conservation principles in its daily operations. Regarding real estate projects, we require contractors to implement basic wastewater prevention measures at construction sites in accordance with local environmental regulations. During the Reporting Period, for projects that were suspended or progressed slowly, the Group focused on ensuring that existing site drainage and sedimentation facilities remained functional to prevent groundwater contamination from rainfall. In our office operations, the Group minimizes water wastage through regular facility maintenance and by encouraging employees to adopt water-saving habits. During the Year, the Group did not encounter any difficulties in sourcing suitable water.

用水管理

本集團在日常營運中堅持節約用水。對於房地產項目，我們要求承建商根據當地環保法規在施工現場採取基本的廢水防治措施。在本報告期內，針對停工或進度緩慢的項目，本集團重點確保現有的工地排水及沉澱設施維持基本功能，以防止雨水沖刷導致地下水污染。在辦公營運方面，本集團通過定期維護設施及鼓勵員工養成節水習慣，最大限度地減少水資源浪費。本年度，本集團在求取適用水源方面並無任何困難。

The Group's water consumption intensity in 2025 and 2024 was similar.

本集團二零二五年及二零二四年的耗水密度相若。

Data on water use 用水數據	2025 二零二五年	2024 二零二四年	Unit 單位
Total water consumption 總耗水量	15,200.00	17,482.00	m^3 立方米
Water consumption intensity 耗水密度	0.08	0.10	m^3/m^2 立方米／平方米

Waste management

The Group adheres to the principle of compliant waste disposal. Regarding real estate projects, we require contractors to handle solid waste, including domestic and construction waste, in accordance with local environmental sanitation regulations. During the Reporting Period, as several projects were in a state of suspension or slow progress, the generation of construction waste has significantly decreased. The Group continues to supervise contractors to ensure that any waste generated is properly stored and disposed of by municipal departments to prevent environmental pollution. For daily office activities, the Group implements waste classification and promotes a paperless office environment. By optimizing online administrative processes, we have reduced physical paper consumption during this challenging period to lower operating costs and conserve resources. Our operations do not involve significant packaging materials or hazardous waste.

廢棄物管理

本集團堅持合規處理廢棄物的原則。對於房地產項目，我們要求承建商按照當地環境衛生規定處理固體廢物（包括生活及建築垃圾）。在本報告期內，由於多個項目處於停工或進度緩慢狀態，建築垃圾的產生量已顯著減少。本集團持續監督承建商，確保產生的任何垃圾均得到妥善存放並由市政部門處理，以防止環境污染。在日常辦公活動中，本集團實施垃圾分類並推行無紙化辦公環境。通過優化在線行政流程，我們在這一挑戰時期減少了實體紙張消耗，以降低營運成本並節約資源。我們的業務運作不涉及重大的包裝材料或有害廢棄物。

For domestic waste from daily office activities, including but not limited to non-hazardous waste such as office paper waste, proper classification and disposal are implemented. Our operations do not generate significant packaging materials or hazardous waste. To continuously strengthen waste management, we will gradually enhance paperless office operations, including moving document processing and expense approval processes online to reduce office paper usage and consumption, thereby conserving forest resources.

對於源於日常辦公活動的生活垃圾，包括但不限於辦公日常的廢紙等無害廢棄物，亦會妥善分類及棄置。我們運營中不會產生重大的包裝物和有害廢棄物。為持續加強廢棄物管理，我們將逐步加強辦公室的無紙化營運模式，包括把公文處理及費用審批等流程轉移至在線處理，以減少辦公用紙的使用和消耗，以節約林木資源。

The Group's non-hazardous waste intensity in 2025 and 2024 was similar.

本集團二零二五年及二零二四年的無害廢棄物密度相若。

Waste[4] 廢棄物[4]	2025 二零二五年	2024 二零二四年	Unit 單位
Non-hazardous waste **無害廢棄物**			
Office waste paper 辦公廢紙	0.12	0.15	tonnes 公噸
Food waste 廚餘	0.08	0.1	tonnes 公噸
Total amount of non-hazardous waste 無害廢棄物總量	0.13	0.16	tonnes 公噸
Non-hazardous waste intensity 無害廢棄物密度	0.0008	0.001	kg/m^2 公斤／平方米

4 Since we out source our real estate development projects to contractors, the contractor's data on some projects cannot be collected and disclosed. Since other property companies are responsible for processing non-hazardous waste including but not limited to domestic garbage and food waste, relevant data cannot be collected.

4 由於我們將房地產開發工程外判予承建商，故部份工程項目上承建商的數據未能予以收集及披露。由於其他物業公司負責處理包括但不限於生活垃圾和廚餘等無害廢棄物，故相關數據無法收集。

Environment and resources management

The Group remains committed to supporting China's carbon neutrality goals by promoting resource efficiency within its current operational capacity. In light of the Group's strategic focus on risk mitigation during the Reporting Period, we emphasize the maintenance of basic environmental compliance for all existing property projects. For ongoing or suspended construction sites, we continue to monitor environmental impacts including noise, wastewater, and solid waste to ensure they adhere to local regulatory requirements. We ensure that necessary environmental impact assessments and approvals remain valid and that any significant changes in project status are communicated to relevant government authorities in a timely manner. Our goal is to protect the long-term environmental interests of the communities where we operate, even amidst challenging business conditions.

環境及資源管理

本集團致力回應國家制定的碳中和目標，並在目前的營運能力範圍內提倡資源的有效利用。鑑於本集團在本報告期內專注於緩解風險，我們強調維持所有現有房產項目的基本環保合規。對於在建或停工的建築工地，我們持續監控包括噪音、污水及固體廢物在內的環境影響，以確保其符合當地監管要求。我們確保必要的環境影響評估及審批文件維持有效，並就項目狀態的任何重大變更及時與相關政府機關溝通。我們的目標是在挑戰性的業務環境下，仍能保護營運所在社區的長遠環境利益。

To minimize air pollution, noise pollution, wastewater, and waste emissions, during the tender process, we require partnering contractors to comply with China's relevant environmental protection and safety laws and regulations, and prioritize contractors who propose construction plans that incorporate technologies for reducing environmental pollution. Furthermore, we make regular inspections to the construction site to verify whether the performance of the contractor meets our requirements, so as to ensure that we are able to identify problems in a timely manner and make rectification immediately. Upon project completion, the Group will apply to relevant government authority for the acceptance of environmental inspection to ensure that all requirements are compliant with national and project standards. The Group is aware of the inevitable generation of exhaust and noise during the construction process, so we are committed to requiring the outsourced contractor to take the following effective measures to reduce carbon emission generated from projects and reduce the impact on the environment.

為了盡力降低空氣污染、噪音污染、廢水和廢物排放，在招標過程中，我們要求合作的承包商遵守中國有關的環境保護及安全之法律及法規，並盡量優先採用包含降低環境污染技術的施工方案的承包商。此外，我們亦會定期巡查建築地盤，檢查承包商的表現是否合符規定要求，以確保我們能及時發現問題，並立刻作出糾正措施。而在竣工後，本集團會向相關政府部門申請環境驗收，確保所有要求都符合國家及項目規定。本集團明白在施工過程中無可避免會製造廢氣及噪音，所以我們致力要求負責開發工程的外包承建商採用以下有效的措施以減少項目所產生的碳排放及降低對環境的影響。

Exhaust processing

- In order to prevent dust pollution during the construction process, a closed fence shall be built up around the construction site during construction, and a dust-proof net shall be installed outside;
- The roads at the construction site shall be paved or mobile sprinklers, movable fog guns, tower crane sprays and other equipment shall be in place to spray the ground to reduce dust;
- Application of airtight storage or fence and use of dust-proof cloth to cover building materials that are easily to generate dust;
- A car washing platform shall be set up to clean the transport vehicles in time to prevent from dusting due to mud and dust.

廢氣處理

- 為防止施工過程中出現揚塵污染，在施工建設期間工地會以檔板圍封，並對外設置防塵網；
- 工地內的車行道採用硬化或加設移動灑水車、移動霧炮、塔吊等噴灑地面之設備，減低揚塵情況；
- 採用密閉儲存方式、加設圍擋及使用防塵布覆蓋及存放容易產生揚塵的建築物料；
- 設置洗車平台以及時清洗運輸車輛，保持車輛清潔，防止車輛因沾上泥塵而導致揚塵。

Noise management

- Low-noise equipment shall be used as far as possible, the speed of excavators, loading and unloading vehicles to enter and leave the site shall be limited;
- Reasonable arrangement and allocation processes shall be applied to the construction hours to avoid simultaneous and long-term operation of a large number of high-noise equipment;
- Temporary sound barriers shall be equipped around the construction site to reduce the impact of noise on the surroundings;
- Rational construction hours shall be planned to avoid working during lunch break, and prohibit construction after ten o'clock in the evening and during special periods (such as periods during high school entrance examination and college entrance examination).

Sewage treatment

- A sedimentation tank shall be set up at the vehicle washing platform, and sewage may only be discharged or reused after treatment;
- Oil-repellent pool shall be set up in the canteen, and sundries and grease shall be cleaned on a regular basis to prevent waterway blockage and secondary pollution of water sources;
- Toxic or hazardous wastes for earthwork backfilling are not allowed to avoid contamination of groundwater and soil quality.

Green office

The Group's main energy emissions come from daily office operations. To fulfill our commitment to environmental protection, we are dedicated to reducing operational emissions as our goal, including but not limited to greenhouse gas emissions, energy consumption, water consumption, and waste generation, etc. We actively implement various energy-saving and emission-reduction measures across our offices in different locations, doing our utmost to gradually reduce exhaust emissions, greenhouse gas emissions, waste generation, and water consumption, thereby contributing to environmental protection. Meanwhile, the Group has established environmental protection requirements for all suppliers, including third-party contractors responsible for real estate development projects, to reduce the carbon footprint of our supply chain.

噪音管理

- 盡量採用低噪音設備，挖掘機、裝卸車輛進出工地應限速行駛；
- 妥善安排及分配施工工序，避免大量的高噪音設備同時及長時間施工；
- 在施工現場周圍建設臨時聲障，希望可以減弱噪音對鄰近環境的影響；
- 規劃合理施工時間，避免於午休時間作業，在晚間十點後及特殊時期（如中、高考期間）禁止施工。

污水處理

- 在車輛清洗處設置沉澱池，經處理後的污水方可排放或重用；
- 食堂設置隔油池，並定期清淘雜物和油脂，防止水道堵塞及水源二次污染；
- 禁止將有毒或有害廢棄物用作土方回填，以免污染地下水及土質。

綠色辦公室

本集團的主要能源排放為辦公室日常營運，為了落實對環境保護的承諾，我們致力以減少營運排放作為目標，包括但不限於溫室氣體排放、能源消耗、耗水，以及廢棄物的產生等，積極透過在各地營運的辦公室實施多項節能減排的措施，盡我們最大所能逐步減少廢氣排放、溫室氣體排放、廢棄物量、用水量等，為環境保護作出貢獻。同時，本集團對所有供應商，包括負責房地產開發工程的第三方承建商制定相關環保要求，以減少供應鏈的碳足跡。

Carbon reduction and energy conservation

- Employees are encouraged to close electronics and office equipment not in use and set up automatic turn-off time for printers and screens in the office in advance to reduce energy consumption;
- Light emitting diode ("LED") lamps were applied to office in Hangzhou to improve resources efficiency and reduce electricity consumption;
- Employees are encouraged to reduce arrangement for business travel and try to adopt video or phone meetings to reduce carbon emission;
- Signs or notices on the importance of energy conservation are posted in the office area to improve employees' environmental awareness;
- Water saving notices are posted in restrooms and pantries to remind employees to turn off the taps after use to avoid water waste.

減碳節能

- 鼓勵員工關閉非使用中的電器及辦公設備，而預先為辦公室的打印機及顯示熒幕設置自動關閉時間，以減少能源消耗；
- 杭州的辦公室已採用發光二極管燈(「LED」)以提升資源效能，節約用電；
- 鼓勵職員減少差旅安排，盡可能採用視訊或電話模式進行在線會議，減少產生碳排放；
- 辦公室範圍張貼了節能重要性之標誌或告示以提高職員的環保意識；
- 洗手間及茶水間張貼了節水告示以提醒員工於使用後關緊水龍頭，避免浪費水資源。

Waste reduction and reuse

- Employees are encouraged to use electronic tools such as email and instant messaging software to communicate internally and externally to reduce paper consumption;
- Employees are encouraged to use recyclable cups and cutlery instead of disposable cutlery;
- Employees are encouraged to print or photocopy on both sides;
- Employees are encouraged to reuse stationery such as old envelops and folders.

減廢重用

- 鼓勵員工使用電郵、實時通訊軟件等電子工具對內外溝通，以減少紙張消耗；
- 鼓勵員工使用可循環再用的杯及餐具，代替即棄餐具；
- 鼓勵員工雙面打印或影印；
- 鼓勵員工重用文具，例如舊信封、文件夾。

Climate change

The Group recognizes the urgency of climate change and its potential impact on business continuity. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Group identifies and assesses climate-related risks. Given the current operational stage of our projects, we have prioritized managing immediate physical risks to ensure the safety of our property assets and construction sites.

Physical Risks

Extreme weather events such as typhoons, heavy rain, storms, and extreme cold or hot weather may pose safety risks to the Group's real estate properties and project works and affect project development progress. To address the potential impacts of physical risks, the Group has developed various emergency response plans according to the Environmental and Safety Civilization Management System. These plans clearly define the emergency organization structure and responsibilities of each member, assess potential risks based on extreme weather conditions, and design emergency handling procedures and rescue plans to minimize potential impacts on our operations.

Transition Risks

To actively achieve carbon neutrality goals, governments in project locations may establish new environmental regulations and stricter emission requirements. To comply with stricter regulations, we expect our operational costs for projects will increase. In response, from local project managers to the board of directors, we regularly monitor existing and emerging climate-related trends, policies, and regulations to avoid increased costs, regulatory fines, or reputational damage due to delayed responses.

氣候變化

本集團深明氣候變化的緊迫性及其對業務持續性的潛在影響。本集團參考氣候相關財務披露工作小組(TCFD)框架的建議，識別並評估氣候相關風險。鑑於本集團項目目前的營運階段，我們優先管理即時的實體風險，以確保房產資產及建築工地的安全。

實體風險

極端天氣事件如颱風、暴雨、風暴及極端寒冷或酷熱天氣，可能會對本集團的房地產物業及項目工程產生安全風險並影響項目開發進度，為了應付實體風險帶來的潛在影響，本集團按照《環境及安全文明管理制度》特製各類應急預案，明確應急組織架構及各成員的職責，根據極端天氣事件狀況評估事故潛在風險，設計應急處理程序及救援方案，盡最大限度地降低對我們的潛在影響。

過渡風險

為了積極實現碳中和目標，項目所在地的政府或會定立新的環境法規和更嚴格的排放要求，為應對更嚴格監管，我們投資在項目上的營運成本預計將會上升。就此，我們從各地項目負責人至董事會定期監控與氣候相關的現有及新興趨勢、政策及法規，以避免因延遲響應而導致成本增加、違規罰款或影響聲譽。

CREATING OPPORTUNITIES FOR OUR EMPLOYEES

Employment practices

The Group firmly believes that talents are the cornerstone of maintaining sustainable development, so it attaches great importance to the contributions of its employees to us. At the same time, it is committed to providing diversified training and development opportunities for each employee, striving to create a healthy and safe working environment for employees, and promoting the common development of the company and employees. The Group strictly abides by the relevant employment laws and regulations, such as Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and Social Insurance Law of the People's Republic of China. During the Year, the Group was not aware of any material violation of related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Recruitment, promotion, and dismissal

The Group continuously optimizes its labor management system and human resources management framework, and it has established a sound employee rights supervision and protection system, including HR policies such as the Employee Handbook to attract and retain talent. To ensure fair and transparent recruitment and promotion processes, we recruit talent through job fairs, recruitment websites, internal promotions, or internal referrals. The Group strictly complies with all laws and regulations, adhering to equal employment principles to ensure all employees legally enjoy various rights and fair treatment. The Group values talent and believes that regular performance evaluations and reviews provide opportunities for employees to discuss their performance and career development with supervisors, which helps enhance employee competitiveness and explore unlimited potential. Employees who perform exceptionally well in evaluations and meet promotion criteria will have opportunities for position advancement and salary increases under fair competition.

為員工創造機會

僱傭常規

本集團深信人才是維持可持續發展的基石，因此高度重視員工對我們的貢獻，同時致力於為每位員工提供多元化培訓及發展機會，努力為員工創造健康安全的工作環境，促進公司與員工共同發展。本集團一直嚴格遵守相關僱傭法律法規例如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國職業病防治法》及《中華人民共和國社會保險法》等。本年度，本集團並不知悉任何與本集團有關違反薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視、其他待遇及福利相關法律法規之重大違規情況。

招聘、晉升及解僱

本集團持續優化勞工管理制度和人力資源管理架構，目前已建立良好的員工權益監督及保障體系，包括《員工手冊》等人力資源政策去吸引及挽留人才。為了保證招聘及晉升程序均以公平及公開的方式進行，我們會透過招聘會、招聘網站、內部晉升或內部推薦等途徑招攬人才。本集團嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇。本集團珍視人才價值，相信透過定期進行的表現評核及檢討，讓員工有機會與主管討論其表現及事業發展，有助提升員工的競爭力，發掘無限潛能。在評核當中表現優異且符合晉升條件的員工會在公平競爭的情況下，獲得職位晉升和加薪的機會。

The Group does not tolerate unfair and illegal dismissals, ensuring dismissal procedures are fair and transparent, with written notice provided to employees within the legally required notice period. Employees have the right to freely choose resignation under legal conditions. Employees must complete work handover and resignation procedures after providing legally required notice periods and obtaining department leader approval. We also conduct exit interviews with departing employees to help management better understand employee needs and improve the overall work environment.

本集團絕不容忍不公平及非法解僱，確保解僱程序公平公開，並在法規要求的通知期內以書面形式通知員工。而員工在合符法規條件情況下，擁有自由選擇離職的權利。員工需要向我們提供法規要求的通知期並經部門領導批准後，完成工作交接及離職程序。我們亦會對離職員工進行離職面談，有助管理層更好地了解僱員的需求及改善整體工作環境。

Compensation and benefits

To further attract and retain experienced talented professionals, the Group continuously improves its employee compensation and benefits system, offering fair and competitive market remuneration packages that align with employees' experience, qualifications, and titles. Additionally, we conduct annual performance evaluations and salary reviews based on market conditions, company and individual performance, and provide discretionary year-end bonuses, directly reflecting employees' value contributions to the Group. The Group cares for its employees and has established a series of benefits including: meal allowances, transportation allowances, communication allowances, and holiday bonuses on public holidays. We implement a 5-day work week, and in addition to statutory annual leave, we provide sick leave, personal leave, national statutory holiday leave, marriage leave, maternity leave, bereavement leave, and work injury leave based on individual needs. We focus on employees' physical and mental development and actively promote work-life balance by regularly organizing birthday celebrations and employee trips to continuously enhance employee motivation, sense of belonging, and team cohesion, which helps improve work efficiency in the long run.

薪酬及福利

為了進一步吸納及挽留經驗豐富的優秀人才，本集團不斷完善員工薪酬福利體系，提供與員工經驗、資格及職銜相符、既公平又具市場競爭力的薪酬待遇。同時，我們每年都會進行表現評核，並根據市場情況、公司及個人表現進行薪資檢討及提供酌情年終花紅，讓員工在集團貢獻的價值有更直接的體現。本集團關愛員工，設立了一系列的福利包括：工作餐補助金、交通補貼，通訊補貼及節假日發放過節費等，同時實行5天工作週，而除法定年假以外，亦會因應個人需要給予病假、事假、國家法定節日假、婚假、產假、喪假、及工傷假等假期。我們關注員工身心發展，積極倡導工作與生活的平衡，因此定期為員工舉行生日慶祝活動及組織員工旅行遊玩，藉以持續增進員工間的積極性，歸屬感及團隊凝聚力，長遠有助提升員工工作效率。

Diversity, equal opportunity, and anti-discrimination

The Group is committed to creating a diverse workforce and healthy work environment, strictly complying with all laws and regulations while adhering to equal employment principles. We ensure all employees legally enjoy various rights and fair treatment, protecting the values, religious beliefs, and privacy of employees of different nationalities, races, genders, and cultural backgrounds from infringement.

多元化、平等機會及反歧視

本集團致力於打造多元化的工作團隊及健康的工作環境，並嚴格遵守各項法律法規，堅守平等僱傭原則，確保所有員工依法享有各項權益和公平公正的待遇，保障不同國籍、種族、性別、文化背景的員工的價值觀、宗教信仰和隱私不受侵犯。

As of 31 December 2025, the Group had a total of 47 employees, with all of them working in Mainland China. The breakdowns of them by different categories are set out as follows:

截至二零二五年十二月三十一日，本集團共有47名員工，全部於中國內地任職，按不同性質劃分之員工分佈如下：

Employee were classified 員工分佈	2025 二零二五年	2024 二零二四年	Unit 單位
By gender **按性別劃分**			
Male 男性	28	18	Number of individuals 人數
Female 女性	19	12	Number of individuals 人數
By contract category **按合約類型劃分**			
Full-time 全職	47	30	Number of individuals 人數
Part-time 兼職	–	–	Number of individuals 人數
By employment category **按僱傭類別劃分**			
Senior management 高級管理層	4	4	Number of individuals 人數
Middle management 中級管理層	8	8	Number of individuals 人數
General and other personnel 一般及其他員工	35	18	Number of individuals 人數
By age **按年齡劃分**			
18–25 18至25歲	4	4	Number of individuals 人數
26–35 26至35歲	4	4	Number of individuals 人數
36–45 36至45歲	32	15	Number of individuals 人數
46–55 46至55歲	7	7	Number of individuals 人數
Over 56 56歲或以上	0	0	Number of individuals 人數

For the year ended 31 December 2025, the Group's employee turnover rate is 30%[5] in Mainland China. The breakdowns of them by different categories are set out as follows:

二零二五年十二月三十一日止年度，本集團於中國內地的員工流失比率為30%[5]，按不同性質劃分之員工流失比率如下：

Employee turnover rate[6] 員工流失比率[6]	2025 二零二五年	2024 二零二四年	Unit 單位
By gender **按性別劃分**			
Male 男性	15%	14	%
Female 女性	34%	33	%
By age **按年齡劃分**			
18–25 18至25歲	–%	–	%
26–35 26至35歲	13%	43	%
36–45 36至45歲	43%	25	%
46–55 46至55歲	25%	13	%
Over 56 56歲或以上	–%	–	%

5 The total employee turnover rate is calculated by dividing the total number of employees who resigned during the Year by the number of employees at the end of the Year, and then multiplying by 100%.

6 The employee turnover rate by category is calculated by dividing the number of employees of that category who resigned during the Year by the number of employees of that category at the end of the Year, and then multiplying by 100%.

5 總僱員流失率是按年內總離職僱員人數除以年末的僱員人數，再乘以100%計算。

6 各類別的僱員流失率是按年內該類別的離職僱員人數除以年末該類別的僱員人數，再乘以100%計算。

Occupational health and safety

The Group places great emphasis on the occupational safety of its employees and strictly complies with the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, the Regulations on Work-Related Injury Insurance, and other applicable laws and regulations with significant impact on the Group. As a property development company, we mainly hire outsourced construction contractors for project management, hence we assume limited potential responsibility for the construction workers on our property projects.

However, as a responsible property developer, the Group has established a safety management system, undertaken supervisory responsibilities, and maintained project safety. In addition to ensuring that employees involved in projects and requiring site access participate in mandatory health and safety training, including the safe use of lifting machinery, working at heights, safety management, and site management, we also arrange for the Chief Engineer's Office to conduct monthly on-site inspections to ensure that all required safety measures are implemented at our project sites. The Group also details policies and procedures related to occupational safety in the Employee Handbook for all employees to reference, ensuring the effective implementation of safety policies. The Group takes all appropriate measures to safeguard the health and safety of employees in the workplace, resulting in no recorded work-related injuries during the Year. Furthermore, the Group is not aware of any major safety incidents or work-related fatalities in the past three years.

職業健康與安全

本集團十分重視員工的職業安全並嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》和《工傷保險條例》及其他對本集團適用且有重大影響的法律法規。作為物業開發企業，我們主要聘用外包建築承包商為項目進行施工管理，因此我們對物業項目的施工工人只能承擔有限度的潛在責任。

然而，作為有責任的物業開發商，本集團已建立安全管理制度，承擔監察責任並維護項目安全，除了確保參與工程項目且需要進入工地的員工均參與強制性的健康與安全培訓，包括安全使用起重機械、高空作業、安全管理和工地管理等，亦安排總師辦每月會進行實地巡查，確保項目工地已執行我們所要求的各項安全措施。本集團亦於《員工手冊》中詳細列明了職業安全相關的政策及程序供所有員工參考，務求安全政策得以落實執行。本集團採取一切適當措施保障員工在工作場所內的健康與安全，因此本年度並未有任何工傷記錄。而本集團於過去三年並不知悉有發生過任何重大安全事故或因工作關係而導致死亡的事件。

Development and training

The Group firmly believes that cultivating talent promotes continuous professional development and sustainable corporate growth. Therefore, it is committed to providing employees with various training programs to enhance their skills and develop their careers. At the same time, the Group continuously promotes and improves training resources to further enhance the quality of talent development. The Employee Handbook also stipulates regulations regarding continuous training.

Induction training

The Group provides induction training for all new employees, helping them quickly understand their job responsibilities and become familiar with the Group's background, work model, and corporate culture. Additionally, during the probation period, the Group assigns instructors to assist new employees in mastering job-related skills as soon as possible. The instructors also participates in the general assessment of new employees and is responsible for evaluating interns for regular employment.

External training

To encourage employees to actively engage in self-improvement activities, we offer external training subsidies based on departmental needs or business requirements. We firmly believe that external training not only aids employee development but also brings new cultures and ideas that help continuously enhance the Group's competitiveness.

人才培育

本集團深信透過培養人才，可推動持續專業發展及公司可持續發展，因此致力為僱員提供各類的培訓課程，以助提升技能並發展職業。同時，本集團不斷促進完善培訓課程資源，以持續提高人才培養質量。本集團亦於《員工手冊》中訂明有關持續培訓的規定。

入職培訓

本集團為每位新入職員工提供入職培訓，有助加快員工了解其職位的責任和熟習本集團的背景、工作模式及企業文化，同時本集團亦會於新員工試用期間委派輔導員，協助新員工盡快掌握崗位技能。輔導員亦會參與新員工的日常評估及擁有轉正考評的責任。

外部培訓

我們為了鼓勵員工主動參與自我增值的活動，提供因應職能部門需要或業務要求的外部培訓津貼。我們深信外部培訓不但有助員工的發展，同時能帶來新的文化與理念，有助本集團競爭力持續提升。

Percentage of employees trained[7,8] 員工受訓百分比[7,8]	2025 二零二五年	2024 二零二四年	Unit 單位
Percentage of employees trained by gender **按性別劃分的受訓百分比**			
Male 男	80.00%	77.78	%
Female 女	25.00%	25.00	%
Percentage of employees trained by category **按僱員類別劃分的受訓百分比**			
Senior management 高級管理層	30.00%	30.00	%
Middle management 中級管理層	70.00%	70.00	%
General and other personnel 一般及其他員工	–%	–	%

7 The data excludes employees who have left the company.

8 Details of trained employees by category are calculated by dividing the number of employees in that category by the total number of employees in training during the Year, and then multiplying by 100%.

7 數據不包括離職員工。

8 各類別受訓僱員明細是按年內該類別的受訓僱員人數除以年內總受訓僱員人數，再乘以100%計算。

Number of training hours of employees[9] 員工培訓時數[9]	2025 二零二五年	2024 二零二四年	Unit 單位
Employee Training Analysis[10] **員工培訓分析[10]**			
Total number of training hours 總培訓時數	22	22	hours 小時
Average number of training hours 平均培訓時數	0.73	0.73	hours/person 小時／人
Number of training hours by gender[11] **按性別劃分的平均受訓時數[11]**			
Male 男	0.64	0.64	hours/person 小時／人
Female 女	0.14	0.14	hours/person 小時／人
Number of training hours by employee category[11] **按僱員類別劃分的平均受訓時數[11]**			
Senior management 高級管理層	2	2	hours/person 小時／人
Middle management 中級管理層	1	1	hours/person 小時／人
General and other personnel 一般及其他員工	–	–	hours/person 小時／人

9 The data excludes employees who have left the company.

10 The average number of training hours completed per employee is calculated by dividing the total number of training hours during the Year by the total number of employees at the end of the Year.

11 The average number of training hours by employee category is calculated by dividing the number of training hours for that employee category during the Year by the number of employees in that category at the end of the Year.

9 數據不包括離職員工。

10 每名僱員完成受訓的平均時數是按年內總受訓時數除以年末總僱員人數計算。

11 各類別僱員的平均受訓時數是按年內該類別僱員的受訓時數除以年末該類別的僱員人數計算。

Labor standards

The Group adheres to the principles of reasonable and lawful recruitment and strictly complies with laws and regulations such as Labor Law of the People 's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Child Labor. We are firmly against any form of forced labor or child labor. The Group has established a comprehensive recruitment process and employment procedures. During the recruitment process, the Human Resources Department clearly outlines the job requirements and qualifications, and verifies the applicant's valid identification documents to ensure the applicant meets the legal employment age and eligibility criteria, and does not violate any relevant laws. Furthermore, before signing employment contracts, the Group provides a comprehensive and detailed explanation of the employment terms to ensure that employees fully understand the contract and sign it voluntarily, thereby ensuring that all employees work of their own free will. We strictly prohibit the use of child labor or forced labor. If any violations of hiring child or forced labor are discovered, we will immediately terminate the labor contract, investigate the cause, and hold the responsible parties accountable, imposing appropriate penalties on violators.

During the Year, the Group did not observe any cases of child labor, forced labor, or illegal labor in its operations.

勞工準則

本集團秉持合理合法招聘的準則並嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動法合同》和《禁止使用童工規定》等法律法規，堅決杜絕任何理由的強制勞動及僱傭童工行為。同時本集團已建立的完善招聘流程及僱用程序，人力資源部於招聘過程中會明確列出招聘要求及崗位任職要求，並會審核應聘者的有效身份證明文件，以確保該應聘者達到法定就業年齡並具有就業資格，並且未觸犯相關法律規定。此外，本集團在與員工簽署勞動合同前，會對有關僱傭條款作出全面及詳細的解釋，以確保員工在簽約前充分了解合約的內容，並在自願的情況下簽訂勞動合同，確保所有僱員均於自願情況下勞動或工作，堅決杜絕使用童工和強制勞工。如發現任何違規聘用童工或強制勞工的情況，我們會立即終止其勞動合同，查明原因及追究責任，對違規員工作出適當處罰。

本年度，本集團沒有在其營運中發現任何有關童工、強迫勞工或非法勞工的違例個案。

CREATING VALUES FOR OUR CUSTOMERS

Supply chain management and quality control

The Group has established a comprehensive supplier evaluation system to ensure that major construction contractors and material suppliers are qualified. Qualified third-party contractors are responsible for all project construction work, including excavation, structural construction, equipment installation, and operational work. By outsourcing construction to professional contractors, we can mitigate some of the risks related to raw material cost fluctuations and engineering personnel management. During the Year (2025), we worked with 38 major suppliers, all operating in China (2024: 35 major suppliers).

To ensure that the tendering process is fair, just, transparent, and in compliance with the Group's requirements and applicable Chinese laws and regulations, the Group's Cost Management Department has set up tendering documents and established a series of evaluation criteria to select contractors. Contractors must provide certifications such as qualification certificates and safety production licenses. In addition to evaluating the bidding materials, we also consider factors such as contractor size, qualifications, reputation, track record, quotation, and environmental and social considerations. Understanding the increasing importance of environmental protection, the Group prioritize contractors that offer pollution reduction solutions. Meanwhile, our tendering documents require suppliers to sign a Migrant Workers' Rights Protection Agreement, ensuring they are aware of and fulfill their social responsibility regarding labor rights. During the Year, 1 contractor was engaged in our construction projects (2024: 1 contractor).

為客戶創造價值

供應鏈管理及質量控制

本集團已建立完善的供應商評估系統，確保主要建築承包商及建築材料供應商均為合資格供應商。而合資格的第三方建築承包商則負責我們全部的項目建築工程，包括地基挖掘、主體結構建設、設備安裝及工程作業，我們認為透過將建築工程外包予專業的建築承包商可降低部份原材料成本波動及工程人員管理的風險，本年度（2025年），與我們合作共38個主要供應商，均於中國營運（二零二四年：35個）。

而為確保招標程序能公平、公正及公開以及滿足本集團的要求和相關中國法律及法規，本集團成本管理部的招投標團隊亦制定了招標文件及設定一系列評估準則甄選承包商。建築承包商必須提供其單位資質證書及安全生產許可證等文件，過程除對其投標資料進行詳細評估，亦會考慮承包商規模、資質、聲譽、類似項目的往績、報價、環境及社會等多種因素。本集團理解環境保護對社會公眾漸趨重要，因此盡可能優先選用提供降低污染技術方案的承包商，同時亦在招標文件中要求供應商簽定《民工權益保障承諾書》，確保其知悉及履行在勞工權益的社會責任。本年度建築項目委聘1個承建商（二零二四年：1個）。

Strict procurement of materials

The Group strictly monitors project quality and cost control. As for construction materials, since contractors procure most of the construction materials such as steel and cement for our property development projects, we require them to purchase materials that meet standard specifications and are from designated brands and manufacturers. Where Chinese laws and regulations mandate that contractors must procure certain materials through tendering, we require them to include our selected brands or manufacturers in the tender documents. We also monitor the tender process to ensure that the selected material suppliers meet the compliance standards.

To ensure the stability, reliability, and compliance of procured materials with national safety and environmental standards, we collaborate with supervision companies to conduct random inspections. We verify material certificates, user manuals, performance test reports, and quality assurance documents before including them in our qualified materials list. Furthermore, the Group only directly procures equipment such as windows, air conditioning systems, and elevators from qualified suppliers in our database, prioritizing equipment with less environmental impact or higher energy efficiency. During the Year, the Group was not aware of any major suppliers that caused significant impacts in terms of business ethics, environmental protection, or labor practices.

Monitoring project quality

The Group strictly adheres to Chinese laws and regulations by hiring construction supervision companies and assigning them to oversee various project aspects to ensure quality standards are met. The Cost Management Department sets up a series of control indicators related to cost, quality, and construction progress during the preliminary planning stage based on the overall construction cost budget. The Chief Engineer's Office, consisting of experienced and qualified engineers and construction technicians, supervises the construction quality, progress, and budget control of each project. Monthly on-site inspections are conducted to check the progress and quality of construction materials. We also conduct annual reviews of the overall performance of all ongoing projects to ensure cost, quality, and progress meet our targets. The Group's management performs performance assessments of projects every six months. If any subcontractor fails to meet the required standards, the Group reserves the right to terminate the contract and replace the contractor to maintain high product quality.

嚴格採購物料

本集團嚴格監控項目的質量及成本的控制，對於建築物料，由於承建商於我們的物業開發項目中採購絕大部份的建築材料，如鋼材及水泥等，因此我們會要求承建商採購合乎標準規格及指定的品牌和製造商的建築物料，如因相關中國法律及法規規定承建商須透過招標採購特定種類的建築材料，我們亦會要求有關承建商在招標文件中列入我們選定的品牌或製造商，並監察招標過程，確保選定的建築材料供應商具備合規的資格。

為了保證所採購的物料具有穩定可靠的質量及符合相關國家生產安全及環保標準，我們聯同監理公司會先抽查檢驗承建商提供的物料合格證、使用說明書、性能檢測報告及質保資料後再確認並列入合資格物料清單，同時本集團亦只會從合資格供應商數據庫內的供應商進行直接採購如門窗、空調系統及電梯等設備，並優先考慮採購對環境影響較少或能源效益更高的設備。本年度，本集團並不知悉任何主要供應商在商業道德、環境保護及勞工常規方面造成任何重大的影響。

監控項目質量

本集團堅守中國法律及法規規定聘請建設監理公司，並委派監理公司監察各環節以確保項目質量達標。成本管理部於初步規劃階段將按照總建設成本預算設立有關成本、質量及施工進度的一系列進度控制指標，資深及合資格的工程師和建築技術人員組成的總師辦，於施工過程中監管各項目施工質量、施工進度及控制項目預算，同時每月進行實地巡查項目情況及檢查建築材料質量，並根據既定的項目指標監督施工進度，亦會為所有在建的項目整體表現作年度檢討，確保所產生的成本、質量及施工進度達標，本集團管理層亦會每半年對項目表現進行績效考核。若發現任何外包承建商未能按所要求的標準完成，本集團會保留權利，經過適當程序終止合約及替換其他承包商以維持良好的產品質量。

Customer service

The Group places a high emphasis on brand development and responsibility, striving to enhance brand value and customer satisfaction by continuously improving service management at all project stages.

客戶服務

本集團高度重視品牌建設和品牌責任，致力提升品牌價值，以提升客戶滿意度，因此不斷完善各項目階段服務管理。

Phase One: Project development
第一階段：項目發展

- During the planning stage, we listen to customer feedback and expectations regarding project design and pass this information to the real estate planning team, who discuss it with designers, architects, and contractors.
在計劃階段，聽取客戶對項目設計的相關意見及期望，把意見交予地產策劃團隊，讓他們與設計師、建築師及承辦商商討。

Phase Two: Quality inspection of building
第二階段：樓宇檢質

- To meet local building requirements and customer expectations, a professional team conducts regular inspections to ensure compliance with predefined control indicators.
為達到當地建築要求及客戶期望，專業團隊負責定時巡視檢查工程項目，確保符合預先訂立的控制指標。

Phase Three: Property delivery
第三階段：交樓

- According to the Regulations on the Quality Management of Construction Projects, the Regulations on the Registration and Registration of Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, and the Interim Provisions on the Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects, real estate developers must report to the county or county level where the project is located. The real estate development authorities of the above local people's governments submit applications for completion acceptance and record ling. Therefore, we will only deliver the project after confirming receipt of the acceptance notice and completion certificate to ensure that the project quality complies with legal and regulatory requirements.
根據《建設工程質量管理條例》、《房屋建築工程和市政基礎設施工程竣工驗收備案管理辦法》及《房屋建築工程和市政基礎設施工程竣工驗收暫行規定》，房地產開發商須向項目所在縣級或以上地方人民政府的房地產開發主管部門提交申請，用作房屋竣工驗收及備案。因此我們於確認收到驗收合格通知及竣工證明書後才會作出交付，確保項目質量符合法律及法規規定。

Phase Four: After-sales service
第四階段：售後服務

- We have a professional customer service team and a complete complaint mechanism to follow up on relevant issues raised by customers and maintain close contact with customers, which helps deeply understand customer needs and improve service standards. In addition, appropriate warranty periods are reserved for customers after delivery, which is 1 to 5 years from the date of delivery, and the quality warranty scope should include foundation engineering, main structure engineering, floor waterproofing engineering, bathrooms with waterproofing requirements, leakage prevention of rooms and exterior walls, heating and cooling systems, drainage pipes, equipment installation and decoration works, etc. All complaints will be handled carefully and followed up. We received no complaints about our property and property sales services during the Year (2024: 0 case).
我們設有專業的客戶服務團隊與完善的投訴機制，跟進客戶提出的相關問題，與客戶保持緊密聯繫，有助深入了解客戶需要並有提升服務水平，另外，交付後亦為客戶預留適當的保修期，即交付日起為期1年至5年，而質量保修範圍應該包括地基礎工程、主體結構工程、層面防水工程、有防水要求的衛生間、房間和外墻面的防滲漏、供熱與供冷系統、排水管道、設備安裝和裝修工程等。所有投訴我們都會謹慎處理及跟進。我們於本年度沒有接到有關我們的物業及銷樓服務的投訴（二零二四年：0宗）。

Compliant promotion

The Group strictly complies with the Advertising Law of the People's Republic of China and the Measures for the Administration of Internet Advertising of the People's Republic of China and other laws and regulations. Instructions must pass internal approval and obtain approval from relevant government departments before they can be released. All sales and promotion materials will be carefully checked by the sales department to confirm that sufficient and accurate content has been disclosed in compliance with regulations before they are released and made available to the public for customer reference to make purchasing decisions. At the same time, department employees must abide by the Sales Field Management Manual compiled by the Group and conduct reasonable sales promotions with customers to maintain business ethics.

合規宣傳

本集團嚴格遵循《中華人民共和國廣告法》及《中華人民共和國互聯網廣告管理辦法》等法律法規，所提供的售樓說明書均需要通過內部審批並獲得有關政府部門審批才可發佈，而所有銷售及推廣資料，亦會由銷售部仔細檢查並確定已合規披露充分及準確內容的情況後，才會對外發佈並供客戶參考以作選購決定。同時部門員工必須遵守本集團定制的《銷售案場管理手冊》，與客戶進行合理推銷宣傳，以維持商業道德。

During the Year, the Group was not aware of any material violation of the relevant laws and regulations in relation to the health and safety, advertising, labeling and privacy of the property and service provided by the Group. In addition, relevant disclosure requirements are not applicable to the Group because the nature of the Group's businesses does not involve the product recall and the significant intellectual property right.

本年度，本集團並不知悉有關本集團所提供有關我們物業及服務之健康與安全、廣告、標籤及私隱事宜方面的法律及法規發生任何重大違規情況。此外，本集團的業務性質不涉及產品回收及重大的知識產權事宜，因此相關披露並不適用。

Privacy protection

The Group is committed to protecting data privacy and prohibits any unauthorized disclosure of customer information. When signing sales contracts with customers, we include confidentiality clauses to ensure their privacy is safeguarded. Additionally, all employees must sign confidentiality agreements upon joining the Group, adhering to strict privacy regulations and managing confidential information with care to strengthen privacy protection. During the Year, the Group was not aware of any complaints related to the disclosure of customer information.

保護私隱

本集團致力保護資料私隱，嚴禁任何未經授權的客戶隱私的披露。與客戶簽訂銷售合同時，我們會加入保密條款，以保證客戶的隱私受到保護。此外，每位員工在加入本集團時需要簽訂保密協議，須嚴謹遵守私隱規定並謹慎管理機密資料，以加強保障客戶私隱。本年度，本集團並不知悉有接獲因洩露客戶資料而引致的投訴。

MAKING CONTRIBUTIONS TO THE SOCIETY

Anti-corruption

The Group upholds a corporate culture of integrity and opposes any unethical business practices such as corruption, bribery, extortion, fraud, and money laundering, while strictly complying with local laws and regulations. In accordance with the Law against Unfair Competition of the People's Republic of China, the Criminal Law of the People's Republic of China, and the Interim Provisions on the Prohibition of Commercial Bribery, the Group compiled an Employee Code of Conduct to specify employees' responsibilities and obligations, clarify how to handle conflicts of interest, and raise awareness of self-discipline and integrity.

The Group continues to establish and improve a sound and honest internal control and management system. In addition to monitoring daily management operations and related special projects, it also regularly organizes anti-corruption education and training for directors and employees to improve management and employees' awareness of ethics and corruption issues. In addition, the Group has established a comprehensive reporting channel to ensure that all employees report any relevant suspicious behavior in a safe, reliable and confidential manner. Suspicious incidents will be prudent and comprehensively investigated. If it is confirmed that it is an illegal act, we will transfer the relevant person to the judicial authority in accordance with the law. The Group strictly implements systems and procedures to ensure that the internal control system can effectively identify violations and promptly prevent and stop them. The audit department also regularly reviews relevant anticorruption policies. The Group has a sound organizational structure and policies in place to maintain high standards of corporate governance and an ethical corporate culture.

During the Year, the Group was not aware of any violations involving bribery, extortion, fraud, or money laundering by the Group or its employees, nor was it involved in any corruption lawsuits.

Connecting with the community

The Group highly values social responsibility and is committed to engaging and contributing to the community as part of our strategic development. The Group has established relevant policies. By encouraging employees to participate in social welfare activities during and outside of work hours, we aim to enhance their sense of corporate social responsibility, foster positive values, and help create more value for the community. Meanwhile, we actively listen to community feedback and incorporate their needs into our construction projects, maintaining our corporate social responsibility and working towards creating a sustainable future for the local people and the communities.

為社會作出貢獻

防貪反腐

本集團堅守誠實守信的企業文化，堅決反對任何不符合商業道德的事件如貪污、賄賂、勒索、欺詐及洗錢等違規行為，並嚴格遵守各地法律法規。本集團根據《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》及《關於禁止商業賄賂行為的暫行規定》制定《員工職務行為準則》以規範員工的責任和義務，明確公司對員工處理利益衝突情況的要求，提高員工自我廉潔自律的警覺性。

本集團持續建立健全廉潔的內部監控管理體系，除了對日常管理經營及相關專項作出監察外，同時定期向董事及員工組織反貪污教育及培訓，以提高管理層及員工對道德操守及貪污議題的關注。此外，本集團已設立完善的舉報途徑，確保所有員工以安全、可靠及保密的方式舉報任何相關可疑行為，發現可疑事件將審慎進行全面調查。若確認是違法行為，我們會依法把有關人士移送司法機關處理。本集團嚴格執行制度流程，以確保內部監控系統能夠有效識別違規行為並及時預防與制止。審計部門亦定期檢討相關的反腐敗政策。本集團設有健全的組織架構及政策，以維持高水平的企業管治及符合道德的企業文化。

本年度，本集團並不知悉我們或我們的員工有任何賄賂、勒索、欺詐與洗黑錢的違規行為，亦不涉及於任何貪污訴訟案件。

聯繫社區

本集團高度重視社會責任並致力參與及貢獻社會，作為我們策略發展的一部分。本集團已制定相關政策。透過鼓勵僱員於工作及工餘時間參與社會公益活動，有助增強僱員的企業社會責任感，建立積極正面的價值觀，協助社區創造更多價值。同時我們亦積極聆聽社區的聲音和意見，藉此將人民需求融入我們的建設項目當中，以維持企業社會責任及致力於為當地人民和社會創造可持續的未來。

INDEX OF THE ESG REPORTING GUIDE OF HONG KONG EXCHANGES AND CLEARING LIMITED

香港交易及結算所有限公司ESG報告指引索引

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
A. Environmental **A. 環境**		
Aspect A1: Emissions **層面A1：排放物**		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Creating values for the environment
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例。	為環境創造價值
KPI A1.1	The types of emissions and respective emissions data.	Energy and gas emissions management
關鍵績效指標A1.1	排放物種類及相關排放數據。	能源及氣體排放管理
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy and gas emissions management
關鍵績效指標A1.2	直接（範圍1）及能源間接（範圍2）溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	能源及氣體排放管理
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant hazardous waste was generated in 2025
關鍵績效指標A1.3	所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	二零二五年並無產生重大有害廢棄物
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste management
關鍵績效指標A1.4	所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	廢棄物管理
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green office
關鍵績效指標A1.5	描述所訂立的排放量目標及為達到這些目標所採取的步驟。	綠色辦公室
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste management, Green office
關鍵績效指標A1.6	描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	廢棄物管理、綠色辦公室

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
Aspect A2: Use of Resources **層面A2：資源使用**		
General Disclosure	Policies on the efficient use of resources including energy, water, and other raw materials.	Creating values for the environment
一般披露	有效使用資源（包括能源、水及其他原材料）的政策。	為環境創造價值
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and gas emissions management
關鍵績效指標A2.1	按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。	能源及氣體排放管理
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water management
關鍵績效指標A2.2	總耗水量及密度（如以每產量單位、每項設施計算）。	用水管理
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green office
關鍵績效指標A2.3	描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	綠色辦公室
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water management, Green office
關鍵績效指標A2.4	描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	用水管理、綠色辦公室
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Our business does not involve in using any packaging materials
關鍵績效指標A2.5	製成品所用包裝材料的總量（以噸計算）及（如適用）每生產單位佔量。	我們的業務並未涉及使用任何包裝材料
Aspect A3: The Environment and Natural Resources **層面A3：環境及天然資源**		
General Disclosure	Policies on minimizing the issuer 's significant impact on the environment and natural resources.	Creating values for the environment
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	為環境創造價值
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and resources management
關鍵績效指標A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	環境及資源管理

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
Aspect A4: Climate Change **層面A4：氣候變化**		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change
一般披露	識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	氣候變化
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change
關鍵績效指標A4.1	描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	氣候變化
B. Social **B. 社會** **Employment and Labour Practices** **僱傭及勞工常規** **Aspect B1: Employment** **層面B1：僱傭**		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment practices
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例。	僱傭常規
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment practices
關鍵績效指標B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	僱傭常規
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment practices
關鍵績效指標B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	僱傭常規

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Aspect B2: Health and Safety **層面B2：健康與安全**		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and safety
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例。	職業健康與安全
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational health and safety
關鍵績效指標B2.1	過去三年 (包括匯報年度) 每年因工亡故的人數及比率。	職業健康與安全
KPI B2.2	Lost days due to work injury.	Occupational health and safety
關鍵績效指標B2.2	因工傷損失工作日數。	職業健康與安全
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational health and safety
關鍵績效指標B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	職業健康與安全
Aspect B3: Development and Training **層面B3：發展及培訓**		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	人才培育
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Development and training
關鍵績效指標B3.1	按性別及僱員類別 (如高級管理層、中級管理層等) 劃分的受訓僱員百分比。	人才培育
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and training
關鍵績效指標B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	人才培育

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
Aspect B4: Labor Standards **層面B4：勞工準則**		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labor standards
一般披露	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	勞工準則
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labor standards
關鍵績效指標B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	勞工準則
KPI B4.2	Description of steps taken to eliminate such noncompliance practices when discovered.	Labor standards
關鍵績效指標B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	勞工準則
Operating Practices **營運慣例** **Aspect B5: Supply Chain Management** **層面B5：供應鏈管理**		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management and quality control
一般披露	管理供應鏈的環境及社會風險政策。	供應鏈管理及質量控制
KPI B5.1	Number of suppliers by geographical region.	Supply chain management and quality control
關鍵績效指標B5.1	按地區劃分的供應商數目。	供應鏈管理及質量控制
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management and quality control
關鍵績效指標B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	供應鏈管理及質量控制
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management and quality control
關鍵績效指標B5.3	描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	供應鏈管理及質量控制
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management and quality control
關鍵績效指標B5.4	描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	供應鏈管理及質量控制

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
Aspect B6: Product Responsibility **層面B6：產品責任**		
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our business does not involve any recall of the product
關鍵績效指標B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	我們的業務並未涉及產品回收
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer service
關鍵績效指標B6.2	接獲關於產品及服務的投訴數目以及應對方法。	客戶服務
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not material for the purpose of the operation of the Group
關鍵績效指標B6.3	描述與維護及保障知識產權有關的慣例。	知識產權對本集團之營運而言並不重大
KPI B6.4	Description of quality assurance process and recall procedures.	Supply Chain Management and Quality Control; the Group does not involve any recall of the product
關鍵績效指標B6.4	描述質量檢定過程及產品回收程序。	供應鏈管理及質量控制；本集團不涉及產品回收
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy protection
關鍵績效指標B6.5	描述消費者資料保障及隱私政策，以及相關執行及監察方法。	保護私隱

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標		Chapter/Statement 章節／聲明
Aspect B7: Anti-corruption **層面B7：反貪污**		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	防貪反腐
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
關鍵績效指標B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	防貪反腐
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
關鍵績效指標B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	防貪反腐
KPI B7.3	Description of anti-corruption training provided to directors and staff.	The Group did not provide anticorruption training for the Board or employees during the Year
關鍵績效指標B7.3	描述向董事及員工提供的反貪污培訓。	本集團於本年度並沒有向董事會或員工提供反貪污培訓
Aspect B8: Community Investment **層面B8：社區投資**		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Connecting with the community
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	聯繫社區
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	No resources were utilized as community investment during the Year
關鍵績效指標B8.1	專注貢獻範疇 (如教育、環境事宜、勞工需求、健康、文化、體育)。	本年度並沒有動用資源作社區投資
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	No resources were utilized as community investment during the Year
關鍵績效指標B8.2	在專注範疇所動用資源 (如金錢或時間)。	本年度並沒有動用資源作社區投資

INDEPENDENT AUDITORS' REPORT
獨立核數師報告

Global Link CPA Limited

To the members of Xinming China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

Multiple material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB239,340,000 for the year ended 31 December 2025. At 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB4,676,401,000. In addition, at 31 December 2025, the Group's borrowings of approximately RMB1,213,499,000 and the convertible bonds issued by the Group amounting approximately RMB269,983,000 were overdue pursuant to the borrowing agreements which constituted events of defaults. These conditions, together with other matters disclosed in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

致新明中國控股有限公司股東
(於開曼群島註冊成立的有限公司)

不發表意見

我們並無就　貴集團之綜合財務報表發表意見，基於在本報告中「不發表意見基礎」一節所述事項關係重大，我們未能取得充足適當的審核憑證為綜合財務報表之審核意見提供基礎。在所有其他方面，我們認為，綜合財務報表已遵照香港《公司條例》的披露規定妥為擬備。

不發表意見基礎

與持續經營相關的多個不確定事項

誠如綜合財務報表附註2所載，　貴集團於截至二零二五年十二月三十一日止年度產生虧損淨額約人民幣239,340,000元。於二零二五年十二月三十一日，　貴集團的流動負債超過其流動資產約人民幣4,676,401,000元。此外，於二零二五年十二月三十一日，　貴集團借款約人民幣1,213,499,000元以及　貴集團已發行可換股債券約人民幣269,983,000元根據借款協議已逾期，構成違約事項。該等狀況連同綜合財務報表附註2所披露的其他事宜，表明存在的重大不確定性可能對　貴集團持續經營業務的能力帶來重大疑問。

The Management has been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default; (ii) successfully negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future; (iv) successfully accelerating the pre-sale and sale of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, and controlling costs and capital expenditure so as to generate adequate net cash inflows; and (v) successfully procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project at a price deemed appropriate.

管理層已採取多項措施，以改善　貴集團的流動性及財務狀況，有關資料載於綜合財務報表附註2。綜合財務報表是依據持續經營的假設編製，其有效性取決於該等措施實施之結果，並受限於多個不明朗因素，包括(i)成功與　貴集團現有貸款人磋商，確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息付款；(ii)成功與各家金融機構就尚欠借款(包括已逾期本金及利息)磋商達成重續或延展還款安排；(iii)成功與各家金融機構及潛在貸款人／投資者磋商以物色多種選擇為　貴集團可見將來的營運資金及承擔額外撥資；(iv)成功加速開發中及已竣工物業之預售和銷售，加速收回尚未支付的銷售所得款項，以及控制成本和資本開支，從而產生充足現金流入淨額；及(v)成功促使及與大型物業開發企業磋商有關出售個別物業開發項目的初步條款(倘認為價格合適)。

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

因此，我們不能取得充足適當的審核憑證，以使我們信納於編製綜合財務報表時採用持續經營會計基準的適當性。倘　貴集團未能按持續經營基準經營，而可能須作出有關調整以撇減貴集團資產的賬面值至其可回收金額，並就可能產生進一步負債計提撥備並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未於綜合財務報表中反映。

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board 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.

董事及肩負管治責任者就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則會計準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及維持董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

在編製綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)及採用以持續經營為基礎的會計法，除非 貴公司董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法。

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

肩負管治責任者須負責監督 貴集團之財務報告流程。

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

核數師就審計綜合財務報表須承擔的責任

Our responsibility is to conduct an audit of the Group 's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basic for an audit opinion on the consolidated financial statements.

我們的責任為根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則對 貴集團的綜合財務報表進行審計，並發出核數師報告。然而，由於本報告「不發表意見基礎」一節所述事項，我們未能就該等綜合財務報表審核意見提供基準取得充分恰當之審核憑證。

We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

我們僅向 閣下作為整體報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行該守則中的其他專業道德責任。

Global Link CPA Limited
Certified Public Accountants

高嶺會計師有限公司
執業會計師

Hong Kong, 31 March 2026

香港，二零二六年三月三十一日

The engagement director on the audit resulting in this independent auditor's report is:
Au Yeung Ming Yin Gordon
Practising Certificate number: P08219

出具本獨立核數師報告的審計委託董事是：

歐陽銘賢
執業證書編號：P08219

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

Year ended 31 December 2025 截至二零二五年十二月三十一日止年度

		Notes 附註	2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Revenue	**收益**	5	**109,462**	86,843
Cost of sales	銷售成本		**(104,515)**	(66,176)
Gross profit	毛利		**4,947**	20,667
Other income and gains and losses	其他收入及收益及虧損	6	**13,873**	21
Selling and distribution costs	銷售及分銷成本		**(5,656)**	(3,577)
Administrative expenses	行政支出		**(11,093)**	(19,821)
Other expenses	其他開支		**(143,036)**	(473,844)
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	18	**–**	(3,319)
Changes in fair value of investment properties	投資物業之公允價值變動	14	**21,870**	(12,270)
Changes in fair value of convertible bonds	可換股債券之公允價值變動		**–**	(9,463)
Finance costs	融資成本	7	**(97,680)**	(96,663)
Loss before income tax	**除所得稅前虧損**	7	**(216,775)**	(598,269)
Income tax (expenses) credit	所得稅(支出)抵免	10	**(22,565)**	8,578
Loss for the year	**年內虧損**		**(239,340)**	(589,691)
Other comprehensive income (expense) item that may be reclassified subsequently to profit or loss:	**其後可能重新分類至損益的其他全面收入(開支)項目：**			
Exchange difference arising on translation of foreign operation	換算海外業務產生之匯兌差額		**128**	(57)
Total comprehensive expense for the year	**年內全面開支總額**		**(239,212)**	(589,748)
Loss for the year attributable to:	**以下人士應佔年內虧損：**			
Owners of the Company	本公司擁有人		**(219,027)**	(542,523)
Non-controlling interests	非控股權益		**(20,313)**	(47,168)
			(239,340)	(589,691)
Total comprehensive expense for the year attributable to:	**以下人士應佔年內全面開支總額：**			
Owners of the Company	本公司擁有人		**(218,899)**	(542,580)
Non-controlling interests	非控股權益		**(20,313)**	(47,168)
			(239,212)	(589,748)
				(Restated) (經重列)
Loss per share attributable to owners of the Company	**本公司擁有人應佔每股虧損**	12		
Basic and Diluted *(RMB)*	基本和攤薄*(人民幣)*		**(4.139)**	(23.378)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2025 於二零二五年十二月三十一日

		Notes 附註	2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	13	**663**	668
Investment properties	投資物業	14	**927,800**	905,930
Deferred tax assets	遞延稅項資產	16	**217,127**	227,863
			1,145,590	1,134,461
Current assets	**流動資產**			
Properties under development	開發中物業	17	**341,000**	402,000
Completed properties held for sale	持作出售的已竣工物業	18	**580,112**	557,470
Trade receivables	貿易應收款項	19	**61,343**	3,201
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	20	**60,423**	45,505
Restricted deposits	受限制存款	21	**401**	1,412
Cash and cash equivalents	現金及現金等價物	21	**6,977**	662
			1,050,256	1,010,250
Current liabilities	**流動負債**			
Trade payables	貿易應付款項	22	**221,252**	459,566
Other payables and accruals	其他應付款項及應計費用	23	**2,927,148**	2,487,619
Contract liabilities	合約負債	24	**178,741**	171,213
Interest-bearing bank and other borrowings	計息銀行及其他借款	25	**1,222,629**	1,212,708
Tax payable	應付稅項		**906,904**	905,002
Convertible bonds	可換股債券	26	**269,983**	282,125
			5,726,657	5,518,233
Net current liabilities	**流動負債淨值**		**(4,676,401)**	(4,507,983)
Total assets less current liabilities	**總資產減流動負債**		**(3,530,811)**	(3,373,522)
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延稅項負債	16	**185,550**	175,742
NET LIABILITIES	**負債淨值**		**(3,716,361)**	(3,549,264)

At 31 December 2025 於二零二五年十二月三十一日

		Notes 附註	2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
EQUITY	**權益**			
Issued capital	已發行股本	27	**836**	14,880
Reserves	儲備		**(3,392,086)**	(3,259,346)
			(3,391,250)	(3,244,466)
Non-controlling interests	非控股權益		**(325,111)**	(304,798)
TOTAL DEFICIT	**虧絀總額**		**(3,716,361)**	(3,549,264)

The consolidated financial statements on pages 119 to 206 were approved and authorised for issue by the Board of Directors on 31 March 2026 and signed on its behalf by

第119至206頁綜合財務報表於二零二六年三月三十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

Chen Chengshou
陳承守
Director
董事

Shi Jianwen
石艦文
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

Year ended 31 December 2025 截至二零二五年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
		Issued capital 已發行股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元 (Note 28) (附註28)	Merger reserve 合併儲備 RMB'000 人民幣千元 (Note 28) (附註28)	Capital reserve 資本儲備 RMB'000 人民幣千元 (Note 28) (附註28)	Share award scheme reserve 股份獎勵計劃儲備 RMB'000 人民幣千元	Financial assets at FVOCI reserve 按公允價值計入其他全面收益的金融資產儲備 RMB'000 人民幣千元	Exchange reserve 外匯儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	–	(3,305,834)	(2,770,911)	(2,756,031)	(203,485)	(2,959,516)
Loss for the year	年內虧損	–	–	–	–	–	–	–	(488,378)	(488,378)	(488,378)	(101,313)	(589,691)
Exchange differences arising on translation of foreign operation	換算海外業務產生之匯兌差額	–	–	–	–	–	–	(57)	–	(57)	(57)	–	(57)
Total comprehensive expense for the year	年內全面開支總額	–	–	–	–	–	–	(57)	(488,378)	(488,435)	(488,435)	(101,313)	(589,748)
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	14,880	496,155	81,491	(45,756)	4,533	(1,500)	(57)	(3,794,212)	(3,259,346)	(3,244,466)	(304,798)	(3,549,264)
Loss for the year	年內虧損	–	–	–	–	–	–	–	(219,027)	(219,027)	(219,027)	(20,313)	(239,340)
Exchange differences arising on translation of foreign operation	換算海外業務產生之匯兌差額	–	–	–	–	–	–	185	–	185	185	–	185
Total comprehensive expense for the year	年內全面開支總額	–	–	–	–	–	–	185	(219,027)	(218,842)	(218,842)	(20,313)	(239,155)
Issue of shares pursuant to the capital reorganisation and right issue	根據資本重組及供股發行股份	(14,044)	90,991	–	–	–	–	–	–	90,991	76,947	–	76,947
Share issue costs	股份發行成本	–	(4,889)	–	–	–	–	–	–	(4,889)	(4,889)	–	(4,889)
At 31 December 2025	於二零二五年十二月三十一日	836	582,257	81,491	(45,756)	4,533	(1,500)	128	(4,013,239)	(3,392,086)	(3,391,250)	(325,111)	(3,716,361)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

At 31 December 2025 於二零二五年十二月三十一日

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
OPERATING ACTIVITIES	**經營活動**		
Loss before income tax	除所得稅前虧損	**(216,775)**	(598,269)
Adjustments for:	就下列各項作出調整：		
Bank interest income	銀行利息收入	**(5)**	(6)
Changes in fair value of convertible bonds	可換股債券之公允價值變動	**–**	9,463
Changes in fair value of investment properties	投資物業之公允價值變動	**(21,870)**	12,270
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**8**	13
Finance costs	融資成本	**97,680**	96,663
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	**–**	3
(Reversal of impairment)/ Impairment of completed properties held for sale	持作出售的已竣工物業（減值撥回）／減值	**(14,121)**	7,050
(Reversal of impairment)/ Impairment of properties under development	開發中物業（減值撥回）／減值	**(47,632)**	5,699
Impairment of financial assets, net	金融資產減值淨額	**15,805**	26,840
Interest penalties	罰息	**222,248**	366,208
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業虧損	**–**	3,319
Provision for litigation and claims	訴訟及索賠撥備	**2,685**	–
Operating cash flows before changes in working capital	**營運資金變動前經營現金流量**	**38,023**	(70,747)
Changes in working capital:	營運資金變動：		
Properties under development and completed properties held for sale	開發中物業及持作出售的已竣工物業	**100,111**	82,942
Trade receivables	貿易應收款項	**(62,048)**	(10,048)
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	**(26,817)**	(23,896)
Restricted deposits	受限制存款	**1,011**	(892)
Trade payables	貿易應付款項	**(238,314)**	(24,132)
Other payables and accruals	其他應付款項及應計費用	**167,797**	136,124
Contract liabilities	合約負債	**7,528**	(23,119)

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

At 31 December 2025 於二零二五年十二月三十一日

		Notes 附註	2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Cash (used in) generated from operations	**營運(所用)所得現金**		**(12,709)**	66,232
Income tax paid	已付所得稅		**(119)**	(154)
Net cash (used in) generated from operating activities	**經營活動(所用)所得現金淨額**		**(12,828)**	66,078
INVESTING ACTIVITY	**投資活動**			
Bank interest income	銀行利息收入		**5**	6
Purchase of property, plant and equipment	購置物業、廠房及設備		**(3)**	–
Net cash generated from investing activity	**投資活動所得現金淨額**		**2**	6
FINANCING ACTIVITIES	**融資活動**			
New loan raised	已籌集的新貸款		**14,639**	3,709
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款		**(4,560)**	(70,466)
Interest and penalties paid	已付利息及罰款		**(62,996)**	–
Proceed from issue of new shares	發行新股份所得款項		**76,947**	–
Transaction cost directly attributable to issue of shares	發行股份直接應佔的交易成本		**(4,889)**	–
Net cash generated from (used in) financing activities	**融資活動所得(所用)的現金淨額**		**19,141**	(66,757)
Net increase (decrease) in cash and cash equivalents	**現金及現金等價物增加(減少)淨額**		**6,315**	(673)
Cash and cash equivalents at beginning of year	**年初現金及現金等價物**		**662**	1,335
Cash and cash equivalents at end of year, represented by cash and bank balances	**年末現金及現金等價物(以現金及銀行結餘呈列)**	21	**6,977**	662

1. GENERAL INFORMATION

Xinming China Holdings Limited (the "Company") was incorporated in the Cayman Islands on 16 January 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, properties development and properties leasing.

1. 一般資料

新明中國控股有限公司(「本公司」)於二零一四年一月十六日在開曼群島根據開曼群島法律第22章公司法註冊成立為獲豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處位於Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事於投資控股、物業開發及物業租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. 重大會計政策資料

合規聲明

綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則會計準則編製。就編製綜合財務報表而言，倘資料預期可合理影響主要使用者所作出的決策，則有關資料被視為屬重大。此外，綜合財務報表亦包括根據香港聯合交易所有限公司證券上市規則及香港公司條例要求作出的適用披露。

Going concern

The Group incurred a net loss of approximately RMB239,340,000 for the year ended 31 December 2025. At 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB4,676,401,000.

At 31 December 2025, the Group's borrowings of approximately RMB1,213,499,000 and convertible bonds of approximately RMB269,983,000 were overdue pursuant to the relevant borrowing agreements.

持續經營

截至二零二五年十二月三十一日止年度，本集團產生虧損淨額約人民幣239,340,000元。於二零二五年十二月三十一日，本集團流動負債超過其流動資產約人民幣4,676,401,000元。

於二零二五年十二月三十一日，根據相關借款協議，本集團借款約為人民幣1,213,499,000元及可換股債券約為人民幣269,983,000元均逾期。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

(ii) Continuously negotiating with various financial institutions and potential lenders/ investors to identify various opportunities for additionally financing the Group's working capital and commitments in the foreseeable future.

2. 重大會計政策資料(續)

持續經營(續)

所有上述情況表示存在可能對本集團持續經營能力產生重大懷疑的重大不確定性。

鑒於該等情況,於評估本集團是否擁有充足財務資源繼續持續經營時,本公司董事充分考慮本集團未來流動資金及表現以及其可用財務資源。本集團已採取若干措施以緩解流動資金壓力及改善其財務狀況,包括但不限於以下各項:

(i) 就尚欠借款(包括已逾期本金及利息)與各家金融機構繼續磋商達成重續或延展還款安排。管理層一直就尚欠借款達成重續或延展還款安排與本集團現有貸款人磋商以確保相關貸款人不會採取行動以要求即時償還拖欠的借款及利息(包括交叉違約條款所涵蓋的借款及利息)及希望達成延展到期日及尚欠借款的還款時間表。

(ii) 與各家金融機構及潛在貸款人/投資者持續磋商為本集團於可見將來的營運資金及承擔物色各種額外撥資的機會。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern (Continued)

(iii) Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. As at the date of this consolidated financial statements, the construction of Block 9 and 16 of phase 4 of the Shandong Project was completed as planned and the said blocks were delivered since September 2025.

(iv) Actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price. The Management is still identifying and negotiating terms with new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively. The Management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(v) Actively accelerate the de-stocking of its properties. The Company intends to sell the residential property in Shandong and the whole or portion of commercial properties in Taizhou, Hangzhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised IFRSs that are relevant to the Group's operation and effective from the current year.

2. 重大會計政策資料(續)

持續經營(續)

(iii) 加速開發中及已竣工物業之預售和銷售,諸如山東項目,以及控制成本和控制資本開支,從而為本集團帶來充足現金流入淨額。於本綜合財務報表日期,山東項目第四期第9座及第16座的建築工程已按計劃完成,上述樓座已自二零二五年九月交付。

(iv) 積極促使並與大型物業開發商制定初步條款,以按合適的價格出售個別物業開發項目或整棟商用房。管理層仍在物色並與新投資者就參與投資上海及台州翻新工程商討條款,以增加其基本價值,並更快及更有效地加快商業物業的銷售。管理層估計上海項目的大部分所得款項淨額將用於償還尚欠借款。出售上海項目可能構成上市規則第14章項下本公司須予公佈的交易,並將須遵守上市規則的相關規定。

(v) 積極加快其物業庫存去化。本公司擬透過配套出售山東的住宅物業以及台州、杭州及上海的全部或部分商業物業,務求加快回流營運資金改善其負債及財務槓桿狀況。

除另有註明外,所有數值均四捨五入至最接近之千位數。

綜合財務報表乃按照與於二零二四年的綜合財務報表所採用會計政策一致的基準編製,惟採用下列與本集團業務有關及於本年度生效的新訂/經修訂國際財務報告準則除外。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Adoption of new/revised IFRSs

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

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referring Nature dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS Accounting Standards	*Annual Improvements to IFRS Accounting Standards – Volume 11*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
Amendments to IAS21	*Translation to a Hyperinflationary Presentation Currency*[1]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

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

2. 重大會計政策資料(續)

採用新訂／經修訂國際財務報告準則

本集團並未提前採納下列已頒佈但尚未生效之新訂及經修訂國際財務報告準則會計準則：

國際財務報告準則第9號及國際財務報告準則第7號之修訂本	*金融工具分類及計量之修訂*[2]
國際財務報告準則第9號及國際財務報告準則第7號之修訂本	*涉及自然依賴型電力的合約*[2]
國際財務報告準則第10號及國際會計準則第28號之修訂本	*投資者與其聯營公司或合營企業之間的資產出售或出資*[1]
國際財務報告準則會計準則之修訂本	*國際財務報告準則會計準則之年度改進－第11卷*[2]
國際財務報告準則第18號	*財務報表的呈列及披露*[3]
國際會計準則第21號之修訂本	*換算為高度通貨膨脹呈列貨幣*[1]

1 於待定日期或之後開始的年度期間生效。
2 於二零二六年一月一日或之後開始的年度期間生效。
3 於二零二七年一月一日或之後開始的年度期間生效。

除新訂及經修訂國際財務報告準則會計準則外，本公司董事預期應用所有其他新訂及經修訂國際財務報告準則會計準則於可見未來將不會對綜合財務報表產生重大影響。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Adoption of new/revised IFRSs (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The directors of the Company anticipate that the application of IFRS 18 will affect the structure and presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, but will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for investment properties and convertible bonds which are measured at fair value.

2. 重大會計政策資料(續)

採用新訂／經修訂國際財務報告準則(續)

國際財務報告準則第18號財務報表的呈列及披露載列有關財務報表呈列及披露的規定，將取代國際會計準則第1號財務報表的呈列。此新訂國際財務報告準則會計準則在沿用國際會計準則第1號多項規定的同時，亦引入新規定以於損益表內列報指定類別及定義的小計；於財務報表附註中披露管理層定義的業績指標(MPM)，並改進財務報表內將予披露資料的歸類及分拆。此外，國際會計準則第1號的部分段落已移至國際會計準則第8號會計政策、會計估計變更及錯誤(其名稱將在國際財務報告準則第18號生效後更改為財務報表編製基準)及國際財務報告準則第7號。同時亦對國際會計準則第7號現金流量表及國際會計準則第33號每股盈利作出輕微修訂。

國際財務報告準則第18號及其他準則之修訂將於二零二七年一月一日或之後開始之年度期間生效，並允許提早應用。本公司董事預期，應用國際財務報告準則第18號將影響未來綜合財務報表內綜合損益表的結構及呈列以及披露，但鑑於其不會影響綜合財務報表中項目的確認或計量，故對本集團的財務狀況及表現並無實質影響。

計量基準

綜合財務報表乃以歷史成本為計量基準編製，惟投資物業及可換股債券以公允價值計量。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote ho of the investee;

(b) rights arising from other contractual arrangements;

(c) the Group's voting rights and potential voting rights.

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

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

2. 重大會計政策資料(續)

綜合賬目基準

綜合財務報表包括本公司及其所有附屬公司之財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報,並且有能力運用對投資對象的權力(即賦予本集團現有能力以主導投資對象的相關活動的既存權利)影響該等回報時,即取得控制權。

倘本公司直接或間接擁有少於投資對象過半數的投票或類似權利,則本集團於評估其是否擁有對投資對象的權利時會考慮所有相關事實及情況,包括:

(a) 與投資對象其他投票持有人的合約安排;

(b) 其他合約安排所產生的權利;及

(c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期間編製,並採用貫徹一致的會計政策。附屬公司業績自本集團取得控制權之日綜合入賬並直至該控制權終止之日為止。

損益及其他全面收益各組成部分乃歸屬於本公司擁有人及非控股權益,即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易之所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (Continued)

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by–acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

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

Fair value measurement

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

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

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

2. 重大會計政策資料(續)

綜合賬目基準(續)

非控股權益單獨由本公司擁有人呈列於綜合損益及其他全面收益表及綜合財務狀況表的權益中。屬現時擁有權權益且於清盤時讓持有人有權按比例分佔被收購方資產淨值的非控股權益,可初步按公允價值或現時擁有權工具應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項收購而作出選擇。其他類別的非控股權益初步按公允價值計量,惟國際財務報告準則會計準則規定的另一項計量基準除外。

倘有事實及情況顯示上文所述三個控制因素中有一個或以上出現變動,則本集團將重新評估是否仍控制投資對象。附屬公司之擁有權權益變動(並無喪失控制權)被視為股本交易入賬。

公允價值計量

本集團於各報告期末按公允價值計量其投資物業及可換股債券。公允價值為市場參與者於計量日期在有序交易中出售資產所收取之價格或轉讓負債所支付之價格。公允價值計量乃根據假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產公允價值計量須計及市場參與者能自最大限度使用該資產達致最佳用途,或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者,所產生之經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值技術,以盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement (Continued)

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

Level 1 (highest level):	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 (lowest level):	unobservable inputs for the asset or liability.

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

Impairment of non-financial assets (other than goodwill)

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

2. 重大會計政策資料(續)

公允價值計量(續)

所有於綜合財務報表中計量或披露公允價值之資產及負債,乃按對整體公允價值計量具重大影響之最低層輸入值分類至下述之公允價值等級:

第一級(最高水平):	根據本集團於計量日期可獲得的相同資產或負債於活躍市場的報價(未經調整);
第二級:	除第一級包含的報價外,無論是資產或負債直接的或是間接的可觀察輸入資料;
第三級(最低水平):	資產或負債的不可觀察輸入資料。

就按經常性基準於綜合財務報表確認之資產及負債而言,本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大之最低層輸入值)確定是否發生不同等級轉移。

非金融資產減值(商譽除外)

倘有跡象顯示出現減值,或當需要對資產(開發中物業、持作出售竣工物業、遞延稅項資產、金融資產及投資物業除外)作年度減值測試,則須估計資產之可收回價值。資產之可收回價值按資產或現金產生單位之使用價值,以及其公允價值減出售成本之較高者計算,並就各個別資產而釐定,除非資產並未能在大致獨立於其他資產或組別資產之情況下產生現金流入,在此情況下,須釐訂資產所屬的現金產生單位之可收回金額。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets (other than goodwill) (Continued)

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

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

Related parties

A related party is a person or entity that is related to the Group.

(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 Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

2. 重大會計政策資料(續)

非金融資產減值(商譽除外)(續)

減值虧損只於資產之賬面值超過其可收回數額時確認。於評估使用價值時，使用反映當時市場對貨幣時間值以及與資產相關的特定風險的除稅前貼現率貼現出估計未來現金流量之現值。減值虧損於其產生期間在損益中與已減值資產功能相符的相關開支類別支銷。

於各報告期末，將評估是否有跡象顯示於過往確認之減值虧損不再存在或可能有所減少。倘出現有關跡象，則須估計可收回金額。過往確認之資產(商譽除外)減值虧損只能於用以釐訂資產之可收回數額之估計出現變動始能撥回，惟該數額不得超過假設有關資產於過往年度並未有確認減值虧損而予以釐訂之賬面值(扣除任何折舊／攤銷)。該撥回之減值虧損乃於其產生之期間計入損益，除非該資產乃按重估值列賬，則該撥回減值虧損乃根據該項重估資產的有關會計政策入賬。

關聯方

關聯方乃指與本集團相關的個人或實體。

(a) 倘屬以下人士，則該人士或該人士的近親與本集團有關連：

  (i) 控制或共同控制本集團；

  (ii) 對本集團有重大影響力；或

  (iii) 為本集團或本集團控股公司的主要管理層成員。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each holding company, 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.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a holding company 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 Group or to the holding company of the Group.

2. 重大會計政策資料(續)

關聯方(續)

(b) 倘一間實體符合以下條件,即為與本集團有關聯:

(i) 該實體與本集團為同一集團的成員(這意味著各實體的控股公司、附屬公司和同系附屬公司之間均相互關聯)。

(ii) 一間實體為另一實體的聯營公司或合營公司(或為另一實體所屬集團的成員公司的聯營公司或合營公司)。

(iii) 兩家實體均為同一第三方的合營公司。

(iv) 一間實體為第三方實體的合營公司,而另一實體為該第三方實體的聯營公司。

(v) 該實體為本集團或與本集團有關聯的實體為僱員福利而設的離職後福利計劃。倘本集團本身便是該計劃,提供資助的僱主亦與本集團有關連。

(vi) 該實體被(a)項所述人士控制或共同控制。

(vii) 於(a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的控股公司)主要管理層。

(viii) 該實體、或其所屬集團之任何成員公司向本集團或本集團之控股公司提供主要管理人員服務。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (Continued)

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:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Property, plant and equipment

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

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

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

Plant and machinery	19.0%
Furniture and office equipment	19.0 to 49.4%
Motor vehicles	9.9% to 32.9%

2. 重大會計政策資料(續)

關聯方(續)

個人關係密切的家庭成員是指其在和實體進行交易時,預期可能影響該個人或者被該個人影響的家庭成員,包括:

(a) 該個人的子女及配偶或家庭伴侶;

(b) 該個人配偶或家庭伴侶的子女;及

(c) 該個人、該個人配偶或家庭伴侶贍養的人。

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使資產達致其使用狀態及地點作擬定用途所直接產生之成本。

於物業、廠房及設備項目投入運作後所產生的支出,如維修及保養費等,通常於該等支出產生期間計入損益。倘確認條件達標,主要檢查費用可按撥充資本計入作為重置的資產賬面值。倘須定期替換大部分物業、廠房及設備,則本集團會將該等部分確認為有特定可使用年期的個別資產及相應地予以折舊。

折舊乃以直線法按其估計可使用年期撇銷各項物業、廠房及設備的成本至其剩餘價值。就此使用的的折舊年率如下:

廠房及機器	19.0%
傢具及辦公設備	19.0至49.4%
汽車	9.9%至32.9%

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment (Continued)

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

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

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

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

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

2. 重大會計政策資料(續)

物業、廠房及設備(續)

倘物業、廠房及設備項目各部分的可使用年期不同,則該項目的成本按合理基準分配至各部分,每部分單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各報告期末檢討,並於適當時調整。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認期間在損益內確認的任何出售或報廢產生的收益或虧損,乃有關資產出售所得款項淨額與其賬面值的差額。

投資物業

投資物業指持作賺取租金收入及/或資本增值的土地及樓宇權益(包括符合投資物業定義的作為使用權資產而持有的租賃物業),而非用作生產或作供應貨品或提供服務或作行政管理用途或持作日常業務過程中出售的土地及樓宇權益。該等物業初步按成本(包括交易成本)計量。初始確認後,投資物業按公允價值列賬,以反映報告期末的市況。

投資物業公允價值變動產生的收益或虧損計入其產生期間的損益內。

報廢或出售投資物業產生的任何收益或虧損於報廢或出售期間的損益確認。

就在建物業及持作出售之已竣工物業轉撥至投資物業而言,物業於該日之公允價值與先前賬面值間之差額於損益內確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Lease

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

The Group as lessee

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

2. 重大會計政策資料(續)

開發中物業

開發中物業擬持作竣工後出售。

開發中物業按成本及可變現淨值的較低者列賬，成本包括土地成本、建築成本、借貸成本、專業費用與於開發期內產生與該等物業直接相關的其他成本。

除非開發中物業不會於正常營運週期內竣工，否則其分類為流動資產。物業於竣工時轉至持作出售的已竣工物業。

持作出售的已竣工物業

持作出售的已竣工物業乃按成本與可變現淨值的較低者於綜合財務狀況表列賬。成本乃按未出售物業應佔土地及樓宇總成本的分攤比例釐定。可變現淨值計及最終預期將變現的價格減去銷售該物業時將產生的估計成本。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(a) Right of use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of- use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets (if any).

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

(b) Lease liabilities

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期確認(即相關資產可供使用之日期)。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於租賃期(以較短者為準)及估計可使用年期內(如有)以直線法折舊。

倘租賃資產所有權於租賃期末轉移至本集團或成本反映購買權的行使,折舊則根據資產的估計可使用年期計算。

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款及預期根據在剩餘價值擔保中將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價,倘租賃期反映了本集團行使終止選擇權,則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於發生觸發付款之事件或狀況期間確認為開支。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease (Continued)

The Group as lessee (Continued)

(b) Lease liabilities (Continued)

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

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

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

The Group as lessor

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

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

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

2. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債(續)

於計算租賃付款現值時,由於租賃中所隱含之利率不易釐定,本集團於租賃開始日期使用其增量借貸利率。於開始日期後,租賃負債金額會增加,以反映利息增加及就所付租賃付款作出調減。此外,倘出現修改、租賃期變動、租賃付款變動(如指數或比率變動所產生之未來租賃付款變動)或購買相關資產之期權評估變更,則租賃負債之賬面值將予重新計量。

(c) 短期租賃及低值資產租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租賃期為12個月或以下且不包含購買權的租賃)應用短期租賃確認豁免。其亦對視作低值的樓宇或辦公室租賃應用低值資產租賃確認豁免。

本集團作為出租人

本集團作為出租人時,於租賃開始日期(或發生租賃修改)將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所隨附的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃組成部分時,本集團按照單獨售價的相對比例將合約中的對價分配給每個組成部分。由於其經營性質,租金收入於租賃期內按直線法列賬並於綜合損益及其他全面收益表內列為收益。於協商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面價值,並於租賃期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

凡將相關資產擁有權之絕大部份隨附回報與風險轉讓予承租人之租賃列賬為融資租賃。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

2. 重大會計政策資料(續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本計量、按公允價值計入其他全面收入(「按公允價值計入其他全面收入」)及按公允價值計入損益(「按公平價值計入損益」)。

於初始確認時,金融資產的分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外,本集團初步按公允價值加上(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收入確認」所載的政策按國際財務報告準則第15號釐定的交易價格計量。

以攤銷成本分類及計量或按公允價值計入其他全面收入的金融資產產生的現金流量,應純粹為支付本金及未償還的本金所產生的利息(「純粹支付本金及利息」)。並非純粹支付本金及利息之現金流量之金融資產,其以公允價值計入損益進行分類及計量,不論其業務模式如何。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產,或兩者兼有。以攤銷成本分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式內持有,而以公允價值計入其他全面收入進行分類及計量的金融資產則於旨在收取合約現金流量及銷售的業務模式內持有。不屬於上述業務模式內的則為按公允價值計入損益分類及計量的金融資產。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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 marketplace.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Derecognition of financial assets

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

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有金融資產的常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指須在法規或市場慣例普遍規定的期間交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其以下類別：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於綜合損益及其他全面收益表中確認。

金融資產終止確認

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況下終止確認(即從本集團的綜合財務狀況表中剔除)：

- 收取該項資產所得現金流量的權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或須根據一項「轉付」安排承擔在並無重大延誤的情況下向第三方全數支付所得現金流量責任；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

Impairment of financial assets

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

General approach

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

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產終止確認(續)

當本集團已轉讓其收取一項資產所得現金流量的權利或已訂立轉付安排,其會評估是否有保留該項資產擁有權的風險及回報及保留程度。倘其並無轉讓或保留該項資產的絕大部份風險及回報,亦無轉讓該項資產的控制權,則本集團繼續根據本集團持續參與的程度將轉讓資產確認入賬。在該情況下,本集團亦確認相關負債。已轉讓資產及相關負債按可反映本集團所保留的權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產,該已轉讓資產乃以該項資產之原賬面值及本集團可能需要支付之最高代價兩者之較低者計量。

金融資產減值

本集團對並非按公允價值計入損益的所有債務工具確認預期信貸虧損的撥備(「預期信貸虧損」)。預期信貸虧損乃基於根據合約應收的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定,並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施的現金流量。

一般方式

預期信貸虧損分兩個階段確認。對於自首次確認概無重大增加的信貸風險,預期信貸虧損乃是為於未來12個月內可能來自違約事件的預期信貸虧損(12個月預期信貸虧損)而計提。對於該等自首次確認後顯著增加的信貸風險,必須為預期於剩餘年期產生的信貸虧損作出虧損撥備,無須考慮違約事件發生的時間(全期預期信貸虧損)。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At the end of each reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

一般方式(續)

於各報告期結束時，本集團評估金融工具的信貸風險自初始確認以來是否顯著上升。於評估時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性且無須花費不必要成本或努力的資料，包括過往及前瞻性資料。

本集團認為，當合約繳款逾期超過90天，該金融資產屬違約。然而，於若干情況，當內部或外來資料顯示本集團不大可能於考慮本集團所持的任何信貸提升措施前全數收到尚未償還合約款項時，本集團亦可能認為一項金融資產已屬違約。當概無合理預期可回收合約現金流量時，一項金融資產即被撇銷。

按公允價值計入其他全面收入的債務投資及按攤銷成本計量的金融資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟貿易應收款項須應用以下詳述之簡化方法除外。

第一階段： 自初始確認以來信貸風險未有顯著上升的金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損撥備的金融工具

第二階段： 自初始確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融工具

第三階段： 於報告日期已作信貸減值的金融資產(惟不是已購買或源頭信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損撥備的金融資產

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

2. 重大會計政策資料(續)

投資及其他金融資產(續)

金融資產減值(續)

簡化方法

就並無重大融資成分或本集團應用可行權宜方法未調整重大融資成分影響的貿易應收款項而言,本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法,本集團並無追溯信貸風險變動,而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣,並按債務人特定的前瞻性因素及經濟環境作出調整。

金融負債

初始確認及計量

金融負債於初始確認時歸類為按公允價值計入損益的金融負債、或貸款及借貸、應付款項,或指定於有效對沖中作對沖工具的衍生工具(倘適用)。

所有金融負債初步按公允價值確認,而貸款及借貸以及應付款項則須扣除直接應佔交易成本。

後續計量

金融負債的後續計量取決於其以下類別:

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定按公允價值於損益中列賬的金融負債。

倘金融負債乃為於短期內出售而購回,則歸類為持有作買賣用途。此類別亦包括本集團所訂立並未指定為對沖關係(定義見國際財務報告準則第9號)中的對沖工具的衍生金融工具。已分開的嵌入式衍生工具亦分類為持作買賣用途,惟指定為實際對沖工具者除外。持作買賣的負債的損益於綜合損益及其他全面收益表中確認。於綜合損益及其他全面收益表中確認的公平淨值收益或虧損不包括就該等金融負債收取的任何利息。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at FVPL (Continued)

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial guarantee contracts

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

2. 重大會計政策資料(續)

金融負債(續)

後續計量(續)

按公允價值計入損益的金融負債(續)

於初步確認時指定按公允價值於損益中列賬的金融負債,僅於初步確認日期符合國際財務報告準則第9號的要求時指定。指定按公允價值計入損益的收益或虧損於綜合損益表確認,惟本集團本身信貸風險產生的於其他全面收益呈列且其後並無重新分類至綜合損益表的收益或虧損除外。於損益內確認的公允價值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

按攤銷成本計量的金融負債(貸款及借貸)

於初始確認後,計息銀行及其他借款其後以實際利率法按攤銷成本計量,倘貼現影響不大,則按成本列賬。收益或虧損於負債終止確認時透過實際利率攤銷程序於損益確認。

計算攤銷成本時已計及任何收購折讓或溢價,以及實際利率所包括的費用或成本。實際利率攤銷則計入損益的融資成本。

財務擔保合約

本集團作出的財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具的條款償還到期款項而招致損失的合約。財務擔保合約初步按其公允價值確認為一項負債,並就作出該擔保直接產生的交易成本作出調整。於初始確認後,本集團按(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備;及(ii)初始確認的金額減(如適用)確認收入累計金額(以較高者為準)計量財務擔保合約。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group 's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

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

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

2. 重大會計政策資料(續)

金融負債(續)

終止確認金融負債

金融負債於債務責任已解除或取消或到期時終止確認。

當現有金融負債被同一貸款人以與原有負債條款有重大差別的金融負債取代,或現有負債條款經重大修訂,則上述取代或修訂將視為終止確認原有負債並確認新負債,而有關賬面值之間的差額於損益確認。

抵銷金融工具

倘且僅倘現時有可執行的合法權利抵銷已確認金額且有意按淨額基準結算,或同時變現資產及結算負債,則金融資產與金融負債予以抵銷且淨額於綜合財務狀況表呈報。

現金及現金等價物

就綜合現金流量表而言,現金及現金等價物包括手頭現金與活期存款,以及可隨時轉換成已知金額現金、價值變動風險不大且購買時一般具有不超過三個月短暫有效期的短期高流通投資,再扣除須於要求時償還且為本集團現金管理所包括的銀行透支。

就綜合財務狀況表而言,現金及現金等價物包括不限用途的手頭現金及銀行現金(包括定期存款及與現金性質相似的資產)。

撥備

倘因過往事件須承擔現時責任(法定或推定),而履行該責任可能導致未來資源外流,且能夠可靠估計,則該責任所涉金額確認撥備。

倘貼現影響重大,則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。貼現現值隨時間過去而增加的金額計入損益中的融資成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

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

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

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Government Grants

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

2. 重大會計政策資料(續)

所得稅

即期所得稅支出乃根據本期間的業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用的稅率為於報告期末已頒行或實際上已頒行的稅率。

遞延稅項乃就資產及負債的稅基與其於綜合財務報表內所示的賬面值於報告期末的所有暫時性差額，採用負債法計提撥備。然而，初步確認商譽或一項交易(業務合併除外)中的其他資產或負債所產生的任何遞延稅項，倘其於交易時不影響會計溢利或應課稅溢利或虧損，則不會確認。

遞延稅項負債及資產乃根據於報告期末已頒行或實際上已頒行的稅率及稅法，按收回資產或清還負債的期間預期適用的稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時性差額、稅項虧損及抵免，則會確認遞延稅項資產。

遞延稅項按於附屬公司之投資所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，且暫時差額可能不會於可見將來撥回則除外。

政府補助

倘能合理確定將可收到政府補助且所有附帶條件得到遵守，則政府補助按公允價值確認。倘補助與開支項目有關，則會有系統地在擬用作補償的成本支銷期間確認補助為收入以符合該補助。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

2. 重大會計政策資料(續)

收入確認

來自客戶合約的收入

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Sale of properties

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation that best depict the Group's performance in satisfying the performance obligation.

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

For properties development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession, or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

2. 重大會計政策資料(續)

收入確認(續)

來自客戶合約的收入(續)

銷售物業

收益於資產控制權轉移至買方時確認。資產的控制權是在一段時間內或在某一時點轉移,取決於合約條款與適用於合約的法律規定。資產的控制權會在一段時間內轉移,前提是本集團的履約行為:

- 提供買方同時取得及消耗的所有利益;或
- 創造及提升買方在本集團履約時控制的資產;或
- 並無創造對本集團有替代用途的資產,且本集團具有就迄今為止已完成的履約部分獲得付款的可強制執行權利。

倘資產的控制權在一段時間內轉移,會按在合約期間已完成該履約責任的進度確認收益。否則,收益會於買方獲得資產控制權的時點確認。

完全達成履約責任之進度乃根據本集團對履行責任所作付出或投入計量,其必須為描述本集團完成履約責任表現之最佳指標。

在釐定交易價格時,倘融資成份重大,本集團將根據融資成份調整承諾代價。

就於某時點轉讓物業控制權之物業發展及銷售合約而言,收益於買方獲得實物所有權或竣工物業之法定所有權且本集團已獲得現時之付款請求權並很可能收回代價時確認。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Interest income

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

Contract liabilities

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

Other employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2. 重大會計政策資料(續)

收入確認(續)

其他來源的收入

租金收入於租期內按時間比例基準確認。

利息收入

利息收入以應計基準,採用實際利率法按估計於金融工具的預計年期或於適當時按更短期間內所得未來現金收入折現至該金融資產賬面淨值的折現率計算。

合約負債

本集團轉讓相關商品或服務之前,於已收付款或付款到期時(以較早者為準)確認合約負債。本集團根據合約(即將相關商品或服務的控制權轉讓予客戶)履行合約時,合約負債確認為收益。

其他僱員福利

短期僱員福利

薪金、年度花紅、有薪年假以及非貨幣福利成本乃於僱員提供相關服務年度內計提。

界定供款計劃

界定退休供款計劃的供款責任於產生時在損益中確認為開支,並扣除僱員於未完成供款計劃而離職所發生的供款部分。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Other employee benefits (Continued)

Defined contribution plans (Continued)

The contributions recognised in respect of pension scheme are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature. The Group participates in the pension scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the " MPF Scheme") which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Borrowing costs

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

2. 重大會計政策資料(續)

其他僱員福利(續)

界定供款計劃(續)

有關退休金計劃的已確認供款於其逾期後列為開支。倘出現欠款或預付款項,則可能確認負債及資產,並由於其通常為短期性質而於流動負債或流動資產中入賬。本集團參與其香港僱員可得的香港強制性公積金計劃條例項下的退休金計劃(「強積金計劃」)。本集團及僱員向強積金計劃的供款乃根據僱員基本薪金的百分比作出,且於其根據強積金計劃的規則變為應付後於損益中扣除。強積金計劃的資產與本集團的資產分開,由一獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全面歸屬於僱員。

本集團在中國經營的附屬公司的僱員均須參與由地方市政府運作的中央退休金計劃。該等附屬公司須按其員工成本的一定百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

離職福利

本集團於明確就終止僱用作出承擔或因在一項實際上不可能撤回的詳細正式計劃下僱員自願離職而提供利益及僅在此情況下,方始確認離職福利。

借貸成本

收購、建設或生產合資格資產(即需要一段較長時間方可達致擬定用途或出售的資產)直接應佔的借貸成本會撥充資本,作為該等資產的部分成本。當資產已大致可作擬定用途或出售時,不再將該等借貸成本撥充資本。將待用於合資格資產的特定借貸臨時投資所賺取的投資收入須自撥充資本的借貸成本扣除。所有其他借款成本於其產生期間列為開支。借貸成本包括實體借款時產生的利息及其他成本。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and the Group because the Group's principal operations are carried out in the PRC.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

2. 重大會計政策資料(續)

外幣

由於本集團的主要業務於中國進行,故綜合財務報表以本公司及本集團的功能貨幣人民幣(「人民幣」)列示。

外幣交易乃按交易日期的現行匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的匯兌收益及虧損,於損益確認。

其功能貨幣與呈列貨幣不同的所有集團實體(「海外業務」)的業績及財務狀況按以下方式換算為呈列貨幣:

- 各財務狀況表的資產及負債按報告期末的收市匯率換算。
- 各損益及其他全面收益表的收支按平均匯率換算。
- 上述換算產生的所有匯兌差額及構成本集團於海外業務的投資淨額一部分之貨幣項目產生的匯兌差額乃確認為權益的獨立部分。
- 出售海外業務(包括出售本集團於海外業務的全部權益、涉及失去包含海外業務之附屬公司的控制權的出售事項,或部分出售於合營安排或聯營公司(包括其保留權益不再於權益列賬的海外業務)的權益)時,與海外業務相關而於其他全面收益中確認並於權益中獨立部分累計的匯兌差額累計金額,於確認出售損益時由權益重新分類至損益。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (Continued)

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, which is the Group's chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 重大會計政策資料(續)

外幣(續)

- 部分出售本集團於包含海外業務之附屬公司的權益,惟並無令本集團失去對該附屬公司的控制權時,按比例分佔於權益中獨立部分確認的匯兌差額累計金額會重新分類至該海外業務的非控股權益,而不會重新分類至損益。

- 就所有其他部分出售(包括部分出售聯營公司或合營公司而並無導致本集團失去重大影響力或共同控制權)而言,按比例分佔於權益獨立部分確認的匯兌差額累計金額乃重新分類至損益。

分部報告

綜合財務報表內所呈報之經營分部及各分部項目之金額,乃自定期就本集團各地理位置之資源分配及表現評估而向本集團最高行政管理層(其為本集團之主要營運決策者)提供之財務資料中識別得出。

個別重大營運分部不會因財務報告而進行聚合,惟各分部具有類似的經濟性質,以及產品與提供的服務性質、生產過程的性質、客戶類型或級別、分銷產品或提供服務所用的方法及監管環境的性質雷同的情況除外。個別不屬重大的營運分部倘其符合絕大部分該等標準則可能合併計算。

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Future changes in IFRSs

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

2. 重大會計政策資料(續)

國際財務報告準則之未來變動

本集團並無提早應用以下已頒佈惟未生效的新訂及經修訂國際財務報告準則會計準則：

Standards and amendments	準則及修訂本	Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
Lack of Exchangeability – Amendments to IAS 21	缺乏可兌換性－國際會計準則第21號(修訂本)	1 January 2025 二零二五年一月一日
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	換算為惡性通貨膨脹呈列貨幣－國際會計準則第21號(修訂本)	1 January 2027 二零二七年一月一日
Amendments to the classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	金融工具分類及計量(修訂本)－國際財務報告準則第9號及國際財務報告準則第7號(修訂本)	1 January 2026 二零二六年一月一日
Annual improvements to IFRS Accounting Standards – Volume 11	國際財務報告準則會計準則的年度改進－第11卷	1 January 2026 二零二六年一月一日
Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7	關於依賴自然能源生產電力的合約－國際財務報告準則第9號及國際財務報告準則第7號(修訂本)	1 January 2026 二零二六年一月一日
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	投資者與其聯營公司或合營企業之間的資產出售或注資－國際財務報告準則第10號及國際會計準則第28號(修訂本)	To be determined 待定
Presentation and Disclosure in Financial Statements – IFRS 18	財務報表的呈列及披露－國際財務報告準則第18號	1 January 2027 二零二七年一月一日

The directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the financial performance and financial position of the Group.

本公司董事預期於未來期間應用該等新訂／經修訂國際財務報告準則會計準則將不會對本集團的財務表現及財務狀況造成任何重大影響。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Classification between property, plant and equipment, investment properties and completed properties held for sale

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. Completed properties held for sale comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends.

3. 重要會計判斷及估計

本集團的綜合財務報表編製須管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響所呈報的收益、開支、資產及負債金額及其相關披露以及或然負債的披露。該等假設及估計的不確定性可能導致日後須大幅調整受影響資產或負債的賬面值。

判斷

本集團管理層在應用本集團的會計政策過程中，除作出涉及估計的判斷外，亦作出以下對於綜合財務報表內所確認金額有最重大影響的判斷：

物業、廠房及設備、投資物業及持作出售的已竣工物業之間的分類

本集團會釐定一項物業是否合資格作為投資物業，並已制定作出該判斷的標準。投資物業為持作賺取租金或作資本增值或同時作以上用途的物業。因此，本集團會衡量物業所產生現金流量是否基本上獨立於本集團持有的其他資產。某些物業包括持作賺取租金或作資本增值的部分，亦包括持作生產或提供商品或服務或作行政用途的另一部分。倘該等部分能獨立出售或根據融資租賃獨立出租，則本集團會將各部分獨立入賬。倘該等部分不能獨立出售，則僅於持作生產或提供商品或服務或作行政用途的部分並不重大時，該物業方會視為投資物業。本集團會根據個別物業作出判斷，以釐定配套服務是否重大以致其不合資格歸類為投資物業。持作出售的已竣工物業包括持作於日常業務過程中出售的物業，主要是本集團開發並擬於竣工前或竣工時出售的住宅物業。

分派股息產生的預扣稅

本集團在釐定是否根據司法權區所頒佈的相關稅務規則計算若干附屬公司分派股息所產生的預扣稅時，須對分派股息的計劃作出判斷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Provision for expected credit losses on trade receivables and financial assets included in prepayments, other receivables and other assets at amortised costs

The Group uses a provision matrix to calculate ECLs for trade receivables and financial assets included in prepayments, other receivables and other financial assets at amortised costs. The provision rates are based on days past due for groupings of various debtor segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next financial reporting period which can lead to an increased number of defaults in the property development sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future.

3. 重要會計判斷及估計(續)

估計的不確定因素

以下是於報告日有關未來的主要假設及估計不明朗因素的其他主要來源,有關假設及來源具有導致資產及負債的賬面值於下一個財務報告期內作出大幅調整的重大風險。

貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他資產的金融資產的預期信貸虧損撥備

本集團使用撥備矩陣以計算貿易應收款項及按攤銷成本計入預付款項、其他應收款項及其他資產的金融資產的預期信貸虧損。撥備率乃基於具有相似虧損模式的不同債務人分部組別(即按地區、產品種類、客戶類別及評級以及信用證及其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。

撥備矩陣乃初始基於本集團的過往可觀察違約比率。本集團將按經前瞻性資料調整的過往信貸虧損經驗調節該矩陣。例如,倘下一個財務報告期的預測經濟狀況(例如國內生產總值)預期將轉差,可導致物業開發的違約數量增加,過往違約比率將作出調整。於各報告期末,本集團更新過往可觀察違約比率及分析前瞻性估計的變動。

過往可觀察違約比率、預測經濟狀況及預期信貸虧損之間關係的評估乃重大的估計。預期信貸虧損金額對情況的變動及預測經濟狀況相當敏感。本集團的過往信貸虧損經驗及預測經濟狀況就債務人未來實際違約而言亦未必有代表性。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision of properties under development and completed properties held for sale

The Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's historical experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion of properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and completed properties held for sale. Such a provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which the estimate is changed will be adjusted accordingly.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

開發中物業及持作出售的已竣工物業撥備

本集團的開發中物業及持作出售的已竣工物業按成本及可變現淨值的較低者列賬。基於本集團的過往經驗及目標物業的性質，本集團對售價、開發中物業的竣工成本及根據現行市況銷售該物業所產生的成本作出估計。

倘竣工成本增加或銷售淨值減少，則可變現淨值將會減少，而這或會導致就開發中物業及持作出售的已竣工物業作出撥備。該撥備須使用判斷及估計。倘預期不同於原先估計，則於估計發生變動期間物業的賬面值及撥備將作相應調整。

非金融資產(商譽除外)減值

本集團於各報告期末評估所有非金融資產有否減值跡象。無限年期的無形資產於每年及於有關跡象存在的其他時間進行減值測試。其他非金融資產在有跡象顯示其賬面值無法收回時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即其公允價值減銷售成本與其使用價值的較高者)，則存在減值。公允價值減銷售成本乃基於按公平原則進行具約束力的類似資產銷售交易所得數據或可觀察市價扣除出售資產的增量成本計算。計算使用價值時，管理層須估計資產或現金產生單位的預期未來現金流量，選擇合適的貼現率以計算該等現金流量的現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Estimation on the fair value of investment properties

Investment properties, including completed investment properties and investment properties under construction carried at fair value, are revalued at the end of each reporting period based on the appraised market value provided by independent professional valuers. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

PRC land appreciation tax ("LAT")

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

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

投資物業的公允價值估計

投資物業(包括按公允價值列賬的已竣工投資物業及在建投資物業)均於各報告期末基於獨立專業估值師所提供的經評估市值進行重新估值。該估值乃基於若干假設,其存在不確定因素並可能與實際業績相差甚遠。在進行估計時,本集團考慮有關類似物業於活躍市場的當前價格的資料,並採用主要基於各報告期末已存在市況的假設。

對本集團公允價值估計的主要假設包括對相同地區及條件下類似物業的現時市場租金、適當貼現率、預期未來市場租金及未來維修成本的假設。

遞延稅項資產

倘可能有應課稅溢利可用以抵銷虧損,則就所有未動用的稅項虧損確認遞延稅項資產。管理層須根據未來應課稅溢利的大致時間及數額以及未來稅務計劃策略作出重大判斷,以釐定可確認的遞延稅項資產金額。

中國土地增值稅(「土地增值稅」)

本集團須繳納中國土地增值稅。土地增值稅撥備乃基於管理層對中國相關稅務法律及法規所載規定的理解所作最佳估計計提。實際的土地增值稅負債須待物業開發項目竣工後由稅務機關釐定。本集團尚未就其所有物業開發項目與稅務機關最終確定土地增值稅的計算及付款。最終結果可能與初步入賬的金額不同,而任何差額會影響差額變現期間的土地增值稅開支及相關撥備。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Convertible bonds

The management uses their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. In determining the fair value of convertible bonds, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the properties development segment engages in the development and sale of properties;

(b) the properties leasing segment engages in leasing out properties for their rental income potential and/or for capital appreciation; and

(c) the others segment engages in investment holding.

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

No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers (if any) are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 重要會計判斷及估計(續)

估計的不確定因素(續)

可換股債券

就於活躍市場上並無報價的金融工具而言,在選擇適當的估值技術時,管理層運用其判斷。市場從業者常用的估值方法會被應用。釐定可換股債券的公允價值時所作出的假設,乃基於就該工具的具體特點調整後的市場報價。

4. 分部資料

就管理而言,本集團按產品及服務劃分其業務單位,且有以下三個可呈報經營分部:

(a) 從事物業開發及銷售的物業開發分部;

(b) 從事出租具租金收入潛力及/或資本增值的物業的物業租賃分部;及

(c) 從事投資控股的其他分部。

管理層獨立監察本集團各經營分部的業績,以作出有關資源分配及業績評價的決策。分部業績乃基於可呈報分部損益(即對經調整除所得稅前損益的計量)進行評價。

由於本集團按經營分部劃分的資產及負債的分析並無定期提交予主要營運決策者審閱,因此並無披露該等分析。

分部間之銷售及轉讓(如有)乃按照當時市場價格銷售予第三方之銷售價而進行交易。

4. SEGMENT INFORMATION (CONTINUED)
Year ended 31 December 2025

4. 分部資料(續)
截至二零二五年十二月三十一日止年度

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 總計 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	108,515	947	–	109,462
Segment results	**分部業績**	(116,394)	(92,553)	(7,828)	(216,775)
Loss before income tax	除所得稅前虧損				(216,775)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	(5)	–	–	(5)
Changes in fair value of investment properties	投資物業之公允價值變動	–	(21,870)	–	(21,870)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8	–	–	8
Finance costs	融資成本	96,271	–	1,409	97,680
Reversal of impairment on completed properties held for sale	持作出售的已竣工物業減值撥回	(14,121)	–	–	(14,121)
Reversal of impairment on properties under development	開發中物業減值撥回	(47,632)	–	–	(47,632)
Impairment of trade receivables, net	貿易應收款項減值淨額	3,906	–	–	3,906
Impairment of (reversal of impairment)financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值(減值撥回)淨額	1,444	(6)	10,461	11,899
Interest penalties	罰息	144,172	–	78,076	222,248

4. SEGMENT INFORMATION (CONTINUED)
Year ended 31 December 2024

4. 分部資料(續)
截至二零二四年十二月三十一日止年度

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Consolidated 總計 RMB'000 人民幣千元
Segment revenue	**分部收益**				
Sales to external customers	銷售予外部客戶	85,371	1,472	–	86,843
Segment results	**分部業績**	(335,157)	(142,458)	(120,654)	(598,269)
Loss before income tax	除所得稅前虧損				(598,269)
Other segment information	**其他分部資料**				
Bank interest income	銀行利息收入	(6)	–	–	(6)
Changes in fair value of investment properties	投資物業之公允價值變動	–	12,270	–	12,270
Changes in fair value of convertible bonds	可換股債券之公允價值變動	–	–	9,463	9,463
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9	4	–	13
Finance costs	融資成本	96,663	–	–	96,663
Impairment of completed properties held for sale	持作出售的已竣工物業減值	7,050	–	–	7,050
Impairment of properties under development	開發中物業減值	5,699	–	–	5,699
Impairment of trade receivables, net	貿易應收款項減值淨額	8,273	–	–	8,273
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產之金融資產減值淨額	18,567	–	–	18,567
Interest penalties	罰息	303,625	–	62,583	366,208

4. SEGMENT INFORMATION (CONTINUED)

Geographical information

Since the Group solely operates business in the PRC and almost all of the Group's non-current assets are located in the PRC, geographical segment information in accordance with IFRS 8 Operating Segments is not presented.

Information about major customers

Revenue from each of the major customer, which amounted to 10% or more of the total revenue is set out below:

4. 分部資料(續)

地理資料

由於本集團僅於中國經營業務,且本集團幾乎所有非流動資產均位於中國,故並無根據國際財務報告準則第8號經營分部呈列地理分部資料。

有關主要客戶的資料

來自佔總收益10%或以上的主要客戶的收益載列如下:

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Customer A	客戶A	28,893*	N/A# 不適用#
Customer B	客戶B	22,289*	N/A# 不適用#

* Revenue from property development.

\# Revenue from the customer is less than 10% of the Group's total revenue in the respective year.

* 來自物業開發的收益。

\# 於相關年度來自該客戶的收益佔本集團總收益少於 10%。

5. REVENUE

5. 收益

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Revenue from contracts with customers within IFRS 15	**國際財務報告準則第15號範圍內之客戶合約的收益**		
Sales of properties	物業銷售	108,515	85,371
Revenue from other sources	**來自其他來源的收益**		
Gross rental income from investment property operating leases	來自投資物業經營租賃的租金收入總額		
– other lease payments, including fixed payments	–其他租賃付款,包括定額付款	947	1,472
		109,462	86,843

5. REVENUE (CONTINUED)

(a) Disaggregated revenue information

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

5. 收益 (續)

(a) 收入分拆資料

除分部披露所顯示之資料以外，國際財務報告準則第15號範圍內之客戶合約的收益細分如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Geographical region: – The PRC	*地理區域：* －中國	**108,515**	85,371
Timing of revenue recognition: – at a point in time	*收益確認時間：* －於一個時點	**108,515**	85,371
Type of transaction price: – *fixed price*	*交易價格類別：* －固定價格	**108,515**	85,371

The amount of revenue recognised for the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year is approximately RMB4,856,000 (2024: RMB77,801,000).

於截至二零二五年十二月三十一日止年度確認並計入年初合約負債的收益金額約人民幣4,856,000元 (二零二四年：人民幣77,801,000元)。

(b) Performance obligations

Information about the Group's performance obligations in respect of sales of properties is summarised below:

The performance obligation is satisfied when customers obtain the physical possession or the legal title of the completed properties and the Group has right to payment and the collection of the consideration is probable.

(b) 履約責任

有關本集團物業銷售履約責任的資料概述如下：

履約責任於客戶取得已竣工物業實際擁有權或合法產權，本集團擁有付款權利且可收取代價時履行。

6. OTHER INCOME AND GAINS AND LOSSES 6. 其他收入及收益及虧損

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Other income	**其他收入**		
Bank interest income	銀行利息收入	5	6
Government grants	政府補助	1	5
Waiver of customers' deposits	豁免客戶按金	2,367	–
Waiver of the interest penalties (note 26)	豁免利息罰款 (附註26)	12,599	–
		14,972	11
Gains and losses	**收益及虧損**		
Exchange losses, net	匯兌虧損淨額	(1,099)	–
Other gain, net	其他收益淨額	–	10
		(1,099)	10
		13,873	21

7. LOSS BEFORE INCOME TAX 7. 除所得稅前虧損

This is stated after charging (crediting): 經扣除 (計入) 下列項目後列賬：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Finance costs	**融資成本**		
Interest on interest-bearing bank and other borrowings	計息銀行及其他借款的利息	115,041	114,071
Total interest expenses	總利息開支	115,041	114,071
Less: Interest capitalised	減：資本化利息	(17,361)	(17,408)
Total finance costs	**融資成本總額**	97,680	96,663

7. LOSS BEFORE INCOME TAX (CONTINUED)

This is stated after charging (crediting):

7. 除所得稅前虧損(續)

經扣除(計入)下列項目後列賬：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Staff costs (excluding directors' emoluments)	**員工成本(董事酬金除外)**		
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	**6,022**	6,918
Contribution to defined contribution plans	界定供款計劃的供款	**937**	1,656
		6,959	8,574
Other items	**其他項目**		
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	**1,080**	1,692
Cost of properties sold	已出售物業的成本	**104,094**	65,534
Cost of leasing properties	租賃物業成本	**421**	642
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**8**	13
Impairment of financial assets, net (included in "other expenses")	金融資產減值淨額(計入「其他開支」)		
– Impairment of trade receivables, net	– 貿易應收款項減值淨額	**3,906**	8,273
– Impairment of financial assets included in prepayments, other receivables and other assets, net	– 計入預付款項、其他應收款項及其他資產的金融資產減值淨額	**11,899**	18,567
		15,805	26,840
Loss on court-ordered sale of completed properties held for sale (Note)	法院命令出售持作出售的已竣工物業虧損(附註)	**–**	3,319
(Reversal of impairment) impairment on properties under development (included in "other expenses")	開發中物業(減值撥回)減值(計入「其他開支」)	**(47,632)**	5,699
(Reversal of impairment) impairment on completed properties held for sale (included in "other expenses")	持作出售的已竣工物業(減值撥回)減值(計入「其他開支」)	**(14,121)**	7,050
Interest penalties (included in "other expenses")	罰息(計入「其他開支」)	**222,248**	366,208
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租賃付款	**–**	257

Note: During the year ended 31 December 2024, an auction in respect of certain completed properties held for sale of Taizhou Xinming has taken place and the said completed properties held for sale had been sold in the said auction for an amount of RMB2,114,000 which is same as the aggregate reserve price and accordingly the loss on court-ordered sale of approximately RMB3,319,000 was charged to profit or loss for the year ended 31 December 2024.

附註： 截至二零二四年十二月三十一日止年度，台州新明的若干持作出售已竣工物業已進行拍賣，而上述持作出售已竣工物業已於上述拍賣中售出，金額為人民幣2,114,000元，與總底價相同，因此，法院命令出售虧損約人民幣3,319,000元於截至二零二四年十二月三十一日止年度於損益中扣除。

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to each of the following directors were as follows:

8. 董事及主要行政人員之薪酬

已付或應付下列各董事的薪酬如下：

For the year ended 31 December 2025

截至二零二五年十二月三十一日止年度

		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	70	1,053
Mr. Feng Cizhao (note a)	豐慈招先生 (附註a)	–	23	–	–	23
Mr. Hu Chao Zhou (note b)	胡朝州先生 (附註b)	–	43	–	–	43
Mr. Shi Jian Wen (note c)	石艦文先生 (附註c)	–	43	–	–	43
Mr. Zhou Fenli (note j)	周奮力先生 (附註j)	–	–	–	–	–
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong (note d)	蔡偉康先生 (附註d)	–	34	–	–	34
Mr. Zhou Zhencun (note e)	周振存先生 (附註e)	–	47	–	–	47
Ms. Gao Qiaoqin (note f)	高巧琴女士 (附註f)	–	47	–	–	47
Mr. Cao Zhiqiang (note k)	曹志強先生 (附註k)	–	–	–	–	–
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Chiu Kung Chak (note g)	趙公澤先生 (附註g)	47	–	–	–	47
Mr. Khor Khie Liem, Alex (note h)	許麒麟先生 (附註h)	65	–	–	–	65
Ms. Chan Wai Yan (note i)	陳慧恩女士 (附註i)	87	–	–	–	87
Ms. Huang Chunlian	黃春蓮女士	–	–	–	–	–
Ms. Lee YinMan	李彥雯女士	–	–	–	–	–
		199	1,220	–	70	1,489

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

For the year ended 31 December 2024

8. 董事及主要行政人員之薪酬(續)

截至二零二四年十二月三十一日止年度

		Directors' fees 董事袍金 RMB'000 人民幣千元	Salaries, allowances and benefits-in-kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Discretionary bonus 酌情花紅 RMB'000 人民幣千元	Contribution to defined contribution plans 界定供款計劃的供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	**執行董事：**					
Mr. Chen Chengshou	陳承守先生	–	983	–	–	983
Mr. Feng Cizhao	豐慈招先生	–	80	–	–	80
Non-executive directors:	**非執行董事：**					
Mr. Choi Clifford Wai Hong	蔡偉康先生	–	235	–	–	235
Mr. Zhou Zhencun	周振存先生	–	169	–	–	169
Ms. Gao Qiaoqin	高巧琴女士	–	180	–	–	180
Independent non-executive directors:	**獨立非執行董事：**					
Mr. Chiu Kung Chak	趙公澤先生	169	–	–	–	169
Mr. Lau Wai Leung, Alfred	劉偉樑先生	165	–	–	–	165
Mr. Khor Khie Liem, Alex	許麒麟先生	235	–	–	–	235
		569	1,647	–	–	2,216

Notes:

(a) Mr. Feng CiZhao was resigned as executive director on 14 April 2025.

(b) Mr. Hu Chao zhou was appointed as executive director on 22 August 2025 and resigned on 3 March 2026.

(c) Mr. Shi Jian Wen was appointed as executive director on 22 August 2025.

(d) Mr. Choi Clifford Wai Hong was resigned as non-executive director on 24 February 2025.

(e) Mr. Zhou Zhencun was resigned as non-executive director on 14 April 2025.

(f) Ms. Gao Qiaoqin was resigned as non-executive director on 14 April 2025.

(g) Mr. Chiu kung Chak was resigned as independent non-executive director on 14 April 2025.

附註：

(a) 豐慈招先生於二零二五年四月十四日辭任執行董事。

(b) 胡朝州先生於二零二五年八月二十二日獲委任為執行董事，於二零二六年三月三日辭任。

(c) 石艦文先生於二零二五年八月二十二日獲委任為執行董事。

(d) 蔡偉康先生於二零二五年二月二十四日辭任非執行董事。

(e) 周振存先生於二零二五年四月十四日辭任非執行董事。

(f) 高巧琴女士於二零二五年四月十四日辭任非執行董事。

(g) 趙公澤先生於二零二五年四月十四日辭任獨立非執行董事。

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

Notes: (Continued)

(h) Mr. Khor Khie Liem, Alex was resigned as independent non-executive director on 14 April 2025.

(i) Ms. Chan wai Yan was appointed as independent non-executive director on 11 April 2025.

(j) Mr. Zhou Fenli was resigned as executive director on 14 April 2025.

(k) Mr. Cao Zhiqiang was appointed as non-executive director on 11 April 2025 and resigned on 3 March 2026.

Mr. Chen Chengshou is the chief executive officer of the Group, and his emoluments disclosed above included those for services rendered by him as chief executive officer during the years ended 31 December 2025 and 2024.

For the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived or agreed to waive any emoluments in respect of the years ended 31 December 2025 and 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2024: five) director, details of whose remuneration are set out in note 8 above.

For the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the highest paid individuals as a payment for loss of office or as an inducement to join or upon joining the Group.

For the years ended 31 December 2025 and 2024, no individuals waived or agreed to waive any emoluments.

8. 董事及主要行政人員之薪酬(續)

附註：(續)

(h) 許麒麟先生於二零二五年四月十四日辭任獨立非執行董事。

(i) 陳慧恩女士於二零二五年四月十一日獲委任為獨立非執行董事。

(j) 周奮力先生於二零二五年四月十四日辭任執行董事。

(k) 曹志強先生於二零二五年四月十一日獲委任為非執行董事，於二零二六年三月三日辭任。

陳承守先生為本集團行政總裁，而其上述所披露的酬金包括彼截至二零二五年及二零二四年十二月三十一日止年度期間擔任行政總裁所提供服務的酬金。

截至二零二五年及二零二四年十二月三十一日止年度，本集團並無向董事支付酬金作為吸引其加入本集團或於加入本集團時之獎勵或離職補償。截至二零二五年及二零二四年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金。

9. 五名最高薪酬僱員

本年度五名最高薪酬僱員包括一名(二零二四年：五名)董事，彼等之薪酬詳情載列於上文附註8。

截至二零二五年及二零二四年十二月三十一日止年度，本集團概無支付最高薪人士任何酬金，作為離職之補償或作為加入或於加入本集團時之獎勵。

截至二零二五年及二零二四年十二月三十一日止年度，概無人士放棄或同意放棄任何酬金。

10. INCOME TAX CREDIT (EXPENSES)

10. 所得稅抵免(開支)

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Current tax	**即期稅項**		
PRC Enterprise Income Tax – current year	中國企業所得稅 – 本年度	–	–
Land appreciation tax ("LAT")	土地增值稅(「土地增值稅」)	2,021	1,772
		2,021	1,772
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences	暫時差額的產生及撥回	20,544	(10,350)
Total income tax expense (credit) for the year	年內所得稅開支(抵免)總額	22,565	(8,578)

The Group is subject to income tax on an entity based on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group's entities incorporated in the Cayman Islands and the BVI are not subject to any income tax.

本集團須就實體於本集團成員公司註冊及經營所在稅務司法權區產生或取得的溢利繳納所得稅。根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例,本集團於開曼群島及英屬處女群島註冊成立的實體毋須繳納任何所得稅。

The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income arising in Hong Kong during the year ended 31 December 2024 and 2025.

本集團於香港註冊成立的附屬公司毋須繳納所得稅,乃因截至二零二四年及二零二五年十二月三十一日止年度,其並無在香港產生任何應課稅收入。

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25% the years ended 31 December 2024 and 2025.

截至二零二四年及二零二五年十二月三十一日止年度,本集團於中國成立的實體須按法定稅率25%繳納中國企業所得稅。

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

其他地區之應課稅溢利稅項乃按本集團經營所在司法權區當時之稅率計算。

10. INCOME TAX CREDIT (EXPENSES) (CONTINUED)

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

10. 所得稅抵免 (開支) (續)

根據於一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》及於一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例 (實施細則)》的規定，出售或轉讓中國國有土地租賃權益、建築物及其附著物所得全部收入均須就增值按30%至60%的累進稅率繳納土地增值稅，惟倘增值並不超過可扣稅項目總和的20%，則普通住宅物業的物業銷售可免繳土地增值稅。

本集團根據相關中國稅法及法規所載規定估計土地增值稅並就此作出稅項撥備。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定，而稅務機關可能對計算土地增值稅撥備的基準提出異議。

Reconciliation of income tax expenses

所得稅開支之對賬

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	**(216,775)**	(598,269)
Tax at the statutory tax rate of 25% (2024: 25%)	按法定稅率25%計算的稅項 (二零二四年：25%)	**(49,854)**	(145,215)
Lower tax rate for specific entities	特定實體之較低稅率	**16,925**	19,040
Non-deductible expenses	不可扣稅開支	**16,709**	(14,259)
Non-taxable income	非應課稅收入	**(3,151)**	(3)
Unrecognised tax losses and temporary differences	未確認稅項虧損及暫時差額	**40,539**	130,530
Subtotal	小計	**21,168**	(9,907)
Provision for LAT	土地增值稅撥備	**2,021**	1,772
Deferred tax effect of LAT	土地增值稅的遞延稅項影響	**(505)**	(443)
Tax effect of prepaid LAT	預付土地增值稅的稅務影響	**(119)**	–
Total income tax (credit) expenses for the year	年內所得稅 (抵免) 開支總額	**22,565**	(8,578)

11. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2024 and 2025.

11. 股息

本公司董事不建議就截至二零二四年及二零二五年十二月三十一日止年度派付股息。

12. LOSS PER SHARE

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

12. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損的計算乃基於下列數據：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Loss: Loss attributable to owners of the Company, used in basic and diluted loss per share calculation	**虧損：** 計算每股基本及攤薄虧損所採用之本公司擁有人應佔虧損	**(219,027)**	(542,523)
			(Restated) (經重列)
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and dilutive loss per share	**股份數目：** 用以計算每股基本及攤薄虧損之普通股加權平均數	**52,919,270**	23,206,506

Diluted loss per share is same as basic loss per share as there were no potential ordinary shares outstanding during the year ended 31 December 2024 and 2025.

每股攤薄虧損與每股基本虧損相同，乃由於截至二零二四年及二零二五年十二月三十一日止年度概無未行使潛在普通股。

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and office equipment 傢具及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本				
At 1 January 2024, 31 December 2024 and 1 January 2025	於二零二四年一月一日、二零二四年十二月三十一日及二零二五年一月一日	2,662	4,601	5,723	12,986
Additions	添置	–	3	–	3
At 31 December 2025	於二零二五年十二月三十一日	**2,662**	**4,604**	**5,723**	**12,989**
Accumulated depreciation	**累計折舊**				
At 1 January 2024	於二零二四年一月一日	2,529	4,209	5,805	12,543
Charge for the year	年內扣除	–	13	–	13
Disposals	出售	–	–	(238)	(238)
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	**2,529**	**4,222**	**5,567**	**12,318**
Charge for the year	年內扣除	**–**	**8**	**–**	**8**
At 31 December 2025	於二零二五年十二月三十一日	**2,529**	**4,230**	**5,567**	**12,326**
Net carrying amounts	賬面淨值				
At 31 December 2025	於二零二五年十二月三十一日	**133**	**374**	**156**	**663**
At 31 December 2024	於二零二四年十二月三十一日	133	379	156	668

None of the Group's property, plant and equipment have pledged to secure borrowings granted to the Group December 2025 and 2024.

於二零二五年及二零二四年十二月三十一日，本集團概無抵押物業、廠房及設備以作為本集團獲授借款之擔保。

14. INVESTMENT PROPERTIES

14. 投資物業

		RMB'000 人民幣千元
Fair value	**公允價值**	
At 1 January 2024	於二零二四年一月一日	918,200
Changes in fair value	公允價值變動	(12,270)
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	905,930
Changes in fair value	公允價值變動	21,870
At 31 December 2025	**於二零二五年十二月三十一日**	927,800

The Group's investment properties consist of commercial properties completed in the PRC. The Group's investment properties were revalued on 31 December 2025 based on valuations performed by independent professionally qualified valuers at approximately RMB927,800,000 (2024: RMB905,930,000). For each financial reporting period, the Group's senior management may decide, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior management have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for annual financial reporting.

本集團的投資物業包括於中國已竣工的商業物業。本集團投資物業於二零二五年十二月三十一日由獨立專業合資格估值師重新估值，約為人民幣927,800,000元（二零二四年：人民幣905,930,000元）。於各財務報告期間，本集團高層管理人員可能決定委任負責本集團物業外界估值之外界估值師。挑選準則包括市場知識、信譽、獨立性以及專業準則是否得到秉持。於就年度財務申報進行估值時，本集團高層管理人員每年就估值假設及估值結果與估值師討論兩次。

At 31 December 2025, the Group's investment properties with aggregate values of approximately RMB859,974,000 (2024: RMB792,847,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

於二零二五年十二月三十一日，本集團已抵押總價值約為人民幣859,974,000元（二零二四年：人民幣792,847,000元）的投資物業，以擔保本集團獲授的計息銀行及其他借款（附註25）。

14. INVESTMENT PROPERTIES(CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業(續)

公允價值層級

下表載列本集團投資物業的公允價值計量層級：

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for commercial properties:	**對商業物業進行經常性公允價值計量：**				
At 31 December 2025	**於二零二五年十二月三十一日**	**–**	**–**	**927,800**	**927,800**
At 31 December 2024	於二零二四年十二月三十一日	–	–	905,930	905,930

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於年內，公允價值計量無第一級與第二級間的轉換，亦無第三級的轉入或轉出。

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

以下為投資物業估值時所使用的估值技術及主要輸入數據的概要：

Valuation techniques **估值技術**	**Significant unobservable inputs** **重大不可觀察輸入數據**	**Range** **範圍**	
		2025 **二零二五年**	2024 二零二四年
Direct comparable method 直接比較法	Unit rate per gross floor area (RMB per square meter) 每建築面積單位價（人民幣／平方米）	**4,000-15,000**	5,000-8,000

A significant increase (decrease) in the estimated unit rate per gross floor area would result in a significant increase (decrease) in the fair value of the investment properties.

每建築面積估計單位價大幅增加（減少）會導致投資物業公允價值大幅增加（減少）。

15. LEASES

The Group as lessee

During the year ended 31 December 2025, the Group has lease contracts for various items of buildings or offices used in its operations with lease terms of 12 months or less and/or individually low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) The amounts recognised in profit or loss in relation to lease are as follows:

15. 租賃

本集團作為承租人

截至二零二五年十二月三十一日止年度，本集團擁有其經營所用的各類樓宇或辦公室的租期為12個月或以下及／或個別樓宇或辦公室價值較低租賃合約。一般而言，本集團不可向本集團以外人士轉讓及轉租租賃資產。

(a) 在損益中確認有關租賃的款項如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Expense relating to leases of low-value assets (included in "administrative expenses")	與低價值資產租賃有關的開支（計入「行政開支」）	–	257

(b) The total cash outflow for leases (including short-term leases and leases of low-value assets) for the year ended 31 December 2025 was approximately RMB Nil (2024: RMB257,000).

(b) 截至二零二五年十二月三十一日止年度，租賃的現金流出總額（包括短期租賃及低價值資產租賃）約為人民幣零元（二零二四年：人民幣257,000元）。

16. DEFERRED TAX
16. 遞延稅項

Deferred tax liabilities
遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Fair value adjustment of investment properties 投資物業公允價值調整 RMB'000 人民幣千元	Capitalised interest 資本化利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	60,980	–	107,342	168,322
Charge to profit or loss	於損益中扣除	–	3,068	4,352	7,420
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	**60,980**	**3,068**	**111,694**	**175,742**
Charge to profit or loss	於損益中扣除	**–**	**5,468**	**4,340**	**9,808**
At 31 December 2025	**於二零二五年十二月三十一日**	**60,980**	**8,536**	**116,034**	**185,550**

Deferred tax assets
遞延稅項資產

		Loss available for offsetting against future taxable profit 可用於抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals and provisions 應計費用及撥備 RMB'000 人民幣千元	Accrued LAT 應計土地增值稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	37,715	22,918	149,460	210,093
Credit to profit or loss	於損益中計入	–	17,327	443	17,770
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	**37,715**	**40,245**	**149,903**	**227,863**
Credit to profit or loss	於損益中計入	**–**	**(11,241)**	**505**	**(10,736)**
At 31 December 2025	**於二零二五年十二月三十一日**	**37,715**	**29,004**	**150,408**	**217,127**

The Group has tax losses arising in the PRC of approximately RMB2,702,634,000 (2024: RMB2,534,984,000) that will expire in one to five years for offsetting against future taxable profits.

本集團於中國產生稅項虧損約為人民幣2,702,634,000元（二零二四年：人民幣2,534,984,000元），並將於一至五年內屆滿用於抵銷未來應課稅溢利。

16. DEFERRED TAX (CONTINUED)

Deferred tax assets (Continued)

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At the end of the reporting period, the Group had unrecognised deferred tax assets arising from unused tax losses of approximately RMB10,810,536,000 (2024: RMB10,139,936,000) available for set-off against future taxable profit.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is Atax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2025, no deferred tax liabilities have been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the subsidiaries of the Group established in the PRC. In the opinion of the Company's directors, it is not probable that these subsidiaries will distribute earnings arising from 1 January 2008 to 31 December 2024 in the foreseeable future. The aggregate amount of temporary differences associated with the investments in these subsidiaries in the PRC for which deferred tax liabilities have not been recognised totalled approximately RMB141,000,000 (2024: RMB140,000,000).

16. 遞延稅項(續)

遞延稅項資產(續)

並無就該等虧損確認遞延稅項資產，乃因該等虧損乃由已虧損一段時間之附屬公司所產生及認為不大可能有應課稅溢利可用於抵銷上述稅項虧損。

於報告期末，本集團並未就可用於抵扣未來應課稅溢利的尚未動用稅項虧損約人民幣10,810,536,000元(二零二四年：人民幣10,139,936,000元)確認遞延稅項資產。

根據中國企業所得稅法，於中國成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的適用稅率為10%。因此，本集團須就該等在中國內地成立的附屬公司自二零零八年一月一日起所產生的盈利而分配的股息履行徵收預扣稅的義務。

於二零二五年十二月三十一日，概無就本集團於中國成立的附屬公司的未匯出盈利(須繳納預扣稅者)而應付的預扣稅確認遞延稅項負債。本公司董事認為，該等附屬公司於可預見將來不大可能分派於二零零八年一月一日至二零二四年十二月三十一日產生的盈利。有關投資於該等中國的附屬公司的暫時性差額總數(未就此確認遞延稅項負債)合共約為人民幣141,000,000元(二零二四年：人民幣140,000,000元)。

17. PROPERTIES UNDER DEVELOPMENT

17. 開發中物業

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	402,000	441,699
Transfer to PHS	轉撥至持作出售	(108,632)	(34,000)
Impairment reversal/(charge)	減值撥回／(支出)	47,632	(5,699)
At the end of the reporting period	於報告期末	341,000	402,000

17. PROPERTIES UNDER DEVELOPMENT (CONTINUED)

The movements in impairment of properties under development are as follows:

17. 開發中物業(續)

開發中物業減值變動如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	460,557	454,858
Additions	添置	–	5,699
Reversal	撥回	(47,632)	–
At the end of the reporting period	於報告期末	412,925	460,557

At the end of the reporting period, approximately RMB341,000,000 (2024: RMB281,315,000) of the properties under development is expected to be completed after more than one year.

於報告期末，約人民幣341,000,000元（二零二四年：人民幣281,315,000元）開發中物業預期於一年後竣工。

18. COMPLETED PROPERTIES HELD FOR SALE

18. 持作出售的已竣工物業

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	557,470	601,487
Additions	添置	108,632	34,000
Transferred to cost of properties sold	轉撥至已售出物業成本	(100,111)	(65,534)
Disposal upon court ordered sales (Notes)	透過法院命令出售的銷售（附註）	–	(5,433)
Reversal of impairment/(Impairment)	減值撥回／（減值）	14,121	(7,050)
At the end of the reporting period	於報告期末	580,112	557,470

At 31 December 2025, certain of the Group's completed properties held for sale with an aggregate carrying amount of approximately RMB80,461,000 (2024: RMB79,351,000) have been pledged to secure interest-bearing bank and other borrowings granted to the Group (Note 25).

於二零二五年十二月三十一日，本集團抵押賬面總值約為人民幣80,461,000元（二零二四年：人民幣79,351,000元）的若干持作出售已竣工物業，以擔保本集團獲授的計息銀行及其他借款（附註25）。

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

Notes:

(a) In August 2022, Zhejiang Wenzhou Intermediate People's Court (浙江省溫州市中級人民法院) has enforced an order to auction and sell the land use right held by Hangzhou Xinming Property Investment Limited (杭州新明置業投資有限公司) ("Hangzhou Xinming"), in respect of the 20 immovable properties located at Tower 2, Xinming Commercial Centre, Gongshu District, Hangzhou City, the PRC and Xiaohe Road, Gongshu District, Hangzhou City ("Xinming Commercial Centre"), the PRC which are classified as completed properties held for sale since Hangzhou Xinming was unable to repay the overdue borrowings with principal amount of approximately RMB193,250,000 plus interests and penalty owed to Zhejiang Zheshang Asset Management Company Limited* (浙江省浙商資產管理有限公司) ("Zhejiang Zheshang") (the "Total Outstanding Loan").

During the year ended 31 December 2022, an auction in respect of the said land use right of Hangzhou Xinming has taken place and the said land use right had been sold in the said auction for an amount of RMB35,332,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB5,660,000 was charged to profit or loss for the year ended 31 December 2022.

During the year ended 31 December 2023, another auction in respect of the land use right of Hangzhou Xinming, in respect of another 28 immovable properties located at Xinming Commercial Centre had been taken place and the said land use right had been sold in the said auction for an amount of RMB56,328,000 which is same as the aggregate reserve price to repay the Total Outstanding Loan and accordingly the loss on court-ordered sale of approximately RMB34,641,000 was charged to profit or loss for the year ended 31 December 2023.

For further details, please refer to the announcements of the Company dated 12 August 2022 and 18 October 2022.

During the year ended 31 December 2024, an auction in respect of certain completed properties held for sale of Taizhou Xinming has taken place and the said completed properties held for sale had been sold in the said auction for an amount of RMB2,114,000 which is same as the aggregate reserve price and accordingly the loss on court-ordered sale of approximately RMB3,319,000 was charged to profit or loss for the year ended 31 December 2024.

* *English name is for identification purpose only.*

18. 持作出售的已竣工物業(續)

附註：

(a) 於二零二二年八月，浙江省溫州市中級人民法院已命令拍賣並出售杭州新明置業投資有限公司(「杭州新明」)所持有位於中國杭州市拱墅區新明商業中心(「新明商業中心」)2座及中國杭州市拱墅區小河路的20處不動產的土地使用權。由於杭州新明無法償還結欠浙江省浙商資產管理有限公司(「浙江浙商」)之逾期借款本金額約人民幣193,250,000元連利息及罰款(「未償還貸款總額」)，故分類為持作出售之已竣工物業。

截至二零二二年十二月三十一日止年度，杭州新明的上述土地使用權已進行拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣35,332,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣5,660,000元於截至二零二二年十二月三十一日止年度於損益中扣除。

截至二零二三年十二月三十一日止年度，杭州新明已就位於新明商業中心的另外28處不動產的土地使用權進行另一次拍賣，而上述土地使用權已於上述拍賣中售出，金額為人民幣56,328,000元，與總底價相同，用作償還未償還貸款總額。因此，法院命令出售虧損約人民幣34,641,000元於截至二零二三年十二月三十一日止年度於損益中扣除。

有關詳情，請參閱本公司日期為二零二二年八月十二日及二零二二年十月十八日的公告。

截至二零二四年十二月三十一日止年度，台州新明若干持作出售的已竣工物業已進行拍賣，而上述持作出售的已竣工物業已於上述拍賣中以人民幣2,114,000元(與底價總額相同)售出，因此法院命令出售虧損約人民幣3,319,000元已於截至二零二四年十二月三十一日止年度的損益中扣除。

18. COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

The movements in impairment of completed properties held for sale are as follows:

18. 持作出售的已竣工物業(續)

持作出售已竣工物業之減值撥備變動如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	**397,340**	390,290
Additions	添置	**–**	7,050
Reversal	撥回	**(14,121)**	–
At the end of the reporting period	於報告期末	**383,219**	397,340

19. TRADE RECEIVABLES

19. 貿易應收款項

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	**73,522**	11,474
Less: Allowance for impairment	減：減值撥備	**(12,179)**	(8,273)
		61,343	3,201

Trade receivables represent rentals receivable from tenants which are normally payable on demand and sales income receivables from customers which are payable in accordance with the terms of the related sales and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

貿易應收款項指應收租戶的租金(一般按要求支付)及應收客戶的銷售收入，乃根據相關買賣協議的條款支付。本集團致力保持對其未收回應收款項的嚴格控制，並設有信貸控制部門降低信貸風險。逾期結餘由管理層定期審核。鑒於以上所述及本集團的貿易應收款項與眾多多元化客戶有關，故本集團並無面臨重大集中信貸風險。

Trade receivables are unsecured and non-interest-bearing.

貿易應收款項為無抵押及免息。

19. TRADE RECEIVABLES (CONTINUED)

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

19. 貿易應收款項(續)

於報告期末，基於發票日期的貿易應收款項(扣除虧損撥備)賬齡分析如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Within 1 year	一年內	61,343	3,201

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

貿易應收款項減值虧損撥備變動如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	8,273	27,308
Increase in allowance, net	撥備增加淨額	3,906	8,273
Written off	撇銷	–	(27,308)
At the end of the reporting period	於報告期末	12,179	8,273

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

各報告日期進行的減值分析，使用撥備矩陣以計量預期信貸虧損。撥備率乃基於具有相似虧損模式的不同客戶分部組別(即按地區、產品種類、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍劃分)的欠款逾期日數而定。有關計算反映概率加權產出、金錢的時間值以及於報告日期可獲得的有關過往事件、目前狀況及未來經濟狀況預測的合理及支持性資料。一般而言，倘逾期超過一年及不受強制執行活動所規限，則貿易應收款項予以撇銷。

19. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

19. 貿易應收款項(續)

下列資料乃有關本集團貿易應收款項所面臨的信貸風險(使用撥備矩陣計量):

At 31 December 2025 **於二零二五年十二月三十一日**

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	**1.14**	**62,048**	**705**
More than 1 year	一年以上	**100.00**	**11,474**	**11,474**
			73,522	**12,179**

At 31 December 2024 於二零二四年十二月三十一日

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Expected credit losses 預期信貸虧損 RMB'000 人民幣千元
Past due	逾期			
Within 1 year	一年內	72.10	11,474	8,273

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

20. 預付款項、其他應收款項及其他資產

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Prepayments	預付款項	2,636	2,397
Other tax recoverable	其他可收回稅項	2,123	2,123
Deposits and other receivables	按金及其他應收款項	174,646	174,186
Others	其他	2,320	–
		181,725	178,706
Less: Allowance for impairment	減：減值撥備	(121,302)	(133,201)
		60,423	45,505

Deposits and other receivables mainly represent deposits with suppliers. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The average loss rate applied for where there were no comparable companies at 31 December 2025 was 66.8% (2024: 76.5%).

按金及其他應收款項主要為供應商按金。倘無法識別具有信貸評級的可資比較公司，則應參考本集團的歷史虧損記錄採用虧損率法估計預期信貸虧損。虧損率將於適當時候作出調整以反映現時情況及預測未來經濟情況。於二零二五年十二月三十一日在並無可資比較公司情況下使用的平均虧損率為66.8%（二零二四年：76.5%）。

The movements in allowance for impairment are as follows:

減值撥備變動如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
At the beginning of the reporting period	於報告期初	133,201	133,012
Increase in impairment	減值增加	13	18,567
Written off	撇銷	(11,912)	(18,378)
At the end of the reporting period	於報告期末	121,302	133,201

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Cash and equivalents	**現金及現金等價物**		
Cash at bank, unrestricted	銀行現金，不受限制	**6,977**	662
Denominated in RMB	以人民幣計值	**1,263**	661
Denominated in HK$	以港元計值	**5,714**	1
		6,977	662

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Restricted deposits	**受限制存款**		
Represented by restricted pre-sales proceeds	以受限制預售所得款項呈列	**401**	1,412

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

人民幣不可自由轉換為其他貨幣，然而，根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。銀行現金按基於每日銀行存款利率的浮動利率賺取利息。

21. CASH AND CASH EQUIVALENTS (CONTINUED)

In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amounts of pre-sale proceeds of properties as deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and the payments of construction fees of the relevant property projects when approval from the PRC State-Owned Land and Resource Bureau is obtained.

21. 現金及現金等價物(續)

根據中國國有土地資源管理局發出的有關文件，本集團旗下若干物業開發公司均須將預售物業所得款項的若干金額存放於指定銀行賬戶內作為建設有關物業的存款。該等存款只可在獲得中國國有土地資源管理局批准時用於購買建築材料及支付相關物業項目的建造費用。

22. TRADE PAYABLES

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

22. 貿易應付款項

於報告期末基於發票日期的未償還貿易應付款項的賬齡分析如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Less than one year	少於一年	8,364	16,842
Over one year	一年以上	212,888	442,724
		221,252	459,566

The trade payables are unsecured and non-interest-bearing.

貿易應付款項為無抵押及免息。

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及應計費用

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Other payables and accruals	其他應付賬款及應計費用	509,892	337,605
Interest penalties	罰息	1,651,427	1,502,093
Other tax payables	其他應付稅項	89,600	87,036
BE City Loan (Note (a))	北控城投貸款(附註(a))	117,280	117,280
Interest payables	應付利息	471,550	358,116
Payroll and welfare payables	應付工資及福利	2,170	1,780
Others	其他	42,544	43,709
Provision for litigations and claims (Note (b))	訴訟及申索撥備(附註(b))	42,685	40,000
		2,927,148	2,487,619

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Except for interest payables and interest penalties which are repayable on demand and BE City Loan set out below, other payables and accruals are unsecured and non-interest-bearing.

Notes:

(a) Included in other payables and accruals at 1 January 2022 was a loan of RMB43,000,000 from 北控城投控股集團有限公司 (BE City Investment Holding Group Limited*) ("BE City Investment") which carries interest rate of 15% per annum to the Company's subsidiary 山東興盟置業有限公司 (Shandong Xingmeng Property Limited*) ("Shandong Xingmeng") and is repayable after year from date of drawdown ("BE Investment Loan"). The BE Investment Loan was secured by a charge on 75% interest in a subsidiary of the Company and a corporate guarantee of a subsidiary of the Company (collective "Charges").

During the year ended 31 December 2022, BE City Investment, 北控城市開發有限公司 (BE City Development Limited) ("BE City Development") and the Group entered into a loan transfer agreement pursuant to which BE City Development has provided a loan of RMB33,000,000 in cash to the Group for partial settlement of BE Investment Loan and the Charges were transferred to loan from BE City Development upon full settlement of BE Investment Loan. The remaining balance of BE Investment Loan of RMB10,000,000 was also settled during year ended 31 December 2022.

At 31 December 2022, the loan from BE City Development of RMB39,000,000 ("BE Development Loan") carries interest rate of 24% per annum and is repayable within one year. The BE Development Loan was secured by charge on 75% equity interest in a subsidiary of the Company and corporate guarantee of a subsidiary of the Company. The full balance of BE Development Loan was settled during the year ended 31 December 2023.

At 31 December 2023, the loan from BE City Development of RMB117,280,000 ("BE Loan") carries interest rate of 21% per annum and is repayable within two years. The BE Loan was secured by charge on 75% equity interest in a subsidiary of the Company, completed properties held for sale and corporate guarantee of a subsidiary of the Company.

During the year ended 31 December 2023, BE CE City Investment initiated proceedings in the 山東省棗莊市中級人民法院 ("Court C") against Shandong Xingmeng to demand outstanding BE Loan approximately RMB117,280,000 together with interest and penalty which shall accrue up to the date of actual payment and all litigation costs relating to the case shall be borne by Shandong Xingmeng.

In April 2024, the Court C handed down the first-instance judgement that, among others, Shandong Xingmeng shall pay outstanding BE Loan of RMB117,280,000 and interest amounting to RMB5,720,000 as of 24 November 2023 to BE City Development.

* *English name is for identification purpose only.*

23. 其他應付款項及應計費用(續)

除應付利息及罰息須按要求償還及載列如下的北控城投貸款外，其他應付款項及應計費用為無抵押及免息。

附註：

(a) 於二零二二年一月一日，其他應付款項及應計費用包括來自北控城投控股集團有限公司(「北控城投」)向本公司附屬公司山東興盟置業有限公司(「山東興盟」)提供的貸款人民幣43,000,000元，以15%的年利率計息，自提取之日起一年後償還(「北控城投貸款」)。北控城投貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押(統稱「該等押記」)。

截至二零二二年十二月三十一日止年度，北控城投、北控城市開發有限公司(「北控城市開發」)與本集團訂立一份貸款轉讓協議，據此，北控城市開發以現金方式向本集團提供貸款人民幣33,000,000元，用作結算北控城投貸款的部分款項，而該等押記於悉數結清北控城投貸款後轉移至北控城市開發的貸款。北控城投貸款的餘下結餘人民幣10,000,000元亦於截至二零二二年十二月三十一日止年度結算。

於二零二二年十二月三十一日，北控城市開發的貸款人民幣39,000,000元(「北控城市開發貸款」)以24%的年利率計息，並於一年內償還。北控城市開發貸款以本公司一間附屬公司75%股權的押記及本公司一間附屬公司的企業擔保作抵押。北控城市開發貸款餘額於截至二零二三年十二月三十一日止年度悉數結清。

於二零二三年十二月三十一日，來自北控城市開發之貸款人民幣117,280,000元(「北控貸款」)之年利率為21%，並須於兩年內償還。北控貸款以本公司一間附屬公司之75%股權、持作銷售之已竣工物業及本公司一間附屬公司之公司擔保作抵押。

截至二零二三年十二月三十一日止年度，北控城市開發於山東省棗莊市中級人民法院(「法院C」)對山東興盟提出訴訟，要求其支付尚未償還之北控貸款約人民幣117,280,000元，連同應計利息及罰款(計至實際付款日期)，而與此案有關之所有訴訟費用由山東興盟承擔。

於二零二四年四月，法院C作出一審判決，其中包括，山東興盟須向北控城市開發支付截至二零二三年十一月二十四日尚未償還之北控貸款人民幣117,280,000元及利息人民幣5,720,000元。

23. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (Continued)

(a) (Continued)

In April 2024, Shandong Xingmeng did not accept the civil judgment of the Court, and appealed to the 山東省高級人民法院 ("Court D"). After accepting the case on 3 June 2024, Court D had formed a collegial panel for the hearing. In 19 August 2024, the Court D handed down the second instance judgement that, among others, Shandong Xingmeng shall pay outstanding BE Loan of RMB117,280,000 and interest amounting to RMB5,720,000 to BE City Development.

In August 2024, 山東興盟置業有限公司 did not accept the civil judgment of the Court D, and appealed to the 中華人民共和國最高人民法院 ("Court E"). After accepting the case on 27 November 2024, Court E had formed a collegial panel for the hearing. In 27 November 2025, the Court E handed down the supreme instance judgement that, among others, Shandong Xingmeng shall pay outstanding BE Loan of RMB117,280,000 and interest amounting to RMB5,720,000 to BE City Development.

(b) During the year ended 31 December 2020, a service provider (the "Plaintiff") of the Company's subsidiary 杭州新明置業投資有限公司 (Hangzhou Xinming Property Investment Limited*) ("Hangzhou Xinming") initiated proceedings in the People's Court of Gongshu District ("Court A"), Hangzhou City, Zhejiang Province against Hangzhou Xinming to demand outstanding entrusted management service fee, employee salary and benefit and penalty in the sum of approximately RMB68,652,000, together with penalty which shall accrue up to the date of actual payment and all litigation costs relating to the case shall be borne by Hangzhou Xinming.

In September 2020, the Court A handed down the first-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB13,188,000 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

In November 2020, Hangzhou Xinming did not accept the civil judgment of the Court, and appealed to the Intermediate People's Court of Hangzhou City, Zhejiang Province ("Court B"). After accepting the case on 19 January 2021, Court B had formed a collegial panel for the hearing. During the year ended 31 December 2021, the Court B handed down the second-instance judgement that, among others, Hangzhou Xinming shall pay outstanding entrusted management service, employee salary and benefit in the sum of approximately RMB24,688,000 and penalty of approximately RMB2,443,417 to the Plaintiff together with penalty calculated at 0.03% per day from 1 April 2020 to the date of repayment of amount aforementioned.

Accordingly, the Group has charged RMB42,685,000 to profit or loss in relation to the above litigation for the year ended 31 December 2025. Up to the date of this report, there is no further update of the above litigation.

* *English name is for identification purpose only.*

23. 其他應付款項及應計費用(續)

附註：(續)

(a) (續)

於二零二四年四月，山東興盟不接受法院民事判決，並向山東省高級人民法院(「法院D」)提出上訴。法院D於二零二四年六月三日受理案件後，已組成合議庭進行審理。於二零二四年八月十九日，法院D作出二審判決，其中包括，山東興盟須向北控城市開發支付尚未償還的北控貸款人民幣117,280,000元及利息人民幣5,720,000元。

於二零二四年八月，山東興盟置業有限公司不接受法院D民事判決，並向中華人民共和國最高人民法院(「法院E」)提出上訴。法院E於二零二四年十一月二十七日受理案件後，已組成合議庭進行審理。於二零二五年十一月二十七日，法院E下達終審判決，(其中包括)山東興盟須向北控城市開發償還尚未償還的北控貸款人民幣117,280,000元及利息人民幣5,720,000元。

(b) 截至二零二零年十二月三十一日止年度，本公司之附屬公司杭州新明置業投資有限公司(「杭州新明」)的一個服務提供商(「原告」)向浙江省杭州市拱墅區人民法院(「法院A」)對杭州新明提起訴訟，索要尚未支付的信託管理服務費、僱員薪酬及福利以及罰款，總額約為人民幣68,652,000元，連同應計至實際付款日的罰款以及與該案件有關的杭州新明須承擔的所有訴訟費。

於二零二零年九月，法院A下發一審判決書，裁定(其中包括)杭州新明須向原告支付尚未支付的信託管理服務費、僱員薪酬及福利，總額約為人民幣24,688,000元，以及約人民幣13,188,000元的罰款，連同按每日0.03%自二零二零年四月一日起計至上述金額償還日期為止的罰款。

於二零二零年十一月，杭州新明不服法院民事判決，向浙江省杭州市中級人民法院(「法院B」)提起上訴。法院B於二零二一年一月十九日受理該案後，已組成合議庭進行審理。截至二零二一年十二月三十一日止年度，法院B作出二審判決，其中杭州新明須向原告支付拖欠的委託管理服務費、員工薪酬及福利合計約人民幣24,688,000元及罰款約人民幣2,443,417元，連同自二零二零年四月一日起至上述款項償還日期止按每日0.03%計算的罰款。

故此，於截至二零二五年十二月三十一日止年度，本集團已就上述訴訟將人民幣42,685,000元計入損益。截至本報告日期，上述訴訟並無進一步最新消息。

24. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

24. 合約負債

合約負債詳情載列如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Short-term advances received from customers	**來自客戶的短期墊款**		
Sale of properties	銷售物業	**178,741**	171,213

Contract liabilities represent the sales proceeds received buyers in connection with the Group's pre-sale of prop at the end of the reporting period.

合約負債指於報告期末就本集團預售物業自買方收取的銷售所得款項。

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

25. 計息銀行及其他借款

		2025 二零二五年			2024 二零二四年		
		Effective interest rate 實際利率 %	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate 實際利率 %	Maturity 到期日	RMB'000 人民幣千元
Current	**即期**						
Current portion of interest-bearing borrowings	計息借款的即期部分	3.00-36.00	On demand or within one year 應要求或於一年內	1,222,629	3.00-15.60	On demand or within one year 應要求或於一年內	1,212,708

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Analysed into:	**分析為：**		
Interest-bearing borrowings repayable within one year	須於一年內償還的計息借款	**1,222,629**	1,212,708

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

At 31 December 2025, the Group's borrowings amounting approximately RMB1,213,499,000 (2024: RMB1,209,000,000) were overdue pursuant to the relevant agreements which constituted events of defaults.

In connection with the default and cross-default (if applicable), the Group was subject to penalties of approximately RMB1,172,267,000 (2024: RMB1,028,095,000) which were included in the other payables and accruals at 31 December 2025.

The Group's borrowings are secured by the pledges of the following assets as at 31 December 2024 and 2025 as follows:

(i) At 31 December 2025, the Group's borrowings of approximately RMB216,847,000 (2024: RMB216,847,000) were secured by the 100% equity interest in 台州溫商時代置業有限公司 (Taizhou Wenshang Times Property Limited*) ("Wenshang Times"), a subsidiary of the Company.

At 31 December 2025, the Group's borrowings of approximately RMB879,877,000 (2024: RMB879,877,000) were secured by the Group's investment properties with aggregate carrying values of approximately RMB859,974,000 (2024: RMB792,847,000).

(ii) At 31 December 2025, the Group's borrowings of approximately RMB216,847,000 (2024: RMB216,847,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) a subsidiary of the Company, and (iv) Xinming Group Limited, a related party of the Group.

At 31 December 2025, the Group's borrowings of approximately RMB532,152,000 (2024: RMB532,152,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, and (iii) a subsidiary of the Company.

25. 計息銀行及其他借款(續)

於二零二五年十二月三十一日，本集團借款金額約人民幣1,213,499,000元(二零二四年：人民幣1,209,000,000元)已按照相關協議逾期，構成違約事件。

本集團就違約及交叉違約(如適用)遭受罰款約人民幣1,172,267,000元(二零二四年：人民幣1,028,095,000元)，並於二零二五年十二月三十一日計入其他應付款項及應計費用。

於二零二四年及二零二五年十二月三十一日，本集團的借款由下列資產的抵押所擔保：

(i) 於二零二五年十二月三十一日，本集團的借款約人民幣216,847,000元(二零二四年：人民幣216,847,000元)以本公司一間附屬公司台州溫商時代置業有限公司(「溫商時代」)100%的股權作擔保。

於二零二五年十二月三十一日，本集團的借款約人民幣879,877,000元(二零二四年：人民幣879,877,000元)已由本集團的賬面總值約人民幣859,974,000元(二零二四年：人民幣792,847,000元)的投資物業作擔保。

(ii) 於二零二五年十二月三十一日，本集團的借款約人民幣216,847,000元(二零二四年：人民幣216,847,000元)由(i)前控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本公司一間附屬公司及(iv)本集團一名關聯方新明集團有限公司作出共同擔保。

於二零二五年十二月三十一日，本集團的借款約人民幣532,152,000元(二零二四年：人民幣532,152,000元)由(i)前控股股東陳承守先生、(ii)非執行董事高巧琴女士及(iii)本公司一間附屬公司作出共同擔保。

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(ii) (Continued)

At 31 December 2025, the Group's borrowings of approximately RMB460,000,000 (2024: RMB460,000,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) Xinming Group Limited, a related party of the Group, (iv) Miss Chen Xi and Mr. Chen Junshi, the daughter and the son of the former controlling shareholder, Mr. Chen Chengshou, and (v) a subsidiary of the Company.

25. 計息銀行及其他借款(續)

(ii) (續)

於二零二五年十二月三十一日，本集團的借款約人民幣460,000,000元(二零二四年：人民幣460,000,000元)由(i)前控股股東陳承守先生、(ii)非執行董事高巧琴女士、(iii)本集團一名關聯方新明集團有限公司、(iv)陳希女士及陳俊士先生(前控股股東陳承守先生的女兒及兒子)及(v)本公司一間附屬公司作出共同擔保。

26. CONVERTIBLE BONDS

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (equivalent to approximately RMB252,604,000) (the "Convertible Bonds") at the price of 100% of their principal amount. The Convertible Bonds were redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bore interest at the rate of 6.5% plus 1% handling fee per annum (the "Coupon Rate") and were payable in arrears every six months.

The convertible bonds were jointly guaranteed by the former controlling shareholder, Mr. Chen Chengshou, and the non-executive director, Ms. Gao Qiaoqin, pursuant to a deed of guarantee, and secured by Xinxing Company Limited by 940,000,000 shares of the Company held by Xinxing Company Limited, a company controlled by Mr. Chen Chengshou.

The Convertible Bonds were matured on 31 May 2020 and the outstanding principal amount was not yet settled up to 31 December 2025.

As at the date of announcement, interest penalties of approximately HK$70.0 million was repaid utilising the proceeds from the rights issue of the Company and there is waiver of HK$14.0 million of interest penalties during the reporting period.

26. 可換股債券

於二零一八年六月一日，本公司按本金額100%的價格發行本金總額為300,000,000港元(相當於約人民幣252,604,000元)的可換股債券(「可換股債券」)。可換股債券可由債券持有人選擇於二零二零年六月一日按每張債券1.39港元的價格贖回。可換股債券的年利率為6.5%，另加1%手續費(「票面利率」)及每六個月支付一次。

可換股債券由前控股股東陳承守先生及非執行董事高巧琴女士根據擔保契據共同擔保，並由陳承守先生控制的Xinxing Company Limited通過其持有的本公司940,000,000股股份作抵押。

可換股債券已於二零二零年五月三十一日到期，直至二零二五年十二月三十一日，未償還本金尚未結付。

截至本公告日期，約70.0百萬港元之利息罰款已利用本公司供股所得款項償還，且於報告期間，14.0百萬港元之利息罰款獲豁免。

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	272,662
Changes in fair value	公允價值變動	9,463
At 31 December 2024	於二零二四年十二月三十一日	**282,125**
Exchange realignment	匯兌調整	**(12,142)**
At 31 December 2025	**於二零二五年十二月三十一日**	**269,983**

27. ISSUED CAPITAL

27. 已發行資本

		Number of shares 股份數目	Nominal value 面值	Nominal value 面值 Equivalent to RMB 折合人民幣元
			HK$ 港元	
Authorised:	**法定：**			
At 31 December 2025 and 2024	於二零二五年及二零二四年十二月三十一日	1,880,000,000	18,800,000	14,891,000
Issued and fully paid:	**已發行及繳足：**			
At 1 January 2025, 31 December 2024 and 2025	於二零二五年一月一日、二零二五年及二零二五年十二月三十一日	1,878,622,000	18,786,220	14,880,000
Share consolidation	股份合併	(1,859,835,780)	(18,598,358)	(14,731,000)
Rights issue	供股	75,144,880	751,449	687,000
At 31 December 2025	於二零二五年十二月三十一日	93,931,100	939,311	836,000

28. RESERVES

Share premium

Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares their par value.

Merger reserves

The merger reserve represents the aggregate amount of the paid-up capital of those companies comprising the Group prior to the incorporation of the Company and the application of merger method of accounting for business combinations under common control. Details of the movements in the merger reserve are set out in the consolidated statement changes in equity.

Capital reserves

Capital reserve comprises the difference arising from changes in ownership interests in subsidiaries which do not res change of control.

28. 儲備

股份溢價

股份溢價指本公司發行股份所得款項淨額或代價超出其股份面值的部分。

合併儲備

合併儲備指於本公司註冊成立以及應用共同控制下的業務合併的合併會計法前本集團旗下公司的繳足資本總額。合併儲備變動詳情載於綜合權益變動表。

資本儲備

資本儲備包括並不會導致控制權變更的於附屬公司所有權權益變動產生之差額。

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

29. 綜合現金流量表附註

(a) Major non-cash transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group has no major non-cash transactions during the years ended 31 December 2025 and 2024.

(a) 重大非現金交易

截至二零二五年及二零二四年十二月三十一日止年度，除於綜合財務報表其他部分所披露者外，本集團概無主要非現金交易。

(b) Changes in liabilities arising from financing activities

(b) 融資活動產生的負債變動

		Interest-bearing bank and other borrowings 計息銀行及其他借款 RMB'000 人民幣千元	Included in "Other payables and accruals" 計入「其他應付款項及應計費用」 RMB'000 人民幣千元	Issued capital 已發行資本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	1,279,465	117,280	–	–	1,396,745
Changes from financing cash flows	融資現金流量變動	(66,757)	–	–	–	(66,757)
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	**1,212,708**	**117,280**	**–**	**–**	**1,329,988**
Changes from financing cash flows	融資現金流量變動	**10,079**	**(62,996)**	**(14,044)**	**86,102**	**19,141**
Net cash flows	**現金流量淨額**	**1,222,787**	**54,284**	**(14,044)**	**86,102**	**1,349,129**
Exchange realignment	匯兌調整	**(158)**	**–**	**–**	**–**	**(158)**
At 31 December 2025	於二零二五年十二月三十一日	**1,222,629**	**54,284**	**(14,044)**	**86,102**	**1,348,971**

30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

30. 或然負債

於報告期末，並無於綜合財務報表計提撥備的或然負債如下：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	就本集團物業買家獲授的按揭融資提供的擔保	**35,275**	27,996

30. CONTINGENT LIABILITIES (CONTINUED)

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee agreements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted to banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends after the execution of individual purchaser's collateral agreement.

The Group did not incur any material losses during the year in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

30. 或然負債(續)

本集團就若干銀行向本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保。根據擔保協議的條款，倘買家拖欠按揭付款，本集團負責償還未償還按揭貸款連同違約方結欠銀行的任何應計利息及罰款。其後，本集團有權接管相關物業的合法業權。本集團的擔保期自授出相關按揭貸款當日起至執行個別買家的抵押協議後為止。

本集團並無於年內就本集團持作出售已竣工物業的買家獲授的按揭融資提供擔保而產生任何重大虧損。董事認為，倘發生拖欠付款，相關物業的可變現淨值將足以償還未償還按揭貸款連同任何應計利息及罰款，故並無就有關擔保計提撥備。

31. CAPITAL COMMITMENTS

31. 資本承擔

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Contracted, but not provided for properties under development	已訂約但未撥備開發中物業	**39,899**	24,467

32. RELATED PARTY TRANSACTIONS

Name and relationship

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had no significant transactions with related parties during the years ended 31 December 2025 and 2024.

32. 關聯方交易

名稱／姓名及關係

除綜合財務報表中其他部分所披露的資料外，截至二零二五年及二零二四年十二月三十一日止年度，本集團並無與關連方進行重大交易。

32. RELATED PARTY TRANSACTIONS (CONTINUED)

32. 關聯方交易(續)

Compensation of key management personnel of the Group

本集團主要管理人員的薪酬

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Salaries, bonus, allowances and benefits-in-kind	薪金、花紅、津貼及實物利益	**1,489**	2,216
Total compensation paid to key management personnel	向主要管理人員支付的薪酬總額	**1,489**	2,216

33. FINANCIAL INSTRUMENTS BY CATEGORY

The table below is an analysis of the carrying amounts of financial instruments by category at the end of the reporting period:

33. 按類別劃分的金融工具

下表為於報告期末按類別劃分的金融工具的賬面值分析：

		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Financial assets at amortised cost	**按攤銷成本計量的金融資產**		
Trade receivables	貿易應收款項	**61,343**	3,201
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	**53,344**	40,985
Restricted deposits	受限制存款	**401**	1,412
Cash and cash equivalents	現金及現金等價物	**6,977**	662
		122,065	46,260
Financial liabilities at amortised cost	**按攤銷成本計量的金融負債**		
Trade payables	貿易應付款項	**221,252**	459,566
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	**2,794,863**	2,360,583
Interest-bearing bank and other borrowings	計息銀行及其他借款	**1,222,629**	1,212,708
		4,238,744	4,032,857
Financial liabilities at FVPL	**按公允價值計入損益的金融負債**		
Convertible bonds	可換股債券	**269,983**	282,125

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

34. 金融工具之公允價值及公允價值層級

本集團金融工具(賬面值與公允價值合理相若者除外)的賬面值及公允價值如下:

		Carrying amounts 賬面值		Fair values 公允價值	
		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元	**2025 二零二五年 RMB'000 人民幣千元**	2024 二零二四年 RMB'000 人民幣千元
Financial liabilities	**金融負債**				
Convertible bonds	可換股債券	**269,983**	282,125	**269,983**	282,125

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

管理層已評估,現金及現金等價物、貿易應收款項、貿易應付款項、計入預付款項、其他應收款項及其他資產之金融資產、計入其他應付款項及應計費用之金融負債之公允價值與其賬面值相若,主要由於此等工具於短期內到期。

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

本集團財務融資部由融資經理領導,負責釐定金融工具公允價值計量之政策及程序。融資經理直接向財務總監及審核委員會報告。於各報告期末,財務融資部分析金融工具之價值變動及釐定應用於估值之主要輸入數據。估值交由財務總監審核及批准。評估過程及結果每年兩次與審核委員會討論以進行中期及年度財務報告。

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

金融資產及負債的公允價值按自願雙方在當前交易(而非強制或清盤出售)中就有關工具進行交易的金額入賬。用於估計公允價值的方法及假設如下:

The convertible bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

可換股債券確認為金融負債,並於初步確認時指定為按公允價值計入損益。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

34. 金融工具之公允價值及公允價值層級

Fair value hierarchy

公允價值層級

Liabilities measured at fair value

按公允價值計量的負債

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Convertible bonds At 31 December 2025	**可換股債券 於二零二五年十二月三十一日**	**–**	**–**	**269,983**	**269,983**
At 31 December 2024	於二零二四年十二月三十一日	–	–	282,125	282,125

At 31 December 2025 and 2024

於二零二五年及二零二四年十二月三十一日

Liability 負債	Fair value hierarchy 公允價值層級	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
Convertible bonds 可換股債券	Level 3 第三級	Discounted cash flow method 現金流量貼現法	Discount rate 貼現率	The higher the discount rate, the lower the fair value 貼現率越高，公允價值越低

Save as disclosed above, during the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Accordingly, the Group assessed the fair value of the Convertible Bonds using discounted cash flow method at 31 December 2025 and 2024 since the valuation using binomial model was no longer applicable to assess fair value of the Convertible Bonds upon maturity.

除上文所披露者外，截至二零二五年及二零二四年十二月三十一日止年度，就金融資產及金融負債而言，公允價值計量並無第一級與第二級之間的轉換，亦無第三級的轉入或轉出。因此，由於使用二項式模型估值於到期後不再適用於評估可換股債券的公允價值，故於二零二五年及二零二四年十二月三十一日，本集團使用現金流量貼現法評估可換股債券的公允價值。

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Liabilities measured at fair value (Continued)

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy are as follows:

34. 金融工具之公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債(續)

經常性公允價值計量分類為公允價值層級第三級的變動詳情如下：

		Convertible bonds 可換股債券 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	272,662
Changes in fair value	公允價值變動	9,463
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	282,125
Exchange realignment	匯兌調整	(12,142)
At 31 December 2025	**於二零二五年十二月三十一日**	**269,983**

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents, restricted deposits, trade receivables and trade payables, which arise directly from its operations. The Group has other financial assets and liabilities such as interest-bearing bank and other borrowings, convertible bonds, deposits and other receivables, and other payables and accruals. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest–bearing bank and other borrowings with a floating interest rate. The Group does not use derivative financial instruments to hedge its interest rate risk.

35. 金融風險管理目標及政策

本集團的主要金融工具主要包括直接自其經營產生的現金及現金等價物、受限制存款、貿易應收款項以及貿易應付款項。本集團擁有其他金融資產及負債，如計息銀行及其他借款、可換股債券、按金及其他應收款項，以及其他應付款項及應計費用。該等金融工具的主要用途是為本集團的運營籌集資金。

本集團金融工具所產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團並無持有或發行衍生金融工具以作對沖或買賣之用。董事會檢討並同意管理各風險的政策，乃概述如下：

利率風險

本集團因利率變動而承受的市場風險主要與浮動利率的計息銀行及其他借款有關。本集團並無使用衍生金融工具對沖其利率風險。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (Continued)

The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts. At 31 December 2025 and 2024, 100% of the Group's interest-bearing bank and other borrowings bore interest at fixed rates. The Group's exposure to interest rate risk is not significant.

Foreign currency risk

The Group's businesses are located in the PRC and all transactions are conducted in RMB. Most of the Group 's assets and liabilities are denominated in RMB. The Group has not hedged its foreign exchange rate risk. At 31 December 2025 and 2024, the Group's exposure to foreign currency risk is not significant.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

35. 金融風險管理目標及政策(續)

利率風險(續)

本集團之政策為以定息及浮動利率債項混合的方式管控其利息成本。於二零二五年及二零二四年十二月三十一日，本集團100%計息銀行及其他借款按固定利率計息。本集團所承受之利率風險並不重大。

外幣風險

本集團於中國經營業務，所有交易均以人民幣進行。本集團大部分資產及負債以人民幣計值。本集團並未對沖其匯率風險。於二零二五年及二零二四年十二月三十一日，本集團所承受之外幣風險並不重大。

信貸風險

本集團僅與獲認可且聲譽良好的第三方進行交易。本集團的政策為所有打算以信貸期交易的客戶均須接受信貸核實程序。此外，本集團持續監察應收款項結餘，故所承受壞賬的風險並不重大。對於並非以有關營運單位功能貨幣計值的交易，本集團在未經信貸管理部主管特定批准的情況下不會給予信貸期。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and period end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

35. 金融風險管理目標及政策(續)

信貸風險(續)

最高風險及年末階段

下表顯示於十二月三十一日，基於本集團信貸政策的信貸質素及面臨的最高信貸風險(主要基於過往到期資料，除非有其他毋須花費不必要成本或精力的可用資料)及期末階段分類。

呈列的金額為金融資產的賬面總值及就金融擔保合約面臨的信貸風險。

At 31 December 2025 **於二零二五年十二月三十一日**

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	62,048	–	11,474	–	73,522
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	5,585	–	–	–	5,585
– Doubtful (Note (ii))	–存疑(附註(ii))	–	6,535	162,526	–	169,061
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	401	–	–	–	401
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	6,977	–	–	–	6,977
		75,011	6,535	174,000	–	255,546

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

35. 金融風險管理目標及政策(續)

信貸風險(續)

最高風險及年末階段(續)

At 31 December 2024 於二零二四年十二月三十一日

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損			
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade receivables (Note (i))	貿易應收款項(附註(i))	–	–	11,474	–	11,474
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal (Note (ii))	–正常(附註(ii))	4,372	–	–	–	4,372
– Doubtful (Note (ii))	–存疑(附註(ii))	–	10	167,726	2,078	169,814
Restricted deposits	受限制存款					
– Not yet past due	–未逾期	1,412	–	–	–	1,412
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	–未逾期	662	–	–	–	662
		6,446	10	179,200	2,078	187,734

Notes:

(i) For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 19 to the consolidated financial statements.

(ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 19 and 20 to the consolidated financial statements respectively.

附註：

(i) 就本集團應用簡化方法作減值的貿易應收款項而言，資料乃基於綜合財務報表附註19所披露的撥備矩陣。

(ii) 倘計入預付款項、其他應收款項及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初始確認以來顯著增加，則其信用質素被認作「正常」。否則，該等金融資產的信貸質素被認作「存疑」。

有關本集團因貿易應收款項以及計入預付款項、其他應收款項及其他資產的金融資產所產生之信貸風險之進一步定量資料分別於綜合財務報表附註19及20中披露。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

The movements in the loss allowance for impairment of the financial assets included in prepayments, other receivables and other assets are as follows:

35. 金融風險管理目標及政策(續)

信貸風險(續)

最高風險及年末階段(續)

計入預付款項、其他應收款項及其他資產的金融資產減值撥備虧損變動如下：

		12-month ECL 12個月預期信貸虧損	Lifetime ECL 全期預期信貸虧損		
		Stage 1 第一級	Stage 2 第二級	Stage 3 第三級	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	10,767	24,161	98,084	133,012
Decrease (Increase) in allowance, net	撥備減少(增加)淨額	(10,706)	(24,161)	35,056	189
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	61	–	133,140	133,201
Increase (Decrease) in allowance, net	撥備增加(減少)淨額	51	3,790	(15,740)	(11,899)
At 31 December 2025	**於二零二五年十二月三十一日**	112	3,790	117,400	121,302

The significant increase in allowance for impairment in Stage 3 for the years ended 31 December 2025 is due to the prolonged weak investment sentiments in the commercial property market in the PRC, which adversely affect relationship with the Group's business partner and suppliers.

截至二零二五年十二月三十一日止年度第三級減值撥備大幅增加乃因中國商業物業市場的投資氣氛持續走低，對本集團與其業務夥伴及供應商的關係造成不利影響。

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are being closely monitored on an ongoing basis.

流動資金風險

本集團採用週期性流動資金計劃監控流動資金短缺之風險。此工具監控其金融工具與金融資產(如貿易應收款項)之到期日以及來自業務現金流量之預測。

本集團的目標為透過使用計息銀行及其他借款維持資金連續性與靈活性之間的平衡。現金流量持續受到密切監控。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

35. 金融風險管理目標及政策(續)

流動資金風險(續)

於報告期末，本集團基於合約未貼現付款的金融負債到期情況如下：

At 31 December 2025 **於二零二五年十二月三十一日**

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	221,252	221,252
Other payables and accruals	其他應付款項及應計費用	2,741,831	117,280	2,859,111
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,222,629	–	1,222,629
Convertible bonds	可換股債券	269,983	–	269,983
		4,234,443	338,532	4,572,975

At 31 December 2024 於二零二四年十二月三十一日

		On demand 按要求 RMB'000 人民幣千元	Within 1 year 1年內 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	459,566	459,566
Other payables and accruals	其他應付款項及應計費用	2,243,303	117,280	2,360,583
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,212,708	–	1,212,708
Convertible bonds	可換股債券	282,125	–	282,125
		3,738,136	576,846	4,314,982

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

資本管理

本集團資本管理的主要目標為確保其維持良好信用評級及穩健的資本比率以支持其業務及使股東價值最大化。

本集團管理其資本架構並根據經濟狀況的變動對其作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東返還資本或發行新股。截至二零二五年及二零二四年十二月三十一日止年度，並無對管理資本的目標、政策或程序作出調整。

36. SUBSIDIARIES

Details of the subsidiaries at the end of the reporting period are as follows:

36. 附屬公司

於報告期末附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Xinming Capital Limited	The British Virgin Islands (the "BVI")	US$50,000	100% (2024: 100%)	–	Investment holding
Xinming Capital Limited	英屬處女群島（「英屬處女群島」）	50,000美元	100%（二零二四年：100%）	–	投資控股
Xinming China Investment Limited	Hong Kong	HK$1,000,000	–	100% (2024: 100%)	Investment holding
新明中國投資有限公司	香港	1,000,000港元	–	100%（二零二四年：100%）	投資控股
Wangdate Marketing Consultancy Company	Hong Kong	HK$1	10%	–	Investment management
Wangdate Marketing Consultancy Company	香港	1港元	10%	–	投資管理
杭州時刻企業管理諮詢有限公司 (Hangzhou Times Enterprise Management Consulting Limited)	The PRC	RMB30,000,000	–	100% (2024: 100%)	Investment holding
杭州時刻企業管理諮詢有限公司	中國	人民幣30,000,000元	–	100%（二零二四年：100%）	投資控股
新明集團控股有限公司 (Xinming Group Holding Limited)	The PRC	RMB50,000,000	–	100% (2024: 100%)	Investment holding
新明集團控股有限公司	中國	人民幣50,000,000元	–	100%（二零二四年：100%）	投資控股
台州市新明房地產開發有限公司 (Taizhou City Xinming Real Estate Development Company Limited)	The PRC	RMB10,000,000	–	100% (2024: 100%)	Property development
台州市新明房地產開發有限公司	中國	人民幣10,000,000元	–	100%（二零二四年：100%）	物業開發
Taizhou Xinming	The PRC	RMB30,000,000	–	100% (2024: 100%)	Property development and property investment
台州新明	中國	人民幣30,000,000元	–	100%（二零二四年：100%）	物業開發及物業投資
Wenshang Times	The PRC	RMB50,000,000	–	100% (2024: 100%)	Property development and property investment
溫商時代	中國	人民幣50,000,000元	–	100%（二零二四年：100%）	物業開發及物業投資

36. SUBSIDIARIES (CONTINUED)

36. 附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and business 註冊成立／註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Shanghai Xinming	The PRC	RMB50,000,000	–	79% (2024: 79%)	Property development and property investment
上海新明	中國	人民幣50,000,000元	–	79% (二零二四年：79%)	物業開發及物業投資
Shandong Xingmeng	The PRC	RMB50,000,000	–	75% (2024: 75%)	Property development and property management
山東興盟	中國	人民幣50,000,000元	–	75% (二零二四年：75%)	物業開發及物業管理
Hangzhou Xinming	The PRC	RMB50,000,000	–	100% (2024: 100%)	Property development and property management
杭州新明	中國	人民幣50,000,000元	–	100% (二零二四年：100%)	物業開發及物業管理
杭州智耀商業有限公司 (Hangzhou Zhiyao Commercial Limited)	The PRC	RMB100,000,000	–	100% (2024: 100%)	Industrial investment
杭州智耀商業有限公司	中國	人民幣100,000,000元	–	100% (二零二四年：100%)	實業投資
浙江靜航投資管理有限公司 (Zhejiang Jinhang Investment Management Limited)	The PRC	RMB5,000,000	–	79% (2024: 79%)	Investment management
浙江靜航投資管理有限公司	中國	人民幣5,000,000元	–	79% (二零二四年：79%)	投資管理

Note: The subsidiaries established in the PRC are registered as limited liability companies under PRC law.

附註： 於中國成立的附屬公司乃根據中國法律註冊為有限公司。

* *English name is for identification purpose only.*

The above table lists the subsidiaries of the Company which, in opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列出董事認為主要影響年度業績或構成本集團大部分淨資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情將導致詳情過於冗長。

None of the subsidiaries had any debt securities outstanding during the reporting period or at the end of the reporting period.

概無附屬公司於報告期內或報告期末持有任何未贖回之債務證券。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司的財務狀況表

		Note 附註	2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元
Current assets	**流動資產**			
Cash and cash equivalents	現金及現金等價物		**5,714**	–
			5,714	–
Current liabilities	**流動負債**			
Other payables	其他應付款項		**475,739**	513,436
Convertible bonds	可換股債券		**269,983**	282,125
Interest-bearing bank and other borrowings	計息銀行及其他借款		**13,630**	–
			759,352	795,561
Net current Liabilities	**流動負債淨額**		**(753,638)**	(795,561)
Total assets less current liabilities	**總資產減流動負債**		**(753,638)**	(795,561)
NET LIABILITIES	**負債淨額**		**(753,638)**	(795,561)
Capital and reserves	**資本及儲備**			
Issued capital	已發行股本		**836**	14,880
Reserves	儲備	37(a)	**(754,474)**	(810,441)
TOTAL EQUITY	**權益總額**		**(753,638)**	(795,561)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

37. 本公司的財務狀況表(續)

37(a) Movement of the reserves

37(a) 儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	496,155	(1,232,722)	(736,567)
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	–	(73,874)	(73,874)
At 31 December 2024 and 1 January 2025	於二零二四年十二月三十一日及二零二五年一月一日	**496,155**	**(1,306,596)**	**(810,441)**
Loss and total other comprehensive loss for the year	年內虧損及其他全面虧損總額	**86,101**	**(30,134)**	**55,967**
At 31 December 2025	**於二零二五年十二月三十一日**	**582,256**	**(1,336,730)**	**(754,474)**

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

Year ended 31 December 2025 截至二零二五年十二月三十一日止年度

The five-year financial summary is as follows: 五年財務概要如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
CONTINUING OPERATIONS	**持續經營業務**					
REVENUE	**收益**	**109,462**	86,843	422,580	35,198	101,833
Cost of sales	銷售成本	**(104,515)**	(66,176)	(369,140)	(15,187)	(24,214)
Gross profit	毛利	**4,947**	20,667	53,440	20,011	77,619
Other income and gains	其他收入及收益	**13,873**	21	(6,186)	(22,738)	279,894
Selling and distribution costs	銷售及分銷成本	**(5,656)**	(3,577)	(4,496)	(13,206)	(19,592)
Administrative expenses	行政開支	**(11,093)**	(19,821)	(33,165)	(55,634)	(41,476)
Other expenses	其他開支	**(143,036)**	(473,844)	(440,315)	(599,391)	(421,367)
Net loss on de-consolidation of a subsidiary	取消綜合入賬一間附屬公司的虧損淨額	**–**	–	–	–	(640,056)
Loss on court-ordered sale of completed properties held for sale	法院命令出售持作出售的已竣工物業的虧損	**–**	(3,319)	(34,641)	(280,788)	–
Loss on court-ordered sale of an investment property	法院命令出售一項投資物業的虧損	**–**	–	–	(686,597)	–
Changes in fair value of investment properties	投資物業公允價值變動	**21,870**	(12,270)	(17,900)	(1,082,900)	(2,000)
Changes in fair value of convertible bonds	可轉股債券公允價值變動	**–**	(9,463)	(3,814)	(24,336)	8,092
Finance costs	融資成本	**(97,680)**	(96,663)	(77,079)	(84,044)	(83,053)
LOSS BEFORE INCOME TAX	**除所得稅前虧損**	**(216,775)**	(598,269)	(564,156)	(2,829,623)	(841,939)
In come tax (expenses)/credit	所得稅（開支）／抵免	**(22,565)**	8,578	(28,475)	440,019	10,833
LOSS FOR THE YEAR	**年內虧損**	**(239,340)**	(589,691)	(592,631)	(2,389,604)	(831,106)
Other comprehensive expense item that maybe reclassified subsequently to profit or loss:	**其後可能重新分類至損益的其他全面開支項目：**					
Exchange difference arising on translation of foreign operation	換算海外業務產生之匯兌差額	**128**	(57)	–	–	–
Total comprehensive expense for the year	**年內全面開支總額**	**(239,212)**	(589,748)	(592,631)	(2,389,604)	(831,106)
Loss for the year attributable to:	**以下人士應佔年內虧損：**					
Owners of the Company	本公司擁有人	**(219,027)**	(542,523)	(526,121)	(2,250,428)	(863,935)
Non-controlling interests	非控股權益	**(20,313)**	(47,168)	(66,510)	(139,176)	32,829
		(239,340)	(589,691)	(592,631)	(2,389,604)	(831,106)

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

Year ended 31 December 2025 截至二零二五年十二月三十一日止年度

		For the year ended 31 December 截至十二月三十一日止年度				
		2025 二零二五年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Total comprehensive expense for the year	**年內全面開支總額**	**(239,212)**	(589,748)	(592,631)	(2,389,604)	(831,106)
Total comprehensive expense for the year attributable to:	**以下人士應佔年內全面開支總額：**					
Owners of the parent company	母公司擁有人	**(218,899)**	(542,580)	(526,121)	(2,250,428)	(863,935)
Non-controlling interests	非控股權益	**(20,313)**	(47,168)	(66,510)	(139,176)	32,829
		(239,212)	(589,748)	(592,631)	(2,389,604)	(831,106)
ASSETS AND LIABILITIES	**資產及負債**					
Non-current assets	非流動資產	**1,145,590**	1,134,461	1,128,977	1,139,066	3,064,833
Current assets	流動資產	**1,050,256**	1,010,250	1,086,700	1,487,760	2,158,841
Current liabilities	流動負債	**5,726,657**	5,518,233	5,006,871	4,830,364	4,722,485
Non-current liabilities	非流動負債	**185,550**	175,742	168,322	163,347	478,470
Non-controlling interests	非控股權益	**(325,111)**	(304,798)	(203,485)	(136,975)	2,201
Total (deficit) equity	(虧絀)權益總額	**(3,716,361)**	(3,549,264)	(2,959,516)	(2,366,885)	22,719



新明中国控股

XINMING CHINA

15 May 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

We refer to the circular of the Company dated 15 May 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and whether it is in the interests of the Compan0

y and the Shareholders as a whole. First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser set out on pages 42 to 75 of the Circular; (ii) the letter from the Board set out on pages 8 to 39 of the Circular; and (iii) the additional information set out in the appendices to the Circular.

Having taken into account the terms of the 2026 Rights Issue, the Placing, the transactions contemplated thereunder and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee
of Xinming China Holdings Limited

Ms. Chan Wai Yan	**Ms. Huang Chunlian**	**Ms. Lee Yin Man**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

15 May 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED SHARE CONSOLIDATION; (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder. The purpose of this circular is to provide you with, among other things, (i) details of the Share Consolidation; (ii) further information regarding the 2026 Rights Issue, the Placing and the

transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; (v) other information required under the Listing Rules; and (vi) the notice of the EGM.

(I) PROPOSED SHARE CONSOLIDATION

The Company proposes to, as a condition precedent to the 2026 Rights Issue, implement the Share Consolidation on the basis that every twenty five (25) issued and unissued Existing Shares of par value of HK$0.01 each be consolidated into one (1) Consolidated Share of par value of HK$0.25 each.

EFFECT OF THE SHARE CONSOLIDATION

As at the Latest Practicable Date, there are 93,931,100 Existing Shares in issue. Upon the Share Consolidation becoming effective and assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to and including the effective date of the Share Consolidation, there will be 3,757,244 Consolidated Shares in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares in issue immediately following the Share Consolidation becoming effective will rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon fulfilling the following conditions:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the Cayman Islands laws (where applicable) and the Listing Rules to effect the Share Consolidation.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, as none of the Shareholders or their associates have any material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 3 June 2026, being the second Business Day immediately after the date of passing of the ordinary resolution approving the Share Consolidation at the EGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

LISTING APPLICATION

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the fulfilment of the conditions as set out above. Therefore, if such conditions are not fulfilled, the Share Consolidation will not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional adviser(s).

OTHER ARRANGEMENTS

No Fractional Entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders. All fractions of the Consolidated Shares, if any, will be aggregated (and rounded down to the nearest whole number) and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, if any, the Company will appoint a securities firm to provide matching services, on a best-efforts basis, to those Shareholders who wish to (i) acquire odd lots of the Consolidated Shares to make up a full board lot, or (ii) to dispose their holding of odd lots of the Consolidated Shares, during the period from 9:00 a.m. on Wednesday, 17 June 2026 to 4:00 p.m. on Thursday, 9 July 2026 (both dates inclusive).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed, and may or may not be sold at the market price. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their professional adviser(s).

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 3 June 2026, the Shareholders may during business hours on or after Wednesday, 3 June 2026 and until Monday, 13 July 2026 (both dates inclusive) submit their existing share certificates (in the color yellow) for the Existing Shares to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates (in the color red) for the Consolidated Shares, at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Existing Shares submitted for cancellation or for each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled and/or issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Thursday, 9 July 2026, trading will only be in Consolidated Shares. Existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at any time, but will not be accepted for delivery, trading and settlement purposes.

NO CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are currently traded on the Stock Exchange in a board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 2,000 Consolidated Shares per board lot.

REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 states that, among other things, in determining the board lot size, taking into account of the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

As at the Latest Practicable Date, based on the closing price of HK$0.28 per Existing Share, the value of each board lot of 2,000 Existing Shares is HK$560. The Existing Shares had been consistently traded at below the level of HK$2,000 per board lot since 3 October 2025. Upon the Share Consolidation becoming effective, based on the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation), the expected value of each board lot of 2,000 Consolidated Shares would be HK$14,000.00.

The Board had considered alternative ratios for the Share Consolidation. After careful consideration, the Board determined that the proposed consolidation ratio of every twenty five (25) Existing Shares to one (1) Consolidated Share is appropriate as it strikes a balance between increasing the trading price per Share and minimising the potential impact of odd lots and fractional Shares on Shareholders. The Board also considers that the Share Consolidation will

enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares, which would attract more investors to invest in the Shares, which further broadens the shareholder base of the Company.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the twelve (12) months immediately following the completion of the Share Consolidation, which may have an effect of undermining or negating the intended purpose of the Share Consolidation.

(II) PROPOSED 2026 RIGHTS ISSUE

Subject to the Share Consolidation becoming effective, the Company proposes to conduct the 2026 Rights Issue on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date. Details of the 2026 Rights Issue are set out below:

DETAILS OF THE 2026 RIGHTS ISSUE

Basis of the 2026 Rights Issue	:	Six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$4.70 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses in relation to the 2026 Rights Issue)	:	Approximately HK$4.50 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date	:	93,931,100 Existing Shares, equivalent to 3,757,244 Consolidated Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Share Consolidation)

Number of Rights Shares (Shares to be issued pursuant to the 2026 Rights Issue)	:	Up to 22,543,464 Consolidated Shares with an aggregate nominal value of HK$5,635,866.00 (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Total number of Shares in issue upon completion of the 2026 Rights Issue	:	Up to 26,300,708 Consolidated Shares (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Gross proceeds from the 2026 Rights Issue	:	Up to approximately HK$106.0 million (before expenses)

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. Other than the Share Consolidation, the Company has no intention to issue or grant any Shares, warrants, options and/or convertible securities on or before the Record Date.

Assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation, the aggregate 22,543,464 Rights Shares to be issued pursuant to the terms of the 2026 Rights Issue represent 600% of the total number of issued Consolidated Shares and approximately 85.71% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the 2026 Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares.

Subscription Price

The Subscription Price of HK$4.70 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the 2026 Rights Issue, or where a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 32.9% to the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 20.0% to the theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the closing price of HK$0.235 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 20.0% to the average theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the average closing price of HK$0.235 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 19.7% to the average theoretical closing price of HK$5.850 per Consolidated Share (calculated based on the average closing price of HK$0.234 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.14%, represented by the theoretical diluted price of approximately HK$4.87 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$5.875 per Consolidated Share (after taking into account the effect of the Share Consolidation), taking into account the higher of (i) the theoretical closing price of the Consolidated Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average theoretical closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and

(vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025, of approximately 19.56%, computed by the cumulative theoretical diluted price of approximately HK$28.56 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$35.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) in respect of the 2025 Rights Issue as announced on 6 December 2024.

The Subscription Price was determined with reference to (i) the market price of the Shares (and its fluctuations) under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the 2026 Rights Issue as discussed in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and the Use of Proceeds", including the amount of funds the Company intends to raise under the 2026 Rights Issue and its intended uses.

In particular:

(a) the Directors reviewed the daily closing prices of the Shares during the 12 month period up to and including the Last Trading Day. During this period, the Shares recorded (i) an average closing price of approximately HK$31.25 per Consolidated Share (calculated based on HK$1.25 after taking into account the effect of the Share Consolidation), (ii) a highest closing price of HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) and (iii) a lowest closing price of HK$4.95 per Consolidated Share (calculated based on HK$0.198 after taking into account the effect of the Share Consolidation), and were traded consistently above the Subscription Price. The Directors also noted the fluctuations in the Share price, in particular the decline from HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) on 29 September 2025 to HK$13.75 per Consolidated Share (calculated based on HK$0.55 after taking into account the effect of the Share Consolidation) on 2 October 2025. The Board is not aware of any reason for such unusual price movements of the Shares. Despite such fluctuations, given that the closing prices of the Shares stabilised within a range of approximately HK$4.95 to HK$6.50 per Consolidated Share (calculated based on HK$0.198 to HK$0.26 after taking into account the effect of the Share Consolidation) from the beginning of 2026 up to the Last Trading Day, the Directors considered it appropriate to determine the Subscription Price with reference to this more recent period, which is a reasonable comparison between the prevailing market price and the Subscription Price;

(b) the Directors also took into account the current financial position and business performance of the Group. In particular, as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds", the Group has been under liquidity pressures and faces an imminent need for financial resources to settle its liabilities and replenish its working capital. By setting a Subscription Price which is at a discount to the prevailing market price, the Board considers that this would provide sufficient incentive for, and encourage, the Qualifying Shareholders to participate in the 2026 Rights Issue (which allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company and minimises the dilution impact), while providing an opportunity to enable the Company to address its immediate funding needs and improve the financial position of the Group. The Directors also noted that the discount to the Subscription Price is comparable to the discount to the subscription price under the 2025 Rights Issue; and

(c) the Directors have also considered the aggregate amount of funds to be raised under the 2026 Rights Issue calculated based on the Subscription Price and the number of Rights Shares to be issued, and the intended use of proceeds which include settlement of liabilities of the Group as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds – Current financial position of the Group" and in the statement of indebtedness set out in the section headed "2. Indebtedness Statement" in Appendix 1 to this circular, acquiring potential projects to diversity the Group's property portfolio, and for the general working capital of the Group, all of which would strengthen the business performance of the Group as a whole in the future.

Under the 2026 Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Company considers that the discount of the Subscription Price to the current market price will encourage them to participate in the 2026 Rights Issue, minimising dilution impact.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and the Shareholders as a whole.

Non-underwritten basis

Subject to the fulfilment of the conditions of the 2026 Rights Issue (including, among other things, the Share Consolidation becoming effective), the 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

As the 2026 Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the 2026 Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the 2026 Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Company had explored both potential underwriting and non-underwriting arrangements for the 2026 Rights Issue. As the Company was unable to identify any securities firms willing to act as underwriter on terms that were commercially beneficial to the Company and its Shareholders, particularly given that the underwriting fee is expected to be substantial, which would also reduce the net proceeds from the 2026 Rights Issue available to the Company. In light of the above, the Board had determined that proceeding with the 2026 Rights Issue on a non-underwritten basis, combined with the Placing and the Compensatory Arrangements as disclosed in the sections headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement", where the Placing Agent will place Unsubscribed Rights Shares and NQS Unsold Shares on a best-efforts basis at a price that is not less than the Subscription Price, represents the most viable and efficient approach to meet the Company's funding objectives, and is consistent with the arrangements adopted for the 2025 Rights Issue, and provides adequate compensation mechanisms and safeguards to protect the interests of the Shareholders. Therefore, the Directors consider that conducting the 2026 Rights Issue on a non-underwritten basis with the Placing is in the interest of the Company and Shareholders as a whole.

Conditions of the 2026 Rights Issue

The 2026 Rights Issue is conditional upon the following conditions being fulfilled:

(i) the Share Consolidation having become effective;

(ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the 2026 Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the 2026 Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(iv) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;

(v) the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(vi) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(vii) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the 2026 Rights Issue, the Placing and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent is capable of being waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Friday, 24 July 2026 (or such other date as the Company may determine), the 2026 Rights Issue will not proceed and no party will have any claim against any other party for costs, damages, compensations or otherwise. As at the Latest Practicable Date, none of the conditions have been fulfilled.

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of the conditions as set out above. Therefore, if such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of their intention to take up any Shares provisionally (or to be provisionally) allotted or offered to that Shareholder under the 2026 Rights Issue.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The 2026 Rights Issue is only available to the Qualifying Shareholders. To qualify for the 2026 Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Consolidated Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 5 June 2026.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Wednesday, 3 June 2026, and the Consolidated Shares will be dealt with on an ex-rights basis from Thursday, 4 June 2026.

Subject to the Share Consolidation becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there were two (2) Overseas Shareholders, details of which are as follows:

Jurisdiction	**Number of Shareholder(s)**	**Number of Share(s) held**	**Approximate percentage of the issued share capital of the Company**
PRC	2	518,420	0.55%
Total	**2**	**518,420**	**0.55%**

Save for the two (2) Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In accordance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made inquiries with the legal adviser in the PRC on the feasibility of extending the offer of the 2026 Rights Issue to such Overseas Shareholders. On the basis of the results of such enquiries obtained, the Directors are of view that there are no legal restrictions under the laws of or the requirements of the relevant regulatory bodies or stock exchange in the PRC with respect to the offer of the Rights Shares to the Overseas Shareholders with registered addresses in the PRC as at the Latest Practicable Date. Accordingly, the Directors have decided to extend the 2026 Rights Issue to the Overseas Shareholders having registered addresses in the PRC and such Overseas Shareholders are considered as Qualifying Shareholders.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

In the event that additional Overseas Shareholder(s) (other than the Overseas Shareholders having registered addresses in the PRC as mentioned above) is/are identified on the Record Date, the Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the 2026 Rights Issue to such Overseas Shareholder(s), if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the 2026 Rights Issue will not be extended to such Overseas Shareholder(s). In such circumstances, the 2026 Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the 2026 Rights Issue will be set out in the Prospectus to be issued.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The 2026 Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, and subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will despatch the Prospectus only to the Non-Qualifying Shareholders on the Prospectus Posting Date for their information, but will not send any PAL to them.

Overseas Shareholders should note that they may or may not be entitled to the 2026 Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of register of members for 2026 Rights Issue

The register of members of the Company will be closed from Monday, 8 June 2026 to Friday, 12 June 2026 (both dates inclusive) for determining the identity of Shareholders entitled to the 2026 Rights Issue. No transfer of Shares will be registered during the above book closure period.

Basis of provisional allotments

The basis of the provisional allotment shall be six (6) Rights Shares (in nil-paid form) for every one (1) Consolidated Share held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the 2026 Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares as a result of the 2026 Rights Issue, if any, the Company will appoint a securities firm to provide matching services, on a best-efforts basis, to those Shareholders who wish to (i) acquire odd lots of the Consolidated Shares to make up a full board lot, or (ii) to dispose their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 4 August 2026 to 4:00 p.m. on Tuesday, 18 August 2026 (both dates inclusive). Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed, and may or may not be sold at the market price. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their professional adviser(s).

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering such Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the 2026 Rights Issue. There will be no excess application arrangements in relation to the 2026 Rights Issue. The Company and the Placing Agent entered into the Placing Agreement in relation to the placing of the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares) to independent placees on a best-efforts basis (please refer to the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement").

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best-efforts basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain which not placed after completion of the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

(i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

(ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in Hong Kong dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Placing Agreement

On 16 February 2026 (after trading hours), the Company and the Placing Agent entered into the Original Placing Agreement (which was amended and supplemented by the Supplemental Placing Agreement entered into between the Company and the Placing Agent on Wednesday, 22 April 2026 (after trading hours) to take into account of the effect of the Share Consolidation, the 2026 Rights Issue and the revised expected timetable for the Share Consolidation and 2026 Rights Issue, and corresponding incidental changes), pursuant to which the Placing Agent has agreed to procure independent placee(s), on a best-efforts basis, to subscribe for the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares). Details of the Placing Agreement are summarised below:

Issuer : The Company

Placing Agent	:	Advent Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, was appointed as the Placing Agent to procure, on a best-efforts basis, independent placees to subscribe for the Placing Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from Thursday, 9 July 2026 to 4:00 p.m. Friday, 24 July 2026, or such other dates as the Company may determine, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Commission and expenses	:	The Placing Agent shall be entitled to a commission fee equal to 2% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.
Placing price	:	The placing price of each Placing Share shall be not less than the Subscription Price of HK$4.70. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.
Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
Ranking of the Placing Shares	:	The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Consolidated Shares in issue at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or being waived by the Placing Agent in writing, if applicable):

(i) the Share Consolidation having become effective;

(ii) the Listing Committee having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iv) the obligations of the Placing Agent under the Placing Agreement not having been terminated in accordance with the provisions thereof.

Termination : The Placing Agreement can only be terminated by mutual written agreement between the Placing Agent and the Company, except that the engagement of the Placing Agent may also be terminated by the Placing Agent (i) in case of force majeure resulting in the Company and the Placing Agent being unable to fulfil its duties and responsibilities under the engagement; or (ii) if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement.

Placing Completion : Completion is expected to take place within six (6) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the 2026 Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the commission and expenses payable) are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best-efforts basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Company will ensure that it will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules after the 2026 Rights Issue and the Placing. After the Placing Period, it is expected that none of the placees will become a substantial shareholder of the Company. If any of the placees will become a substantial shareholder of the Company after completion of the 2026 Rights Issue and the Placing, further announcement(s) will be made by the Company.

The Board considered that the Compensatory Arrangements, which have taken into account the effect of Share Consolidation, are fair and reasonable and provide adequate safeguard to protect the best interests of the Company's minority Shareholders since:

(i) the Compensatory Arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the Compensatory Arrangements, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agents and the related fees and expenses in relation to such placing will be borne by the Company;

(ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by the Placing Agent which is licensed and subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The terms and the conditions of the Placing Agreement (including the placing commission) are normal commercial terms and are in the best interests of the Company and the Shareholders as a whole; and

(iii) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the 2026 Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the 2026 Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable.

No Fractional Entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Share certificates and refund cheques for the 2026 Rights Issue

Subject to fulfilment of the conditions of the 2026 Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or before Monday, 3 August 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the 2026 Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 3 August 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the 2026 Rights Issue. No part of the securities (including debt securities) of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchange.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Consolidated Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

REASONS FOR AND BENEFITS OF THE 2026 RIGHTS ISSUE AND THE USE OF PROCEEDS

Current financial position of the Group

The Group is principally engaged in the property development, property investment and property leasing in the PRC.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), cash and cash equivalents amounted to approximately RMB7.0 million, whereas interest-bearing bank and other borrowings amounted to approximately RMB1,222.6 million, convertible bonds outstanding amounted to approximately RMB270.0 million and other payables and accruals of approximately RMB2,927.1 million as at 31 December 2025.

Further, for the year ended 31 December 2025, while the revenue of the Group amounted to approximately RMB109.5 million, representing an increase of approximately 26.0% as compared to the same period of the previous year, the gross profit of the Group amounted to approximately RMB4.9 million, representing a decrease of approximately 76.1% as compared to the previous year.

As disclosed in (i) the 2025 Annual Report; (ii) the announcement of the Company dated 16 January 2026 (the "**2026 First Update Announcement**"); and (iii) the announcement of the Company dated 31 March 2026 (the "**2026 Second Update Announcement**"), the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Company has partially repaid approximately HK$70 million of the debt and interests of the Group utilising the net proceeds raised under the 2025 Rights Issue, and has negotiated a waiver of approximately HK$14 million of interests. Further, the Company understands that the Group's existing lenders do not have the intention to demand immediate repayment at the moment, and the holder of the convertible bonds has agreed not to demand repayment until 1 January 2027.

Although the Company completed the 2025 Rights Issue on 29 July 2025, as disclosed in the 2025 Annual Report, the net proceeds raised under the 2025 Rights Issue of approximately HK$78.3 million has been entirely utilised as follows:

(i) approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group (as set out above); and

(ii) approximately HK$6.3 million was utilised as general working capital of the Group (including but not limited to the Group's daily operational expenses for the six months following the completion of the 2025 Rights Issue).

The Company is also proactively progressing with (i) the acceleration of the pre-sale and sale of properties under development and completed properties, (ii) the procurement and formulation of the terms with as with large property developer to sell individual property development project or whole commercial property at an appropriate price and the identification and negotiations with new investors to participate in renovation works in order to increase the underlying value and to accelerate the sale of commercial properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties, as disclosed in the 2025 Annual Report, the 2026 First Update Announcement and the 2026 Second Update Announcement.

That being said, the above measures will take time to negotiate and implement, and the Group still faces an imminent need for financial resources to settle the overdue liabilities and replenish its working capital. While proactively progressing with the above measures, the Board considers that the 2026 Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

Consideration of other fund-raising alternatives and benefits of the 2026 Rights Issue

The Directors had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that debt financing will result in additional interest burden and the interest rate is expected to be sustained at a relatively high level in prevailing borrowing market. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial to the Group.

As disclosed in 2025 Annual Report, the current portion of the existing interest-bearing bank and other borrowings amounting to approximately RMB1,222.6 million were overdue, and were subject to heavy penalties due to such default. Further, such borrowings were secured by pledges over the major assets of the Group, including properties in the PRC, and guarantees by Mr. Chen and other subsidiaries of the Company, The overall effective interest rate of such borrowings as at 31 December 2025 was approximately 3.0% to 36.00% per annum. Further, under the prevailing market conditions and considering the net liabilities position of the Group, it is likely that financial institutions would require additional security and/or guarantee to be provided by the Group or other stringent conditions such as increasing interest rates, which may be difficult for the Group to satisfy given the pledges and guarantees by the Group have already been provided to the existing borrowings and are not readily available and the deficit financial position of the Group. Given the above constraints and the high cost of debt financing, it may be difficult for the Group to obtain new debt financing with favourable commercial terms.

Further, the Directors have also considered recent market observations indicating that lending institutions in Hong Kong and the PRC have generally adopted a more conservative stance given the existing macroeconomic and political factors and current credit market conditions, such as the impact of elevated interest rates in the US and also political unrest in the Middle East. Financial institutions in Hong Kong and the PRC appear to have maintained a cautious approach towards credit underwriting, which may result in higher pricing and more stringent terms for corporate borrowings generally.

Accordingly, the Directors consider it prudent and in the best interests of the Company to assume that the cost of debt financing may remain high or may increase further in light of the above.

The Directors consider that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate the subscription of new Shares. Instead of the placing or subscription of new Shares, the 2026 Rights Issue enables the Group to improve its financial position without increasing its debt or finance costs.

Since the 2026 Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company and allow the Group fulfil its aforementioned needs for financial resources to partially settle the overdue liabilities and replenish its working capital, the Directors consider that raising capital through the 2026 Rights Issue is in the best interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

Intended use of proceeds from the 2026 Rights Issue

Assuming full subscription under the 2026 Rights Issue, the maximum gross and net proceeds (after deducting related expenses) from the 2026 Rights Issue are estimated to be approximately up to HK$106.0 million and HK$101.4 million, respectively. The Company intends to apply the net proceeds from the 2026 Rights Issue in the following manner:

(i) approximately 96.0% (being approximately HK$97.4 million) for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group;

(ii) approximately 1.80% (being approximately HK$1.8 million) for the acquisition of property development projects located in the PRC which possess strong growth and value potential with a view to diversifying the Group's property portfolio and strengthening the overall revenue and profitability of the Group in the future; and

(iii) approximately 2.20% (being approximately HK$2.2 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming twelve months upon completion of the 2026 Rights Issue.

In the event that there is an undersubscription of the 2026 Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

As at the Latest Practicable Date, and assuming that all the Rights Shares have been fully subscribed and/or placed, the Company has no intention to carry out other equity fundraising activities in the twelve (12) months immediately following the completion of the 2026 Rights Issue. However, after such period, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fundraising activities in the future when suitable opportunities arise in order to repay outstanding loans and other borrowings of the Group to further mitigate the liquidity pressure and improve the financial position, and to support the operational needs and future development of the Group. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date, other than the 2025 Rights Issue the details of which are set out below:

Date of initial announcement	Fundraising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
6 December 2024 (completed on 29 July 2025)	Rights issue on the basis of four (4) rights Shares for every one (1) Share at HK$1.12 per rights Share	Approximately HK$78.3 million	(i) approximately 92% (being approximately HK$72.0 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK$6.3 million) as general working capital of the Group	Fully utilised as intended (details as set out in the 2025 Annual Report)

EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, assuming there is no change in the issued share capital of the Company, other than as a result of the Share Consolidation, from the Latest Practicable Date up to and including the Record Date, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Share Consolidation; (iii) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by all Qualifying Shareholders under the 2026 Rights Issue); and (iv) immediately after the Share Consolidation and completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing):

Shareholders	**As at the Latest Practicable Date**		**Immediately after the Share Consolidation**		**Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by the Qualifying Shareholders)**		**Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)**	
	Number of Shares	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*
Xinxing Company Limited *(Note 1)*	243,300	0.26	9,732	0.26	68,124	0.26	9,732	0.04
Placees	–	–	–	–	–	–	22,543,464	85.71
Other public Shareholders	93,687,800	99.74	3,747,512	99.74	26,232,584	99.74	3,747,512	14.25
Total	**93,931,100**	**100.00**	**3,757,244**	**100.00**	**26,300,708**	**100.00**	**26,300,708**	**100.00**

Notes:

1. Xinxing Company Limited is a company wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the same number of Shares in which Xinxing Company Limited is interested by virtue of the SFO.

2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder of the Company after completion of the Placing. The Company will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules before and after completion of the 2026 Rights Issue and the Placing.

3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the 2026 Rights Issue are subject to various factors, including the results of acceptance of the 2026 Rights Issue and the results of the Placing.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the 2026 Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

TAXATION

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the 2026 Rights Issue accepts responsibility for any tax effects or liabilities of, any person resulting from subscribing for, purchasing, holding, exercising, disposing of or dealings in any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

WARNING OF THE RISKS OF DEALING IN THE SHARES, THE CONSOLIDATED SHARES AND/OR THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the fulfilment of the conditions as set out in the section headed "(I) Proposed Share Consolidation – Conditions of the Share Consolidation". Therefore, if such conditions are not fulfilled, the Share Consolidation will not proceed.

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of the conditions as set out in the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Conditions of the 2026 Rights Issue". Therefore, if such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of the conditions as set out in the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement – Conditions Precedent". Therefore, if such conditions are not fulfilled, the Placing will not proceed.

The 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Subject to the Share Consolidation becoming effective, any Shareholder or other person dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date when all the conditions of the 2026 Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be Friday, 24 July 2026, will accordingly bear the risk that the 2026 Rights Issue and/or the Placing may not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares is advised to exercise caution when dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INFORMATION ON THE PARTIES

Information on the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. The Group is principally engaged in the property development, property investment and property leasing in the PRC.

Information on the Placing Agent

Advent Securities (Hong Kong) Limited is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity.

LISTING RULES IMPLICATIONS

Share Consolidation

The Share Consolidation is conditional upon, among other things, Shareholders' approval at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, as none of the Shareholders or their associates have any material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

2026 Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the 2026 Rights Issue will increase the total number of issued Shares of the Company by more than 50% within twelve (12) month period immediately preceding the date of the First Announcement, the 2026 Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholder(s) of the Company and their associates, or where there are no controlling shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the resolution(s) in relation to the 2026 Rights Issue and the Placing at the EGM.

As at the Latest Practicable Date, the Company does not have any controlling shareholders. Mr. Chen, an executive Director, chairman and the chief executive officer of the Company, is interested in the 243,300 Existing Shares beneficially owned by Xinxing Company Limited, a company wholly-owned by Mr. Chen, representing approximately 0.26% of the total issued Existing Shares. Therefore, Mr. Chen and his associates shall abstain from voting in favour of the resolution(s) approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. As at the Latest Practicable Date, save for Mr. Chen, none of the Directors or chief executive of the Company had any interest in the Shares.

The 2026 Rights Issue, together with the 2025 Rights Issue, does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the 2026 Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man, to advise the Independent Shareholders in respect of the 2026 Rights Issue and the Placing and as to the voting action therefor.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and whether it is in the best interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

EGM

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Monday, 1 June 2026 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

The EGM will be convened and held at 11:00 a.m. on Monday, 1 June 2026 to consider and, if thought fit, approve, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder. Shareholders who are involved in or interested in the 2026 Rights Issue (including Mr. Chen and his associates as disclosed above) will be required to abstain from voting in respect of the resolution(s) to approve the 2026 Rights Issue at the EGM.

The notice convening the EGM to be held at 3/F, Office Plus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong at 11:00 a.m. on Monday, 1 June 2026 is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Saturday, 30 May 2026) for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

In compliance with the Listing Rules, all the resolutions to be proposed at the EGM will be voted on by way of poll at the EGM.

Saved as disclosed in this circular, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the 2026 Rights Issue by the Independent Shareholders at the EGM and the Share Consolidation becoming effective, the Prospectus containing further information in relation to the 2026 Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Monday, 15 June 2026. A copy of the Prospectus will also be made available on the websites of the Company (www.xinm.net.cn) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 40 to 41 of this circular which contains its recommendation to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out on pages 42 to 75 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

The Directors consider that the terms of the Share Consolidation are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Share Consolidation. Further, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Xinming China Holdings Limited

Shi Jianwen
Executive Director

Room 1706-07, 17/F
China Insurance Group Building
No. 141 Des Voeux Road Central
Central, Hong Kong

15 May 2026

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 15 May 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 16 February 2026 (after trading hours), the Company announced its proposal to implement the 2026 Rights Issue. On 22 April 2026 (after trading hours), the Company announced its amendment to the terms of the 2026 Rights Issue to take into account of the effect of the completion of the Share Consolidation. In this regard, the Company proposes to conduct the 2026 Rights Issue at the Subscription Price of HK$4.70 per Rights Share on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date, to raise gross proceeds of up to approximately HK$106.0 million by issuing up to 22,543,464 Rights Shares to the Qualifying Shareholders. The 2026 Rights Issue will proceed on a non-underwritten basis.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the 2026 Rights Issue will increase the total number of issued Shares of the Company by more than 50% within twelve (12) month period immediately preceding the date of the First Announcement, the 2026 Rights Issue is conditional upon the Shareholders' approval at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the 2026 Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholder(s) of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the 2026 Rights Issue.

As at the Latest Practicable Date, the Company does not have any controlling shareholders. Mr. Chen Chengshou ("**Mr. Chen**"), an executive Director, chairman and the chief executive officer of the Company, is interested in the 243,300 Existing Shares beneficially owned by Xinxing Company Limited, a company wholly-owned by Mr. Chen, representing approximately 0.26% of the total issued Existing Shares. Therefore, Mr. Chen and his associates shall abstain from voting in favour of the resolution(s) approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules.

The 2026 Rights Issue, together with the 2025 Rights Issue, does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the 2026 Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man, has been established to advise the Independent Shareholders in respect of the 2026 Rights Issue, the Placing, and the transactions contemplated thereunder, on whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

We, First Global Corporate Finance Co., Limited ("**First Global**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. First Global is a licensed corporation licensed under the Securities and Futures Ordinance ("**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Wendy Liu ("**Ms. Liu**") is the person signing off the opinion letter from First Global contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory transactions in Hong Kong.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the 2026 Rights Issue, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the 2026 Rights Issue, or a close associate or core connected person of any of them, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert, with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the 2026 Rights Issue pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have reviewed the documents including but not limited to: (i) the Circular and the Letter from the Board contained therein; (ii) the Placing Agreement; (iii) the annual report of the Company for the years ended 31 December 2025 (the "**2025 Annual Report**") and 31 December 2024 (the "**2024 Annual Report**"); and (iv) the relevant supporting documents in respect of the 2026 Rights Issue provided by the Company, including but not limited to historical documents and records, to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. The Shareholders will be informed should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the 2026 Rights Issue. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the 2026 Rights Issue, we have considered the following principal factors and reasons:

I. Background of the Group

(i) Background information of the Group

The Company is an investment holding company primarily engaged in the property development, property investment and property leasing in the PRC. The Company mainly operates its business through three segments. The Property Development segment engages in the development and sale of properties. The Property Leasing segment engages in leasing out properties. The Others segment engages in investment holding.

(ii) Historical financial performance and position of the Group

The following table sets out key consolidated financial information of the Group for year ended 31 December 2025 (the "**FY2025**"), 2024 (the "**FY2024**") and 2023 (the "**FY2023**") as extracted from the 2025 Annual Report and the 2024 Annual Report of the Company:

	For		
	FY2025	**FY2024**	**FY2023**
	(audited)	(audited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	109,462	86,843	422,580
Gross Profit	4,947	20,667	53,440
Net Loss	(239,340)	(589,691)	(592,631)

Discussion on the Group's financial performance for FY2025 as compared with that for FY2024

The Group generated revenue of approximately RMB109.5 million during FY2025, as compared to approximately RMB86.8 million for FY2024, representing a increase of approximately 26.0%, which was mainly due to the sale of newly developed properties in the Shanghai project. The Group generated gross profit of approximately RMB4.9 million for FY2025, representing a gross profit margin of approximately 4.5%, which had deteriorated compared to FY2024 due to the higher development costs. The Group recorded a net loss of approximately RMB239.3 million during FY2025, representing a decrease of approximately 40.6% as compared to FY2024 net loss of approximately RMB589.7 million, mainly attributable to the decrease in in other expenses and increase in fair value of investment properties.

Discussion on the Group's financial performance for FY2024 as compared with that for FY2023

The Group generated revenue of approximately RMB86.8 million during FY2024, as compared to approximately RMB422.6 million for FY2023, representing a decrease of approximately 79.4%, which was mainly due to the overall downturn in China's real estate market. Despite stabilization policies implemented by Chinese policymakers in 2024 and early 2025, the market environment has yet to recover sufficiently to reflect the effects of these measures. The Group generated gross profit of approximately RMB20.7 million for FY2024, representing a gross profit margin of approximately 23.8%, which had improved compared to FY2023 due to cost control measures. The Group recorded a net loss of approximately RMB589.7 million during FY2024, representing a decrease of approximately 0.5% as compared to FY2023 net loss of approximately RMB592.6 million, mainly attributable to the decrease in revenue and increase in other expenses and finance costs.

Set out below is a summary of the consolidated statement of financial position of the Group:

	As at		
	31 December 2025	**31 December 2024**	**31 December 2023**
	RMB'000 (audited)	*RMB'000* (audited)	*RMB'000* (audited)
Total Assets	2,195,846	2,144,711	2,215,677
Total Liabilities	5,912,207	5,693,975	5,175,793
Net Liabilities	3,716,361	3,549,264	2,959,516

Discussion on the Group's financial position as at 31 December 2025 as compared with that as at 31 December 2024

The total assets of the Group were approximately RMB2.20 billion and RMB2.14 billion as at 31 December 2025 and 31 December 2024, respectively, representing an approximately 2.4% increase, which is mainly attributable to the increase in trade receivables and investment properties. The total liabilities of the Group were approximately RMB5.9 billion and RMB5.7 billion as at 31 December 2025 and 31 December 2024, respectively, representing an approximately 3.8% increase, which is mainly attributable to the increase in other payable and accruals. The consolidated net liabilities increased slightly by approximately 4.7%, from approximately RMB3.5 billion as at 31 December 2024 to approximately RMB3.7 billion as at 31 December 2025.

Discussion on the Group's financial position as at 31 December 2024 as compared with that as at 31 December 2023

The total assets of the Group were approximately RMB2.14 billion and RMB2.22 billion as at 31 December 2024 and 2023 respectively, representing an approximately 3.2% decrease, which is mainly attributable to the impairment of the investments properties and decrease in completed properties held for sale. The total liabilities of the Group were approximately RMB5.7 billion and RMB5.2 billion as at 31 December 2024 and 2023, respectively, representing an approximately 10.0% increase, which is mainly attributable to the increase in other payables and accruals. The consolidated net liabilities increased by approximately 19.9%, from approximately RMB2.9 billion as at 31 December 2023 to approximately RMB3.5 billion as at 31 December 2024.

II. Reasons for the 2026 Rights Issue and use of proceeds

As disclosed in the Circular, the Group has been facing significant liquidity pressure. Despite the completion of the 2025 Rights Issue on 29 July 2025, the net proceeds raised thereunder (approximately HK$78.3 million) have been entirely utilised, of which approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals; and approximately HK$6.3 million was utilised as general working capital.

As disclosed in the 2025 Annual Report, cash and cash equivalents amounted to approximately RMB7.0 million, whereas interest-bearing bank and other borrowings amounted to approximately RMB1,222.6 million, convertible bonds outstanding amounted to approximately RMB270.0 million and other payables and accruals of approximately RMB2,927.1 million as at 31 December 2025.

As disclosed in the 2025 Annual Report, the 2025 Update Announcement, the 2026 First Update Announcement and the 2026 Second Update Announcement, the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings. The Company has partially repaid approximately HK$70.0 million of the debt and interests of the Group utilising the net proceeds raised under the 2025 Rights Issue, and has negotiated a waiver of approximately HK$14 million of interests. The Company understands that the Group's existing lenders do not have the intention to demand immediate repayment at the moment, and the holder of the Convertible Bonds has agreed not to demand repayment until 1 January 2027.

Although the Company completed the 2025 Rights Issue on 29 July 2025, as disclosed in the 2025 Annual Report, the net proceeds raised under the 2025 Rights Issue of approximately HK$78.36 million has been entirely utilised as follows:

(i) approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group (as set out above); and

(ii) approximately HK$6.3 million was utilised as general working capital of the Group (including but not limited to the Group's daily operational expenses for the six months following the completion of the 2025 Rights Issue).

The Company is also proactively progressing with (i) the acceleration of the pre-sale and sale of properties under development and completed properties; (ii) the procurement and formulation of terms with large property developers to sell individual property development projects or whole commercial properties at appropriate prices and the identification and negotiations with new investors to participate in renovation in order to increase the underlying value and to accelerate the sale of commercial properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties, as disclosed in the 2025 Annual Report, the 2026 First Update Announcement and the 2026 Second Update Announcement.

That being said, the above measures will take time to negotiate and implement, and the Group still faces an imminent need for financial resources to settle the overdue liabilities and replenish its working capital. While proactively progressing with the above measures, the Board considers that the 2026 Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

The gross proceeds from the 2026 Rights Issue are expected to be up to approximately HK$106.0 million. The net proceeds from the 2026 Rights Issue after deducting related expenses are estimated to be approximately HK$101.4 million (assuming full subscription). The Company intends to apply the net proceeds from the 2026 Rights Issue as follows:

Use of proceeds	**Approximate** *%*	**Approximate amount** *(HK$ million)*
Settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals	96.0%	97.4
Acquisition of property development projects in the PRC	1.8%	1.8
General working capital of the Group	2.2%	2.2
Total	**100.0%**	**101.4**

In the event that there is an undersubscription of the 2026 Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

As at the Latest Practicable Date, and assuming that all the Rights Shares have been fully subscribed and/or placed, the Company has no intention to carry out other equity fundraising activities in the twelve (12) months immediately following the completion of the 2026 Rights Issue. However, after such period, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fundraising activities in the future when suitable opportunities arise in order to repay outstanding loans and other borrowings of the Group to further mitigate the liquidity pressure and improve the financial position, and to support the operational needs and future development of the Group. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Fundraising alternatives

The Directors had considered various fundraising alternatives before resolving to the 2026 Rights Issue, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that debt financing will result in additional interest burden and the interest rate is expected to be sustained at a relatively high level in the prevailing borrowing market. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial given its already highly geared financial position.

As disclosed in 2025 Annual Report, the current portion of the existing interest-bearing bank and other borrowings amounting to approximately RMB1,222.6 million were overdue, and were subject to heavy penalties due to such default. Further, such borrowings were secured by pledges over the major assets of the Group, including properties in the PRC, and guarantees by Mr. Chen and other subsidiaries of the Company, The overall effective interest rate of such borrowings as at 31 December 2025 was approximately 3.0% to 36.00% per annum. Further, under the prevailing market conditions and considering the net liabilities position of the Group, it is likely that financial institutions would require additional security and/or guarantee to be provided by the Group or other stringent conditions such as increasing interest rates, which may be difficult for the Group to satisfy given the pledges and guarantees by the Group have already been provided to the existing borrowings and are not readily available and the deficit financial position of the Group. Given the above constraints and the high cost of debt financing, it may be difficult for the Group to obtain new debt financing with favourable commercial terms.

Further, the Directors have also considered recent market observations indicating that lending institutions in Hong Kong and the PRC have generally adopted a more conservative stance given the existing macroeconomic and political factors and current credit market conditions, such as the impact of elevated interest rates in the US and also political unrest in the Middle East. Financial institutions in Hong Kong and the PRC appear to have maintained a cautious approach towards credit underwriting, which may result in higher pricing and more stringent terms for corporate borrowings generally.

Accordingly, the Directors consider and we concur that it prudent and in the best interests of the Company to assume that the cost of debt financing may remain high or may increase further in light of the above.

The Directors consider that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate in the subscription of new Shares. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. The Directors are of the view that the 2026 Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfil the development plan of the Group without further increasing the interest burden to the Group. The 2026 Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the 2026 Rights Issue in full.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

Our View

As part of our assessment of the terms of the 2026 Rights Issue, we have performed desktop research on the recent developments and outlook of the PRC property market, in which the Group principally operates, in order to provide context for our evaluation of the Group's business prospects and the reasonableness of the 2026 Rights Issue.

According to the "2026 China Real Estate Market Outlook" published by CBRE, Inc. ("**CBRE**"), a leading global commercial real estate services and investment firm, the CPC Central Committee has set the tone for the 15th Five-Year Plan period by prioritising "effective qualitative improvement alongside reasonable quantitative growth", signalling a strategic shift in China's economic trajectory from scale-driven growth toward high-quality development. CBRE forecasts that China's GDP growth rate will settle at approximately 4.5% in 2026.

In the retail sector, it was expected that the gradual recovery of consumption to persist over the course of 2026, supported by government policy incentives. Emerging consumption themes such as the health economy, beauty economy and emotional economy have become more prominent in recent years, leading to a rapid increase in the number of enterprises and generating new demand for retail space. The "silver generation" along with the post-00s and post-10s generations are expected to become the primary sources of incremental consumption in 2026 and beyond.

In respect of commercial real estate investment, it was noted that despite macroeconomic and geopolitical headwinds, a combination of attractive valuations and an improved financing environment will catalyse investment activity. CBRE forecasted commercial real estate investment volume to grow by 5% to 10% year-on-year in 2026.

Based on our desktop research, we noted that while the PRC real estate market is showing signs of gradual stabilisation with pockets of growth in certain sub-sectors (such as office and retail), the overall market continues to face structural challenges including abundant supply in the office market, declining logistics absorption and ongoing macroeconomic and geopolitical uncertainties. The shift in China's economic policy toward high-quality development over scale-driven growth suggests a more measured pace of recovery, with GDP growth expected to moderate at approximately 4.5% in 2026. In the current market environment, the Group may continue to encounter operational headwinds and face challenges in generating adequate internal cash flows to support business development initiatives and fulfil its financial obligations. Having considered the foregoing, we are of the view that the 2026 Rights Issue, as a means of equity fundraising, represents a reasonable approach for the Company to strengthen its capital base and enhance its financial flexibility to navigate the current market conditions.

We have discussed with the Directors to understand the proposed use of proceeds. We have also obtained and reviewed the breakdown regarding the proposed use of proceeds from the 2026 Rights Issue. We note that the vast majority of the net proceeds (approximately 96.0%) would be applied for the settlement of the Group's overdue liabilities, which is consistent with the Group's disclosed financial difficulties including significant overdue borrowings and accrued liquidated damages. Given the Group's pressing liquidity position, with only approximately RMB7.0 million in cash and cash equivalents as at 31 December 2025 against total current liabilities of approximately RMB5.7 billion, we consider the proposed use of proceeds to be reasonable and necessary to support the Group's operations and debt restructuring efforts.

We also noted that the Company has considered other fundraising alternatives before resolving to the 2026 Rights Issue, including but not limited to debt financing, placing of new Shares, and open offer. As per our discussion with the Directors, it was noted that debt financing or bank loans would result in additional interest burdens and a higher gearing ratio for the Group, which is not feasible given its current net liability position. Placing of new Shares, on the other hand, would only be available to certain placees who were not necessarily existing shareholders, thereby diluting the shareholding interests of existing shareholders. With respect to an open offer, while it is similar to a rights issue in offering qualifying shareholders an opportunity to participate, it does not allow the trading of rights entitlements in the open market. Accordingly, shareholders must either participate in the offer or lose the benefit of any discount at which the new shares are offered.

The 2026 Rights Issue, however, allows Qualifying Shareholders to participate in the future development of the Company while offering flexibility to either maintain their pro-rata shareholding interests or trade their nil-paid rights entitlements in the market. This reduces the impact of shareholding dilution for those who choose to take up their entitlements.

Based on the above analysis, we are of the view that the proposed 2026 Rights Issue provides certainty and flexibility for shareholders in deciding whether to get their proportionate entitlements relative to their shareholding, which is fair and reasonable.

III. Principal terms of the 2026 Rights Issue and the Placing Agreement

The 2026 Rights Issue

Set out below are the principal terms of the 2026 Rights Issue as extracted from the Letter from the Board:

Basis of the 2026 Rights Issue:	Six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK$4.7 per Rights Share
Net price per Rights Share:	Approximately HK$4.5 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date:	93,931,100 Existing Shares, equivalent to 3,757,244 Consolidated Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Share Consolidation)
Number of Rights Shares to be issued:	Up to 22,543,464 Consolidated Shares
Aggregate nominal value of Rights Shares:	Up to HK$5,635,866.00 (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)

Total number of Shares upon completion:	Up to 26,300,708 Consolidated Shares (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Gross proceeds:	Up to approximately HK$106.0 million (before expenses)

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. Assuming no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation, the 22,543,464 Right Shares to be issued pursuant to the terms of the 2026 Rights Issue represent (i) 600% of the total number of issued Consolidated Shares; and (ii) approximately 85.71% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Further details of the 2026 Rights Issue are outlined in the Letter from the Board.

The Placing Agreement

Set out below are the principal terms of the Placing Agreement as extracted from the Letter from the Board:

Placing Agent:	Advent Securities (Hong Kong) Limited The Placing Agent is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity.
Placing commission:	The Placing Agent shall be entitled to a commission fee equal to 2% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.
Placing Price:	The placing price of each Placing Share shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.

Placing Period: The period commencing from Thursday, 9 July 2026 up to 4:00 p.m. Friday, 24 July 2026, or such other dates as the Company may announce.

Placees: The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

Ranking of the Placing Shares: The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Consolidated Shares in issue at the date of completion of the Placing.

Conditions Precedent: The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or being waived by the Placing Agent in writing, if applicable:

(i) the Share Consolidation having become effective

(ii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iv) the obligations of the Placing Agent under the Placing Agreement not having been terminated in accordance with the provisions thereof.

Termination:	The Placing Agreement can only be terminated by mutual written agreement between the Placing Agent and the Company, except that the engagement of the Placing Agent may also be terminated by the Placing Agent (i) in case of force majeure resulting in the Company and the Placing Agent being unable to fulfil its duties and responsibilities under the engagement, or (ii) if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement.
Placing Completion:	Completion is expected to take place within six (6) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

Further details of the terms and conditions of the Placing Agreement are outlined in the Letter from the Board. As disclosed in the Letter from the Board, the terms of the Placing Agreement (including the placing commission) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the market comparables, the existing financial position of the Group, the size of the 2026 Rights Issue, and the current and expected market conditions.

Our Assessment on the principal terms of the 2026 Rights Issue and the Placing Agreement

As disclosed in the Letter from the Board, the Subscription Price of HK$4.7 per Rights Share represents:

(i) a discount of approximately 32.9% to the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 20.0% to the theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the closing price of HK$0.235 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 20.0% to the average theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the average closing price of HK$0.235 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 19.7% to the average theoretical closing price of HK$5.850 per Consolidated Share (calculated based on the average closing price of HK$0.234 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.14%, represented by the theoretical diluted price of approximately HK$4.87 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$5.875 per Consolidated Share (after taking into account the effect of the Share Consolidation), taking into account the higher of (i) the theoretical closing price of the Consolidated Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average theoretical closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and

(vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025, of approximately 19.56%, computed by the cumulative theoretical diluted price of approximately HK$28.56 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$35.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) in respect of the 2025 Rights Issue as announced on 6 December 2024.

The Subscription Price was determined with reference to (i) the market price of the Shares (and its fluctuation) under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the 2026 Rights Issue as discussed in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and the Use of Proceeds", including the amount of funds the Company intends to raise under the 2026 Rights Issue and its intended uses.

In particular:

(a) the Directors reviewed the daily closing prices of the Shares during the 12 month period up to and including the Last Trading Day. During this period, the Shares recorded (i) an average closing price of approximately HK$31.25 per Consolidated Share (calculated based on HK$1.25 after taking into account the effect of the Share Consolidation), (ii) a highest closing price of HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) and (iii) a lowest closing price of HK$4.95 per Consolidated Share (calculated based on HK$0.198 after taking into account the effect of the Share Consolidation), and were traded consistently above the Subscription Price. The Directors also noted the fluctuations in the Share price, in particular the decline from HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) on 29 September 2025 to HK$13.75 per Consolidated Share (calculated based on HK$0.55 after taking into account the effect of the Share Consolidation) on 2 October 2025. The Board is not aware of any reason for such unusual price movements of the Shares. Despite such fluctuations, given that the closing prices of the Shares stabilised within a range of approximately HK$4.95 to HK$6.50 per Consolidated Share (calculated based on HK$0.198 to HK$0.26 after taking into account the effect of the Share Consolidation) from the beginning of 2026 up to the Last Trading Day, the Directors considered it appropriate to determine the Subscription Price with reference to this more recent period, which is a reasonable comparison between the prevailing market price and the Subscription Price;

(b) the Directors also took into account the current financial position and business performance of the Group. In particular, as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds", the Group has been under liquidity pressures and faces an imminent need for financial resources to settle its liabilities and replenish its working capital. By setting a Subscription Price which is at a discount to the prevailing market price, the Board considers that this would provide sufficient incentive for, and encourage, the Qualifying Shareholders to participate in the 2026 Rights Issue (which allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company and minimises the dilution impact), while providing an opportunity to enable the Company to address its immediate funding needs and improve the financial position of the Group. The Directors also noted that the discount to the Subscription Price is comparable to the discount to the subscription price under the 2025 Rights Issue; and

(c) the Directors have also considered the aggregate amount of funds to be raised under the 2026 Rights Issue calculated based on the Subscription Price and the number of Rights Shares to be issued, and the intended use of proceeds which include settlement of liabilities of the Group as, acquiring potential projects to diversity the Group's property portfolio, and for the general working capital of the Group, all of which would strengthen the business performance of the Group as a whole in the future.

Non-underwritten basis

Subject to the fulfilment of the conditions of the 2026 Rights Issue (including, among other things, the Share Consolidation becoming effective), the 2026 Rights Issue will proceed on a non- underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

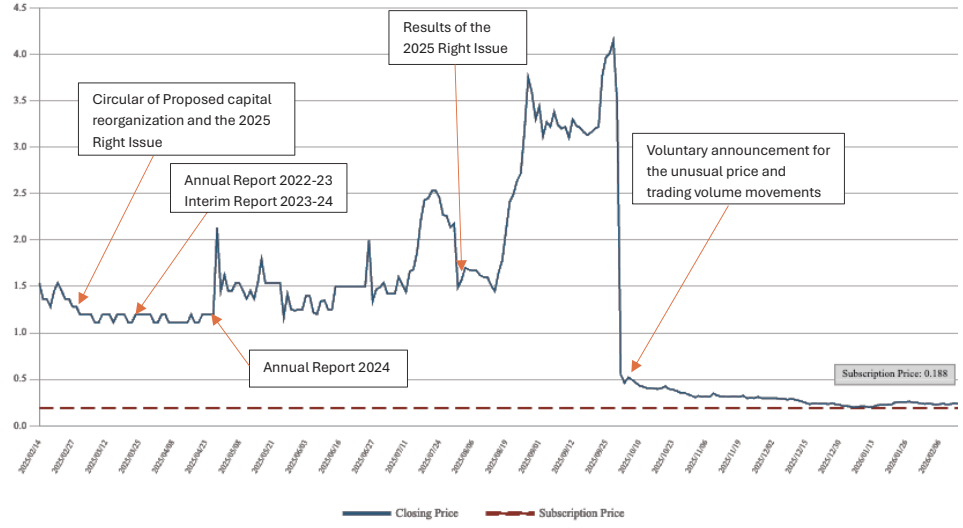
As the 2026 Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the 2026 Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the 2026 Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Company had explored both potential underwriting and non-underwriting arrangements for the 2026 Rights Issue. As the Company was unable to identify any securities firms willing to act as underwriter on terms that were commercially beneficial to the Company and its Shareholders, particularly given that the underwriting fee is expected to be substantial, which would also reduce the net proceeds from the 2026 Rights Issue available to the Company. In light of the above, the Board had determined that proceeding with the 2026 Rights Issue on a non- underwritten basis, combined with the Placing and the Compensatory Arrangements as disclosed in the sections headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement", where the Placing Agent will place Unsubscribed Rights Shares and NQS Unsold Shares on a best-efforts basis at a price that is not less than the Subscription Price, represents the most viable and efficient approach to meet the Company's funding objectives, and is consistent with the arrangements adopted for the 2025 Rights Issue, and provides adequate compensation mechanisms and safeguards to protect the interests of the Shareholders. Therefore, the Directors consider that conducting the 2026 Rights Issue on a non- underwritten basis with the Placing is in the interest of the Company and Shareholders as a whole.

As illustrated in the table stated in "Comparable Analysis", We noted that among the 34 Comparables, only 2 were conducted on a fully underwritten basis, while the remaining 32 were conducted on a non-fully underwritten basis (including those conducted on a partially underwritten basis or a non-underwritten basis). This indicates that it is common market practice for listed issuers to conduct rights issues without full underwriting arrangements. Therefore, we concur with the Directors' view that conducting the 2026 Rights Issue on a non-underwritten basis with the Placing arrangement is consistent with prevailing market practice and is in the interests of the Company and the Shareholders as a whole.

Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices and trading volume of the Shares from 14 February 2025 up to and including the Last Trading Day (the "**Review Period**") (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price. We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Last Trading Day and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Last Trading Day represents a fair market value of the Company the Shareholders expected, while that after the Last Trading Day, the value may have taken into account the potential upside of the 2026 Rights Issue which may distort the analysis.



As illustrated in the chart above, during the Review Period, the average closing price was approximately HK$1.250 per Share (the "**Average Closing Price**"). The daily closing price ranged from HK$0.198 per Share (the "**Lowest Closing Price**") recorded on 6 January 2026 to HK$4.15 per Share (the "**Highest Closing Price**") recorded on 29 September 2025. We note that the Shares were traded above the Subscription Price throughout the entire Review Period. The Subscription Price of HK$4.70 per Consolidated Share (equivalent to approximately HK$0.188 per Share before the Share Consolidation) represents (i) a discount of approximately 5.05% to the Lowest Closing Price; (ii) a discount of approximately 95.47% to the Highest Closing Price; and (iii) a discount of approximately 84.96% to the Average Closing Price.

The closing price of the Shares commenced at HK$1.537 on 14 February 2025 before declining to a range of approximately HK$1.110 to HK$1.196 from March to mid-April 2025, with no significant fluctuations observed during this period. A brief spike to HK$2.135 was recorded on 28 April 2025 before reverting to HK$1.452 the following trading day. From May to June 2025, the price fluctuated between approximately HK$1.170 and HK$2.000, generally stabilising around HK$1.250 to HK$1.500. An upward trend commenced from mid-July 2025, with the price rising from approximately HK$1.420 to a peak of HK$2.530 on 22 July 2025, before declining to HK$1.490 by month-end. A significant rally was observed from mid-August 2025, with the price surging from HK$1.650 on 15 August 2025 to HK$3.750 on 27 August 2025, eventually reaching its highest closing price of HK$4.150 on 29 September 2025. On 2 October 2025, the share price experienced a sharp decline to HK$0.550 and continued to decline gradually through October, reaching HK$0.325 by 31 October 2025. Regarding to the significant decrease in the closing price of the Shares, we have discussed with the Directors and they are not aware of any reason for such significant decline in closing price of the Shares during the aforesaid period.

The closing price further decreased through November and December 2025, reaching approximately HK$0.295 to HK$0.310 in November and HK$0.213 to HK$0.295 in December 2025. The price stabilised in January and February 2026, trading within a narrow range of approximately HK$0.198 to HK$0.260, with the closing price on the Last Trading Day being HK$0.235, showing a flat trend through the end of the Review Period.

The general downward trend in the Share price during the latter part of the Review Period, together with the stabilisation at lower price levels in the most recent months, is broadly consistent with the challenging operating environment facing the PRC real estate sector as discussed above.

In view of the above, we consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to (i) the general downward trend of the market price of the Shares during the latter part of the Review Period and the recent stabilisation of the Share price in the range of approximately HK$0.198 to HK$0.260 from January 2026 to the Last Trading Day; and (ii) the generally thin trading liquidity of the Shares during the Review Period, which supports the rationale for setting the Subscription Price at a discount to the prevailing market price in order to encourage Qualifying Shareholders' participation in the 2026 Rights Issue.

Trading liquidity of the Shares

We have also reviewed the trading liquidity of the Shares during the Review Period. Set out below is the summary of the average daily trading volume of the Shares during the Review Period:

Month/Period	Number of trading days	Total trading volume (Shares)	Average daily trading volume (Shares)	Average daily trading volume as a % of total issued Shares (approx.) *(Note 2)*
2025				
February (from 14 February)	11	277,279	25,207	0.13%
March	21	765,512	36,453	0.19%
April	19	1,929,712	101,564	0.54%
May	20	6,817,308	340,865	1.81%
June	21	3,685,680	175,509	0.93%
July	22	4,600,932	209,133	0.22% *(Note 3)*
August	21	10,147,676	483,223	0.51%
September	22	55,710,566	2,532,298	2.70%
October	20	188,508,380	9,425,419	10.03%
November	20	19,926,050	996,303	1.06%
December	21	5,538,200	263,724	0.28%
2026				
January	21	17,065,000	812,619	0.87%
February (up to and including the Last Trading Day)	10	2,126,000	212,600	0.23%
	Max	188,508,380	9,425,419	10.03%
	Min	277,279	25,207	0.13%
	Average	24,392,177	1,201,147	1.5%

Source: website of the Stock Exchange

Notes:

(1) The share consolidation on the basis of every one hundred (100) existing Shares being consolidated into one (1) consolidated share became effective on 26 May 2025, pursuant to which the total number of issued Shares decreased from 1,878,622,000 Shares to 18,786,220 Shares.

(2) For February to June 2025, the percentages are calculated based on the total number of issued Shares of 18,786,220 Shares (being the total number of issued Shares on a post-Share Consolidation basis). For July 2025 to February 2026, the percentages are calculated based on the total number of issued Shares of 93,931,100 Shares (being the total number of issued Shares following the completion of the 2025 Rights Issue).

(3) The 2025 Rights Issue was completed on 30 July 2025, pursuant to which the total number of issued Shares increased from 18,786,220 Shares to 93,931,100 Shares.

As shown in the table above, the trading liquidity of the Shares was generally thin throughout the Review Period. During the entire Review Period, there were 14 trading days on which no Shares were traded at all, all of which occurred during the period from April to August 2025, demonstrating the limited marketability of the Shares.

For the period from February to June 2025 (being the period prior to the completion of the 2025 Rights Issue), the average daily trading volume as a percentage of the total number of issued Shares ranged from approximately 0.13% in February 2025 to approximately 1.81% in May 2025, while June 2025 saw a moderation to approximately 0.93%. For July 2025, the average daily trading volume represented approximately 0.22% of the total number of issued Shares.

Following the completion of the 2025 Rights Issue, trading activity picked up from August to September 2025, with average daily trading volumes representing approximately 0.51% and 2.70% of the total number of issued Shares respectively, coinciding with the sustained upward trend in the Share price during this period. In October 2025, trading volume surged significantly, with the average daily trading volume of approximately 10.03% of the total number of issued Shares.

From November 2025 onwards, trading volumes normalised as the Share price stabilised at lower levels. The average daily trading volume to the total number of issued Shares ranged from approximately 0.23% in February 2026 (up to and including the Last Trading Day) to approximately 1.06% in November 2025.

Regarding to the significant high trading volume in September, October and November 2025, we have discussed with the Directors and they are not aware of any reason for such unusual high trading volume of the Shares during the aforesaid period.

Out of the 13 months during the Review Period, only four months recorded average daily trading volume exceeding 1% of the total number of issued Shares. The remaining nine months recorded average daily trading volume of below 1%, ranging from approximately 0.13% to 0.87%. The temporary and unexplained nature of the volume surge suggests that it is not reflective of the normal trading pattern of the Shares. Furthermore, following the spike in September to November 2025, the average daily trading volume declined significantly and remained consistently below 1% from December 2025 onwards, ranging from approximately 0.23% to 0.87%. In addition, there were 14 trading days on which no Shares were traded at all during the Review Period. Taking the above into account, we consider that the trading liquidity of the Shares was generally thin throughout the Review Period.

The generally thin trading liquidity of the Shares during the Review Period suggests that it would be difficult for Shareholders to dispose of or acquire a substantial block of Shares in the open market without exerting a significant impact on the Share price. Furthermore, the thin trading liquidity may also present challenges for the Company in raising equity funds from third parties through other means (such as placing of new Shares) without offering a substantial discount to the prevailing Share price, as potential investors would typically require a greater price incentive to subscribe for shares with limited secondary market liquidity.

In view of the above, we consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to (i) the general downward trend of the market price of the Shares during the latter part of the Review Period and the recent stabilisation of the Share price in the range of approximately HK$0.198 to HK$0.260 from January 2026 to the Last Trading Day; and (ii) the generally thin trading liquidity of the Shares during the Review Period, which supports the rationale for setting the Subscription Price at a discount to the prevailing market price in order to encourage Qualifying Shareholders' participation in the 2026 Rights Issue.

Comparable Analysis

In order to further assess the fairness and reasonableness of the terms of the 2026 Rights Issue, we have identified an exhaustive list of 34 rights issue transactions announced by other companies listed on the Stock Exchange (the "**Comparables**") with relevant listing documents issued within the six months immediately prior to the Last Trading Day (the "**Comparable Review Period**") and up to the Last Trading Day. We believe that those rights issue transactions with listing documents issued implies that they have been approved by relevant shareholders or exempt from shareholders' approval and thus the terms and structure of these rights issue transactions are more meaningful for comparison. Shareholders should note that the subject companies in the Comparables may have different principal business activities, market capitalisations, profitability and financial positions as compared to those of the Company. Although the circumstances surrounding the Comparables may be different from those relating to the Company, we consider that the Comparable Review Period is adequate and fair and reasonable to capture the prevailing market conditions in relation to rights issue transactions which the Comparables, for illustrative purpose only, serve as a general reference for prevailing market practices in relation to rights issue transactions conducted by the companies listed on the Stock Exchange.

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day *(%)*	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day *(%)*	Underwriting/ placing commission, as the case may be *(%)*	Excess application *Yes/No*	Fully underwritten *Yes/No*	Maximum dilution effect *(%)* *(Note 1)*	Theoretical dilution impact *(Note 2)*
30 July 2025	18 August 2025	Da Yu Financial Holdings Limited	1073	1 for 2	(16.67)	(18.92)	N/A	Y	N	33.33	6.63
4 August 2025	1 September 2025	TOMO Holdings Limited	6928	1 for 2	(62.10)	(63.20)	1.00	N	N	33.33	21.30
6 August 2025	24 September 2025	Value Convergence Holdings Limited	821	2 for 1	(4.26)	(5.86)	2.50	Y	N	66.67	3.11
13 August 2025	11 September 2025	China Information Technology Development Limited	8178	3 for 8	(55.05)	(55.43)	7.07	Y	Y	27.27	15.12
19 September 2025	14 October 2025	Immunotech Biopharm Ltd	6978	1 for 5	(47.70)	(47.79)	1.45	Y	N	16.67	8.05
2 October 2025	20 October 2025	China New Economy Fund Limited	80	1 for 2	(29.29)	(27.23)	N/A	Y	N	33.33	9.70
22 September 2025	24 October 2025	Gameone Holdings Limited	8282	1 for 2	1.69	(0.99)	0.50	Y	N	33.33	0.55
26 September 2025	14 November 2025	Perfectech International Holdings Limited	765	1 for 2	(18.06)	(20.70)	N/A	Y	N	33.33	6.99
9 October 2025	17 November 2025	CCIAM Future Energy Limited	145	1 for 2	(18.62)	(19.05)	0.54	N	N	33.33	6.63
5 October 2025	20 November 2025	Fire Rock Holdings Limited	1909	1 for 2	(20.20)	(27.85)	0.07 *(Note 3)*	N	N	33.33	9.13
4 September 2025	21 November 2025	Aeso Holding Limited	8341	2 for 1	(25.70)	(23.10)	2.50	N	N	66.67	17.12
22 October 2025	21 November 2025	Crocodile Garments Limited	122	1 for 2	(22.68)	(22.44)	N/A	Y	N	33.33	7.56
10 September 2025	27 November 2025	China Automotive Interior Decoration Holdings Limited	48	3 for 2	(29.73)	(29.27)	1.50	N	N	60.00	17.84
14 August 2025	2 December 2025	China Energy Development Holdings Limited	228	1 for 2	(19.90)	(19.90)	N/A	Y	N	33.33	6.63
15 September 2025	3 December 2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	(33.64)	(35.23)	5.00	N	N	66.67	24.78
4 September 2025	5 December 2025	Many Idea Cloud Holdings Limited	6696	6 for 1	(22.08)	(24.56)	0.20	N	N	85.71	20.63
23 May 2025	15 December 2025	Zhong Ying International Group Ltd	8516	5 for 2	(33.00)	(33.00)	3.00	N	N	71.43	23.57
15 October 2025	22 December 2025	Winshine Science Co Ltd	209	7 for 1	(23.50)	(24.30)	2.50	Y	N	87.50	21.10
12 November 2025	29 December 2025	Domaine Power Holdings Ltd	442	1 for 2	(17.44)	(15.88)	N/A	Y	N	33.33	5.81
15 October 2025	30 December 2025	Synertone Communication Corporation	1613	2 for 1	(35.71)	(35.71)	1.00	N	N	66.67	23.81
24 October 2025	31 December 2025	IRC Ltd	1029	1 for 2	(16.39)	(17.21)	1.25	N	N	33.33	9.76
3 October 2025	31 December 2025	Macau Legend Development Ltd	1680	1 for 2	(45.45)	(44.44)	3.00	Y	Y	33.33	15.79
9 October 2025	2 January 2026	Hao Bai International (Cayman) Ltd	8431	4 for 1	(19.23)	(27.08)	1.50	N	N	80.00	23.24
4 November 2025	5 January 2026	Zhongshi Minan Holdings Limited	8283	5 for 1	(23.91)	(25.69)	2.50	N	N	83.33	21.67
12 December 2025	9 January 2026	Shun Wo Group Holdings Ltd	1591	1 for 3	(6.70)	(3.40)	N/A	Y	N	25.00	1.70
2 November 2025	15 January 2026	KNT Holdings Ltd	1025	1 for 1	(9.09)	(10.71)	3.00	N	N	50.00	9.39
17 October 2025	21 January 2026	World Super Holdings Ltd	8612	3 for 1	23.46	19.05	2.50	N	N	75.00	12.94
26 November 2025	26 January 2026	Capital VC Ltd	2324	1 for 1	(27.30)	(24.80)	3.00	N	N	50.00	13.60

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day *(%)*	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day *(%)*	Underwriting/ placing commission, as the case may be *(%)*	Excess application *Yes/No*	Fully underwritten *Yes/No*	Maximum dilution effect *(%)* *(Note 1)*	Theoretical dilution impact *(Note 2)*
7 November 2025	28 January 2026	Winto Group (Holdings) Ltd	8238	3 for 1	(6.98)	(6.10)	3.00	N	N	75.00	5.12
21 November 2025	28 January 2026	Crown International Corp Ltd	727	3 for 1	(19.75)	(26.14)	N/A	Y	N	75.00	20.97
19 November 2025	3 February 2026	Silkwave Inc	471	3 for 1	(31.06)	(32.29)	N/A	Y	N	75.00	24.51
14 January 2026	6 February 2026	Jutal Offshore Oil Services Ltd	3303	1 for 6	(69.23)	(69.35)	1.00	N	N	14.29	9.92
15 January 2026	12 February 2026	Shanghai International Shanghai Growth Investment Ltd	770	3 for 8	(60.00)	(60.00)	1.00	N	N	27.27	16.33
26 January 2026	13 February 2026	Kwan On Holdings Ltd	1559	1 for 2	(17.65)	(15.05)	N/A	Y	N	33.33	5.88
				Min	(69.23)	(69.35)	0.07			14.29	0.55
				Max	23.46	19.05	7.07			87.50	24.78
				Median	(22.38)	(24.68)	2.00			33.33	11.43
				Mean	(25.38)	(26.28)	2.11			49.37	13.14
				The Company	(20.00)	(20.00)	2.00	N	N	85.71	17.14

Source: The Stock Exchange

Notes:

1. The potential maximum dilution effect of each rights issue is calculated as number of rights shares issued or to be issued under the basis of entitlement divided by the total number of shares as enlarged by the rights issue according to their respective basis of entitlements and assuming all rights shares have been/will be allotted and issued times 100%.

2. The theoretical dilution effect is calculated in according to Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

3. The placing commission is calculated at a rate of 0.07%, based on a fixed placing commission of HK$100,000. This is determined in relation to the gross proceeds of the rights issue, which are approximately up to HK$151.68 million.

We noted from the above table that the majority of the Comparables had set the subscription price of their rights issue at a discount to the prevailing market price of the relevant shares before the relevant announcements in respect of the rights issue were made, except for two Comparables, being Gameone Holdings Limited (stock code: 8282) and World Super Holdings Ltd (stock code: 8612). The discount as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day of approximately 20.00% is within the range of Comparables of approximately 69.23% discount to approximately 23.46% premium, and is narrower than the average discount of approximately 25.38% and the median discount of approximately 22.38%. The discount as represented by the Subscription Price to the average closing prices of the Shares for the five previous consecutive trading days up to and including the Last Trading Day of approximately 20.00% is within the range of Comparables of approximately 69.35% discount to approximately 19.05% premium, and is narrower than the average discount of approximately 26.28% and the median discount of approximately 24.68%. The theoretical dilution impact of the Rights Issue of approximately 17.14% is within the range of Comparables of approximately 0.55% to approximately 24.78%, and is higher than the average of approximately 13.14% and the median of approximately 11.43%. In addition, pursuant to Rule 7.27B of the Listing Rules, we have considered the cumulative theoretical dilution effect of the Rights Issue in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025. We note that the cumulative theoretical dilution effect of approximately 19.56% is (i) **below the 25% threshold** stipulated under Rule 7.27B of the Listing Rules, beyond which the Stock Exchange would not normally consider the terms of a rights issue to be fair and reasonable; (ii) within the range of the Comparables of approximately 0.55% to approximately 24.78%; and (iii) higher than the average and median of the Comparables of approximately 13.14% and 11.43% respectively, but only marginally higher than the standalone theoretical dilution impact of the Rights Issue of approximately 17.14%. This suggests that the incremental dilutive impact of the Rights Issue, when assessed in aggregation with the 2025 Rights Issue under the Rule 7.27B framework, is limited. In light of the above, and in particular that the cumulative theoretical dilution effect remains below the 25% threshold under Rule 7.27B of the Listing Rules, we are of the view that the cumulative dilutive impact of the Rights Issue in aggregation with the 2025 Rights Issue is acceptable. The maximum dilution effect of approximately 85.71% is within the range of Comparables of approximately 14.29% to approximately 87.50%, and is higher than the average of approximately 49.37% and the median of approximately 33.33%, which is primarily attributable to the highly dilutive basis of entitlement of six (6) Rights Shares for every one (1) Consolidated Share under the Rights Issue. In light of the above, while we noted that the maximum dilution effect of approximately 85.71% is higher than the median and mean of the Comparables, we consider that the maximum dilution effect is justifiable given the Company's pressing funding needs, the limited alternative fundraising options, and the thin trading liquidity of the Shares which necessitates a meaningful discount to incentivise participation.

Shareholders should note that the above analysis is for reference only and may not be directly comparable given the differences in the financial condition, market capitalisation and business operations of the Company and each of the Comparables.

Pursuant to the Placing Agreement, the Company shall pay the Placing Agent a commission (the "**Placing Commission**") of 2.0% of the amount which is equal to the placing price (i.e. at least equal to the Subscription Price) multiplied by the Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion. As illustrated in the table above, the underwriting/placing commission rate of the Comparables ranged from 0.07% to 7.07%. The Placing Commission of 2.0% falls within the range of the underwriting/placing commission rate of the Comparables, and is close to the average of approximately 2.11% and equal to the median of approximately 2.00% of the Comparables. Accordingly, we consider that the Placing Commission is fair and reasonable. As the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Shares (including NQS Unsold Rights Shares) by offering the Shares to independent Placees for the benefit of the Shareholders to whom they are offered by way of the Rights Issue. There will be no excess application arrangement in relation to the Rights Issue. Given that the Compensatory Arrangements would provide (i) a distribution channel of the Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Overseas Shareholders, we concur with the view of the Board that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders. We have also reviewed other major terms of the Placing Agreement, including but not limited to the conditions and termination clause of the Placing Agreement (details of which are set out in the Letter from the Board) and we are not aware of any term which is unusual. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Having considered (i) the discount of the Subscription Price of approximately 20.00% to both the closing price of the Shares on the Last Trading Day and the average closing prices of the Shares for the five previous consecutive trading days up to and including the Last Trading Day, which is within the range of the Comparables and narrower than the average and median discounts of the Comparables; (ii) the Group's severely constrained financial position, with the Group being in a net tangible liability position; (iii) the loss-making position of the Group in the latest interim report of the Company and the prior years; (iv) the critical need for additional capital to address the Group's overdue liabilities and sustain its operations; and (v) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds", we are of the view that the Subscription Price is fair and reasonable to the Company and the Shareholders as a whole

IV. Effects on the shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Share Consolidation; (iii) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by all Qualifying Shareholders under the 2026 Rights Issue); and (iv) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing):

Shareholders	**As at the Latest Practicable Date**		**Immediately after the Share Consolidation**		**Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by the Qualifying Shareholders)**		**Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)**	
	Shares	*Approx %*	*Shares*	*Approx %*	*Shares*	*Approx %*	*Shares*	*Approx %*
Xinxing Company Limited *(Note 1)*	243,300	0.26	9,732	0.26	68,124	0.26	9,732	0.04
Placees	–	–	–	–	–	–	22,543,464	85.71
Other public Shareholders	93,687,800	99.74	3,747,512	99.74	26,232,584	99.74	3,747,512	14.25
Total	**93,931,100**	**100.00**	**3,757,244**	**100.00**	**26,300,708**	**100.00**	**26,300,708**	**100.00**

Notes:

1. Xinxing Company Limited is a company wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the same number of Shares in which Xinxing Company Limited is interested by virtue of the SFO.

2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder of the Company after completion of the Placing. The Company will at all time and continue to comply with the public float requirements under Rule 8.08 of the Listing Rules before and after completion of the 2026 Rights Issue.

3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the 2026 Rights Issue are subject to various factors, including the results of acceptance of the 2026 Rights Issue and the results of the Placing.

V. Possible dilution effect to the existing public Shareholders

The 2026 Rights Issue provides Qualifying Shareholders with the opportunity to maintain their proportional interests in the Company and to participate in its future development, should they choose to do so. However, those Qualifying Shareholders who opt not to subscribe to the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the 2026 Rights Issue, with their aggregate interests potentially reduced by a maximum of approximately 85.71%.

As illustrated in the comparable table above, the theoretical dilution effect of the Comparables ranged from approximately 0.55% to 24.78%, with an average of 13.14% and a median of 11.43%. The theoretical dilution effect of the 2026 Rights Issue of approximately 17.14% falls within the range of the Comparables and does not exceed the 25% threshold under Rule 7.27B of the Listing Rules.

Having considered:

i. the theoretical dilution effect of the 2026 Rights Issue falls within the range of the Comparables and complies with the dilution limit under the Listing Rules;

ii. the proceeds from the 2026 Rights Issue will be applied primarily toward the settlement of the Group's overdue liabilities, which is critical to the Group's continued operations;

iii. the 2026 Rights Issue will strengthen the Group's financial position;

iv. all Qualifying Shareholders are given an equal opportunity to maintain their shareholding interests and participate in the Company's development;

v. the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and

vi. the flexibility provided to Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market,

we consider that the potential dilution effect of the 2026 Rights Issue is justifiable.

VI. Possible Financial Effects of the 2026 Rights Issue

In terms of the net tangible liabilities per Consolidated Share, as set out in Appendix II to the Circular, upon completion of the 2026 Rights Issue, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company per Consolidated Share immediately after the completion of the 2026 Rights Issue would be approximately HK$0.14 (assuming all Rights Shares will be taken up at the Subscription Price of HK$4.7 per Consolidated Share), as compared to the audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company of approximately HK$3,744,436,000 (or approximately HK$0.99 per Consolidated Share based on 26,300,708 Consolidated Shares in issue upon completion of the Rights Issue, which comprises 3,757,244 Consolidated Shares in issue before the Rights Issue and 22,543,464 shares to be issued under the Rights Issue) as at 31 December 2025. Despite the Group being in a net tangible liability position, the 2026 Rights Issue would reduce the net tangible liabilities per Consolidated Share from approximately HK$0.99 to approximately HK$0.14, primarily due to the infusion of new equity capital.

We have carefully considered (i) the reasons for the 2026 Rights Issue as outlined in the Letter from the Board, and (ii) the rights of the Qualifying Shareholders to take up their respective entitlements, which allows them to maintain their shareholdings in the Company and participate in the Group's potential recovery. In our view, the overall impact on the consolidated net tangible liabilities of the Group attributable to owners of the Company per ordinary share is fair and reasonable, and it serves the best interests of the Company and its Shareholders as a whole.

In terms of liquidity position, as disclosed in the 2025 Annual Report, the Group had cash and cash equivalents of approximately RMB7.0 million and the Group had current assets of approximately RMB1.1 billion and current liabilities of approximately RMB5.7 billion as at 31 December 2025, with current ratio (being current assets divided by current liabilities) of approximately 0.18, reflecting a severely constrained liquidity position. Immediately upon completion of the 2026 Rights Issue, the cash and cash equivalents of the Group may increase by up to the maximum amount of net proceeds from the 2026 Rights Issue; that is up to approximately HK$101.4 million (equivalent to approximately RMB91.8 million). In such case, the current ratio of the Group will potentially increase from approximately 0.18 to approximately 0.2. Additionally, the total deficit of the Group, which amounted to approximately HK$4,103.4 million (equivalent to approximately RMB3,716.4 million) as at 31 December 2025, will be reduced by the additional equity capital from the 2026 Rights Issue, thereby improving its overall financial position, although the Group is expected to remain in a net liability position after the 2026 Rights Issue. As such, the current ratio and the Group's liquidity position will improve following the 2026 Rights Issue.

After taking into consideration the above, particularly the improvement in liquidity position of the Group, we are of the view that the 2026 Rights Issue is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration the above principal factors and reasons, we are of the view that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
First Global Corporate Finance Co., Limited



Wendy Liu
Managing Director

Ms. Liu is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of First Global Corporate Finance Co., Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors of Xinming China Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Xinming China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma net asset statement as at 31 December 2025 and related notes as set out on page II-2 of the circular issued by the Company date 15 May 2026 (the "Circular"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of six rights shares for every one consolidated share held on the record date (the "Rights Issue") on the Group's financial position as 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's consolidated financial statement for the six months ended 31 December 2025, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited pro forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management ("HKSQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Global Link CPA Limited

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Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.



Global Link CPA Limited
Certified Public Accountants
AU YEUNG MING YIN GORDON
Practising Certificate Number P08219

Hong Kong
15 May 2026

First Global Corporate Finance Co., Limited

Room 1706-07, 17/F, China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong

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Board of Directors
Xinming China Holdings Limited
Unit D, 7/F, Kee Shing Centre
74-76 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

15 May 2026

Dear Sirs,

The Circular issued by Xinming China Holdings Limited (Stock Code: 2699) (the "Company") dated 15 May 2026 ("Circular") in relation to, among other things, the Proposed Share Consolidation and the Proposed Rights Issue on the basis of six (6) Rights Shares for every one (1) Share held at the close of business on the Record Date on a non-underwritten basis ("2026 Rights Issue")

We refer to the Circular in relation to, among other things, the Proposed Share Consolidation and the 2026 Rights Issue. Unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the Circular.

We hereby give our consent to, and confirm that we have not withdrawn our consent to, the issue of the Circular with the inclusion therein of (i) our letter of advice to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder (the "**IFA Letter**"), the text of which is set out in the section headed "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" of the Circular; and (ii) all references to our name, logo, qualifications and opinion in the form and context in which they are respectively set out in the Circular.

We hereby consent to a copy of the IFA Letter and a copy of this letter being displayed and published in the manner described in the section headed "14. DOCUMENTS ON DISPLAY" of Appendix III (General Information) to the Circular.

We hereby confirm that, as at the Latest Practicable Date and as at the date of this letter:

(i) we did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares or securities in any member of the Group; and

(ii) we did not have any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Yours faithfully,

For and on behalf of
First Global Corporate Finance Co., Limited



Name: Wendy Liu
Position: Managing Director

Global Link CPA Limited

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15 May 2026
The Board of Directors
Xinming China Holdings Limited
Unit D, 7/F
Kee Shing Centre
74–76 Kimberley Road
Tsim Sha Tsui,
Kowloon,
Hong Kong

Dear Sirs,

Re: Xinming China Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group")

We hereby consent and confirm that we have not withdrawn our consent to the issue of the circular dated 15 May 2026 ("Circular") in connection with the proposed right issue of the Company on the basis of six rights shares for every one consolidated share held on the record date on non-underwritten basis (the "Right issue") to the inclusion of our independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Group (the "Assurance Report on Unaudited Pro Forma Financial information") dated 15 May 2026 in the Circular and the references thereto and to ourselves, in the form and context in which they are included.

We further consent to make available the Assurance Report on Unaudited Pro Forma Financial Information, and this letter for public inspection in the manner, location and time frame as described in Appendix III to the Circular.

We hereby confirm that, as at the Latest Practicable Date and as at the date of this letter:

(i) we did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares or securities in any member of the Group; and

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(ii) we did not have any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Yours faithfully,



Global Link CPA Limited
Certified Public Accountants
Au Yeung Ming Yin Gordon
Practising Certificate Number: P08219

Hong Kong

DATED 6th December 2024

XINMING CHINA HOLDINGS LIMITED
(the Company)

AND

ADVENT SECURITIES (HONG KONG) LIMITED
(the Placing Agent)

PLACING AGREEMENT RELATING TO THE PLACING OF UP TO 83,777,972 RIGHTS SHARES IN THE SHARE CAPITAL OF XINMING CHINA HOLDINGS LIMITED TO BE ISSUED UNDER THE RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

THIS PLACING AGREEMENT is made on 6th day of December 2024

BETWEEN:

(1) **XINMING CHINA HOLDINGS LIMITED**, a company incorporated in Cayman Islands with limited liability and having its registered office at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business in Hong Kong at Suite Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Company**");

AND

(2) **ADVENT SECURITIES (HONG KONG) LIMITED**, a company incorporated in Hong Kong with limited liability with Company No. 2253721 and having its registered office situated at Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Placing Agent**")

The Company and the Placing Agent shall hereinafter be collectively referred to as the **"Parties"** and each individually as a **"Party"**.

WHEREAS:

(A) Issued Existing Shares (as defined below) in the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2699), and at the juncture of execution of this Agreement, the Company has issued and allotted 1,878,622,000 Existing Shares all of which are fully paid up, and apart from the Existing Shares, no other class of shares in the Company is in issue;

(B) The Company has agreed to appoint the Placing Agent, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity by the SFC (as defined below) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as the sole and exclusive placing agent to conduct the Placing on best-effort basis, and the Placing Agent has agreed to act as placing agent in that capacity; and

(C) The Company has agreed to issue, and the Placing Agent has agreed to use its best efforts to procure Placees (as defined below) to subscribe for, the Unsubscribed Rights Shares at the Placing Price (as defined below) on the terms and subject to the conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

"**Actions**"	shall have the same meaning as set out in Clause 7.1;
"**Agreement**"	this Placing Agreement as amended or varied from time-to-time in writing duly executed and delivered by the Parties;

"**Business Day**"	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business;
"**Capital Reduction**"	the proposed reduction of the issued share capital of the Company whereby (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; and (ii) the par value of each issued Consolidated Share will be reduced from HK$1.00 to HK$0.01 by cancelling the paid-up share capital of the Company to the extent of HK$0.99 on each issued Consolidated Share;
"**Capital Reorganisation**"	the proposed capital reorganisation involving the Share Consolidation, the Capital Reduction and the Share Subdivision;
"**Company Information**"	shall have the same meaning as set out in Schedule 1;
"**Compensatory Arrangements**"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to this Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules;
"**Completion**"	completion of the Placing as described and particularised in Clause 5 herein;
"**Completion Date**"	if all of the conditions in Clause 5 have been satisfied on or before a date to be determined by the Company, completion of the Placing regardless of the number of Placing Shares placed / subscribed shall take place within eleven Business Days after fulfilment of all of the conditions in Clause 5 or such other date as the Company and the Placing Agent may agree in writing;
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
"**Conditions**"	the conditions precedent set out in Clause 2.1;
"**Consolidated Share(s)**"	the ordinary share(s) of par value of HK$1.00 each in the share capital of the Company immediately after the Share Consolidation becoming effective;
"**Directors**"	directors of the Company;
"**Encumbrance**"	a mortgage, charge, pledge, *lien*, option, restriction, right of first refusal, right of pre-

	emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
"Existing Share(s)"	the 1,878,622,000 ordinary share(s) of par value of HK$0.01 each in the share capital of the Company before the Share Consolidation;
"Final Accounts"	shall have the same meaning as set out in Schedule 1;
"Group"	the Company and its Subsidiaries;
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"Indemnified Person(s)"	shall have the same meaning as set out in Clause 7.1;
"Independent Third Party"	third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates;
"Latest Time for Termination"	4:00 p.m. on 2 June 2024, or such later date as may be agreed in writing between the Placing Agent and the Company, being the date on or before the fulfillment of all the conditions as set out in Clause 2.1;
"Levies"	the following expenses relating to the Placing, including the Company's portion of the SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, the Financial Reporting Council levy of 0.00015% and if applicable, any Hong Kong *ad valorem* stamp duty, which Levies shall be settled by the Company;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Losses"	shall have the same meaning as set out in Clause 7.1;
"Non-Qualifying Shareholder(s)"	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;

"**NQS Rights Shares**"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form;
"**Overseas Shareholder(s)**"	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
"**Parties**"	the Parties to this Agreement and their respective successors and permitted assigns and "**Party**" means either of them;
"**Placee(s)**"	any person or entity whom the Placing Agent and/or any of its agent(s) have procured to place the Unsubscribed Rights Shares pursuant to the Placing;
"**Placing**"	the placing of a maximum of (i) 75,144,880 Unsubscribed Consolidated Shares; or (ii) 83,777,972 Unsubscribed Consolidated Shares (upon full exercise or conversion of the outstanding convertible bonds) on a best-effort basis by the Placing Agent to the Placees on the terms and conditions of this Agreement;
"**Placing Commission**"	shall have the same meaning as set out in Clause 6.1;
"**Placing Price**"	shall have the same meaning as set out in Clause 3.1;
"**Placing Period**"	means the period from Tuesday, 25 March 2025 up to 4:00 p.m. on Thursday, 3 April 2025, or such other date as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements;
"**Qualifying Shareholders**"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date;
"**Record Date**"	on a date as the Company may determine, being the date of reference to which the Shareholders' entitlements to the Rights Issue are to be determine;
"**Rights Issue**"	the proposed issue of four (4) Rights Shares for every one (1) Consolidated Share held at the close of business on the Record Date at the Subscription Price to the Qualifying Shareholders payable in full on acceptance;

"**Rights Share**"	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**Shareholders**"	holder(s) of the Existing Shares or Consolidated Shares, as the case may be;
"**Shares**"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company prior to the Capital Reorganisation becoming effective;
"**Share Consolidation**"	the proposed consolidation of every one hundred (100) Existing Shares of par value HK$0.01 each into one (1) Consolidated Share of par value HK$1.00 each in the share capital of the Company;
"**Share Subdivision**"	the proposed subdivision of each of the authorised but unissued Consolidated Shares of HK$1.00 each into one hundred (100) authorized but unissued Adjusted Shares of HK$0.01 each;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Subscription Price**"	the subscription price of HK$1.12 per Rights Share to be determined by the Company;
"**Subsidiaries**"	has the meaning ascribed to it in the Companies Ordinance;
"**Unsubscribed Rights Shares**"	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements; and
"**Warranties**"	the representations, warranties and undertakings of the Company as set out in Clauses 3 and 4A and Schedule 1.

1.2 In this Agreement, unless otherwise specified,

1.2.1 references to Recitals, sections, Clauses, paragraphs and Schedules are to recitals, sections, clauses, paragraphs of and schedules to this Agreement;

1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

1.2.3 references to a company shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;

1.2.4 references to a person shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);

1.2.5 references to writing or written shall include any modes of reproducing words in a legible and non-transitory form;

1.2.6 references to times of the day are, unless otherwise specified, to Hong Kong time;

1.2.7 headings to Clauses, sections and Schedules are for convenience only and do not affect the interpretation of this Agreement;

1.2.8 the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules; and

1.2.9 words in the singular shall include the plural (and *vice versa*) and words importing one gender shall include the other gender.

2. CONDITIONS

2.1 The Placing is conditional upon the fulfillment of the following conditions on or before the Latest Time for Termination (or such later date as may be agreed in writing between the Placing Agent and the Company): (the "**Conditions**"):

(a) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;

(b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained; and

(c) the obligations of the Placing Agent under this Agreement not being terminated in accordance with the terms of this Agreement.

2.2 This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect..

3. PLACING

3.1 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as the sole and exclusive placing agent to the exclusion of all others to conduct the Placing on best-effort basis, and the Placing Agent, relying on the Warranties, agrees to act as sole and exclusive agent to conduct the Placing for the Company during the Placing Period on a best-effort basis by procuring the Placee(s) to subscribe the Unsubscribed Rights Shares at the price

not less than the Subscription Price (the "**Placing Price**"). The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.

3.2 The Company hereby confirms that the appointment of the Placing Agent confers on the Placing Agent, in accordance with the provisions hereof, all powers, authorities and discretion on behalf of the Company which are necessary for, or reasonably incidental to, the Placing.

3.3 Any transaction properly and lawfully carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company. The Company agrees, promptly on reasonable request by the Placing Agent, so far as it lies within the Company's power, to execute or do, or procure that there shall be executed and done, all such deeds, documents and things as the Placing Agent may deem necessary for such purposes.

3.4 Further, the Company agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with this Agreement.

3.5 The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are not Shareholders and are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

3.6 The Placing Agent shall use its reasonable endeavours to ensure that:

(a) it will not offer or place any of the Unsubscribed Rights Shares to or with any person, firm or company which is not an Independent Third Party; and

(b) the terms of the placing letter with the Placees shall not be in breach of the terms of this Agreement.

3.7 Any transaction legally, properly and reasonably carried out by the Placing Agent shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account.

3.8 The Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required by the Placing Agent to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.

3.9 The Company further undertakes with the Placing Agent that (i) the Unsubscribed Rights Shares are to be free and clear of all Encumbrances, equities or other third party rights of any kind, and (ii) the Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves with the Existing Shares then in issue.

3.10 Following Completion, all obligations and liabilities of the Placing Agent under this Agreement shall cease, save and except Clauses 3, 4 and 6 which shall survive Completion.

4. UNDERTAKINGS OF THE PLACING AGENT

4.1 The Placing Agent shall, forthwith upon the expiration of the Placing Period, deliver to the Company:

(a) the placee list; and

(b) a letter signed by each Placee for confirmation of (i) the relevant number of Unsubscribed Rights Shares to be subscribed by the Placee concerned, and (ii) the Placee is an Independent Third Party.

4.2 The Placing Agent further represents, warrants and undertakes that:

(a) the Placing Agent shall ensure that the Placing is conducted in accordance with the Listing Rules and (i) the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) does not cause the Company's public float to decrease to below 25%, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, the Placing Agent shall notify the Company;

(b) The Placing Agent being an indirect wholly-owned subsidiary of the Company is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules);

(c) the Placees shall, to the best of the knowledge and belief of the Placing Agent, be investors who are Independent Third Parties and who are also independent of and not acting in concert with any of the directors, chief executives or substantial shareholders of the Company, or of any member of the Group or their respective or their respective connected persons or associates (as defined in the Listing Rules);

(d) the Unsubscribed Rights Shares shall not be offered or sold (including in the case of an on-sale by the Placing Agent) in Hong Kong by means of any document or in circumstances which will constitute an offer to the public within the meaning of the Companies Ordinance, and that no invitation or advertisement relating to the Placing shall be made or issued in Hong Kong other than to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;

(e) the Placing Agent has full power and authority to enter into this Agreement and obtain all necessary corporate action to authorise the execution and performance of this Agreement; and

(f) the Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom any Unsubscribed Rights Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or of the Group which was not or is not, at the time of making the same, general public knowledge.

4.3 The Placing Agent undertakes to the Company to comply with the laws of Hong Kong, the Listing Rules and all requirements of the Stock Exchange and other relevant governmental or regulatory authorities to enable the listing of, and permission to deal in, Unsubscribed Rights Shares.

4.4 The Placing Agent undertakes that the subscription shall be effected by telephone or email conversations leading to concluded contracts which shall then be confirmed by letter of confirmation.

4A. WARRANTIES OF THE COMPANY

4A.1 The Company represents, warrants and undertakes to the Placing Agent in the terms set out in Clause 3, this Clause 4A and Schedule 1. The Warranties shall be deemed to be repeated by the Company at Completion.

4A.2 The Company undertakes to notify the Placing Agent promptly in writing of any change which takes place or comes into the knowledge of the Company prior to Completion which, in the view of the Company, would or would be likely to render untrue or inaccurate any of the Warranties.

5. COMPLETION

5.1 Subject to the fulfillment of the conditions set out in Clause 2.1, Completion shall take place at 4:00 p.m. on the Completion Date (or at such other time or venue as the Parties may otherwise agree in writing).

5.2 At Completion,

(a) the Company shall deliver share certificate(s) of the Unsubscribed Rights Shares in the number subscribed by the respective Placee(s) to the Placing Agent; and

(b) the Placing Agent shall deliver a cashier order or cheque to the Company for the aggregate amount received in the Placing of the Unsubscribed Rights Shares, with the Placing Commission and other expenses deducted therefrom in accordance with Clause 6.1 and 6.2.

5.3

(i) This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

(ii) The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

5.4 In the event that this Agreement and the Placing is terminated pursuant to Clause 5.3, responsibilities and obligations of each Party under this Agreement shall cease and determine and no Party shall have any claim or recourse against the other Party in respect of any matter arising out of or in connection with this Agreement and/or the Placing except for (i) any antecedent breach of this Agreement and (ii) the payment by the Placing Agent to the Company of the aggregate amount received through Placing in accordance with Clause 6.3.

5.5 In the event that the Company or the Placing Agent shall without any reasonable ground fail to do anything required to be done by it under this Clause 5, without prejudice to any other right or remedy available to the other Party, such other Party may:

(a) defer Completion to a day not more than 10 (ten) Business Days after the date fixed for Completion (and so that the provision of this paragraph (a) shall apply to Completion as so deferred); or

(b) proceed to Completion insofar as is practicable but without prejudice to such other Party's right to the extent that the Company or the Placing Agent shall not have complied with its obligations hereunder; or

(c) rescind this Agreement without liability on its part.

6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

6.1 In consideration of the services rendered by the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent a commission equivalent to 3% of the gross proceeds, from the successful placement of Unsubscribed Rights Shares on the Completion Date (the **"Placing Commission"**):

(a) in this connection, the Placing Agent is hereby authorised to deduct the Placing Commission and the Levies from the payment to be made by it to the Company at Completion;

(b) the Placing Agent is hereby authorised to deduct other out-of-pocket charges and expenses on actual incurrence basis.

6.2 Without limiting the generality of Clause 6.1, the Company shall also pay in relation to the Placing the costs, charges, fees and expenses of:

(a) any accountants or other professional advisers engaged in connection with the Placing or this Agreement;

(b) any approval, filing, registration with or other charges or fees imposed or charged by the Registrars of Companies in Hong Kong, Cayman Islands or other relevant governmental or regulatory authorities; and/or

(c) all other costs incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and

6.3 If this Agreement does not become unconditional or if for any other reason the Placing is not completed, the Company shall remain liable for reimbursement of professional fees as well as the payment of the out-of-pocket charges and expenses incurred by the Placing Agent specified in Clauses 6.1 and 6.2.

7. INDEMNIFICATION AND NO CLAIM

7.1 Without Prejudice to the other rights or remedies of the Placing Agent, the Company undertakes with the Placing Agent and any of its directors, officers, agents or employees and any other entity or person, if any, controlling the Placing Agent or any of its affiliates pursuant to Clause 3 (each an "**Indemnified Person**") to indemnify, and keep indemnified (on an after tax basis) each Indemnified Person from and against (i) any and all actions, claims (whether or not any such claim involves or results in any actions or proceedings), demands, suits, investigations and proceedings (together, the "**Actions**") from time to time pending or made or brought or threatened to be made (whether or not any Indemnified Person is a party) or brought against such Indemnified Person, and (ii) all losses, damages, liabilities, payments, costs or expenses (including legal fees and disbursements) and taxes (including, without limitation, stamp duty and any penalties and or interest arising in respect of any taxes, and all payments, costs or expenses made or incurred arising out of or in connection with the settlement of any Actions or in investigating, disputing or defending the same or the enforcement of any such settlement or any judgment obtained in respect of any Actions) (together, the "**Losses**") which may be

suffered, made or incurred by, such Indemnified Person in respect of, related to, in connection with, or arising out of:

(a) any breach of the Warranties;

(b) the performance or carrying out by the Placing Agent of its obligations or any other actions or activities that are conducted in accordance with the terms of, or under or referred to in, this Agreement and in relation to the Placing; and

(c) any failure by the Company to comply with its obligations under the Listing Rules or any other applicable laws in respect of the Placing.

7.2 Any settlement or compromise of any Action or Loss by any Indemnified Person in respect of which indemnification under this Clause 7 is sought shall be made without prejudice to any claim, action or demand which any Indemnified Person may have or make against the Company under this Clause 7 or otherwise under this Agreement. The Company shall not make any admission of liability or settlement of any such Actions without the prior written consent of the Placing Agent, such consent not to be unreasonably withheld or delayed. The Company shall not, without the prior written consent of the Placing Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Person from any liabilities arising out of such Action. The Placing Agent shall procure that no Indemnified Person seeking indemnification, reimbursement or contribution under Clause 7.1 shall, without the prior written consent of the Company, make any admission of liability or settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action.

7.3 The Placing Agent shall not be responsible for any loss or damage to the Company for any alleged insufficiency of the Placing Price.

7.4 No claim shall be made against any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by any of them pursuant hereto or the performance of any of their obligations hereunder or otherwise in connection with the Placing save and to the extent that such damage, cost, charge or expense is finally judicially determined by a court of a competent jurisdiction to have resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person (and then only against the relevant Placing Agent or other Indemnified Person (as the case may be)).

8. TAXES

8.1 All amounts payable to the Placing Agent under this Agreement (if any) shall be exclusive of taxes. As such, the Company shall pay such additional amount as may be necessary in order that, after deduction or withholding for or on account of any present or future tax, every payment to the Placing Agent will not be less than the amount to which the Placing Agent shall be entitled.

9. CONFIDENTIALITY

9.1 Each of the Parties hereto undertakes that it will not at any time (save as required

by law or any rule of any relevant stock exchange or regulatory body) make any announcement in connection with this Agreement unless the other Party shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).

9.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to the Listing Rules, or by any other regulatory body or authority.

10. PARTIAL INVALIDITY

10.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, the legality, validity and enforceability in other jurisdictions or of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding on and ensure for the benefit of each Party's respective successors and permitted assigns.

11.2 The benefit of this Agreement may be assigned in whole or in part by the Placing Agent to another party regardless of whether or not the Company agrees thereto though the Company shall not assign or transfer any of its rights or obligations under this Agreement.

12. CONTINUING EFFECT OF AGREEMENT

12.1 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other representations and warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.

13. GENERAL

13.1 This Agreement supersedes all and any previous agreements, arrangements or understanding between the Parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease and determine with effect from the date hereof and neither Party shall have any claim in connection therewith.

13.2 This Agreement constitutes the entire agreement between the Parties with respect to its subject matter (no Party having relied on any representation or warranty made by any other Party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all Parties. The expression variation shall include any variation, supplement, deletion or replacement however effected.

13.4 Unless expressly agreed by the Parties, no variation of this Agreement shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities of the Parties under or pursuant to this Agreement which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

13.5 Time shall be of the essence of this Agreement but no failure by any Party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other.

13.6 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

13.7 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

14. NOTICES

14.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company to

Address	:	Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	kamchunying@yahoo.com.hk
Attention	:	Board of Directors

If to the Placing Agent to :

Address	:	Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	cs@adventgroup.com.hk
Attention	:	Responsible Officers

14.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, forty-eight (48) hours after it is posted and if sent by facsimile, on receipt of confirmation of transmission, Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

14.3 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

15. GOVERNING LAW

15.1 This Agreement shall be governed by and construed in accordance with Hong Kong law.

15.2 The courts of Hong Kong shall have jurisdiction to resolve any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement shall be brought in the courts of Hong Kong.

16. DECLARATION OF INDEPENDENCE

16.1 Further to Clause 4.2(b) hereof, the Placing Agent being an indirect wholly-owned subsidiary of the Company is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules).

16.2 The terms and conditions of this Agreement are arrived at after arm's length negotiations between the Parties with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

SCHEDULE 1

WARRANTIES

The Company represents, warrants and undertakes to the Placing Agent that:

1. The Company:

   (a) is validly incorporated and maintained;

   (b) has fully and strictly complied with the laws of relevant jurisdictions including the laws of Cayman Islands and the laws of Hong Kong;

   (c) has the requisite power, right and authority to own, use, lease and operate its assets and to conduct its business; and

   (d) no order has been made, petition filed or resolution passed for its winding up, no compromise or scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver or administrator has been served on it;

2. Subject to the Stock Exchange's granting the listing of and permission to deal in the Unsubscribed Rights Shares, the Company has full power under its constitutional documents and applicable law to execute this Agreement, to complete the Placing and to issue the Unsubscribed Rights Shares; and further, the Company has, and has been, unconditionally granted all authorisations, approvals, consents and licences required for the Placing, which authorisations, approvals, consents and licences shall be, and shall remain to be, of full force and effect up to Completion;

3. The execution, delivery and performance by the Company of this Agreement will not contravene its constitutional documents, any provision of any applicable law (including, without limitation, the Listing Rules), any agreement or other instrument binding upon it, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it or any of its assets; and (except those described above in this paragraph) no consent from any government department, agency or regulatory authority is required for the performance by it of its obligations under this Agreement, except such as have already been obtained and are in full force and effect;

4. All announcements in relation to the Placing are or will be true and accurate and not misleading in any material aspects in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein have been or

will be made on reasonable grounds and are truly and honestly held by the directors of the Company and are or will be fairly based, all forecasts and estimates therein (if any) are honest and fair and there are or will be no other facts known or which could on reasonable enquiry have been known to the directors of the Company the omission of which would make any such statement or expression in the announcements misleading;

5. All information supplied by or on behalf of the Company or any of its officers, directors, employees or advisers for the purpose of or in connection with the Placing is and was (when supplied or published) true, accurate and not misleading and was given in good faith and all forecasts and estimates so supplied or disclosed have been made after due and proper consideration;

6. The Company is not in possession of any non-public information relating to the Company or its businesses, operations or financial condition, the release of which could materially affect the market activity in and/or the trading price of the securities of the Company and there is not in existence any material or information relating to the Group which will be required to be disclosed by the Company under the Listing Rules or applicable laws and regulations. Without prejudice to the generality of the foregoing, there is no information (including, without limitation, any information regarding any material adverse change or prospective material adverse change in the condition of, or any actual, pending or threatened litigation, arbitration or similar proceeding involving any member of the Group) that is not described in the Company's most recent annual report or subsequent public information releases (the "**Company Information**") which information is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group; the Company Information does not include any untrue statement of fact or omit to state any fact necessary in order to make the statements therein not misleading;

7. The Unsubscribed Rights Shares will be issued and allotted free from any liens, encumbrances and third party rights and together with all rights attaching thereto, will be fully paid and non-assessable, will rank *pari passu* with all the Shares in issue on the Completion Date, and the Company will not exercise any liens over any of the Unsubscribed Rights Shares; and no person has any pre-emptive or other rights with respect to the Unsubscribed Rights Shares;

8. The Group's financial results for the year ended 31 December 2023 (the "**Final Accounts**") give a true and fair view of the consolidated financial position of the Group as of the dates indicated and the consolidated results of operations and changes in shareholders' equity of the Group for the period indicated, and have been prepared in conformity with all applicable laws, Hong Kong Financial Reporting Standards and the accounting policies of the Company at the time of their preparation applied on a consistent basis;

9. There has not been any material change to the financial condition of the Company and of the Group since the issuance of the Final Accounts; and

10. The Company shall procure that particulars of every new factor known to it which is likely to affect the Placing or which is likely to adversely affect the Group taken as a whole and which arises between the date of this Agreement and the Completion Date (inclusive) shall be promptly provided and disclosed to the Placing Agent, subject to compliance with any applicable laws, rules and regulations.

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)

THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)

THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)



THIS PLACING AGREEMENT is made on 16 day of June 2025

BETWEEN:

(1) **XINMING CHINA HOLDINGS LIMITED**, a company incorporated in Cayman Islands with limited liability and having its registered office at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business in Hong Kong at Suite Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Company**");

AND

(2) **ASIA PACIFIC SECURITIES LIMITED**, a company incorporated in Hong Kong with limited liability with Company No.740288 and having its registered office situated at Flat 6701 & 6708 Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong (the "**Placing Agent**")

The Company and the Placing Agent shall hereinafter be collectively referred to as the **"Parties"** and each individually as a **"Party"**.

WHEREAS:

(A) Shares (as defined below) in the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2699), and at the juncture of execution of this Agreement, the Company has issued and allotted 18,786,220 Shares all of which are fully paid up, and apart from the Shares, no other class of shares in the Company is in issue;

(B) The Company has agreed to appoint the Placing Agent, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities by the SFC (as defined below) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as a placing agent to conduct the Placing on best-effort basis, and the Placing Agent has agreed to act as placing agent in that capacity; and

(C) The Company has agreed to issue, and the Placing Agent has agreed to use its best efforts to procure Placees (as defined below) to subscribe for, the Unsubscribed Rights Shares at the Placing Price (as defined below) on the terms and subject to the conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

"**Actions**"	shall have the same meaning as set out in Clause 7.1;
"**Agreement**"	this Placing Agreement as amended or varied from time-to-time in writing duly executed and delivered by the Parties;
"**Business Day**"	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock

	Exchange is open for transaction of business;
"**Company Information**"	shall have the same meaning as set out in Schedule 1;
"**Compensatory Arrangements**"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to this Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules;
"**Completion**"	completion of the Placing as described and particularised in Clause 5 herein;
"**Completion Date**"	if all of the conditions in Clause 5 have been satisfied on or before a date to be determined by the Company, completion of the Placing regardless of the number of Placing Shares placed / subscribed shall take place on a date as may be announced by the Company;
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
"**Conditions**"	the conditions precedent set out in Clause 2.1;
"**Directors**"	directors of the Company;
"**Encumbrance**"	a mortgage, charge, pledge, *lien*, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
"**Final Accounts**"	shall have the same meaning as set out in Schedule 1;
"**Group**"	the Company and its Subsidiaries;
"**HK$**"	Hong Kong Dollars, the lawful currency of Hong Kong;
"**Indemnified Person(s)**"	shall have the same meaning as set out in Clause 7.1;
"**Independent Third Party**"	third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates;
"**Latest Time for Termination**"	4:00 p.m. on 22 July 2025, or such later date as

	may be agreed in writing between the Placing Agent and the Company, being the date on or before the fulfillment of all the conditions as set out in Clause 2.1;
"**Levies**"	the following expenses relating to the Placing, including the Company's portion of the SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, the Financial Reporting Council levy of 0.00015% and if applicable, any Hong Kong *ad valorem* stamp duty, which Levies shall be settled by the Company;
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange;
"**Losses**"	shall have the same meaning as set out in Clause 7.1;
"**Non-Qualifying Shareholder(s)**"	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"**NQS Rights Shares**"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form;
"**Overseas Shareholder(s)**"	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
"**Parties**"	the Parties to this Agreement and their respective successors and permitted assigns and "**Party**" means either of them;
"**Placee(s)**"	any person or entity whom the Placing Agent and/or any of its agent(s) have procured to place the Unsubscribed Rights Shares pursuant to the Placing;
"**Placing**"	the placing of Unsubscribed Consolidated Shares on a best-effort basis by the Placing Agent to the Placees on the terms and conditions of this Agreement;
"**Placing Commission**"	shall have the same meaning as set out in Clause 6.1;
"**Placing Price**"	shall have the same meaning as set out in Clause

3.1;

"**Placing Period**"	means the period as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements;
"**Qualifying Shareholders**"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date;
"**Record Date**"	on a date as the Company may determine, being the date of reference to which the Shareholders' entitlements to the Rights Issue are to be determine;
"**Rights Issue**"	the proposed issue of Rights Shares, to be determined by the Company, for every one (1) Consolidated Share held at the close of business on the Record Date at the Subscription Price to the Qualifying Shareholders payable in full on acceptance;
"**Rights Share**"	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**Shareholders**"	holder(s) of the Existing Shares or Consolidated Shares, as the case may be;
"**Share(s)**"	the 18,786,220 ordinary share(s) of par value of HK$0.01 each in the share capital of the Company;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Subscription Price**"	the subscription price per Rights Share to be determined by the Company;
"**Subsidiaries**"	has the meaning ascribed to it in the Companies Ordinance;
"**Unsubscribed Rights Shares**"	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements; and
"**Warranties**"	the representations, warranties and undertakings of the Company as set out in Clauses 3 and 4A and Schedule 1.

1.2 In this Agreement, unless otherwise specified,

1.2.1 references to Recitals, sections, Clauses, paragraphs and Schedules are to recitals, sections, clauses, paragraphs of and schedules to this Agreement;

1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

1.2.3 references to a company shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;

1.2.4 references to a person shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);

1.2.5 references to writing or written shall include any modes of reproducing words in a legible and non-transitory form;

1.2.6 references to times of the day are, unless otherwise specified, to Hong Kong time;

1.2.7 headings to Clauses, sections and Schedules are for convenience only and do not affect the interpretation of this Agreement;

1.2.8 the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules; and

1.2.9 words in the singular shall include the plural (and *vice versa*) and words importing one gender shall include the other gender.

2. CONDITIONS

2.1 The Placing is conditional upon the fulfillment of the following conditions on or before the Latest Time for Termination (or such later date as may be agreed in writing between the Placing Agent and the Company): (the "**Conditions**"):

(a) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;

(b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained; and

(c) the obligations of the Placing Agent under this Agreement not being terminated in accordance with the terms of this Agreement.

2.2 This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and

operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

3. PLACING

3.1 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as a placing agent to conduct the Placing on best-effort basis, and the Placing Agent, relying on the Warranties, agrees to act as an agent to conduct the Placing for the Company during the Placing Period on a best-effort basis by procuring the Placee(s) to subscribe the Unsubscribed Rights Shares at the price not less than the Subscription Price (the "**Placing Price**"). The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.

3.2 The Company hereby confirms that the appointment of the Placing Agent confers on the Placing Agent, in accordance with the provisions hereof, all powers, authorities and discretion on behalf of the Company which are necessary for, or reasonably incidental to, the Placing.

3.3 Any transaction properly and lawfully carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company. The Company agrees, promptly on reasonable request by the Placing Agent, so far as it lies within the Company's power, to execute or do, or procure that there shall be executed and done, all such deeds, documents and things as the Placing Agent may deem necessary for such purposes.

3.4 Further, the Company agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with this Agreement.

3.5 The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are not Shareholders and are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

3.6 The Placing Agent shall use its reasonable endeavours to ensure that:

(a) it will not offer or place any of the Unsubscribed Rights Shares to or with any person, firm or company which is not an Independent Third Party; and

(b) the terms of the placing letter with the Placees shall not be in breach of the terms of this Agreement.

3.7 Any transaction legally, properly and reasonably carried out by the Placing Agent shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account.

3.8 The Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required by the Placing Agent to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.

3.9 The Company further undertakes with the Placing Agent that (i) the Unsubscribed Rights Shares are to be free and clear of all Encumbrances, equities or other third party rights of any kind, and (ii) the Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves with the Existing Shares then in issue.

3.10 Following Completion, all obligations and liabilities of the Placing Agent under this Agreement shall cease, save and except Clauses 3, 4 and 6 which shall survive Completion.

4. UNDERTAKINGS OF THE PLACING AGENT

4.1 The Placing Agent shall, forthwith upon the expiration of the Placing Period, deliver to the Company:

(a) the placee list; and

(b) a letter signed by each Placee for confirmation of (i) the relevant number of Unsubscribed Rights Shares to be subscribed by the Placee concerned, and (ii) the Placee is an Independent Third Party.

4.2 The Placing Agent further represents, warrants and undertakes that:

(a) the Placing Agent shall ensure that the Placing is conducted in accordance with the Listing Rules;

(b) The Placing Agent being an indirect wholly-owned subsidiary of the Company is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules);

(c) the Placees shall, to the best of the knowledge and belief of the Placing Agent, be investors who are Independent Third Parties and who are also independent of and not acting in concert with any of the directors, chief executives or substantial shareholders of the Company, or of any member of the Group or their respective or their respective connected persons or associates (as defined in the Listing Rules);

(d) the Unsubscribed Rights Shares shall not be offered or sold (including in the case of an on-sale by the Placing Agent) in Hong Kong by means of any document or in circumstances which will constitute an offer to the public within the meaning of the Companies Ordinance, and that no invitation or advertisement relating to the Placing shall be made or issued in Hong Kong other than to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;

(e) the Placing Agent has full power and authority to enter into this Agreement and obtain all necessary corporate action to authorise the execution and performance of this Agreement; and

(f) the Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom any Unsubscribed Rights Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or of the Group which was not or is not, at the time of making the same, general public knowledge.

4.3 The Placing Agent undertakes to the Company to comply with the laws of Hong Kong, the Listing Rules and all requirements of the Stock Exchange and other relevant governmental or regulatory authorities to enable the listing of, and permission to deal in, Unsubscribed Rights Shares.

4.4 The Placing Agent undertakes that the subscription shall be effected by telephone

or email conversations leading to concluded contracts which shall then be confirmed by letter of confirmation.

4A. WARRANTIES OF THE COMPANY

4A.1 The Company represents, warrants and undertakes to the Placing Agent in the terms set out in Clause 3, this Clause 4A and Schedule 1. The Warranties shall be deemed to be repeated by the Company at Completion.

4A.2 The Company undertakes to notify the Placing Agent promptly in writing of any change which takes place or comes into the knowledge of the Company prior to Completion which, in the view of the Company, would or would be likely to render untrue or inaccurate any of the Warranties.

5. COMPLETION

5.1 Subject to the fulfillment of the conditions set out in Clause 2.1, Completion shall take place at 4:00 p.m. on the Completion Date (or at such other time or venue as the Parties may otherwise agree in writing).

5.2 At Completion,

(a) the Company shall deliver share certificate(s) of the Unsubscribed Rights Shares in the number subscribed by the respective Placee(s) to the Placing Agent; and

(b) the Placing Agent shall deliver a cashier order or cheque to the Company for the aggregate amount received in the Placing of the Unsubscribed Rights Shares, with the Placing Commission and other expenses deducted therefrom in accordance with Clause 6.1 and 6.2.

5.3

(i) This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

(ii) The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

5.4 In the event that this Agreement and the Placing is terminated pursuant to Clause 5.3, responsibilities and obligations of each Party under this Agreement shall cease and determine and no Party shall have any claim or recourse against the other Party in respect of any matter arising out of or in connection with this Agreement and/or the Placing except for (i) any antecedent breach of this Agreement and (ii) the payment by the Placing Agent to the Company of the aggregate amount received through Placing in accordance with Clause 6.3.

5.5 In the event that the Company or the Placing Agent shall without any reasonable ground fail to do anything required to be done by it under this Clause 5, without prejudice to any other right or remedy available to the other Party, such other Party may:

(a) defer Completion to a day not more than 10 (ten) Business Days after the date fixed for Completion (and so that the provision of this paragraph (a) shall apply to Completion as so deferred); or

(b) proceed to Completion insofar as is practicable but without prejudice to such other Party's right to the extent that the Company or the Placing Agent shall not have complied with its obligations hereunder; or

(c) rescind this Agreement without liability on its part.

6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

6.1 In consideration of the services rendered by the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent a commission equivalent to 3% of the gross proceeds, from the successful placement of Unsubscribed Rights Shares on the Completion Date, which the Company shall pay to the Placing Agent on the Completion Date or on the day falling three months from the date of this agreement, whichever is earlier (the **"Placing Commission"**):

(a) in this connection, the Placing Agent is hereby authorised to deduct the Placing Commission and the Levies from the payment to be made by it to the Company at Completion;

(b) the Placing Agent is hereby authorised to deduct other out-of-pocket charges and expenses on actual incurrence basis.

6.2 Without limiting the generality of Clause 6.1, the Company shall also pay in relation to the Placing the costs, charges, fees and expenses of:

(a) any accountants or other professional advisers engaged in connection with the Placing or this Agreement;

(b) any approval, filing, registration with or other charges or fees imposed or charged by the Registrars of Companies in Hong Kong, Cayman Islands or other relevant governmental or regulatory authorities; and/or

(c) all other costs incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and

6.3 If this Agreement does not become unconditional or if for any other reason the Placing is not completed, the Company shall remain liable for reimbursement of professional fees as well as the payment of the out-of-pocket charges and expenses incurred by the Placing Agent specified in Clauses 6.1 and 6.2.

7. INDEMNIFICATION AND NO CLAIM

7.1 Without Prejudice to the other rights or remedies of the Placing Agent, the Company undertakes with the Placing Agent and any of its directors, officers, agents or employees and any other entity or person, if any, controlling the Placing Agent or any of its affiliates pursuant to Clause 3 (each an "**Indemnified Person**") to indemnify, and keep indemnified (on an after tax basis) each Indemnified Person from and against (i) any and all actions, claims (whether or not any such claim involves or results in any actions or proceedings), demands, suits, investigations and proceedings (together, the "**Actions**") from time to time pending or made or brought or threatened to be made (whether or not any Indemnified Person is a party) or brought against such Indemnified Person, and (ii) all losses, damages, liabilities, payments, costs or expenses

(including legal fees and disbursements) and taxes (including, without limitation, stamp duty and any penalties and or interest arising in respect of any taxes, and all payments, costs or expenses made or incurred arising out of or in connection with the settlement of any Actions or in investigating, disputing or defending the same or the enforcement of any such settlement or any judgment obtained in respect of any Actions) (together, the "**Losses**") which may be suffered, made or incurred by, such Indemnified Person in respect of, related to, in connection with, or arising out of:

(a) any breach of the Warranties;

(b) the performance or carrying out by the Placing Agent of its obligations or any other actions or activities that are conducted in accordance with the terms of, or under or referred to in, this Agreement and in relation to the Placing; and

(c) any failure by the Company to comply with its obligations under the Listing Rules or any other applicable laws in respect of the Placing.

7.2 Any settlement or compromise of any Action or Loss by any Indemnified Person in respect of which indemnification under this Clause 7 is sought shall be made without prejudice to any claim, action or demand which any Indemnified Person may have or make against the Company under this Clause 7 or otherwise under this Agreement. The Company shall not make any admission of liability or settlement of any such Actions without the prior written consent of the Placing Agent, such consent not to be unreasonably withheld or delayed. The Company shall not, without the prior written consent of the Placing Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Person from any liabilities arising out of such Action. The Placing Agent shall procure that no Indemnified Person seeking indemnification, reimbursement or contribution under Clause 7.1 shall, without the prior written consent of the Company, make any admission of liability or settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action.

7.3 The Placing Agent shall not be responsible for any loss or damage to the Company for any alleged insufficiency of the Placing Price.

7.4 No claim shall be made against any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by any of them pursuant hereto or the performance of any of their obligations hereunder or otherwise in connection with the Placing save and to the extent that such damage, cost, charge or expense is finally judicially determined by a court of a competent jurisdiction to have resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person (and then only against the relevant Placing Agent or other Indemnified Person (as the case may be)).

8. TAXES

8.1 All amounts payable to the Placing Agent under this Agreement (if any) shall be exclusive of taxes. As such, the Company shall pay such additional amount as may be necessary in order that, after deduction or withholding for or on

account of any present or future tax, every payment to the Placing Agent will not be less than the amount to which the Placing Agent shall be entitled.

9. CONFIDENTIALITY

9.1 Each of the Parties hereto undertakes that it will not at any time (save as required by law or any rule of any relevant stock exchange or regulatory body) make any announcement in connection with this Agreement unless the other Party shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).

9.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to the Listing Rules, or by any other regulatory body or authority.

10. PARTIAL INVALIDITY

10.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, the legality, validity and enforceability in other jurisdictions or of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding on and ensure for the benefit of each Party's respective successors and permitted assigns.

11.2 The benefit of this Agreement may be assigned in whole or in part by the Placing Agent to another party regardless of whether or not the Company agrees thereto though the Company shall not assign or transfer any of its rights or obligations under this Agreement.

12. CONTINUING EFFECT OF AGREEMENT

12.1 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other representations and warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.

13. GENERAL

13.1 This Agreement supersedes all and any previous agreements, arrangements or understanding between the Parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease and determine with effect from the date hereof and neither Party shall have any claim in connection therewith.

13.2 This Agreement constitutes the entire agreement between the Parties with respect to its subject matter (no Party having relied on any representation or warranty made by any other Party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all Parties. The expression variation shall include any variation, supplement, deletion or replacement however effected.

13.4 Unless expressly agreed by the Parties, no variation of this Agreement shall

constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities of the Parties under or pursuant to this Agreement which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

13.5 Time shall be of the essence of this Agreement but no failure by any Party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other.

13.6 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

13.7 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

14. NOTICES

14.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company to

Address	:	Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	kamchunying@yahoo.com.hk
Attention	:	Board of Directors

If to the Placing Agent to :

Address	:	Flat 6701 & 6708 Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong
Email	:	erinwong@asiapacificsec.com.hk
Attention	:	Responsible Officers

14.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, forty-eight (48) hours after it is posted and if sent by facsimile, on receipt of confirmation of transmission, Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

14.3 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

15. GOVERNING LAW

15.1 This Agreement shall be governed by and construed in accordance with Hong

Kong law.

15.2 The courts of Hong Kong shall have jurisdiction to resolve any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement shall be brought in the courts of Hong Kong.

16. DECLARATION OF INDEPENDENCE

16.1 Further to Clause 4.2(b) hereof, the Placing Agent being an indirect wholly-owned subsidiary of the Company is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules).

16.2 The terms and conditions of this Agreement are arrived at after arm's length negotiations between the Parties with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

SCHEDULE 1

WARRANTIES

The Company represents, warrants and undertakes to the Placing Agent that:

1. The Company:

   (a) is validly incorporated and maintained;

   (b) has fully and strictly complied with the laws of relevant jurisdictions including the laws of Cayman Islands and the laws of Hong Kong;

   (c) has the requisite power, right and authority to own, use, lease and operate its assets and to conduct its business; and

   (d) no order has been made, petition filed or resolution passed for its winding up, no compromise or scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver or administrator has been served on it;

2. Subject to the Stock Exchange's granting the listing of and permission to deal in the Unsubscribed Rights Shares, the Company has full power under its constitutional documents and applicable law to execute this Agreement, to complete the Placing and to issue the Unsubscribed Rights Shares; and further, the Company has, and has been, unconditionally granted all authorisations, approvals, consents and licences required for the Placing, which authorisations, approvals, consents and licences shall be, and shall remain to be, of full force and effect up to Completion;

3. The execution, delivery and performance by the Company of this Agreement will not contravene its constitutional documents, any provision of any applicable law (including, without limitation, the Listing Rules), any agreement or other instrument binding upon it, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it or any of its assets; and (except those described above in this paragraph) no consent from any government department, agency or regulatory authority is required for the performance by it of its obligations under this Agreement, except such as have already been obtained and are in full force and effect;

4. All announcements in relation to the Placing are or will be true and accurate and not misleading in any material aspects in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein have been or will be made on reasonable grounds and are truly and honestly held by the directors of the Company and are or will be fairly based, all forecasts and estimates therein (if any) are honest and fair and there are or will be no other facts known or which could on reasonable enquiry have been known to the directors of the Company the omission of which would make any such statement or expression in the announcements misleading;

5. All information supplied by or on behalf of the Company or any of its officers, directors, employees or advisers for the purpose of or in connection with the Placing is and was (when supplied or published) true, accurate and not misleading and was given in good faith and all forecasts and estimates so supplied or disclosed have been made after due and proper consideration;

6. The Company is not in possession of any non-public information relating to the Company or its businesses, operations or financial condition, the release of which could materially affect the market activity in and/or the trading price of the

securities of the Company and there is not in existence any material or information relating to the Group which will be required to be disclosed by the Company under the Listing Rules or applicable laws and regulations. Without prejudice to the generality of the foregoing, there is no information (including, without limitation, any information regarding any material adverse change or prospective material adverse change in the condition of, or any actual, pending or threatened litigation, arbitration or similar proceeding involving any member of the Group) that is not described in the Company's most recent annual report or subsequent public information releases (the "**Company Information**") which information is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group; the Company Information does not include any untrue statement of fact or omit to state any fact necessary in order to make the statements therein not misleading;

7. The Unsubscribed Rights Shares will be issued and allotted free from any liens, encumbrances and third party rights and together with all rights attaching thereto, will be fully paid and non-assessable, will rank *pari passu* with all the Shares in issue on the Completion Date, and the Company will not exercise any liens over any of the Unsubscribed Rights Shares; and no person has any pre-emptive or other rights with respect to the Unsubscribed Rights Shares;

8. The Group's financial results for the year ended 31 December 2023 (the "**Final Accounts**") give a true and fair view of the consolidated financial position of the Group as of the dates indicated and the consolidated results of operations and changes in shareholders' equity of the Group for the period indicated, and have been prepared in conformity with all applicable laws, Hong Kong Financial Reporting Standards and the accounting policies of the Company at the time of their preparation applied on a consistent basis;

9. There has not been any material change to the financial condition of the Company and of the Group since the issuance of the Final Accounts; and

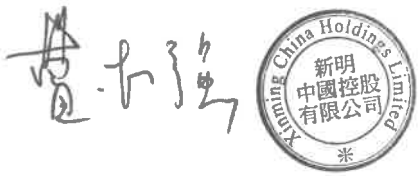
10. The Company shall procure that particulars of every new factor known to it which is likely to affect the Placing or which is likely to adversely affect the Group taken as a whole and which arises between the date of this Agreement and the Completion Date (inclusive) shall be promptly provided and disclosed to the Placing Agent, subject to compliance with any applicable laws, rules and regulations.

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)



THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ASIA PACIFIC SECURITIES LIMITED)
the Placing Agent)
in the presence of:)



DATED 16 FEBRUARY 2026

XINMING CHINA HOLDINGS LIMITED
(the Company)

AND

ADVENT SECURITIES (HONG KONG) LIMITED
(the Placing Agent)

PLACING AGREEMENT IN RELATION TO THE PLACING OF UP TO 563,586,600 RIGHTS SHARES IN THE SHARE CAPITAL OF XINMING CHINA HOLDINGS LIMITED TO BE ISSUED UNDER THE RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

THIS PLACING AGREEMENT is made on 16 day of February 2026

BETWEEN:

(1) **XINMING CHINA HOLDINGS LIMITED**, a company incorporated in Cayman Islands with limited liability and having its registered office at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business in Hong Kong at Suite Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Company**");

AND

(2) **ADVENT SECURITIES (HONG KONG) LIMITED**, a company incorporated in Hong Kong with limited liability with Company No. 2253721 and having its registered office situated at Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Placing Agent**")

The Company and the Placing Agent shall hereinafter be collectively referred to as the **"Parties"** and each individually as a **"Party"**.

WHEREAS:

(A) Issued Existing Shares (as defined below) in the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2699), and at the juncture of execution of this Agreement, the Company has issued and allotted 93,931,100 Shares all of which are fully paid up, and apart from the Shares, no other class of shares in the Company is in issue;

(B) The Company has agreed to appoint the Placing Agent, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity by the SFC (as defined below) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as the sole and exclusive placing agent to conduct the Placing on best-effort basis, and the Placing Agent has agreed to act as placing agent in that capacity; and

(C) The Company has agreed to issue, and the Placing Agent has agreed to use its best efforts to procure Placees (as defined below) to subscribe for, the Unsubscribed Rights Shares at the Placing Price (as defined below) on the terms and subject to the conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

"**Actions**"	shall have the same meaning as set out in Clause 7.1;
"**Agreement**"	this Placing Agreement as amended or varied from time-to-time in writing duly executed and delivered by the Parties;

"**Business Day**"	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business;
"**Company Information**"	shall have the same meaning as set out in Schedule 1;
"**Compensatory Arrangements**"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to this Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules;
"**Completion**"	completion of the Placing as described and particularised in Clause 5 herein;
"**Completion Date**"	if all of the Conditions in Clause 2.1 have been satisfied on or before a date to be determined by the Company, a date on or before the eleventh Business Day after fulfilment of all of the Conditions in Clause 2.1 or such other date as the Company and the Placing Agent may agree in writing;
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
"**Conditions**"	the conditions precedent set out in Clause 2.1;
"**Directors**"	directors of the Company;
"**Encumbrance**"	a mortgage, charge, pledge, *lien*, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
"**Final Accounts**"	shall have the same meaning as set out in Schedule 1;
"**Group**"	the Company and its Subsidiaries;
"**HK$**"	Hong Kong Dollars, the lawful currency of Hong Kong;
"**Indemnified Person(s)**"	shall have the same meaning as set out in Clause 7.1;
"**Independent Third Party**"	third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their

	respective associates;
"**Latest Time for Termination**"	4:00 p.m. on Wednesday, 10 June 2026, or such later date as may be agreed in writing between the Placing Agent and the Company, being the date on or before the fulfillment of all the Conditions as set out in Clause 2.1;
"**Levies**"	the following expenses relating to the Placing, including the Company's portion of the SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, the Financial Reporting Council levy of 0.00015% and if applicable, any Hong Kong *ad valorem* stamp duty, which Levies shall be settled by the Company;
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange;
"**Losses**"	shall have the same meaning as set out in Clause 7.1;
"**Non-Qualifying Shareholder(s)**"	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"**NQS Rights Shares**"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form;
"**Overseas Shareholder(s)**"	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
"**Parties**"	the Parties to this Agreement and their respective successors and permitted assigns and "**Party**" means either of them;
"**Placee(s)**"	any person or entity whom the Placing Agent and/or any of its agent(s) have procured to place the Unsubscribed Rights Shares pursuant to the Placing;
"**Placing**"	the placing of a maximum of 563,586,600 Unsubscribed Rights Shares on a best-effort basis by the Placing Agent to the Placees on the terms and conditions of this Agreement;

"**Placing Commission**"	shall have the same meaning as set out in Clause 6.1;
"**Placing Price**"	shall have the same meaning as set out in Clause 3.1;
"**Placing Period**"	means the period from Wednesday, 27 May 2026 up to 4:00 p.m. on Wednesday, 10 June 2026, or such other date as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements;
"**Qualifying Shareholders**"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date;
"**Record Date**"	on a date as the Company may determine, being the date of reference to which the Shareholders' entitlements to the Rights Issue are to be determine;
"**Rights Issue**"	the proposed issue of six (6) Rights Shares for every one (1) Share held at the close of business on the Record Date at the Subscription Price to the Qualifying Shareholders payable in full on acceptance;
"**Rights Share**"	up to 563,586,600 new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**Shareholders**"	holder(s) of the Shares;
"**Share(s)**"	the 93,931,100 ordinary share(s) of par value of HK$0.01 each in the share capital of the Company;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Subscription Price**"	the subscription price of HK$0.188 per Rights Share to be determined by the Company;
"**Subsidiaries**"	has the meaning ascribed to it in the Companies Ordinance;
"**Unsubscribed Rights Shares**"	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements; and
"**Warranties**"	the representations, warranties and undertakings

of the Company as set out in Clauses 3 and 4A and Schedule 1.

1.2 In this Agreement, unless otherwise specified,

1.2.1 references to Recitals, sections, Clauses, paragraphs and Schedules are to recitals, sections, clauses, paragraphs of and schedules to this Agreement;

1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

1.2.3 references to a company shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;

1.2.4 references to a person shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);

1.2.5 references to writing or written shall include any modes of reproducing words in a legible and non-transitory form;

1.2.6 references to times of the day are, unless otherwise specified, to Hong Kong time;

1.2.7 headings to Clauses, sections and Schedules are for convenience only and do not affect the interpretation of this Agreement;

1.2.8 the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules; and

1.2.9 words in the singular shall include the plural (and *vice versa*) and words importing one gender shall include the other gender.

2. CONDITIONS

2.1 The Placing is conditional upon the fulfillment of the following conditions on or before the Latest Time for Termination (or such later date as may be agreed in writing between the Placing Agent and the Company): (the "**Conditions**"):

(a) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;

(b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained; and

(c) the obligations of the Placing Agent under this Agreement not being terminated in accordance with the terms of this Agreement.

2.2 This Agreement can only be terminated by mutual written confirmation by the Company and the Placing Agent.

The engagement of the Placing Agent may also be terminated by the Placing

Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent (acting reasonably), may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

3. PLACING

3.1 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as the sole and exclusive placing agent to the exclusion of all others to conduct the Placing on best-effort basis, and the Placing Agent, relying on the Warranties, agrees to act as sole and exclusive agent to conduct the Placing for the Company during the Placing Period on a best-effort basis by procuring the Placee(s) to subscribe the Unsubscribed Rights Shares at the price not less than the Subscription Price (the "**Placing Price**"). The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.

3.2 The Company hereby confirms that the appointment of the Placing Agent confers on the Placing Agent, in accordance with the provisions hereof, all powers, authorities and discretion on behalf of the Company which are necessary for, or reasonably incidental to, the Placing.

3.3 Any transaction properly and lawfully carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company. The Company agrees, promptly on reasonable request by the Placing Agent, so far as it lies within the Company's power, to execute or do, or procure that there shall be executed and done, all such deeds, documents and things as the Placing Agent may deem necessary for such purposes.

3.4 Further, the Company agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with this Agreement.

3.5 The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are not Shareholders and are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

3.6 The Placing Agent shall use its reasonable endeavours to ensure that:

(a) it will not offer or place any of the Unsubscribed Rights Shares to or with any person, firm or company which is not an Independent Third Party; and

(b) the terms of the placing letter with the Placees shall not be in breach of the terms of this Agreement.

3.7 Any transaction legally, properly and reasonably carried out by the Placing Agent in connection with the Placing shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account.

3.8 The Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required by the Placing Agent to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.

3.9 The Company further undertakes with the Placing Agent that (i) the Unsubscribed Rights Shares are to be free and clear of all Encumbrances, equities or other third party rights of any kind, and (ii) the Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves with the Existing Shares then in issue.

3.10 Following Completion, all obligations and liabilities of the Placing Agent under this Agreement shall cease, save and except Clauses 3, 4 and 6 which shall survive Completion.

4. UNDERTAKINGS OF THE PLACING AGENT

4.1 The Placing Agent shall, forthwith upon the expiration of the Placing Period, deliver to the Company:

(a) the placee list; and

(b) a letter signed by each Placee for confirmation of (i) the relevant number of Unsubscribed Rights Shares to be subscribed by the Placee concerned, and (ii) the Placee is an Independent Third Party.

4.2 The Placing Agent further represents, warrants and undertakes that:

(a) the Placing shall be conducted in accordance with the Listing Rules and the Placing will not have any implication under the Takeovers Code, in particular:

(i) no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and

(ii) the Placing will not cause the Company's public float to decrease to below 25%;

it is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing, if any of the Placees becomes a substantial Shareholder after completion of the Placing, the Placing Agent shall notify the Company;

(b) The Placing Agent is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules);

(c) the Placees shall, to the best of the knowledge and belief of the Placing Agent, be investors who are Independent Third Parties and who are also independent of and not acting in concert with any of the directors, chief executives or substantial shareholders of the Company, or of any member of the Group or their respective or their respective connected persons or associates (as defined in the Listing Rules);

(d) the Unsubscribed Rights Shares shall not be offered or sold (including in the case of an on-sale by the Placing Agent) in Hong Kong by means of any document or in circumstances which will constitute an offer to the public within the meaning of the Companies Ordinance, and that no invitation or advertisement relating to the Placing shall be made or issued in Hong Kong other than to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;

(e) the Placing Agent has full power and authority to enter into this Agreement and obtain all necessary corporate action to authorise the execution and performance of this Agreement; and

(f) the Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom any Unsubscribed Rights Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or of the Group which was not or is not, at the time of making the same, general public knowledge.

4.3 The Placing Agent undertakes to the Company to comply with the laws of Hong Kong, the Listing Rules and all requirements of the Stock Exchange and other relevant governmental or regulatory authorities to enable the listing of, and permission to deal in, Unsubscribed Rights Shares.

4.4 The Placing Agent undertakes that the subscription shall be effected by telephone or email conversations leading to concluded contracts which shall then be confirmed by letter of confirmation.

4A. WARRANTIES OF THE COMPANY

4A.1 The Company represents, warrants and undertakes to the Placing Agent in the terms set out in Clause 3, this Clause 4A and Schedule 1. The Warranties shall be deemed to be repeated by the Company at Completion.

4A.2 The Company undertakes to notify the Placing Agent promptly in writing of any change which takes place or comes into the knowledge of the Company prior to Completion which, in the view of the Company, would or would be likely to render untrue or inaccurate any of the Warranties.

5. COMPLETION

5.1 Subject to the fulfillment of the conditions set out in Clause 2.1, Completion shall take place at 4:00 p.m. on the Completion Date (or at such other time or venue as the Parties may otherwise agree in writing).

5.2 At Completion,

(a) the Company shall deliver share certificate(s) of the Unsubscribed Rights Shares in the number subscribed by the respective Placee(s) to the Placing Agent; and

(b) the Placing Agent shall deliver a cashier order or cheque to the Company for the aggregate amount received in the Placing of the Unsubscribed Rights Shares, with the Placing Commission and other expenses deducted therefrom in accordance with Clause 6.1 and 6.2.

5.3

(i) This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

(ii) The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change

in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

5.4 In the event that this Agreement and the Placing is terminated pursuant to Clause 5.3, responsibilities and obligations of each Party under this Agreement shall cease and determine and no Party shall have any claim or recourse against the other Party in respect of any matter arising out of or in connection with this Agreement and/or the Placing except for (i) any antecedent breach of this Agreement and (ii) the payment by the Placing Agent to the Company of the aggregate amount received through Placing in accordance with Clause 6.3.

5.5 In the event that the Company or the Placing Agent shall without any reasonable ground fail to do anything required to be done by it under this Clause 5, without prejudice to any other right or remedy available to the non-defaulting Party, such non-defaulting Party may:

(a) defer Completion to a day not more than 10 (ten) Business Days after the date fixed for Completion (and so that the provision of this paragraph (a) shall apply to Completion as so deferred); or

(b) proceed to Completion insofar as is practicable but without prejudice to such non-defaulting Party's right to the extent that the defaulting Party shall not have complied with its obligations hereunder; or

(c) rescind this Agreement without liability on its part.

6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

6.1 In consideration of the services rendered by the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent a commission equivalent to 2% of the gross proceeds, from the successful placement of Unsubscribed Rights Shares on the Completion Date (the **"Placing Commission"**):

(a) in this connection, the Placing Agent is hereby authorised to deduct the Placing Commission and the Levies from the payment to be made by it to the Company at Completion;

(b) the Placing Agent is hereby authorised to deduct other out-of-pocket charges and expenses on actual incurrence basis.

6.2 Without limiting the generality of Clause 6.1, the Company shall also pay in relation to the Placing the costs, charges, fees and expenses of:

(a) any accountants or other professional advisers engaged in connection with the Placing or this Agreement;

(b) any approval, filing, registration with or other charges or fees imposed or charged by the Registrars of Companies in Hong Kong, Cayman Islands or other relevant governmental or regulatory authorities; and/or

(c) all other costs incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and

6.3 If this Agreement does not become unconditional or if for any other reason the Placing is not completed, the Company shall remain liable for reimbursement of professional fees as well as the payment of the out-of-pocket charges and

expenses incurred by the Placing Agent specified in Clauses 6.1 and 6.2.

7. INDEMNIFICATION AND NO CLAIM

7.1 Without prejudice to the other rights or remedies of the Placing Agent, the Company undertakes with the Placing Agent and any of its directors, officers, agents or employees and any other entity or person, if any, controlling the Placing Agent or any of its affiliates pursuant to Clause 3 (each an "**Indemnified Person**") to indemnify, and keep indemnified (on an after tax basis) each Indemnified Person from and against (i) any and all actions, claims (whether or not any such claim involves or results in any actions or proceedings), demands, suits, investigations and proceedings (together, the "**Actions**") from time to time pending or made or brought or threatened to be made (whether or not any Indemnified Person is a party) or brought against such Indemnified Person, and (ii) all losses, damages, liabilities, payments, costs or expenses (including legal fees and disbursements) and taxes (including, without limitation, stamp duty and any penalties and or interest arising in respect of any taxes, and all payments, costs or expenses made or incurred arising out of or in connection with the settlement of any Actions or in investigating, disputing or defending the same or the enforcement of any such settlement or any judgment obtained in respect of any Actions) (together, the "**Losses**") which may be suffered, made or incurred by, such Indemnified Person in respect of, related to, in connection with, or arising out of:

(a) any breach of the Warranties;

(b) the performance or carrying out by the Placing Agent of its obligations or any other actions or activities that are conducted in accordance with the terms of, or under or referred to in, this Agreement and in relation to the Placing (unless such Actions or Losses resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent or any other Indemnified Person); and

(c) any failure by the Company to comply with its obligations under the Listing Rules or any other applicable laws in respect of the Placing.

7.2 Any settlement or compromise of any Action or Loss by any Indemnified Person in respect of which indemnification under this Clause 7 is sought shall be made without prejudice to any claim, action or demand which any Indemnified Person may have or make against the Company under this Clause 7 or otherwise under this Agreement. The Company shall not make any admission of liability or settlement of any such Actions without the prior written consent of the Placing Agent, such consent not to be unreasonably withheld or delayed. The Company shall not, without the prior written consent of the Placing Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Person from any liabilities arising out of such Action. The Placing Agent shall procure that no Indemnified Person seeking indemnification, reimbursement or contribution under Clause 7.1 shall, without the prior written consent of the Company, make any admission of liability or settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action.

7.3 The Placing Agent shall not be responsible for any loss or damage to the Company for any alleged insufficiency of the Placing Price.

7.4 No claim shall be made against any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by any of them pursuant hereto or the performance of any of their obligations hereunder or otherwise in connection with the Placing save and to the extent that such damage, cost, charge or expense is finally judicially determined by a court of a competent jurisdiction to have resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person (and then only against the relevant Placing Agent or other Indemnified Person (as the case may be)).

8. TAXES

8.1 All amounts payable to the Placing Agent under this Agreement (if any) shall be exclusive of taxes. As such, the Company shall pay such additional amount as may be necessary in order that, after deduction or withholding for or on account of any present or future tax, every payment to the Placing Agent will not be less than the amount to which the Placing Agent shall be entitled.

9. CONFIDENTIALITY

9.1 Each of the Parties hereto undertakes that it will not at any time (save as required by law or any rule of any relevant stock exchange or regulatory body) make any announcement in connection with this Agreement unless the other Party shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).

9.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to the Listing Rules, or by any other regulatory body or authority.

10. PARTIAL INVALIDITY

10.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, the legality, validity and enforceability in other jurisdictions or of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding on and ensure for the benefit of each Party's respective successors and permitted assigns.

11.2 The benefit of this Agreement may be assigned in whole or in part by the Placing Agent to another party regardless of whether or not the Company agrees thereto though the Company shall not assign or transfer any of its rights or obligations under this Agreement.

12. CONTINUING EFFECT OF AGREEMENT

12.1 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other representations and warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.

13. GENERAL

13.1 This Agreement supersedes all and any previous agreements, arrangements or understanding between the Parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease and determine with effect from the date hereof and neither Party shall have any claim in connection therewith.

13.2 This Agreement constitutes the entire agreement between the Parties with respect to its subject matter (no Party having relied on any representation or warranty made by any other Party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all Parties. The expression variation shall include any variation, supplement, deletion or replacement however effected.

13.4 Unless expressly agreed by the Parties, no variation of this Agreement shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities of the Parties under or pursuant to this Agreement which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

13.5 Time shall be of the essence of this Agreement but no failure by any Party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other.

13.6 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

13.7 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

14. NOTICES

14.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company to

Address	:	Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	kamchunying@yahoo.com.hk
Attention	:	Board of Directors

If to the Placing Agent to :

Address	:	Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong

Email	:	cs@adventgroup.com.hk
Attention	:	Responsible Officers

14.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, forty-eight (48) hours after it is posted and if sent by facsimile, on receipt of confirmation of transmission, Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

14.3 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

15. GOVERNING LAW

15.1 This Agreement shall be governed by and construed in accordance with Hong Kong law.

15.2 The courts of Hong Kong shall have jurisdiction to resolve any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement shall be brought in the courts of Hong Kong.

16. DECLARATION OF INDEPENDENCE

16.1 Further to Clause 4.2(b) hereof, the Placing Agent being an indirect wholly-owned subsidiary of the Company is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules).

16.2 The terms and conditions of this Agreement are arrived at after arm's length negotiations between the Parties with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

SCHEDULE 1

WARRANTIES

The Company represents, warrants and undertakes to the Placing Agent that:

1. The Company:

   (a) is validly incorporated and maintained;

   (b) has fully and strictly complied with the laws of relevant jurisdictions including the laws of Cayman Islands and the laws of Hong Kong;

   (c) has the requisite power, right and authority to own, use, lease and operate its assets and to conduct its business; and

   (d) no order has been made, petition filed or resolution passed for its winding up, no compromise or scheme of arrangement has been proposed by it with its

creditors or shareholders and no notice of appointment of a liquidator, receiver or administrator has been served on it;

2. Subject to the Stock Exchange's granting the listing of and permission to deal in the Unsubscribed Rights Shares, the Company has full power under its constitutional documents and applicable law to execute this Agreement, to complete the Placing and to issue the Unsubscribed Rights Shares; and further, the Company has, and has been, unconditionally granted all authorisations, approvals, consents and licences required for the Placing, which authorisations, approvals, consents and licences shall be, and shall remain to be, of full force and effect up to Completion;

3. The execution, delivery and performance by the Company of this Agreement will not contravene its constitutional documents, any provision of any applicable law (including, without limitation, the Listing Rules), any agreement or other instrument binding upon it, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it or any of its assets; and (except those described above in this paragraph) no consent from any government department, agency or regulatory authority is required for the performance by it of its obligations under this Agreement, except such as have already been obtained and are in full force and effect;

4. All announcements in relation to the Placing are or will be true and accurate and not misleading in any material aspects in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein have been or will be made on reasonable grounds and are truly and honestly held by the directors of the Company and are or will be fairly based, all forecasts and estimates therein (if any) are honest and fair and there are or will be no other facts known or which could on reasonable enquiry have been known to the directors of the Company the omission of which would make any such statement or expression in the announcements misleading;

5. All information supplied by or on behalf of the Company or any of its officers, directors, employees or advisers for the purpose of or in connection with the Placing is and was (when supplied or published) true, accurate and not misleading and was given in good faith and all forecasts and estimates so supplied or disclosed have been made after due and proper consideration;

6. The Company is not in possession of any non-public information relating to the Company or its businesses, operations or financial condition, the release of which could materially affect the market activity in and/or the trading price of the securities of the Company and there is not in existence any material or information relating to the Group which will be required to be disclosed by the Company under the Listing Rules or applicable laws and regulations. Without prejudice to the generality of the foregoing, there is no information (including, without limitation, any information regarding any material adverse change or prospective material adverse change in the condition of, or any actual, pending or threatened litigation, arbitration or similar proceeding involving any member of the Group) that is not described in the Company's most recent annual report or subsequent public information releases (the "**Company Information**") which information is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group; the Company Information does not include any untrue statement of fact or omit to state any fact necessary in order to make the statements therein not misleading;

7. The Unsubscribed Rights Shares will be issued and allotted free from any liens, encumbrances and third party rights and together with all rights attaching thereto, will be fully paid and non-assessable, will rank *pari passu* with all the Shares in issue on the Completion Date, and the Company will not exercise any liens over

any of the Unsubscribed Rights Shares; and no person has any pre-emptive or other rights with respect to the Unsubscribed Rights Shares;

8. The Group's financial results for the year ended 31 December 2024 (the "**Final Accounts**") give a true and fair view of the consolidated financial position of the Group as of the dates indicated and the consolidated results of operations and changes in shareholders' equity of the Group for the period indicated, and have been prepared in conformity with all applicable laws, Hong Kong Financial Reporting Standards and the accounting policies of the Company at the time of their preparation applied on a consistent basis;

9. There has not been any material change to the financial condition of the Company and of the Group since the issuance of the Final Accounts; and

10. The Company shall procure that particulars of every new factor known to it which is likely to affect the Placing or which is likely to adversely affect the Group taken as a whole and which arises between the date of this Agreement and the Completion Date (inclusive) shall be promptly provided and disclosed to the Placing Agent, subject to compliance with any applicable laws, rules and regulations.

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)



THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)

THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)



DATED 22 APRIL 2026

XINMING CHINA HOLDINGS LIMITED
(the Company)

AND

ADVENT SECURITIES (HONG KONG) LIMITED
(the Placing Agent)

SUPPLEMENTAL PLACING AGREEMENT IN RELATION TO THE PLACING OF UP TO 22,543,464 RIGHTS SHARES IN THE SHARE CAPITAL OF XINMING CHINA HOLDINGS LIMITED TO BE ISSUED UNDER THE RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE

THIS SUPPLEMENTAL PLACING AGREEMENT is made on the 22 day of April 2026

BETWEEN:

(1) **XINMING CHINA HOLDINGS LIMITED**, a company incorporated in Cayman Islands with limited liability and having its registered office at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business in Hong Kong at Suite Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Company**");

AND

(2) **ADVENT SECURITIES (HONG KONG) LIMITED**, a company incorporated in Hong Kong with limited liability with Company No. 2253721 and having its registered office situated at Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Placing Agent**")

The Company and the Placing Agent shall hereinafter be collectively referred to as the **"Parties"** and each individually as a **"Party"**.

WHEREAS:

(A) Issued Existing Shares (as defined below) in the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2699), and at the juncture of execution of this Agreement, the Company has issued and allotted 93,931,100 Existing Shares (as defined below) all of which are fully paid up, and apart from the Existing Shares, no other class of shares in the Company is in issue;

(B) On 16 February 2026, the Parties entered into the Original Placing Agreement (as defined below), pursuant to which:

(I) the Company appointed the Placing Agent, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity by the SFC (as defined below) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as the sole and exclusive placing agent to conduct the Placing on best-effort basis, and the Placing Agent has agreed to act as placing agent in that capacity; and

(II) the Company has agreed to issue, and the Placing Agent has agreed to use its best efforts to procure Placees (as defined below) to subscribe for, the Unsubscribed Rights Shares at the Original Placing Price (as defined below) on the terms and subject to the conditions set out therein.

The details of the Original Placing Agreement have been disclosed in the Company's announcement dated 16 February 2026.

(C) The Company proposes to implement the Share Consolidation (as defined below), which will be a condition precedent to the Rights Issue (as defined below). In this regard, the Company and the Placing Agent agree to enter into this Agreement to amend the terms of the Original Placing Agreement to take into account the effect of the Share Consolidation and the revised expected timetable for the Share Consolidation and the Rights Issue, pursuant to the terms

and subject to the conditions set out herein.

NOW IT IS HEREBY AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

"**Actions**"	shall have the same meaning as set out in Clause 7.1;
"**Business Day**"	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business;
"**Company Information**"	shall have the same meaning as set out in Schedule 1;
"**Compensatory Arrangements**"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to this Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules;
"Completion"	completion of the Placing as described and particularised in Clause 5 herein;
"**Completion Date**"	if all of the Conditions in Clause 2.1 have been satisfied on or before a date to be determined by the Company, a date on or before the sixth Business Day after fulfilment of all of the Conditions in Clause 2.1 or such other date as the Company and the Placing Agent may agree in writing;
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
"Conditions"	the conditions precedent set out in Clause 2.1;
"**Consolidated Share(s)**"	the ordinary share(s) of par value HK$0.25 each in the share capital of the Company, immediately upon the Share Consolidation becoming effective;
"**Directors**"	directors of the Company;
"**Encumbrance**"	a mortgage, charge, pledge, *lien*, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or

	retention arrangement) having similar effect;
"**Existing Share(s)**"	the ordinary share(s) of par value HK$0.01 each in the share capital of the Company, prior to the Share Consolidation becoming effective;
"**Final Accounts**"	shall have the same meaning as set out in Schedule 1;
"**Group**"	the Company and its Subsidiaries;
"**HK$**"	Hong Kong Dollars, the lawful currency of Hong Kong;
"**Indemnified Person(s)**"	shall have the same meaning as set out in Clause 7.1;
"**Independent Third Party**"	third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates;
"**Latest Time for Termination**"	4:00 p.m. on Friday, 24 July 2026, or such later date as may be agreed in writing between the Placing Agent and the Company, being the date on or before the fulfillment of all the Conditions as set out in Clause 2.1;
"**Levies**"	the following expenses relating to the Placing, including the Company's portion of the SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, the Financial Reporting Council levy of 0.00015% and if applicable, any Hong Kong *ad valorem* stamp duty, which Levies shall be settled by the Company;
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange;
"**Losses**"	shall have the same meaning as set out in Clause 7.1;
"**Non-Qualifying Shareholder(s)**"	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"**NQS Rights Shares**"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying

	Shareholders in nil-paid form;
"**Original Placing Agreement**"	the placing agreement dated 16 February 2026 and entered into between the Company and the Placing Agent in relation to the placing of up to 563,586,600 unsubscribed rights shares in the share capital of the Company;
"**Overseas Shareholder(s)**"	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
"**Parties**"	the Parties to this Agreement and their respective successors and permitted assigns and "**Party**" means either of them;
"**Placee(s)**"	any person or entity whom the Placing Agent and/or any of its agent(s) have procured to place the Unsubscribed Rights Shares pursuant to the Placing;
"**Placing**"	the placing of a maximum of 22,543,464 Unsubscribed Rights Shares on a best-effort basis by the Placing Agent to the Placees on the terms and conditions of this Agreement;
"**Placing Commission**"	shall have the same meaning as set out in Clause 6.1;
"**Placing Price**"	shall have the same meaning as set out in Clause 3.1;
"**Placing Period**"	means the period from Thursday, 9 July 2026 up to 4:00 p.m. on Friday, 24 July 2026, or such other date as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements;
"**Qualifying Shareholders**"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date;
"**Record Date**"	on a date as the Company may determine, being the date of reference to which the Shareholders' entitlements to the Rights Issue are to be determine;
"**Rights Issue"**	the proposed issue of six (6) Rights Shares for every one (1) Consolidated Share held at the close of business on the Record Date at the Subscription Price to the Qualifying Shareholders payable in full on acceptance;
"**Rights Share**"	up to 22,543,464 new Consolidated Share(s)

	proposed to be allotted and issued by the Company pursuant to the Rights Issue;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**Shareholders**"	holder(s) of the Shares;
"Share(s)"	the Existing Share(s) or as the context may require, the Consolidated Share(s);
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Subscription Price**"	the subscription price of HK$4.70 per Rights Share to be determined by the Company;
"**Subsidiaries**"	has the meaning ascribed to it in the Companies Ordinance;
"**Supplemental Placing Agreement**" or this "**Agreement**"	this supplemental placing agreement as amended or varied from time to time in writing duly executed and delivered by the Parties;
"**Unsubscribed Rights Shares**"	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements; and
"**Warranties**"	the representations, warranties and undertakings of the Company as set out in Clauses 3 and 4A and Schedule 1.

1.2 In this Agreement, unless otherwise specified,

1.2.1 references to Recitals, sections, Clauses, paragraphs and Schedules are to recitals, sections, clauses, paragraphs of and schedules to this Agreement;

1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

1.2.3 references to a company shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;

1.2.4 references to a person shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);

1.2.5 references to writing or written shall include any modes of reproducing words in a legible and non-transitory form;

1.2.6 references to times of the day are, unless otherwise specified, to Hong Kong time;

1.2.7 headings to Clauses, sections and Schedules are for convenience only and do not affect the interpretation of this Agreement;

1.2.8 the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules; and

1.2.9 words in the singular shall include the plural (and *vice versa*) and words importing one gender shall include the other gender.

1A. EFFECT OF THIS SUPPLEMENTAL PLACING AGREEMENT

1A.1 Pursuant to Clause 13.2 of the Original Placing Agreement, the Parties hereby agree to amend the terms of the Original Placing Agreement by replacing it in its entirety with the terms of this Agreement, such that the rights and obligations of, and the performance by, each Party under the Original Placing Agreement shall be governed by, and construed in accordance with, the terms of this Agreement.

1A.2 In the event of a conflict between (i) the provisions of the Original Placing Agreement; and (ii) the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. CONDITIONS

2.1 The Placing is conditional upon the fulfillment of the following conditions on or before the Latest Time for Termination (or such later date as may be agreed in writing between the Placing Agent and the Company): (the "**Conditions**"):

(a) the Share Consolidation having become effective;

(b) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;

(c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained; and

(d) the obligations of the Placing Agent under this Agreement not being terminated in accordance with the terms of this Agreement.

2.2 This Agreement can only be terminated by mutual written confirmation by the Company and the Placing Agent.

The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent (acting reasonably), may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

3. PLACING

3.1 Subject to the provisions of this Agreement, the Placing Agent shall, as the sole and exclusive placing agent of the Company to the exclusion of all others, conduct the Placing on best-effort basis, and the Placing Agent, relying on the Warranties, shall act as sole and exclusive agent to conduct the Placing for the Company during the Placing Period on a best-effort basis by procuring the Placee(s) to subscribe the Unsubscribed Rights Shares at the price not less than the Subscription Price (the "**Placing Price**"). The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.

3.2 The Company hereby confirms that the appointment of the Placing Agent confers on the Placing Agent, in accordance with the provisions hereof, all powers, authorities and discretion on behalf of the Company which are necessary for, or reasonably incidental to, the Placing.

3.3 Any transaction properly and lawfully carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company. The Company agrees, promptly on reasonable request by the Placing Agent, so far as it lies within the Company's power, to execute or do, or procure that there shall be executed and done, all such deeds, documents and things as the Placing Agent may deem necessary for such purposes.

3.4 Further, the Company agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with this Agreement.

3.5 The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are not Shareholders and are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

3.6 The Placing Agent shall use its reasonable endeavours to ensure that:

(a) it will not offer or place any of the Unsubscribed Rights Shares to or with any person, firm or company which is not an Independent Third Party; and

(b) the terms of the placing letter with the Placees shall not be in breach of the terms of this Agreement.

3.7 Any transaction legally, properly and reasonably carried out by the Placing Agent in connection with the Placing shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account.

3.8 The Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required by the Placing Agent to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.

3.9 The Company further undertakes with the Placing Agent that (i) the Unsubscribed Rights Shares are to be free and clear of all Encumbrances, equities or other third party rights of any kind, and (ii) the Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves with the Consolidated Shares then in issue.

3.10 Following Completion, all obligations and liabilities of the Placing Agent under this Agreement shall cease, save and except Clauses 3, 4 and 6 which shall

survive Completion.

4. UNDERTAKINGS OF THE PLACING AGENT

4.1 The Placing Agent shall, forthwith upon the expiration of the Placing Period, deliver to the Company:

(a) the placee list; and

(b) a letter signed by each Placee for confirmation of (i) the relevant number of Unsubscribed Rights Shares to be subscribed by the Placee concerned, and (ii) the Placee is an Independent Third Party.

4.2 The Placing Agent further represents, warrants and undertakes that:

(a) the Placing shall be conducted in accordance with the Listing Rules and the Placing will not have any implication under the Takeovers Code, in particular:

(i) no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and

(ii) the Placing will not cause the Company's public float to decrease to below 25%;

it is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing, if any of the Placees becomes a substantial Shareholder after completion of the Placing, the Placing Agent shall notify the Company;

(b) The Placing Agent is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules);

(c) the Placees shall, to the best of the knowledge and belief of the Placing Agent, be investors who are Independent Third Parties and who are also independent of and not acting in concert with any of the directors, chief executives or substantial shareholders of the Company, or of any member of the Group or their respective or their respective connected persons or associates (as defined in the Listing Rules);

(d) the Unsubscribed Rights Shares shall not be offered or sold (including in the case of an on-sale by the Placing Agent) in Hong Kong by means of any document or in circumstances which will constitute an offer to the public within the meaning of the Companies Ordinance, and that no invitation or advertisement relating to the Placing shall be made or issued in Hong Kong other than to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;

(e) the Placing Agent has full power and authority to enter into this Agreement and obtain all necessary corporate action to authorise the execution and performance of this Agreement; and

(f) the Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom any Unsubscribed Rights Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or of the Group which was not or is not, at the time of making the same, general public

knowledge.

4.3 The Placing Agent undertakes to the Company to comply with the laws of Hong Kong, the Listing Rules and all requirements of the Stock Exchange and other relevant governmental or regulatory authorities to enable the listing of, and permission to deal in, Unsubscribed Rights Shares.

4.4 The Placing Agent undertakes that the subscription shall be effected by telephone or email conversations leading to concluded contracts which shall then be confirmed by letter of confirmation.

4A. WARRANTIES OF THE COMPANY

4A.1 The Company represents, warrants and undertakes to the Placing Agent in the terms set out in Clause 3, this Clause 4A and Schedule 1. The Warranties shall be deemed to be repeated by the Company at Completion.

4A.2 The Company undertakes to notify the Placing Agent promptly in writing of any change which takes place or comes into the knowledge of the Company prior to Completion which, in the view of the Company, would or would be likely to render untrue or inaccurate any of the Warranties.

5. COMPLETION

5.1 Subject to the fulfillment of the conditions set out in Clause 2.1, Completion shall take place at 4:00 p.m. on the Completion Date (or at such other time or venue as the Parties may otherwise agree in writing).

5.2 At Completion,

(a) the Company shall deliver share certificate(s) of the Unsubscribed Rights Shares in the number subscribed by the respective Placee(s) to the Placing Agent; and

(b) the Placing Agent shall deliver a cashier order or cheque to the Company for the aggregate amount received in the Placing of the Unsubscribed Rights Shares, with the Placing Commission and other expenses deducted therefrom in accordance with Clause 6.1 and 6.2.

5.3

(i) This Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

(ii) The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

5.4 In the event that this Agreement and the Placing is terminated pursuant to Clause 5.3, responsibilities and obligations of each Party under this Agreement shall cease and determine and no Party shall have any claim or recourse against the

other Party in respect of any matter arising out of or in connection with this Agreement and/or the Placing except for (i) any antecedent breach of this Agreement and (ii) the payment by the Placing Agent to the Company of the aggregate amount received through Placing in accordance with Clause 6.3.

5.5 In the event that the Company or the Placing Agent shall without any reasonable ground fail to do anything required to be done by it under this Clause 5, without prejudice to any other right or remedy available to the non-defaulting Party, such non-defaulting Party may:

(a) defer Completion to a day not more than 10 (ten) Business Days after the date fixed for Completion (and so that the provision of this paragraph (a) shall apply to Completion as so deferred); or

(b) proceed to Completion insofar as is practicable but without prejudice to such non-defaulting Party's right to the extent that the defaulting Party shall not have complied with its obligations hereunder; or

(c) rescind this Agreement without liability on its part.

6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

6.1 In consideration of the services rendered by the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent a commission equivalent to 2% of the gross proceeds, from the successful placement of Unsubscribed Rights Shares on the Completion Date (the **"Placing Commission"**):

(a) in this connection, the Placing Agent is hereby authorised to deduct the Placing Commission and the Levies from the payment to be made by it to the Company at Completion;

(b) the Placing Agent is hereby authorised to deduct other out-of-pocket charges and expenses on actual incurrence basis.

6.2 Without limiting the generality of Clause 6.1, the Company shall also pay in relation to the Placing the costs, charges, fees and expenses of:

(a) any accountants or other professional advisers engaged in connection with the Placing or this Agreement;

(b) any approval, filing, registration with or other charges or fees imposed or charged by the Registrars of Companies in Hong Kong, Cayman Islands or other relevant governmental or regulatory authorities; and/or

(c) all other costs incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and

6.3 If this Agreement does not become unconditional or if for any other reason the Placing is not completed, the Company shall remain liable for reimbursement of professional fees as well as the payment of the out-of-pocket charges and expenses incurred by the Placing Agent specified in Clauses 6.1 and 6.2.

7. INDEMNIFICATION AND NO CLAIM

7.1 Without prejudice to the other rights or remedies of the Placing Agent, the Company undertakes with the Placing Agent and any of its directors, officers, agents or employees and any other entity or person, if any, controlling the

Placing Agent or any of its affiliates pursuant to Clause 3 (each an "**Indemnified Person**") to indemnify, and keep indemnified (on an after tax basis) each Indemnified Person from and against (i) any and all actions, claims (whether or not any such claim involves or results in any actions or proceedings), demands, suits, investigations and proceedings (together, the "**Actions**") from time to time pending or made or brought or threatened to be made (whether or not any Indemnified Person is a party) or brought against such Indemnified Person, and (ii) all losses, damages, liabilities, payments, costs or expenses (including legal fees and disbursements) and taxes (including, without limitation, stamp duty and any penalties and or interest arising in respect of any taxes, and all payments, costs or expenses made or incurred arising out of or in connection with the settlement of any Actions or in investigating, disputing or defending the same or the enforcement of any such settlement or any judgment obtained in respect of any Actions) (together, the "**Losses**") which may be suffered, made or incurred by, such Indemnified Person in respect of, related to, in connection with, or arising out of:

(a) any breach of the Warranties;

(b) the performance or carrying out by the Placing Agent of its obligations or any other actions or activities that are conducted in accordance with the terms of, or under or referred to in, this Agreement and in relation to the Placing (unless such Actions or Losses resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent or any other Indemnified Person); and

(c) any failure by the Company to comply with its obligations under the Listing Rules or any other applicable laws in respect of the Placing.

7.2 Any settlement or compromise of any Action or Loss by any Indemnified Person in respect of which indemnification under this Clause 7 is sought shall be made without prejudice to any claim, action or demand which any Indemnified Person may have or make against the Company under this Clause 7 or otherwise under this Agreement. The Company shall not make any admission of liability or settlement of any such Actions without the prior written consent of the Placing Agent, such consent not to be unreasonably withheld or delayed. The Company shall not, without the prior written consent of the Placing Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Person from any liabilities arising out of such Action. The Placing Agent shall procure that no Indemnified Person seeking indemnification, reimbursement or contribution under Clause 7.1 shall, without the prior written consent of the Company, make any admission of liability or settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action.

7.3 The Placing Agent shall not be responsible for any loss or damage to the Company for any alleged insufficiency of the Placing Price.

7.4 No claim shall be made against any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by any of them pursuant hereto or the performance of any of their obligations hereunder or otherwise in connection with the Placing save and to the extent that

such damage, cost, charge or expense is finally judicially determined by a court of a competent jurisdiction to have resulted from any fraud, willful default or gross negligence on the part of any of the Placing Agent pursuant to Clause 3 or any other Indemnified Person (and then only against the relevant Placing Agent or other Indemnified Person (as the case may be)).

8. TAXES

8.1 All amounts payable to the Placing Agent under this Agreement (if any) shall be exclusive of taxes. As such, the Company shall pay such additional amount as may be necessary in order that, after deduction or withholding for or on account of any present or future tax, every payment to the Placing Agent will not be less than the amount to which the Placing Agent shall be entitled.

9. CONFIDENTIALITY

9.1 Each of the Parties hereto undertakes that it will not at any time (save as required by law or any rule of any relevant stock exchange or regulatory body) make any announcement in connection with this Agreement unless the other Party shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).

9.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to the Listing Rules, or by any other regulatory body or authority.

10. PARTIAL INVALIDITY

10.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, the legality, validity and enforceability in other jurisdictions or of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding on and ensure for the benefit of each Party's respective successors and permitted assigns.

11.2 The benefit of this Agreement may be assigned in whole or in part by the Placing Agent to another party regardless of whether or not the Company agrees thereto though the Company shall not assign or transfer any of its rights or obligations under this Agreement.

12. CONTINUING EFFECT OF AGREEMENT

12.1 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other representations and warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.

13. GENERAL

13.1 This Agreement supersedes the Original Placing Agreement, and all and any other previous agreements, arrangements or understanding between the Parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease and determine with effect from the date hereof and neither Party shall have any claim in connection therewith.

13.2 This Agreement constitutes the entire agreement between the Parties with respect to its subject matter (no Party having relied on any representation or warranty made by any other Party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all Parties. The expression variation shall include any variation, supplement, deletion or replacement however effected.

13.4 Unless expressly agreed by the Parties, no variation of this Agreement shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities of the Parties under or pursuant to this Agreement which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

13.5 Time shall be of the essence of this Agreement but no failure by any Party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other.

13.6 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

13.7 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

14. NOTICES

14.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company to

Address	:	Unit D, 7/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	Jasonlaw0307@outlook.com
Attention	:	Board of Directors

If to the Placing Agent to :

Address	:	Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email	:	cs@adventgroup.com.hk
Attention	:	Responsible Officers

14.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, forty-eight (48) hours after it is posted and if sent by facsimile, on receipt of confirmation of transmission, Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

14.3 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

15. GOVERNING LAW

15.1 This Agreement shall be governed by and construed in accordance with Hong Kong law.

15.2 The courts of Hong Kong shall have jurisdiction to resolve any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement shall be brought in the courts of Hong Kong.

16. DECLARATION OF INDEPENDENCE

16.1 Further to Clause 4.2(b) hereof, the Placing Agent is not a connected person of the Company or any member of the Group or their respective connected persons or associates (as defined in the Listing Rules).

16.2 The terms and conditions of this Agreement are arrived at after arm's length negotiations between the Parties with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

SCHEDULE 1

WARRANTIES

The Company represents, warrants and undertakes to the Placing Agent that:

1. The Company:

   (a) is validly incorporated and maintained;

   (b) has fully and strictly complied with the laws of relevant jurisdictions including the laws of Cayman Islands and the laws of Hong Kong;

   (c) has the requisite power, right and authority to own, use, lease and operate its assets and to conduct its business; and

   (d) no order has been made, petition filed or resolution passed for its winding up, no compromise or scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver or administrator has been served on it;

2. Subject to the Stock Exchange's granting the listing of and permission to deal in the Unsubscribed Rights Shares, the Company has full power under its constitutional documents and applicable law to execute this Agreement, to complete the Placing and to issue the Unsubscribed Rights Shares; and further, the Company has, and has been, unconditionally granted all authorisations, approvals, consents and licences required for the Placing, which authorisations, approvals, consents and licences shall be, and shall remain to be, of full force and effect up to Completion;

3. The execution, delivery and performance by the Company of this Agreement will not contravene its constitutional documents, any provision of any applicable law (including, without limitation, the Listing Rules), any agreement or other instrument binding upon it, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it or any of its assets; and (except those described above in this paragraph) no consent from any government department, agency or regulatory authority is required for the performance by it of its obligations under this Agreement, except such as have already been obtained and are in full force and effect;

4. All announcements in relation to the Placing are or will be true and accurate and not misleading in any material aspects in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein have been or will be made on reasonable grounds and are truly and honestly held by the directors of the Company and are or will be fairly based, all forecasts and estimates therein (if any) are honest and fair and there are or will be no other facts known or which could on reasonable enquiry have been known to the directors of the Company the omission of which would make any such statement or expression in the announcements misleading;

5. All information supplied by or on behalf of the Company or any of its officers, directors, employees or advisers for the purpose of or in connection with the Placing is and was (when supplied or published) true, accurate and not misleading and was given in good faith and all forecasts and estimates so supplied or disclosed have been made after due and proper consideration;

6. The Company is not in possession of any non-public information relating to the Company or its businesses, operations or financial condition, the release of which could materially affect the market activity in and/or the trading price of the securities of the Company and there is not in existence any material or information relating to the Group which will be required to be disclosed by the Company under the Listing Rules or applicable laws and regulations. Without prejudice to the generality of the foregoing, there is no information (including, without limitation, any information regarding any material adverse change or prospective material adverse change in the condition of, or any actual, pending or threatened litigation, arbitration or similar proceeding involving any member of the Group) that is not described in the Company's most recent annual report or subsequent public information releases (the "**Company Information**") which information is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group; the Company Information does not include any untrue statement of fact or omit to state any fact necessary in order to make the statements therein not misleading;

7. The Unsubscribed Rights Shares will be issued and allotted free from any liens, encumbrances and third party rights and together with all rights attaching thereto, will be fully paid and non-assessable, will rank *pari passu* with all the Shares in issue on the Completion Date, and the Company will not exercise any liens over any of the Unsubscribed Rights Shares; and no person has any pre-emptive or other rights with respect to the Unsubscribed Rights Shares;

8. The Group's financial results for the year ended 31 December 2025 (the "**Final Accounts**") give a true and fair view of the consolidated financial position of the Group as of the dates indicated and the consolidated results of operations and changes in shareholders' equity of the Group for the period indicated, and have been prepared in conformity with all applicable laws, Hong Kong Financial Reporting Standards and the accounting policies of the Company at the time of their preparation applied on a consistent basis;

9. There has not been any material change to the financial condition of the Company and of the Group since the issuance of the Final Accounts; and

10. The Company shall procure that particulars of every new factor known to it which is likely to affect the Placing or which is likely to adversely affect the Group taken as a whole and which arises between the date of this Agreement and the Completion Date (inclusive) shall be promptly provided and disclosed to the Placing Agent, subject to compliance with any applicable laws, rules and regulations.

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)



THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)

IN WITNESS HEREOF this Agreement has been entered into the day and year first before written.

EXECUTION PAGE

THE COMPANY

SIGNED by)
)
for and on behalf of)
XINMING CHINA HOLDINGS LIMITED)
the Company)
in the presence of:)

THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
ADVENT SECURITIES (HONG KONG) LIMITED)
the Placing Agent)
in the presence of:)



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed security dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Xinming China Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed security dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2699)

(1) PROPOSED SHARE CONSOLIDATION; (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent

ADVENT 宏智證券(香港) Advent Securities (Hong Kong) Limited

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

FIRST
First Global Corporate Finance Co., Limited

Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 39 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder is set out on pages 40 to 41 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder is set out on pages 42 to 75 of this circular.

It should be noted that the Consolidated Shares will be dealt in on an ex-rights basis from Thursday, 4 June 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 17 June 2026 to Thursday, 25 June 2026 (both dates inclusive). If the conditions of the 2026 Rights Issue, including, among other things, the Share Consolidation becoming effective, are not fulfilled, the 2026 Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 17 June 2026 to Thursday, 25 June 2026 (both dates inclusive) will accordingly bear the risk that the 2026 Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Consolidated Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional advisers.

The notice convening the EGM to be held at 3/F, Office Plus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong at 11:00 a.m. on Monday, 1 June 2026 is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) in accordance with the instructions printed thereon to the Registrar as soon as possible and in any event not less than 48 hours before the time appointed (i.e. by 11:00 a.m. on Saturday, 30 May 2026) for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Subject to the fulfilment of the conditions of the 2026 Rights Issue, including, among other things, the Share Consolidation becoming effective, the 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Please refer to the section headed "Letter from the Board – (II) Proposed 2026 Rights Issue" in this circular. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Rights Shares.

15 May 2026

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The expected timetable for the Share Consolidation and the 2026 Rights Issue is set out below which is indicative only and has been prepared on the assumption that all the conditions of the Share Consolidation and the 2026 Rights Issue, respectively, will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	**Date**
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 22 May 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Tuesday, 26 May 2026 to Monday, 1 June 2026
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Saturday, 30 May 2026
Record date for attendance and voting at the EGM	Monday, 1 June 2026
Date and time of the EGM to approve the Share Consolidation and the 2026 Rights Issue	11:00 a.m. on Monday, 1 June 2026
Announcement of the poll results of the EGM	Monday, 1 June 2026
Register of members of the Company re-opens	Tuesday, 2 June 2026

The following events are conditional upon the results of the EGM and the fulfilment of the other conditions relating to the Share Consolidation and the 2026 Rights Issue, respectively, and therefore the dates are tentative only:

Event	**Date**
Effective date of the Share Consolidation	Wednesday, 3 June 2026
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Wednesday, 3 June 2026
Original counter for trading in Existing Shares in board lot of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 3 June 2026
Temporary counter for trading in the Consolidated Shares in board lot of 80 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 3 June 2026
First day of free exchange of existing share certificates for the Existing Shares for new share certificates for the Consolidated Shares	Wednesday, 3 June 2026
Last day of dealings in the Consolidated Shares on a cum-rights basis relating to the 2026 Rights Issue	Wednesday, 3 June 2026
First day of dealings in the Consolidated Shares on an ex-rights basis relating to the 2026 Rights Issue	Thursday, 4 June 2026
Latest time for the Shareholders to lodge transfer documents of Consolidated Shares in order to be qualified for the 2026 Rights Issue	4:30 p.m. on Friday, 5 June 2026
Closure of register of members to determine the entitlements to the 2026 Rights Issue (both dates inclusive)	Monday, 8 June 2026 to Friday, 12 June 2026
Record Date for the 2026 Rights Issue	Friday, 12 June 2026
Despatch date of the Prospectus Documents to Qualifying Shareholders, and in the case of the Non-Qualifying Shareholders, the Prospectus only	Monday, 15 June 2026

Event	Date
Register of members of the Company re-opens	Monday, 15 June 2026
First day of dealings in nil-paid Rights Shares	Wednesday, 17 June 2026
Original counter for trading in the Consolidated Shares in board lot of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 17 June 2026
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in board lots of 80 Consolidated Shares and new share certificates in board lots of 2,000 Consolidated Shares) commences	9:00 a.m. on Wednesday, 17 June 2026
Designated broker starts to stand in the market to provide matching services for odd lot of the Consolidated Shares	9:00 a.m. on Wednesday, 17 June 2026
Latest time for splitting the PAL	4:30 p.m. on Monday, 22 June 2026
Last day of dealings in nil-paid Rights Shares	Thursday, 25 June 2026
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 30 June 2026
Announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 8 July 2026
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and NQS Unsold Rights Shares available)	Thursday, 9 July 2026
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 9 July 2026
Temporary counter for trading in the Consolidated Shares in board lot of 80 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 9 July 2026

Event	Date
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in board lots of 80 Consolidated Shares and new share certificates in board lots of 2,000 Consolidated Shares) ends	4:10 p.m. on Thursday, 9 July 2026
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 13 July 2026
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 24 July 2026
Latest time for the 2026 Rights Issue to become unconditional and the Placing Long Stop Date	4:00 p.m. on Friday, 24 July 2026
Announcement of results of the 2026 Rights Issue (including the results of the Placing and the Net Gain)	Friday, 31 July 2026
2026 Rights Issue settlement and Placing completion date	Monday, 3 August 2026
Despatch of share certificates for fully-paid Rights Shares and/or refund cheques if terminated	Monday, 3 August 2026
Commencement of dealings in fully-paid Rights Shares	Tuesday, 4 August 2026
Designated broker commences to provide matching service for odd lots of Shares	Tuesday, 4 August 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Monday, 10 August 2026
Designated broker ceases to provide matching service for odd lots of Shares	Tuesday, 18 August 2026

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Share Consolidation and the 2026 Rights Issue set out above and all dates and deadlines specified in this circular are indicative only and may be varied. Any changes to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

In this circular, the following expressions shall have the following meanings, unless the context requires otherwise:

"2025 Rights Issue"	the rights issue of the Company on the basis of four (4) rights Shares for every one (1) Share in issue at HK$1.12 per rights Share, which was completed on 29 July 2025, the details of which are set out in the prospectus of the Company dated 28 November 2024 and the poll results announcement of the Company dated 29 July 2025
"2026 Rights Issue"	the proposed issue by way of rights of six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents
"Announcements"	collectively, the First Announcement and the Second Announcement
"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day(s) (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Xinming China Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
"Compensatory Arrangements"	placing of the Placing Shares by the Placing Agent on a best-efforts basis pursuant to the Placing Agreement in accordance with Rule 7.21(b) of the Listing Rules

"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consolidated Share(s)"	the ordinary share(s) of par value HK$0.25 each in the share capital of the Company, immediately upon the Share Consolidation becoming effective
"controlling shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules
"Director(s)"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"Existing Share(s)"	the ordinary share(s) of par value HK$0.01 each in the share capital of the Company, prior to the Share Consolidation becoming effective
"First Announcement"	the announcement of the Company dated 16 February 2026 in relation to, among other matters, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the 2026 Rights Issue and the Placing and as to the voting action therefor

"Independent Financial Adviser"	First Global Corporate Finance Co., Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity and the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"Independent Shareholder(s)"	Shareholder(s) excluding (i) any controlling shareholder and their associates; (ii) where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates; (iii) those who are involved in or interested in the 2026 Rights Issue and the Placing (as the case may be); and (iv) those that are required under the Listing Rules to abstain from voting at the EGM
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
"Last Trading Day"	Friday, 13 February 2026, being the last full trading day of the Existing Shares on the Stock Exchange prior to the release of the First Announcement
"Latest Practicable Date"	13 May 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 30 June 2026, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares
"Listing Committee"	the listing committee of the Stock Exchange for considering application for listing and the granting of listing

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chen"	Mr. Chen Chengshou, an executive Director, chairman and chief executive officer of the Company
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement
"No Action Shareholder(s)"	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the 2026 Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse, or Non-Qualifying Shareholders (as the case may be)
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant jurisdiction or the requirements of a relevant regulatory body or stock exchange in such jurisdiction
"NQS Unsold Rights Share(s)"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Original Placing Agreement"	the placing agreement dated 16 February 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) in respect of the 2026 Rights Issue proposed to be issued to the Qualifying Shareholders

"Placing"	the placing of the Placing Shares on a best-efforts basis by the Placing Agent and/or its sub-placing agent(s) to independent placees on the terms and conditions of the Placing Agreement
"Placing Agent"	Advent Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity
"Placing Agreement"	the Original Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) in relation to the placing of the Placing Shares
"Placing Long Stop Date"	4:00 p.m. on Friday, 24 July 2026 or such other date as the Company and the Placing Agent may agree in writing
"Placing Period"	the period commencing from Thursday, 9 July 2026 to 4:00 p.m. on Friday, 24 July 2026, or such other dates as the Company may determine, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Share(s)"	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
"PRC"	the People's Republic of China, and for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus to be despatched to the Shareholders by the Company containing details of the 2026 Rights Issue
"Prospectus Documents"	the Prospectus and the PAL to be issued by the Company
"Prospectus Posting Date"	Monday, 15 June 2026, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Qualifying Shareholder(s)"	Shareholder(s) who(se) name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)

"Record Date"	Friday, 12 June 2026, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the 2026 Rights Issue will be determined
"Registrar"	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Share(s)"	up to 22,543,464 Consolidated Shares to be allotted and issued pursuant to the 2026 Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation)
"RMB"	Renminbi, the lawful currency of the PRC
"Second Announcement"	the announcement of the Company dated 22 April 2026 in relation to, among other matters, the Share Consolidation and updates on the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the Existing Share(s) or as the context may require, the Consolidated Share(s)
"Share Consolidation"	the proposed consolidation of every twenty five (25) issued and unissued Existing Shares of par value of HK$0.01 each into one (1) Consolidated Share of par value of HK$0.25 each
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$4.70 per Rights Share
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supplemental Placing Agreement"	the supplemental agreement dated 22 April 2026 entered into between the Company and the Placing Agent in relation to the Original Placing Agreement

"Takeovers Code"	The Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders
"%"	per cent.



新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2699)

Executive Directors:
Mr. Chen Chengshou
(Chairman and Chief Executive Officer)
Mr. Shi Jianwen

Independent Non-executive Directors:
Ms. Chan Wai Yan
Ms. Huang Chunlian
Ms. Lee Yin Man

Registered Office:
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters in the PRC:
Block I, 5th Floor
Hengli Building
No. 5 Huang Long Road, Hangzhou
Zhejiang Province, the PRC

Principal place of business in Hong Kong:
Unit D, 7/F, Kee Shing Centre
74-76 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

15 May 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED SHARE CONSOLIDATION; (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder. The purpose of this circular is to provide you with, among other things, (i) details of the Share Consolidation; (ii) further information regarding the 2026 Rights Issue, the Placing and the

transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; (v) other information required under the Listing Rules; and (vi) the notice of the EGM.

(I) PROPOSED SHARE CONSOLIDATION

The Company proposes to, as a condition precedent to the 2026 Rights Issue, implement the Share Consolidation on the basis that every twenty five (25) issued and unissued Existing Shares of par value of HK$0.01 each be consolidated into one (1) Consolidated Share of par value of HK$0.25 each.

EFFECT OF THE SHARE CONSOLIDATION

As at the Latest Practicable Date, there are 93,931,100 Existing Shares in issue. Upon the Share Consolidation becoming effective and assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to and including the effective date of the Share Consolidation, there will be 3,757,244 Consolidated Shares in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares in issue immediately following the Share Consolidation becoming effective will rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon fulfilling the following conditions:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the Cayman Islands laws (where applicable) and the Listing Rules to effect the Share Consolidation.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, as none of the Shareholders or their associates have any material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 3 June 2026, being the second Business Day immediately after the date of passing of the ordinary resolution approving the Share Consolidation at the EGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

LISTING APPLICATION

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the fulfilment of the conditions as set out above. Therefore, if such conditions are not fulfilled, the Share Consolidation will not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional adviser(s).

OTHER ARRANGEMENTS

No Fractional Entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders. All fractions of the Consolidated Shares, if any, will be aggregated (and rounded down to the nearest whole number) and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, if any, the Company will appoint a securities firm to provide matching services, on a best-efforts basis, to those Shareholders who wish to (i) acquire odd lots of the Consolidated Shares to make up a full board lot, or (ii) to dispose their holding of odd lots of the Consolidated Shares, during the period from 9:00 a.m. on Wednesday, 17 June 2026 to 4:00 p.m. on Thursday, 9 July 2026 (both dates inclusive).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed, and may or may not be sold at the market price. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their professional adviser(s).

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 3 June 2026, the Shareholders may during business hours on or after Wednesday, 3 June 2026 and until Monday, 13 July 2026 (both dates inclusive) submit their existing share certificates (in the color yellow) for the Existing Shares to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates (in the color red) for the Consolidated Shares, at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Existing Shares submitted for cancellation or for each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled and/or issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Thursday, 9 July 2026, trading will only be in Consolidated Shares. Existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at any time, but will not be accepted for delivery, trading and settlement purposes.

NO CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are currently traded on the Stock Exchange in a board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 2,000 Consolidated Shares per board lot.

REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 states that, among other things, in determining the board lot size, taking into account of the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

As at the Latest Practicable Date, based on the closing price of HK$0.28 per Existing Share, the value of each board lot of 2,000 Existing Shares is HK$560. The Existing Shares had been consistently traded at below the level of HK$2,000 per board lot since 3 October 2025. Upon the Share Consolidation becoming effective, based on the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation), the expected value of each board lot of 2,000 Consolidated Shares would be HK$14,000.00.

The Board had considered alternative ratios for the Share Consolidation. After careful consideration, the Board determined that the proposed consolidation ratio of every twenty five (25) Existing Shares to one (1) Consolidated Share is appropriate as it strikes a balance between increasing the trading price per Share and minimising the potential impact of odd lots and fractional Shares on Shareholders. The Board also considers that the Share Consolidation will

enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares, which would attract more investors to invest in the Shares, which further broadens the shareholder base of the Company.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the twelve (12) months immediately following the completion of the Share Consolidation, which may have an effect of undermining or negating the intended purpose of the Share Consolidation.

(II) PROPOSED 2026 RIGHTS ISSUE

Subject to the Share Consolidation becoming effective, the Company proposes to conduct the 2026 Rights Issue on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date. Details of the 2026 Rights Issue are set out below:

DETAILS OF THE 2026 RIGHTS ISSUE

Basis of the 2026 Rights Issue	:	Six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$4.70 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses in relation to the 2026 Rights Issue)	:	Approximately HK$4.50 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date	:	93,931,100 Existing Shares, equivalent to 3,757,244 Consolidated Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Share Consolidation)

Number of Rights Shares (Shares to be issued pursuant to the 2026 Rights Issue)	:	Up to 22,543,464 Consolidated Shares with an aggregate nominal value of HK$5,635,866.00 (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Total number of Shares in issue upon completion of the 2026 Rights Issue	:	Up to 26,300,708 Consolidated Shares (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Gross proceeds from the 2026 Rights Issue	:	Up to approximately HK$106.0 million (before expenses)

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. Other than the Share Consolidation, the Company has no intention to issue or grant any Shares, warrants, options and/or convertible securities on or before the Record Date.

Assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation, the aggregate 22,543,464 Rights Shares to be issued pursuant to the terms of the 2026 Rights Issue represent 600% of the total number of issued Consolidated Shares and approximately 85.71% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the 2026 Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares.

Subscription Price

The Subscription Price of HK$4.70 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the 2026 Rights Issue, or where a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 32.9% to the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 20.0% to the theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the closing price of HK$0.235 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 20.0% to the average theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the average closing price of HK$0.235 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 19.7% to the average theoretical closing price of HK$5.850 per Consolidated Share (calculated based on the average closing price of HK$0.234 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.14%, represented by the theoretical diluted price of approximately HK$4.87 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$5.875 per Consolidated Share (after taking into account the effect of the Share Consolidation), taking into account the higher of (i) the theoretical closing price of the Consolidated Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average theoretical closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and

(vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025, of approximately 19.56%, computed by the cumulative theoretical diluted price of approximately HK$28.56 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$35.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) in respect of the 2025 Rights Issue as announced on 6 December 2024.

The Subscription Price was determined with reference to (i) the market price of the Shares (and its fluctuations) under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the 2026 Rights Issue as discussed in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and the Use of Proceeds", including the amount of funds the Company intends to raise under the 2026 Rights Issue and its intended uses.

In particular:

(a) the Directors reviewed the daily closing prices of the Shares during the 12 month period up to and including the Last Trading Day. During this period, the Shares recorded (i) an average closing price of approximately HK$31.25 per Consolidated Share (calculated based on HK$1.25 after taking into account the effect of the Share Consolidation), (ii) a highest closing price of HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) and (iii) a lowest closing price of HK$4.95 per Consolidated Share (calculated based on HK$0.198 after taking into account the effect of the Share Consolidation), and were traded consistently above the Subscription Price. The Directors also noted the fluctuations in the Share price, in particular the decline from HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) on 29 September 2025 to HK$13.75 per Consolidated Share (calculated based on HK$0.55 after taking into account the effect of the Share Consolidation) on 2 October 2025. The Board is not aware of any reason for such unusual price movements of the Shares. Despite such fluctuations, given that the closing prices of the Shares stabilised within a range of approximately HK$4.95 to HK$6.50 per Consolidated Share (calculated based on HK$0.198 to HK$0.26 after taking into account the effect of the Share Consolidation) from the beginning of 2026 up to the Last Trading Day, the Directors considered it appropriate to determine the Subscription Price with reference to this more recent period, which is a reasonable comparison between the prevailing market price and the Subscription Price;

(b) the Directors also took into account the current financial position and business performance of the Group. In particular, as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds", the Group has been under liquidity pressures and faces an imminent need for financial resources to settle its liabilities and replenish its working capital. By setting a Subscription Price which is at a discount to the prevailing market price, the Board considers that this would provide sufficient incentive for, and encourage, the Qualifying Shareholders to participate in the 2026 Rights Issue (which allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company and minimises the dilution impact), while providing an opportunity to enable the Company to address its immediate funding needs and improve the financial position of the Group. The Directors also noted that the discount to the Subscription Price is comparable to the discount to the subscription price under the 2025 Rights Issue; and

(c) the Directors have also considered the aggregate amount of funds to be raised under the 2026 Rights Issue calculated based on the Subscription Price and the number of Rights Shares to be issued, and the intended use of proceeds which include settlement of liabilities of the Group as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds – Current financial position of the Group" and in the statement of indebtedness set out in the section headed "2. Indebtedness Statement" in Appendix 1 to this circular, acquiring potential projects to diversity the Group's property portfolio, and for the general working capital of the Group, all of which would strengthen the business performance of the Group as a whole in the future.

Under the 2026 Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Company considers that the discount of the Subscription Price to the current market price will encourage them to participate in the 2026 Rights Issue, minimising dilution impact.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and the Shareholders as a whole.

Non-underwritten basis

Subject to the fulfilment of the conditions of the 2026 Rights Issue (including, among other things, the Share Consolidation becoming effective), the 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

As the 2026 Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the 2026 Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the 2026 Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Company had explored both potential underwriting and non-underwriting arrangements for the 2026 Rights Issue. As the Company was unable to identify any securities firms willing to act as underwriter on terms that were commercially beneficial to the Company and its Shareholders, particularly given that the underwriting fee is expected to be substantial, which would also reduce the net proceeds from the 2026 Rights Issue available to the Company. In light of the above, the Board had determined that proceeding with the 2026 Rights Issue on a non-underwritten basis, combined with the Placing and the Compensatory Arrangements as disclosed in the sections headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement", where the Placing Agent will place Unsubscribed Rights Shares and NQS Unsold Shares on a best-efforts basis at a price that is not less than the Subscription Price, represents the most viable and efficient approach to meet the Company's funding objectives, and is consistent with the arrangements adopted for the 2025 Rights Issue, and provides adequate compensation mechanisms and safeguards to protect the interests of the Shareholders. Therefore, the Directors consider that conducting the 2026 Rights Issue on a non-underwritten basis with the Placing is in the interest of the Company and Shareholders as a whole.

Conditions of the 2026 Rights Issue

The 2026 Rights Issue is conditional upon the following conditions being fulfilled:

(i) the Share Consolidation having become effective;

(ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the 2026 Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the 2026 Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(iv) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;

(v) the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(vi) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(vii) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the 2026 Rights Issue, the Placing and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent is capable of being waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Friday, 24 July 2026 (or such other date as the Company may determine), the 2026 Rights Issue will not proceed and no party will have any claim against any other party for costs, damages, compensations or otherwise. As at the Latest Practicable Date, none of the conditions have been fulfilled.

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of the conditions as set out above. Therefore, if such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of their intention to take up any Shares provisionally (or to be provisionally) allotted or offered to that Shareholder under the 2026 Rights Issue.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The 2026 Rights Issue is only available to the Qualifying Shareholders. To qualify for the 2026 Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Consolidated Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 5 June 2026.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Wednesday, 3 June 2026, and the Consolidated Shares will be dealt with on an ex-rights basis from Thursday, 4 June 2026.

Subject to the Share Consolidation becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there were two (2) Overseas Shareholders, details of which are as follows:

Jurisdiction	**Number of Shareholder(s)**	**Number of Share(s) held**	**Approximate percentage of the issued share capital of the Company**
PRC	2	518,420	0.55%
Total	**2**	**518,420**	**0.55%**

Save for the two (2) Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In accordance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made inquiries with the legal adviser in the PRC on the feasibility of extending the offer of the 2026 Rights Issue to such Overseas Shareholders. On the basis of the results of such enquiries obtained, the Directors are of view that there are no legal restrictions under the laws of or the requirements of the relevant regulatory bodies or stock exchange in the PRC with respect to the offer of the Rights Shares to the Overseas Shareholders with registered addresses in the PRC as at the Latest Practicable Date. Accordingly, the Directors have decided to extend the 2026 Rights Issue to the Overseas Shareholders having registered addresses in the PRC and such Overseas Shareholders are considered as Qualifying Shareholders.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

In the event that additional Overseas Shareholder(s) (other than the Overseas Shareholders having registered addresses in the PRC as mentioned above) is/are identified on the Record Date, the Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the 2026 Rights Issue to such Overseas Shareholder(s), if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the 2026 Rights Issue will not be extended to such Overseas Shareholder(s). In such circumstances, the 2026 Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the 2026 Rights Issue will be set out in the Prospectus to be issued.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The 2026 Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, and subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will despatch the Prospectus only to the Non-Qualifying Shareholders on the Prospectus Posting Date for their information, but will not send any PAL to them.

Overseas Shareholders should note that they may or may not be entitled to the 2026 Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of register of members for 2026 Rights Issue

The register of members of the Company will be closed from Monday, 8 June 2026 to Friday, 12 June 2026 (both dates inclusive) for determining the identity of Shareholders entitled to the 2026 Rights Issue. No transfer of Shares will be registered during the above book closure period.

Basis of provisional allotments

The basis of the provisional allotment shall be six (6) Rights Shares (in nil-paid form) for every one (1) Consolidated Share held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the 2026 Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares as a result of the 2026 Rights Issue, if any, the Company will appoint a securities firm to provide matching services, on a best-efforts basis, to those Shareholders who wish to (i) acquire odd lots of the Consolidated Shares to make up a full board lot, or (ii) to dispose their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 4 August 2026 to 4:00 p.m. on Tuesday, 18 August 2026 (both dates inclusive). Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed, and may or may not be sold at the market price. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their professional adviser(s).

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering such Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the 2026 Rights Issue. There will be no excess application arrangements in relation to the 2026 Rights Issue. The Company and the Placing Agent entered into the Placing Agreement in relation to the placing of the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares) to independent placees on a best-efforts basis (please refer to the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement").

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best-efforts basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain which not placed after completion of the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

(i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

(ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in Hong Kong dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Placing Agreement

On 16 February 2026 (after trading hours), the Company and the Placing Agent entered into the Original Placing Agreement (which was amended and supplemented by the Supplemental Placing Agreement entered into between the Company and the Placing Agent on Wednesday, 22 April 2026 (after trading hours) to take into account of the effect of the Share Consolidation, the 2026 Rights Issue and the revised expected timetable for the Share Consolidation and 2026 Rights Issue, and corresponding incidental changes), pursuant to which the Placing Agent has agreed to procure independent placee(s), on a best-efforts basis, to subscribe for the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares). Details of the Placing Agreement are summarised below:

Issuer : The Company

Placing Agent	:	Advent Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, was appointed as the Placing Agent to procure, on a best-efforts basis, independent placees to subscribe for the Placing Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from Thursday, 9 July 2026 to 4:00 p.m. Friday, 24 July 2026, or such other dates as the Company may determine, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Commission and expenses	:	The Placing Agent shall be entitled to a commission fee equal to 2% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.
Placing price	:	The placing price of each Placing Share shall be not less than the Subscription Price of HK$4.70. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.
Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
Ranking of the Placing Shares	:	The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Consolidated Shares in issue at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or being waived by the Placing Agent in writing, if applicable):

(i) the Share Consolidation having become effective;

(ii) the Listing Committee having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iv) the obligations of the Placing Agent under the Placing Agreement not having been terminated in accordance with the provisions thereof.

Termination : The Placing Agreement can only be terminated by mutual written agreement between the Placing Agent and the Company, except that the engagement of the Placing Agent may also be terminated by the Placing Agent (i) in case of force majeure resulting in the Company and the Placing Agent being unable to fulfil its duties and responsibilities under the engagement; or (ii) if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement.

Placing Completion : Completion is expected to take place within six (6) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the 2026 Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the commission and expenses payable) are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best-efforts basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Company will ensure that it will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules after the 2026 Rights Issue and the Placing. After the Placing Period, it is expected that none of the placees will become a substantial shareholder of the Company. If any of the placees will become a substantial shareholder of the Company after completion of the 2026 Rights Issue and the Placing, further announcement(s) will be made by the Company.

The Board considered that the Compensatory Arrangements, which have taken into account the effect of Share Consolidation, are fair and reasonable and provide adequate safeguard to protect the best interests of the Company's minority Shareholders since:

(i) the Compensatory Arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the Compensatory Arrangements, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agents and the related fees and expenses in relation to such placing will be borne by the Company;

(ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by the Placing Agent which is licensed and subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The terms and the conditions of the Placing Agreement (including the placing commission) are normal commercial terms and are in the best interests of the Company and the Shareholders as a whole; and

(iii) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the 2026 Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the 2026 Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable.

No Fractional Entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Share certificates and refund cheques for the 2026 Rights Issue

Subject to fulfilment of the conditions of the 2026 Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or before Monday, 3 August 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the 2026 Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 3 August 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the 2026 Rights Issue. No part of the securities (including debt securities) of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchange.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Consolidated Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

REASONS FOR AND BENEFITS OF THE 2026 RIGHTS ISSUE AND THE USE OF PROCEEDS

Current financial position of the Group

The Group is principally engaged in the property development, property investment and property leasing in the PRC.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), cash and cash equivalents amounted to approximately RMB7.0 million, whereas interest-bearing bank and other borrowings amounted to approximately RMB1,222.6 million, convertible bonds outstanding amounted to approximately RMB270.0 million and other payables and accruals of approximately RMB2,927.1 million as at 31 December 2025.

Further, for the year ended 31 December 2025, while the revenue of the Group amounted to approximately RMB109.5 million, representing an increase of approximately 26.0% as compared to the same period of the previous year, the gross profit of the Group amounted to approximately RMB4.9 million, representing a decrease of approximately 76.1% as compared to the previous year.

As disclosed in (i) the 2025 Annual Report; (ii) the announcement of the Company dated 16 January 2026 (the "**2026 First Update Announcement**"); and (iii) the announcement of the Company dated 31 March 2026 (the "**2026 Second Update Announcement**"), the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Company has partially repaid approximately HK$70 million of the debt and interests of the Group utilising the net proceeds raised under the 2025 Rights Issue, and has negotiated a waiver of approximately HK$14 million of interests. Further, the Company understands that the Group's existing lenders do not have the intention to demand immediate repayment at the moment, and the holder of the convertible bonds has agreed not to demand repayment until 1 January 2027.

Although the Company completed the 2025 Rights Issue on 29 July 2025, as disclosed in the 2025 Annual Report, the net proceeds raised under the 2025 Rights Issue of approximately HK$78.3 million has been entirely utilised as follows:

(i) approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group (as set out above); and

(ii) approximately HK$6.3 million was utilised as general working capital of the Group (including but not limited to the Group's daily operational expenses for the six months following the completion of the 2025 Rights Issue).

The Company is also proactively progressing with (i) the acceleration of the pre-sale and sale of properties under development and completed properties, (ii) the procurement and formulation of the terms with as with large property developer to sell individual property development project or whole commercial property at an appropriate price and the identification and negotiations with new investors to participate in renovation works in order to increase the underlying value and to accelerate the sale of commercial properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties, as disclosed in the 2025 Annual Report, the 2026 First Update Announcement and the 2026 Second Update Announcement.

That being said, the above measures will take time to negotiate and implement, and the Group still faces an imminent need for financial resources to settle the overdue liabilities and replenish its working capital. While proactively progressing with the above measures, the Board considers that the 2026 Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

Consideration of other fund-raising alternatives and benefits of the 2026 Rights Issue

The Directors had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that debt financing will result in additional interest burden and the interest rate is expected to be sustained at a relatively high level in prevailing borrowing market. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial to the Group.

As disclosed in 2025 Annual Report, the current portion of the existing interest-bearing bank and other borrowings amounting to approximately RMB1,222.6 million were overdue, and were subject to heavy penalties due to such default. Further, such borrowings were secured by pledges over the major assets of the Group, including properties in the PRC, and guarantees by Mr. Chen and other subsidiaries of the Company, The overall effective interest rate of such borrowings as at 31 December 2025 was approximately 3.0% to 36.00% per annum. Further, under the prevailing market conditions and considering the net liabilities position of the Group, it is likely that financial institutions would require additional security and/or guarantee to be provided by the Group or other stringent conditions such as increasing interest rates, which may be difficult for the Group to satisfy given the pledges and guarantees by the Group have already been provided to the existing borrowings and are not readily available and the deficit financial position of the Group. Given the above constraints and the high cost of debt financing, it may be difficult for the Group to obtain new debt financing with favourable commercial terms.

Further, the Directors have also considered recent market observations indicating that lending institutions in Hong Kong and the PRC have generally adopted a more conservative stance given the existing macroeconomic and political factors and current credit market conditions, such as the impact of elevated interest rates in the US and also political unrest in the Middle East. Financial institutions in Hong Kong and the PRC appear to have maintained a cautious approach towards credit underwriting, which may result in higher pricing and more stringent terms for corporate borrowings generally.

Accordingly, the Directors consider it prudent and in the best interests of the Company to assume that the cost of debt financing may remain high or may increase further in light of the above.

The Directors consider that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate the subscription of new Shares. Instead of the placing or subscription of new Shares, the 2026 Rights Issue enables the Group to improve its financial position without increasing its debt or finance costs.

Since the 2026 Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company and allow the Group fulfil its aforementioned needs for financial resources to partially settle the overdue liabilities and replenish its working capital, the Directors consider that raising capital through the 2026 Rights Issue is in the best interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

Intended use of proceeds from the 2026 Rights Issue

Assuming full subscription under the 2026 Rights Issue, the maximum gross and net proceeds (after deducting related expenses) from the 2026 Rights Issue are estimated to be approximately up to HK$106.0 million and HK$101.4 million, respectively. The Company intends to apply the net proceeds from the 2026 Rights Issue in the following manner:

(i) approximately 96.0% (being approximately HK$97.4 million) for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group;

(ii) approximately 1.80% (being approximately HK$1.8 million) for the acquisition of property development projects located in the PRC which possess strong growth and value potential with a view to diversifying the Group's property portfolio and strengthening the overall revenue and profitability of the Group in the future; and

(iii) approximately 2.20% (being approximately HK$2.2 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming twelve months upon completion of the 2026 Rights Issue.

In the event that there is an undersubscription of the 2026 Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

As at the Latest Practicable Date, and assuming that all the Rights Shares have been fully subscribed and/or placed, the Company has no intention to carry out other equity fundraising activities in the twelve (12) months immediately following the completion of the 2026 Rights Issue. However, after such period, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fundraising activities in the future when suitable opportunities arise in order to repay outstanding loans and other borrowings of the Group to further mitigate the liquidity pressure and improve the financial position, and to support the operational needs and future development of the Group. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date, other than the 2025 Rights Issue the details of which are set out below:

Date of initial announcement	Fundraising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
6 December 2024 (completed on 29 July 2025)	Rights issue on the basis of four (4) rights Shares for every one (1) Share at HK$1.12 per rights Share	Approximately HK$78.3 million	(i) approximately 92% (being approximately HK$72.0 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK$6.3 million) as general working capital of the Group	Fully utilised as intended (details as set out in the 2025 Annual Report)

EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, assuming there is no change in the issued share capital of the Company, other than as a result of the Share Consolidation, from the Latest Practicable Date up to and including the Record Date, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Share Consolidation; (iii) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by all Qualifying Shareholders under the 2026 Rights Issue); and (iv) immediately after the Share Consolidation and completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing):

Shareholders	As at the Latest Practicable Date		Immediately after the Share Consolidation		Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by the Qualifying Shareholders)		Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)	
	Number of Shares	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*
Xinxing Company Limited *(Note 1)*	243,300	0.26	9,732	0.26	68,124	0.26	9,732	0.04
Placees	–	–	–	–	–	–	22,543,464	85.71
Other public Shareholders	93,687,800	99.74	3,747,512	99.74	26,232,584	99.74	3,747,512	14.25
Total	**93,931,100**	**100.00**	**3,757,244**	**100.00**	**26,300,708**	**100.00**	**26,300,708**	**100.00**

Notes:

1. Xinxing Company Limited is a company wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the same number of Shares in which Xinxing Company Limited is interested by virtue of the SFO.

2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder of the Company after completion of the Placing. The Company will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules before and after completion of the 2026 Rights Issue and the Placing.

3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the 2026 Rights Issue are subject to various factors, including the results of acceptance of the 2026 Rights Issue and the results of the Placing.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the 2026 Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

TAXATION

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the 2026 Rights Issue accepts responsibility for any tax effects or liabilities of, any person resulting from subscribing for, purchasing, holding, exercising, disposing of or dealings in any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

WARNING OF THE RISKS OF DEALING IN THE SHARES, THE CONSOLIDATED SHARES AND/OR THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the fulfilment of the conditions as set out in the section headed "(I) Proposed Share Consolidation – Conditions of the Share Consolidation". Therefore, if such conditions are not fulfilled, the Share Consolidation will not proceed.

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of the conditions as set out in the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Conditions of the 2026 Rights Issue". Therefore, if such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of the conditions as set out in the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement – Conditions Precedent". Therefore, if such conditions are not fulfilled, the Placing will not proceed.

The 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Subject to the Share Consolidation becoming effective, any Shareholder or other person dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date when all the conditions of the 2026 Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be Friday, 24 July 2026, will accordingly bear the risk that the 2026 Rights Issue and/or the Placing may not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares is advised to exercise caution when dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INFORMATION ON THE PARTIES

Information on the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. The Group is principally engaged in the property development, property investment and property leasing in the PRC.

Information on the Placing Agent

Advent Securities (Hong Kong) Limited is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity.

LISTING RULES IMPLICATIONS

Share Consolidation

The Share Consolidation is conditional upon, among other things, Shareholders' approval at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, as none of the Shareholders or their associates have any material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

2026 Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the 2026 Rights Issue will increase the total number of issued Shares of the Company by more than 50% within twelve (12) month period immediately preceding the date of the First Announcement, the 2026 Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholder(s) of the Company and their associates, or where there are no controlling shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the resolution(s) in relation to the 2026 Rights Issue and the Placing at the EGM.

As at the Latest Practicable Date, the Company does not have any controlling shareholders. Mr. Chen, an executive Director, chairman and the chief executive officer of the Company, is interested in the 243,300 Existing Shares beneficially owned by Xinxing Company Limited, a company wholly-owned by Mr. Chen, representing approximately 0.26% of the total issued Existing Shares. Therefore, Mr. Chen and his associates shall abstain from voting in favour of the resolution(s) approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. As at the Latest Practicable Date, save for Mr. Chen, none of the Directors or chief executive of the Company had any interest in the Shares.

The 2026 Rights Issue, together with the 2025 Rights Issue, does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the 2026 Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man, to advise the Independent Shareholders in respect of the 2026 Rights Issue and the Placing and as to the voting action therefor.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and whether it is in the best interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

EGM

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Monday, 1 June 2026 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

The EGM will be convened and held at 11:00 a.m. on Monday, 1 June 2026 to consider and, if thought fit, approve, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder. Shareholders who are involved in or interested in the 2026 Rights Issue (including Mr. Chen and his associates as disclosed above) will be required to abstain from voting in respect of the resolution(s) to approve the 2026 Rights Issue at the EGM.

The notice convening the EGM to be held at 3/F, Office Plus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong at 11:00 a.m. on Monday, 1 June 2026 is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Saturday, 30 May 2026) for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

In compliance with the Listing Rules, all the resolutions to be proposed at the EGM will be voted on by way of poll at the EGM.

Saved as disclosed in this circular, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the 2026 Rights Issue by the Independent Shareholders at the EGM and the Share Consolidation becoming effective, the Prospectus containing further information in relation to the 2026 Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Monday, 15 June 2026. A copy of the Prospectus will also be made available on the websites of the Company (www.xinm.net.cn) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 40 to 41 of this circular which contains its recommendation to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out on pages 42 to 75 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

The Directors consider that the terms of the Share Consolidation are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Share Consolidation. Further, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Xinming China Holdings Limited
Shi Jianwen
Executive Director

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2699)

15 May 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

We refer to the circular of the Company dated 15 May 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and whether it is in the interests of the Company and the Shareholders as a whole. First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser set out on pages 42 to 75 of the Circular; (ii) the letter from the Board set out on pages 8 to 39 of the Circular; and (iii) the additional information set out in the appendices to the Circular.

Having taken into account the terms of the 2026 Rights Issue, the Placing, the transactions contemplated thereunder and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee
of Xinming China Holdings Limited

Ms. Chan Wai Yan	**Ms. Huang Chunlian**	**Ms. Lee Yin Man**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the full text of a letter of advice from First Global Corporate Finance Co., Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, which has been prepared for the purpose of incorporation in this circular.



Room 1706-07, 17/F
China Insurance Group Building
No. 141 Des Voeux Road Central
Central, Hong Kong

15 May 2026

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 15 May 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 16 February 2026 (after trading hours), the Company announced its proposal to implement the 2026 Rights Issue. On 22 April 2026 (after trading hours), the Company announced its amendment to the terms of the 2026 Rights Issue to take into account of the effect of the completion of the Share Consolidation. In this regard, the Company proposes to conduct the 2026 Rights Issue at the Subscription Price of HK$4.70 per Rights Share on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date, to raise gross proceeds of up to approximately HK$106.0 million by issuing up to 22,543,464 Rights Shares to the Qualifying Shareholders. The 2026 Rights Issue will proceed on a non-underwritten basis.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the 2026 Rights Issue will increase the total number of issued Shares of the Company by more than 50% within twelve (12) month period immediately preceding the date of the First Announcement, the 2026 Rights Issue is conditional upon the Shareholders' approval at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the 2026 Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholder(s) of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the 2026 Rights Issue.

As at the Latest Practicable Date, the Company does not have any controlling shareholders. Mr. Chen Chengshou ("**Mr. Chen**"), an executive Director, chairman and the chief executive officer of the Company, is interested in the 243,300 Existing Shares beneficially owned by Xinxing Company Limited, a company wholly-owned by Mr. Chen, representing approximately 0.26% of the total issued Existing Shares. Therefore, Mr. Chen and his associates shall abstain from voting in favour of the resolution(s) approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules.

The 2026 Rights Issue, together with the 2025 Rights Issue, does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the 2026 Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man, has been established to advise the Independent Shareholders in respect of the 2026 Rights Issue, the Placing, and the transactions contemplated thereunder, on whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

We, First Global Corporate Finance Co., Limited ("**First Global**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. First Global is a licensed corporation licensed under the Securities and Futures Ordinance ("**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Wendy Liu ("**Ms. Liu**") is the person signing off the opinion letter from First Global contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory transactions in Hong Kong.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the 2026 Rights Issue, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the 2026 Rights Issue, or a close associate or core connected person of any of them, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert, with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the 2026 Rights Issue pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have reviewed the documents including but not limited to: (i) the Circular and the Letter from the Board contained therein; (ii) the Placing Agreement; (iii) the annual report of the Company for the years ended 31 December 2025 (the "**2025 Annual Report**") and 31 December 2024 (the "**2024 Annual Report**"); and (iv) the relevant supporting documents in respect of the 2026 Rights Issue provided by the Company, including but not limited to historical documents and records, to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. The Shareholders will be informed should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the 2026 Rights Issue. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the 2026 Rights Issue, we have considered the following principal factors and reasons:

I. Background of the Group

(i) Background information of the Group

The Company is an investment holding company primarily engaged in the property development, property investment and property leasing in the PRC. The Company mainly operates its business through three segments. The Property Development segment engages in the development and sale of properties. The Property Leasing segment engages in leasing out properties. The Others segment engages in investment holding.

(ii) Historical financial performance and position of the Group

The following table sets out key consolidated financial information of the Group for year ended 31 December 2025 (the "**FY2025**"), 2024 (the "**FY2024**") and 2023 (the "**FY2023**") as extracted from the 2025 Annual Report and the 2024 Annual Report of the Company:

	For		
	FY2025	**FY2024**	**FY2023**
	(audited)	(audited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	109,462	86,843	422,580
Gross Profit	4,947	20,667	53,440
Net Loss	(239,340)	(589,691)	(592,631)

Discussion on the Group's financial performance for FY2025 as compared with that for FY2024

The Group generated revenue of approximately RMB109.5 million during FY2025, as compared to approximately RMB86.8 million for FY2024, representing a increase of approximately 26.0%, which was mainly due to the sale of newly developed properties in the Shanghai project. The Group generated gross profit of approximately RMB4.9 million for FY2025, representing a gross profit margin of approximately 4.5%, which had deteriorated compared to FY2024 due to the higher development costs. The Group recorded a net loss of approximately RMB239.3 million during FY2025, representing a decrease of approximately 40.6% as compared to FY2024 net loss of approximately RMB589.7 million, mainly attributable to the decrease in in other expenses and increase in fair value of investment properties.

Discussion on the Group's financial performance for FY2024 as compared with that for FY2023

The Group generated revenue of approximately RMB86.8 million during FY2024, as compared to approximately RMB422.6 million for FY2023, representing a decrease of approximately 79.4%, which was mainly due to the overall downturn in China's real estate market. Despite stabilization policies implemented by Chinese policymakers in 2024 and early 2025, the market environment has yet to recover sufficiently to reflect the effects of these measures. The Group generated gross profit of approximately RMB20.7 million for FY2024, representing a gross profit margin of approximately 23.8%, which had improved compared to FY2023 due to cost control measures. The Group recorded a net loss of approximately RMB589.7 million during FY2024, representing a decrease of approximately 0.5% as compared to FY2023 net loss of approximately RMB592.6 million, mainly attributable to the decrease in revenue and increase in other expenses and finance costs.

Set out below is a summary of the consolidated statement of financial position of the Group:

	As at		
	31 December 2025	**31 December 2024**	**31 December 2023**
	RMB'000 (audited)	*RMB'000* (audited)	*RMB'000* (audited)
Total Assets	2,195,846	2,144,711	2,215,677
Total Liabilities	5,912,207	5,693,975	5,175,793
Net Liabilities	3,716,361	3,549,264	2,959,516

Discussion on the Group's financial position as at 31 December 2025 as compared with that as at 31 December 2024

The total assets of the Group were approximately RMB2.20 billion and RMB2.14 billion as at 31 December 2025 and 31 December 2024, respectively, representing an approximately 2.4% increase, which is mainly attributable to the increase in trade receivables and investment properties. The total liabilities of the Group were approximately RMB5.9 billion and RMB5.7 billion as at 31 December 2025 and 31 December 2024, respectively, representing an approximately 3.8% increase, which is mainly attributable to the increase in other payable and accruals. The consolidated net liabilities increased slightly by approximately 4.7%, from approximately RMB3.5 billion as at 31 December 2024 to approximately RMB3.7 billion as at 31 December 2025.

Discussion on the Group's financial position as at 31 December 2024 as compared with that as at 31 December 2023

The total assets of the Group were approximately RMB2.14 billion and RMB2.22 billion as at 31 December 2024 and 2023 respectively, representing an approximately 3.2% decrease, which is mainly attributable to the impairment of the investments properties and decrease in completed properties held for sale. The total liabilities of the Group were approximately RMB5.7 billion and RMB5.2 billion as at 31 December 2024 and 2023, respectively, representing an approximately 10.0% increase, which is mainly attributable to the increase in other payables and accruals. The consolidated net liabilities increased by approximately 19.9%, from approximately RMB2.9 billion as at 31 December 2023 to approximately RMB3.5 billion as at 31 December 2024.

II. Reasons for the 2026 Rights Issue and use of proceeds

As disclosed in the Circular, the Group has been facing significant liquidity pressure. Despite the completion of the 2025 Rights Issue on 29 July 2025, the net proceeds raised thereunder (approximately HK$78.3 million) have been entirely utilised, of which approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals; and approximately HK$6.3 million was utilised as general working capital.

As disclosed in the 2025 Annual Report, cash and cash equivalents amounted to approximately RMB7.0 million, whereas interest-bearing bank and other borrowings amounted to approximately RMB1,222.6 million, convertible bonds outstanding amounted to approximately RMB270.0 million and other payables and accruals of approximately RMB2,927.1 million as at 31 December 2025.

As disclosed in the 2025 Annual Report, the 2025 Update Announcement, the 2026 First Update Announcement and the 2026 Second Update Announcement, the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings. The Company has partially repaid approximately HK$70.0 million of the debt and interests of the Group utilising the net proceeds raised under the 2025 Rights Issue, and has negotiated a waiver of approximately HK$14 million of interests. The Company understands that the Group's existing lenders do not have the intention to demand immediate repayment at the moment, and the holder of the Convertible Bonds has agreed not to demand repayment until 1 January 2027.

Although the Company completed the 2025 Rights Issue on 29 July 2025, as disclosed in the 2025 Annual Report, the net proceeds raised under the 2025 Rights Issue of approximately HK$78.36 million has been entirely utilised as follows:

(i) approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group (as set out above); and

(ii) approximately HK$6.3 million was utilised as general working capital of the Group (including but not limited to the Group's daily operational expenses for the six months following the completion of the 2025 Rights Issue).

The Company is also proactively progressing with (i) the acceleration of the pre-sale and sale of properties under development and completed properties; (ii) the procurement and formulation of terms with large property developers to sell individual property development projects or whole commercial properties at appropriate prices and the identification and negotiations with new investors to participate in renovation in order to increase the underlying value and to accelerate the sale of commercial properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties, as disclosed in the 2025 Annual Report, the 2026 First Update Announcement and the 2026 Second Update Announcement.

That being said, the above measures will take time to negotiate and implement, and the Group still faces an imminent need for financial resources to settle the overdue liabilities and replenish its working capital. While proactively progressing with the above measures, the Board considers that the 2026 Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

The gross proceeds from the 2026 Rights Issue are expected to be up to approximately HK$106.0 million. The net proceeds from the 2026 Rights Issue after deducting related expenses are estimated to be approximately HK$101.4 million (assuming full subscription). The Company intends to apply the net proceeds from the 2026 Rights Issue as follows:

Use of proceeds	**Approximate** *%*	**Approximate amount** *(HK$ million)*
Settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals	96.0%	97.4
Acquisition of property development projects in the PRC	1.8%	1.8
General working capital of the Group	2.2%	2.2
Total	**100.0%**	**101.4**

In the event that there is an undersubscription of the 2026 Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

As at the Latest Practicable Date, and assuming that all the Rights Shares have been fully subscribed and/or placed, the Company has no intention to carry out other equity fundraising activities in the twelve (12) months immediately following the completion of the 2026 Rights Issue. However, after such period, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fundraising activities in the future when suitable opportunities arise in order to repay outstanding loans and other borrowings of the Group to further mitigate the liquidity pressure and improve the financial position, and to support the operational needs and future development of the Group. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Fundraising alternatives

The Directors had considered various fundraising alternatives before resolving to the 2026 Rights Issue, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that debt financing will result in additional interest burden and the interest rate is expected to be sustained at a relatively high level in the prevailing borrowing market. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial given its already highly geared financial position.

As disclosed in 2025 Annual Report, the current portion of the existing interest-bearing bank and other borrowings amounting to approximately RMB1,222.6 million were overdue, and were subject to heavy penalties due to such default. Further, such borrowings were secured by pledges over the major assets of the Group, including properties in the PRC, and guarantees by Mr. Chen and other subsidiaries of the Company, The overall effective interest rate of such borrowings as at 31 December 2025 was approximately 3.0% to 36.00% per annum. Further, under the prevailing market conditions and considering the net liabilities position of the Group, it is likely that financial institutions would require additional security and/or guarantee to be provided by the Group or other stringent conditions such as increasing interest rates, which may be difficult for the Group to satisfy given the pledges and guarantees by the Group have already been provided to the existing borrowings and are not readily available and the deficit financial position of the Group. Given the above constraints and the high cost of debt financing, it may be difficult for the Group to obtain new debt financing with favourable commercial terms.

Further, the Directors have also considered recent market observations indicating that lending institutions in Hong Kong and the PRC have generally adopted a more conservative stance given the existing macroeconomic and political factors and current credit market conditions, such as the impact of elevated interest rates in the US and also political unrest in the Middle East. Financial institutions in Hong Kong and the PRC appear to have maintained a cautious approach towards credit underwriting, which may result in higher pricing and more stringent terms for corporate borrowings generally.

Accordingly, the Directors consider and we concur that it prudent and in the best interests of the Company to assume that the cost of debt financing may remain high or may increase further in light of the above.

The Directors consider that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate in the subscription of new Shares. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. The Directors are of the view that the 2026 Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfil the development plan of the Group without further increasing the interest burden to the Group. The 2026 Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the 2026 Rights Issue in full.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

Our View

As part of our assessment of the terms of the 2026 Rights Issue, we have performed desktop research on the recent developments and outlook of the PRC property market, in which the Group principally operates, in order to provide context for our evaluation of the Group's business prospects and the reasonableness of the 2026 Rights Issue.

According to the "2026 China Real Estate Market Outlook" published by CBRE, Inc. ("**CBRE**"), a leading global commercial real estate services and investment firm, the CPC Central Committee has set the tone for the 15th Five-Year Plan period by prioritising "effective qualitative improvement alongside reasonable quantitative growth", signalling a strategic shift in China's economic trajectory from scale-driven growth toward high-quality development. CBRE forecasts that China's GDP growth rate will settle at approximately 4.5% in 2026.

In the retail sector, it was expected that the gradual recovery of consumption to persist over the course of 2026, supported by government policy incentives. Emerging consumption themes such as the health economy, beauty economy and emotional economy have become more prominent in recent years, leading to a rapid increase in the number of enterprises and generating new demand for retail space. The "silver generation" along with the post-00s and post-10s generations are expected to become the primary sources of incremental consumption in 2026 and beyond.

In respect of commercial real estate investment, it was noted that despite macroeconomic and geopolitical headwinds, a combination of attractive valuations and an improved financing environment will catalyse investment activity. CBRE forecasted commercial real estate investment volume to grow by 5% to 10% year-on-year in 2026.

Based on our desktop research, we noted that while the PRC real estate market is showing signs of gradual stabilisation with pockets of growth in certain sub-sectors (such as office and retail), the overall market continues to face structural challenges including abundant supply in the office market, declining logistics absorption and ongoing macroeconomic and geopolitical uncertainties. The shift in China's economic policy toward high-quality development over scale-driven growth suggests a more measured pace of recovery, with GDP growth expected to moderate at approximately 4.5% in 2026. In the current market environment, the Group may continue to encounter operational headwinds and face challenges in generating adequate internal cash flows to support business development initiatives and fulfil its financial obligations. Having considered the foregoing, we are of the view that the 2026 Rights Issue, as a means of equity fundraising, represents a reasonable approach for the Company to strengthen its capital base and enhance its financial flexibility to navigate the current market conditions.

We have discussed with the Directors to understand the proposed use of proceeds. We have also obtained and reviewed the breakdown regarding the proposed use of proceeds from the 2026 Rights Issue. We note that the vast majority of the net proceeds (approximately 96.0%) would be applied for the settlement of the Group's overdue liabilities, which is consistent with the Group's disclosed financial difficulties including significant overdue borrowings and accrued liquidated damages. Given the Group's pressing liquidity position, with only approximately RMB7.0 million in cash and cash equivalents as at 31 December 2025 against total current liabilities of approximately RMB5.7 billion, we consider the proposed use of proceeds to be reasonable and necessary to support the Group's operations and debt restructuring efforts.

We also noted that the Company has considered other fundraising alternatives before resolving to the 2026 Rights Issue, including but not limited to debt financing, placing of new Shares, and open offer. As per our discussion with the Directors, it was noted that debt financing or bank loans would result in additional interest burdens and a higher gearing ratio for the Group, which is not feasible given its current net liability position. Placing of new Shares, on the other hand, would only be available to certain placees who were not necessarily existing shareholders, thereby diluting the shareholding interests of existing shareholders. With respect to an open offer, while it is similar to a rights issue in offering qualifying shareholders an opportunity to participate, it does not allow the trading of rights entitlements in the open market. Accordingly, shareholders must either participate in the offer or lose the benefit of any discount at which the new shares are offered.

The 2026 Rights Issue, however, allows Qualifying Shareholders to participate in the future development of the Company while offering flexibility to either maintain their pro-rata shareholding interests or trade their nil-paid rights entitlements in the market. This reduces the impact of shareholding dilution for those who choose to take up their entitlements.

Based on the above analysis, we are of the view that the proposed 2026 Rights Issue provides certainty and flexibility for shareholders in deciding whether to get their proportionate entitlements relative to their shareholding, which is fair and reasonable.

III. Principal terms of the 2026 Rights Issue and the Placing Agreement

The 2026 Rights Issue

Set out below are the principal terms of the 2026 Rights Issue as extracted from the Letter from the Board:

Basis of the 2026 Rights Issue:	Six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK$4.7 per Rights Share
Net price per Rights Share:	Approximately HK$4.5 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date:	93,931,100 Existing Shares, equivalent to 3,757,244 Consolidated Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Share Consolidation)
Number of Rights Shares to be issued:	Up to 22,543,464 Consolidated Shares
Aggregate nominal value of Rights Shares:	Up to HK$5,635,866.00 (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)

Total number of Shares upon completion:	Up to 26,300,708 Consolidated Shares (assuming there is no change in the number of Shares in issue on or before the Record Date, other than the Share Consolidation)
Gross proceeds:	Up to approximately HK$106.0 million (before expenses)

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. Assuming no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation, the 22,543,464 Right Shares to be issued pursuant to the terms of the 2026 Rights Issue represent (i) 600% of the total number of issued Consolidated Shares; and (ii) approximately 85.71% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Further details of the 2026 Rights Issue are outlined in the Letter from the Board.

The Placing Agreement

Set out below are the principal terms of the Placing Agreement as extracted from the Letter from the Board:

Placing Agent:	Advent Securities (Hong Kong) Limited The Placing Agent is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity.
Placing commission:	The Placing Agent shall be entitled to a commission fee equal to 2% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.
Placing Price:	The placing price of each Placing Share shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.

Placing Period: The period commencing from Thursday, 9 July 2026 up to 4:00 p.m. Friday, 24 July 2026, or such other dates as the Company may announce.

Placees: The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

Ranking of the Placing Shares: The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Consolidated Shares in issue at the date of completion of the Placing.

Conditions Precedent: The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or being waived by the Placing Agent in writing, if applicable:

(i) the Share Consolidation having become effective

(ii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iv) the obligations of the Placing Agent under the Placing Agreement not having been terminated in accordance with the provisions thereof.

Termination:	The Placing Agreement can only be terminated by mutual written agreement between the Placing Agent and the Company, except that the engagement of the Placing Agent may also be terminated by the Placing Agent (i) in case of force majeure resulting in the Company and the Placing Agent being unable to fulfil its duties and responsibilities under the engagement, or (ii) if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement.
Placing Completion:	Completion is expected to take place within six (6) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

Further details of the terms and conditions of the Placing Agreement are outlined in the Letter from the Board. As disclosed in the Letter from the Board, the terms of the Placing Agreement (including the placing commission) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the market comparables, the existing financial position of the Group, the size of the 2026 Rights Issue, and the current and expected market conditions.

Our Assessment on the principal terms of the 2026 Rights Issue and the Placing Agreement

As disclosed in the Letter from the Board, the Subscription Price of HK$4.7 per Rights Share represents:

(i) a discount of approximately 32.9% to the theoretical closing price of HK$7.00 per Consolidated Share (calculated based on the closing price of HK$0.28 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 20.0% to the theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the closing price of HK$0.235 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 20.0% to the average theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the average closing price of HK$0.235 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 19.7% to the average theoretical closing price of HK$5.850 per Consolidated Share (calculated based on the average closing price of HK$0.234 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.14%, represented by the theoretical diluted price of approximately HK$4.87 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$5.875 per Consolidated Share (after taking into account the effect of the Share Consolidation), taking into account the higher of (i) the theoretical closing price of the Consolidated Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average theoretical closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and

(vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025, of approximately 19.56%, computed by the cumulative theoretical diluted price of approximately HK$28.56 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$35.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) in respect of the 2025 Rights Issue as announced on 6 December 2024.

The Subscription Price was determined with reference to (i) the market price of the Shares (and its fluctuation) under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the 2026 Rights Issue as discussed in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and the Use of Proceeds", including the amount of funds the Company intends to raise under the 2026 Rights Issue and its intended uses.

In particular:

(a) the Directors reviewed the daily closing prices of the Shares during the 12 month period up to and including the Last Trading Day. During this period, the Shares recorded (i) an average closing price of approximately HK$31.25 per Consolidated Share (calculated based on HK$1.25 after taking into account the effect of the Share Consolidation), (ii) a highest closing price of HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) and (iii) a lowest closing price of HK$4.95 per Consolidated Share (calculated based on HK$0.198 after taking into account the effect of the Share Consolidation), and were traded consistently above the Subscription Price. The Directors also noted the fluctuations in the Share price, in particular the decline from HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) on 29 September 2025 to HK$13.75 per Consolidated Share (calculated based on HK$0.55 after taking into account the effect of the Share Consolidation) on 2 October 2025. The Board is not aware of any reason for such unusual price movements of the Shares. Despite such fluctuations, given that the closing prices of the Shares stabilised within a range of approximately HK$4.95 to HK$6.50 per Consolidated Share (calculated based on HK$0.198 to HK$0.26 after taking into account the effect of the Share Consolidation) from the beginning of 2026 up to the Last Trading Day, the Directors considered it appropriate to determine the Subscription Price with reference to this more recent period, which is a reasonable comparison between the prevailing market price and the Subscription Price;

(b) the Directors also took into account the current financial position and business performance of the Group. In particular, as further elaborated in the section headed "(II) Proposed 2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds", the Group has been under liquidity pressures and faces an imminent need for financial resources to settle its liabilities and replenish its working capital. By setting a Subscription Price which is at a discount to the prevailing market price, the Board considers that this would provide sufficient incentive for, and encourage, the Qualifying Shareholders to participate in the 2026 Rights Issue (which allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company and minimises the dilution impact), while providing an opportunity to enable the Company to address its immediate funding needs and improve the financial position of the Group. The Directors also noted that the discount to the Subscription Price is comparable to the discount to the subscription price under the 2025 Rights Issue; and

(c) the Directors have also considered the aggregate amount of funds to be raised under the 2026 Rights Issue calculated based on the Subscription Price and the number of Rights Shares to be issued, and the intended use of proceeds which include settlement of liabilities of the Group as, acquiring potential projects to diversity the Group's property portfolio, and for the general working capital of the Group, all of which would strengthen the business performance of the Group as a whole in the future.

Non-underwritten basis

Subject to the fulfilment of the conditions of the 2026 Rights Issue (including, among other things, the Share Consolidation becoming effective), the 2026 Rights Issue will proceed on a non- underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

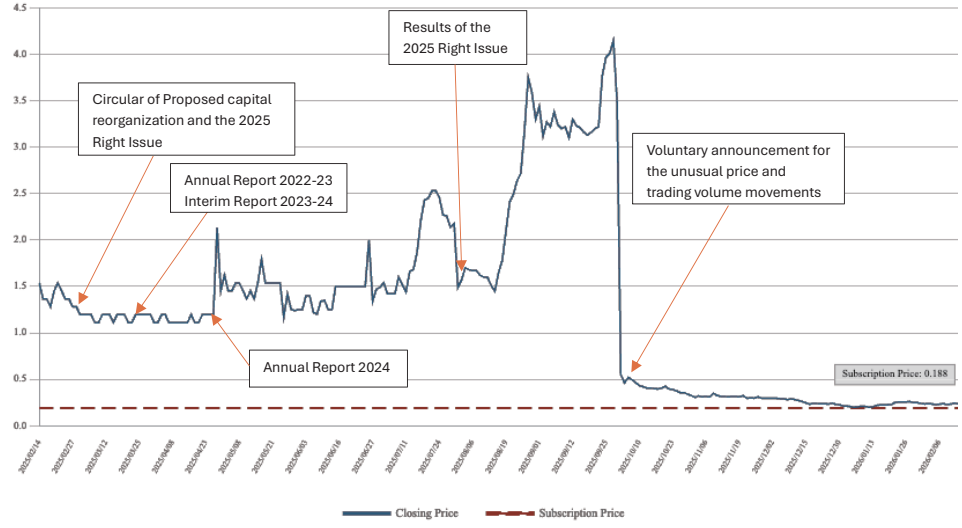
As the 2026 Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the 2026 Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the 2026 Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Company had explored both potential underwriting and non-underwriting arrangements for the 2026 Rights Issue. As the Company was unable to identify any securities firms willing to act as underwriter on terms that were commercially beneficial to the Company and its Shareholders, particularly given that the underwriting fee is expected to be substantial, which would also reduce the net proceeds from the 2026 Rights Issue available to the Company. In light of the above, the Board had determined that proceeding with the 2026 Rights Issue on a non- underwritten basis, combined with the Placing and the Compensatory Arrangements as disclosed in the sections headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement", where the Placing Agent will place Unsubscribed Rights Shares and NQS Unsold Shares on a best-efforts basis at a price that is not less than the Subscription Price, represents the most viable and efficient approach to meet the Company's funding objectives, and is consistent with the arrangements adopted for the 2025 Rights Issue, and provides adequate compensation mechanisms and safeguards to protect the interests of the Shareholders. Therefore, the Directors consider that conducting the 2026 Rights Issue on a non- underwritten basis with the Placing is in the interest of the Company and Shareholders as a whole.

As illustrated in the table stated in "Comparable Analysis", We noted that among the 34 Comparables, only 2 were conducted on a fully underwritten basis, while the remaining 32 were conducted on a non-fully underwritten basis (including those conducted on a partially underwritten basis or a non-underwritten basis). This indicates that it is common market practice for listed issuers to conduct rights issues without full underwriting arrangements. Therefore, we concur with the Directors' view that conducting the 2026 Rights Issue on a non-underwritten basis with the Placing arrangement is consistent with prevailing market practice and is in the interests of the Company and the Shareholders as a whole.

Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices and trading volume of the Shares from 14 February 2025 up to and including the Last Trading Day (the "**Review Period**") (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price. We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Last Trading Day and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Last Trading Day represents a fair market value of the Company the Shareholders expected, while that after the Last Trading Day, the value may have taken into account the potential upside of the 2026 Rights Issue which may distort the analysis.



As illustrated in the chart above, during the Review Period, the average closing price was approximately HK$1.250 per Share (the "**Average Closing Price**"). The daily closing price ranged from HK$0.198 per Share (the "**Lowest Closing Price**") recorded on 6 January 2026 to HK$4.15 per Share (the "**Highest Closing Price**") recorded on 29 September 2025. We note that the Shares were traded above the Subscription Price throughout the entire Review Period. The Subscription Price of HK$4.70 per Consolidated Share (equivalent to approximately HK$0.188 per Share before the Share Consolidation) represents (i) a discount of approximately 5.05% to the Lowest Closing Price; (ii) a discount of approximately 95.47% to the Highest Closing Price; and (iii) a discount of approximately 84.96% to the Average Closing Price.

The closing price of the Shares commenced at HK$1.537 on 14 February 2025 before declining to a range of approximately HK$1.110 to HK$1.196 from March to mid-April 2025, with no significant fluctuations observed during this period. A brief spike to HK$2.135 was recorded on 28 April 2025 before reverting to HK$1.452 the following trading day. From May to June 2025, the price fluctuated between approximately HK$1.170 and HK$2.000, generally stabilising around HK$1.250 to HK$1.500. An upward trend commenced from mid-July 2025, with the price rising from approximately HK$1.420 to a peak of HK$2.530 on 22 July 2025, before declining to HK$1.490 by month-end. A significant rally was observed from mid-August 2025, with the price surging from HK$1.650 on 15 August 2025 to HK$3.750 on 27 August 2025, eventually reaching its highest closing price of HK$4.150 on 29 September 2025. On 2 October 2025, the share price experienced a sharp decline to HK$0.550 and continued to decline gradually through October, reaching HK$0.325 by 31 October 2025. Regarding to the significant decrease in the closing price of the Shares, we have discussed with the Directors and they are not aware of any reason for such significant decline in closing price of the Shares during the aforesaid period.

The closing price further decreased through November and December 2025, reaching approximately HK$0.295 to HK$0.310 in November and HK$0.213 to HK$0.295 in December 2025. The price stabilised in January and February 2026, trading within a narrow range of approximately HK$0.198 to HK$0.260, with the closing price on the Last Trading Day being HK$0.235, showing a flat trend through the end of the Review Period.

The general downward trend in the Share price during the latter part of the Review Period, together with the stabilisation at lower price levels in the most recent months, is broadly consistent with the challenging operating environment facing the PRC real estate sector as discussed above.

In view of the above, we consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to (i) the general downward trend of the market price of the Shares during the latter part of the Review Period and the recent stabilisation of the Share price in the range of approximately HK$0.198 to HK$0.260 from January 2026 to the Last Trading Day; and (ii) the generally thin trading liquidity of the Shares during the Review Period, which supports the rationale for setting the Subscription Price at a discount to the prevailing market price in order to encourage Qualifying Shareholders' participation in the 2026 Rights Issue.

Trading liquidity of the Shares

We have also reviewed the trading liquidity of the Shares during the Review Period. Set out below is the summary of the average daily trading volume of the Shares during the Review Period:

Month/Period	Number of trading days	Total trading volume (Shares)	Average daily trading volume (Shares)	Average daily trading volume as a % of total issued Shares (approx.) *(Note 2)*
2025				
February (from 14 February)	11	277,279	25,207	0.13%
March	21	765,512	36,453	0.19%
April	19	1,929,712	101,564	0.54%
May	20	6,817,308	340,865	1.81%
June	21	3,685,680	175,509	0.93%
July	22	4,600,932	209,133	0.22% *(Note 3)*
August	21	10,147,676	483,223	0.51%
September	22	55,710,566	2,532,298	2.70%
October	20	188,508,380	9,425,419	10.03%
November	20	19,926,050	996,303	1.06%
December	21	5,538,200	263,724	0.28%
2026				
January	21	17,065,000	812,619	0.87%
February (up to and including the Last Trading Day)	10	2,126,000	212,600	0.23%
	Max	188,508,380	9,425,419	10.03%
	Min	277,279	25,207	0.13%
	Average	24,392,177	1,201,147	1.5%

Source: website of the Stock Exchange

Notes:

(1) The share consolidation on the basis of every one hundred (100) existing Shares being consolidated into one (1) consolidated share became effective on 26 May 2025, pursuant to which the total number of issued Shares decreased from 1,878,622,000 Shares to 18,786,220 Shares.

(2) For February to June 2025, the percentages are calculated based on the total number of issued Shares of 18,786,220 Shares (being the total number of issued Shares on a post-Share Consolidation basis). For July 2025 to February 2026, the percentages are calculated based on the total number of issued Shares of 93,931,100 Shares (being the total number of issued Shares following the completion of the 2025 Rights Issue).

(3) The 2025 Rights Issue was completed on 30 July 2025, pursuant to which the total number of issued Shares increased from 18,786,220 Shares to 93,931,100 Shares.

As shown in the table above, the trading liquidity of the Shares was generally thin throughout the Review Period. During the entire Review Period, there were 14 trading days on which no Shares were traded at all, all of which occurred during the period from April to August 2025, demonstrating the limited marketability of the Shares.

For the period from February to June 2025 (being the period prior to the completion of the 2025 Rights Issue), the average daily trading volume as a percentage of the total number of issued Shares ranged from approximately 0.13% in February 2025 to approximately 1.81% in May 2025, while June 2025 saw a moderation to approximately 0.93%. For July 2025, the average daily trading volume represented approximately 0.22% of the total number of issued Shares.

Following the completion of the 2025 Rights Issue, trading activity picked up from August to September 2025, with average daily trading volumes representing approximately 0.51% and 2.70% of the total number of issued Shares respectively, coinciding with the sustained upward trend in the Share price during this period. In October 2025, trading volume surged significantly, with the average daily trading volume of approximately 10.03% of the total number of issued Shares.

From November 2025 onwards, trading volumes normalised as the Share price stabilised at lower levels. The average daily trading volume to the total number of issued Shares ranged from approximately 0.23% in February 2026 (up to and including the Last Trading Day) to approximately 1.06% in November 2025.

Regarding to the significant high trading volume in September, October and November 2025, we have discussed with the Directors and they are not aware of any reason for such unusual high trading volume of the Shares during the aforesaid period.

Out of the 13 months during the Review Period, only four months recorded average daily trading volume exceeding 1% of the total number of issued Shares. The remaining nine months recorded average daily trading volume of below 1%, ranging from approximately 0.13% to 0.87%. The temporary and unexplained nature of the volume surge suggests that it is not reflective of the normal trading pattern of the Shares. Furthermore, following the spike in September to November 2025, the average daily trading volume declined significantly and remained consistently below 1% from December 2025 onwards, ranging from approximately 0.23% to 0.87%. In addition, there were 14 trading days on which no Shares were traded at all during the Review Period. Taking the above into account, we consider that the trading liquidity of the Shares was generally thin throughout the Review Period.

The generally thin trading liquidity of the Shares during the Review Period suggests that it would be difficult for Shareholders to dispose of or acquire a substantial block of Shares in the open market without exerting a significant impact on the Share price. Furthermore, the thin trading liquidity may also present challenges for the Company in raising equity funds from third parties through other means (such as placing of new Shares) without offering a substantial discount to the prevailing Share price, as potential investors would typically require a greater price incentive to subscribe for shares with limited secondary market liquidity.

In view of the above, we consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to (i) the general downward trend of the market price of the Shares during the latter part of the Review Period and the recent stabilisation of the Share price in the range of approximately HK$0.198 to HK$0.260 from January 2026 to the Last Trading Day; and (ii) the generally thin trading liquidity of the Shares during the Review Period, which supports the rationale for setting the Subscription Price at a discount to the prevailing market price in order to encourage Qualifying Shareholders' participation in the 2026 Rights Issue.

Comparable Analysis

In order to further assess the fairness and reasonableness of the terms of the 2026 Rights Issue, we have identified an exhaustive list of 34 rights issue transactions announced by other companies listed on the Stock Exchange (the "**Comparables**") with relevant listing documents issued within the six months immediately prior to the Last Trading Day (the "**Comparable Review Period**") and up to the Last Trading Day. We believe that those rights issue transactions with listing documents issued implies that they have been approved by relevant shareholders or exempt from shareholders' approval and thus the terms and structure of these rights issue transactions are more meaningful for comparison. Shareholders should note that the subject companies in the Comparables may have different principal business activities, market capitalisations, profitability and financial positions as compared to those of the Company. Although the circumstances surrounding the Comparables may be different from those relating to the Company, we consider that the Comparable Review Period is adequate and fair and reasonable to capture the prevailing market conditions in relation to rights issue transactions which the Comparables, for illustrative purpose only, serve as a general reference for prevailing market practices in relation to rights issue transactions conducted by the companies listed on the Stock Exchange.

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day (%)	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day (%)	Underwriting/ placing commission, as the case may be (%)	Excess application Yes/No	Fully underwritten Yes/No	Maximum dilution effect (%) (Note 1)	Theoretical dilution impact (Note 2)
30 July 2025	18 August 2025	Da Yu Financial Holdings Limited	1073	1 for 2	(16.67)	(18.92)	N/A	Y	N	33.33	6.63
4 August 2025	1 September 2025	TOMO Holdings Limited	6928	1 for 2	(62.10)	(63.20)	1.00	N	N	33.33	21.30
6 August 2025	24 September 2025	Value Convergence Holdings Limited	821	2 for 1	(4.26)	(5.86)	2.50	Y	N	66.67	3.11
13 August 2025	11 September 2025	China Information Technology Development Limited	8178	3 for 8	(55.05)	(55.43)	7.07	Y	Y	27.27	15.12
19 September 2025	14 October 2025	Immunotech Biopharm Ltd	6978	1 for 5	(47.70)	(47.79)	1.45	Y	N	16.67	8.05
2 October 2025	20 October 2025	China New Economy Fund Limited	80	1 for 2	(29.29)	(27.23)	N/A	Y	N	33.33	9.70
22 September 2025	24 October 2025	Gameone Holdings Limited	8282	1 for 2	1.69	(0.99)	0.50	Y	N	33.33	0.55
26 September 2025	14 November 2025	Perfectech International Holdings Limited	765	1 for 2	(18.06)	(20.70)	N/A	Y	N	33.33	6.99
9 October 2025	17 November 2025	CCIAM Future Energy Limited	145	1 for 2	(18.62)	(19.05)	0.54	N	N	33.33	6.63
5 October 2025	20 November 2025	Fire Rock Holdings Limited	1909	1 for 2	(20.20)	(27.85)	0.07 *(Note 3)*	N	N	33.33	9.13
4 September 2025	21 November 2025	Aeso Holding Limited	8341	2 for 1	(25.70)	(23.10)	2.50	N	N	66.67	17.12
22 October 2025	21 November 2025	Crocodile Garments Limited	122	1 for 2	(22.68)	(22.44)	N/A	Y	N	33.33	7.56
10 September 2025	27 November 2025	China Automotive Interior Decoration Holdings Limited	48	3 for 2	(29.73)	(29.27)	1.50	N	N	60.00	17.84
14 August 2025	2 December 2025	China Energy Development Holdings Limited	228	1 for 2	(19.90)	(19.90)	N/A	Y	N	33.33	6.63
15 September 2025	3 December 2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	(33.64)	(35.23)	5.00	N	N	66.67	24.78
4 September 2025	5 December 2025	Many Idea Cloud Holdings Limited	6696	6 for 1	(22.08)	(24.56)	0.20	N	N	85.71	20.63
23 May 2025	15 December 2025	Zhong Ying International Group Ltd	8516	5 for 2	(33.00)	(33.00)	3.00	N	N	71.43	23.57
15 October 2025	22 December 2025	Winshine Science Co Ltd	209	7 for 1	(23.50)	(24.30)	2.50	Y	N	87.50	21.10
12 November 2025	29 December 2025	Domaine Power Holdings Ltd	442	1 for 2	(17.44)	(15.88)	N/A	Y	N	33.33	5.81
15 October 2025	30 December 2025	Synertone Communication Corporation	1613	2 for 1	(35.71)	(35.71)	1.00	N	N	66.67	23.81
24 October 2025	31 December 2025	IRC Ltd	1029	1 for 2	(16.39)	(17.21)	1.25	N	N	33.33	9.76
3 October 2025	31 December 2025	Macau Legend Development Ltd	1680	1 for 2	(45.45)	(44.44)	3.00	Y	Y	33.33	15.79
9 October 2025	2 January 2026	Hao Bai International (Cayman) Ltd	8431	4 for 1	(19.23)	(27.08)	1.50	N	N	80.00	23.24
4 November 2025	5 January 2026	Zhongshi Minan Holdings Limited	8283	5 for 1	(23.91)	(25.69)	2.50	N	N	83.33	21.67
12 December 2025	9 January 2026	Shun Wo Group Holdings Ltd	1591	1 for 3	(6.70)	(3.40)	N/A	Y	N	25.00	1.70
2 November 2025	15 January 2026	KNT Holdings Ltd	1025	1 for 1	(9.09)	(10.71)	3.00	N	N	50.00	9.39
17 October 2025	21 January 2026	World Super Holdings Ltd	8612	3 for 1	23.46	19.05	2.50	N	N	75.00	12.94
26 November 2025	26 January 2026	Capital VC Ltd	2324	1 for 1	(27.30)	(24.80)	3.00	N	N	50.00	13.60

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day *(%)*	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day *(%)*	Underwriting/ placing commission, as the case may be *(%)*	Excess application *Yes/No*	Fully underwritten *Yes/No*	Maximum dilution effect *(%) (Note 1)*	Theoretical dilution impact *(Note 2)*
7 November 2025	28 January 2026	Winto Group (Holdings) Ltd	8238	3 for 1	(6.98)	(6.10)	3.00	N	N	75.00	5.12
21 November 2025	28 January 2026	Crown International Corp Ltd	727	3 for 1	(19.75)	(26.14)	N/A	Y	N	75.00	20.97
19 November 2025	3 February 2026	Silkwave Inc	471	3 for 1	(31.06)	(32.29)	N/A	Y	N	75.00	24.51
14 January 2026	6 February 2026	Jutal Offshore Oil Services Ltd	3303	1 for 6	(69.23)	(69.35)	1.00	N	N	14.29	9.92
15 January 2026	12 February 2026	Shanghai International Shanghai Growth Investment Ltd	770	3 for 8	(60.00)	(60.00)	1.00	N	N	27.27	16.33
26 January 2026	13 February 2026	Kwan On Holdings Ltd	1559	1 for 2	(17.65)	(15.05)	N/A	Y	N	33.33	5.88
				Min	(69.23)	(69.35)	0.07			14.29	0.55
				Max	23.46	19.05	7.07			87.50	24.78
				Median	(22.38)	(24.68)	2.00			33.33	11.43
				Mean	(25.38)	(26.28)	2.11			49.37	13.14
				The Company	(20.00)	(20.00)	2.00	N	N	85.71	17.14

Source: The Stock Exchange

Notes:

1. The potential maximum dilution effect of each rights issue is calculated as number of rights shares issued or to be issued under the basis of entitlement divided by the total number of shares as enlarged by the rights issue according to their respective basis of entitlements and assuming all rights shares have been/will be allotted and issued times 100%.

2. The theoretical dilution effect is calculated in according to Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

3. The placing commission is calculated at a rate of 0.07%, based on a fixed placing commission of HK$100,000. This is determined in relation to the gross proceeds of the rights issue, which are approximately up to HK$151.68 million.

We noted from the above table that the majority of the Comparables had set the subscription price of their rights issue at a discount to the prevailing market price of the relevant shares before the relevant announcements in respect of the rights issue were made, except for two Comparables, being Gameone Holdings Limited (stock code: 8282) and World Super Holdings Ltd (stock code: 8612). The discount as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day of approximately 20.00% is within the range of Comparables of approximately 69.23% discount to approximately 23.46% premium, and is narrower than the average discount of approximately 25.38% and the median discount of approximately 22.38%. The discount as represented by the Subscription Price to the average closing prices of the Shares for the five previous consecutive trading days up to and including the Last Trading Day of approximately 20.00% is within the range of Comparables of approximately 69.35% discount to approximately 19.05% premium, and is narrower than the average discount of approximately 26.28% and the median discount of approximately 24.68%. The theoretical dilution impact of the Rights Issue of approximately 17.14% is within the range of Comparables of approximately 0.55% to approximately 24.78%, and is higher than the average of approximately 13.14% and the median of approximately 11.43%. In addition, pursuant to Rule 7.27B of the Listing Rules, we have considered the cumulative theoretical dilution effect of the Rights Issue in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025. We note that the cumulative theoretical dilution effect of approximately 19.56% is (i) **below the 25% threshold** stipulated under Rule 7.27B of the Listing Rules, beyond which the Stock Exchange would not normally consider the terms of a rights issue to be fair and reasonable; (ii) within the range of the Comparables of approximately 0.55% to approximately 24.78%; and (iii) higher than the average and median of the Comparables of approximately 13.14% and 11.43% respectively, but only marginally higher than the standalone theoretical dilution impact of the Rights Issue of approximately 17.14%. This suggests that the incremental dilutive impact of the Rights Issue, when assessed in aggregation with the 2025 Rights Issue under the Rule 7.27B framework, is limited. In light of the above, and in particular that the cumulative theoretical dilution effect remains below the 25% threshold under Rule 7.27B of the Listing Rules, we are of the view that the cumulative dilutive impact of the Rights Issue in aggregation with the 2025 Rights Issue is acceptable. The maximum dilution effect of approximately 85.71% is within the range of Comparables of approximately 14.29% to approximately 87.50%, and is higher than the average of approximately 49.37% and the median of approximately 33.33%, which is primarily attributable to the highly dilutive basis of entitlement of six (6) Rights Shares for every one (1) Consolidated Share under the Rights Issue. In light of the above, while we noted that the maximum dilution effect of approximately 85.71% is higher than the median and mean of the Comparables, we consider that the maximum dilution effect is justifiable given the Company's pressing funding needs, the limited alternative fundraising options, and the thin trading liquidity of the Shares which necessitates a meaningful discount to incentivise participation.

Shareholders should note that the above analysis is for reference only and may not be directly comparable given the differences in the financial condition, market capitalisation and business operations of the Company and each of the Comparables.

Pursuant to the Placing Agreement, the Company shall pay the Placing Agent a commission (the "**Placing Commission**") of 2.0% of the amount which is equal to the placing price (i.e. at least equal to the Subscription Price) multiplied by the Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion. As illustrated in the table above, the underwriting/placing commission rate of the Comparables ranged from 0.07% to 7.07%. The Placing Commission of 2.0% falls within the range of the underwriting/placing commission rate of the Comparables, and is close to the average of approximately 2.11% and equal to the median of approximately 2.00% of the Comparables. Accordingly, we consider that the Placing Commission is fair and reasonable. As the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Shares (including NQS Unsold Rights Shares) by offering the Shares to independent Placees for the benefit of the Shareholders to whom they are offered by way of the Rights Issue. There will be no excess application arrangement in relation to the Rights Issue. Given that the Compensatory Arrangements would provide (i) a distribution channel of the Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Overseas Shareholders, we concur with the view of the Board that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders. We have also reviewed other major terms of the Placing Agreement, including but not limited to the conditions and termination clause of the Placing Agreement (details of which are set out in the Letter from the Board) and we are not aware of any term which is unusual. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Having considered (i) the discount of the Subscription Price of approximately 20.00% to both the closing price of the Shares on the Last Trading Day and the average closing prices of the Shares for the five previous consecutive trading days up to and including the Last Trading Day, which is within the range of the Comparables and narrower than the average and median discounts of the Comparables; (ii) the Group's severely constrained financial position, with the Group being in a net tangible liability position; (iii) the loss-making position of the Group in the latest interim report of the Company and the prior years; (iv) the critical need for additional capital to address the Group's overdue liabilities and sustain its operations; and (v) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds", we are of the view that the Subscription Price is fair and reasonable to the Company and the Shareholders as a whole

IV. Effects on the shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Share Consolidation; (iii) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by all Qualifying Shareholders under the 2026 Rights Issue); and (iv) immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing):

Shareholders	As at the Latest Practicable Date		Immediately after the Share Consolidation		Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming full acceptance by the Qualifying Shareholders)		Immediately after the Share Consolidation and the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)	
	Shares	*Approx %*	*Shares*	*Approx %*	*Shares*	*Approx %*	*Shares*	*Approx %*
Xinxing Company Limited *(Note 1)*	243,300	0.26	9,732	0.26	68,124	0.26	9,732	0.04
Placees	–	–	–	–	–	–	22,543,464	85.71
Other public Shareholders	93,687,800	99.74	3,747,512	99.74	26,232,584	99.74	3,747,512	14.25
Total	**93,931,100**	**100.00**	**3,757,244**	**100.00**	**26,300,708**	**100.00**	**26,300,708**	**100.00**

Notes:

1. Xinxing Company Limited is a company wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the same number of Shares in which Xinxing Company Limited is interested by virtue of the SFO.

2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder of the Company after completion of the Placing. The Company will at all time and continue to comply with the public float requirements under Rule 8.08 of the Listing Rules before and after completion of the 2026 Rights Issue.

3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the 2026 Rights Issue are subject to various factors, including the results of acceptance of the 2026 Rights Issue and the results of the Placing.

V. Possible dilution effect to the existing public Shareholders

The 2026 Rights Issue provides Qualifying Shareholders with the opportunity to maintain their proportional interests in the Company and to participate in its future development, should they choose to do so. However, those Qualifying Shareholders who opt not to subscribe to the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the 2026 Rights Issue, with their aggregate interests potentially reduced by a maximum of approximately 85.71%.

As illustrated in the comparable table above, the theoretical dilution effect of the Comparables ranged from approximately 0.55% to 24.78%, with an average of 13.14% and a median of 11.43%. The theoretical dilution effect of the 2026 Rights Issue of approximately 17.14% falls within the range of the Comparables and does not exceed the 25% threshold under Rule 7.27B of the Listing Rules.

Having considered:

i. the theoretical dilution effect of the 2026 Rights Issue falls within the range of the Comparables and complies with the dilution limit under the Listing Rules;

ii. the proceeds from the 2026 Rights Issue will be applied primarily toward the settlement of the Group's overdue liabilities, which is critical to the Group's continued operations;

iii. the 2026 Rights Issue will strengthen the Group's financial position;

iv. all Qualifying Shareholders are given an equal opportunity to maintain their shareholding interests and participate in the Company's development;

v. the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and

vi. the flexibility provided to Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market,

we consider that the potential dilution effect of the 2026 Rights Issue is justifiable.

VI. Possible Financial Effects of the 2026 Rights Issue

In terms of the net tangible liabilities per Consolidated Share, as set out in Appendix II to the Circular, upon completion of the 2026 Rights Issue, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company per Consolidated Share immediately after the completion of the 2026 Rights Issue would be approximately HK$0.14 (assuming all Rights Shares will be taken up at the Subscription Price of HK$4.7 per Consolidated Share), as compared to the audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company of approximately HK$3,744,436,000 (or approximately HK$0.99 per Consolidated Share based on 26,300,708 Consolidated Shares in issue upon completion of the Rights Issue, which comprises 3,757,244 Consolidated Shares in issue before the Rights Issue and 22,543,464 shares to be issued under the Rights Issue) as at 31 December 2025. Despite the Group being in a net tangible liability position, the 2026 Rights Issue would reduce the net tangible liabilities per Consolidated Share from approximately HK$0.99 to approximately HK$0.14, primarily due to the infusion of new equity capital.

We have carefully considered (i) the reasons for the 2026 Rights Issue as outlined in the Letter from the Board, and (ii) the rights of the Qualifying Shareholders to take up their respective entitlements, which allows them to maintain their shareholdings in the Company and participate in the Group's potential recovery. In our view, the overall impact on the consolidated net tangible liabilities of the Group attributable to owners of the Company per ordinary share is fair and reasonable, and it serves the best interests of the Company and its Shareholders as a whole.

In terms of liquidity position, as disclosed in the 2025 Annual Report, the Group had cash and cash equivalents of approximately RMB7.0 million and the Group had current assets of approximately RMB1.1 billion and current liabilities of approximately RMB5.7 billion as at 31 December 2025, with current ratio (being current assets divided by current liabilities) of approximately 0.18, reflecting a severely constrained liquidity position. Immediately upon completion of the 2026 Rights Issue, the cash and cash equivalents of the Group may increase by up to the maximum amount of net proceeds from the 2026 Rights Issue; that is up to approximately HK$101.4 million (equivalent to approximately RMB91.8 million). In such case, the current ratio of the Group will potentially increase from approximately 0.18 to approximately 0.2. Additionally, the total deficit of the Group, which amounted to approximately HK$4,103.4 million (equivalent to approximately RMB3,716.4 million) as at 31 December 2025, will be reduced by the additional equity capital from the 2026 Rights Issue, thereby improving its overall financial position, although the Group is expected to remain in a net liability position after the 2026 Rights Issue. As such, the current ratio and the Group's liquidity position will improve following the 2026 Rights Issue.

After taking into consideration the above, particularly the improvement in liquidity position of the Group, we are of the view that the 2026 Rights Issue is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration the above principal factors and reasons, we are of the view that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
First Global Corporate Finance Co., Limited
Wendy Liu
Managing Director

Ms. Liu is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of First Global Corporate Finance Co., Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014.

1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the year ended 31 December 2023 ("**FY2023**") have been set out on pages 130 to 228 in the annual report 2023 of the Company which was published on 21 March 2025 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2023 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0321/2025032100029.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2024 ("**FY2024**") have been set out on pages 133 to 224 in the annual report 2024 of the Company which was published on 30 April 2025 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2024 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043004215.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2025 ("**FY2025**") have been set out on pages 119 to 206 in the annual report 2025 of the Company which was published on 30 April 2026 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2025 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043003262.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Other borrowings

	Note	**As at 31 March 2026** *RMB'000*
Other borrowings – unsecured and guaranteed	*(a)*	1,222,359

Note:

(a) As at 31 March 2026, other borrowings of approximately RMB1,209,000,000 were guaranteed by the director of the Company and certain assets of the Group.

Convertible bonds

	As at 31 March 2026 *RMB'000*
Convertible bonds – secured and guaranteed	202,935

As at the close of business on 31 March 2026, save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any other borrowings or indebtedness in the nature of borrowings of the Group issued and outstanding or agreed to be issued, including debt securities, term loans, other borrowings or indebtedness, bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments, mortgages, charges, guarantees or other contingent liabilities.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the 2026 Rights Issue, the working capital available for the Group is sufficient for its present requirements for at least the twelve (12) months from the Latest Practicable Date in the absence of any unforeseen circumstances.

4. NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the property development, property investment and property leasing in the PRC.

The Group generated revenue of approximately RMB422.6 million during FY2023, despite the market sentiments in the property sector remaining unchanged, the increase in revenue is due to completion of the second and third phases of the residential development of Shandong Tengzhou Xingmeng International Commercial City（山東滕州興盟國際商城)(the "**Shandong Project**") and delivery of the properties to the customers during the year. The Group generated revenue of approximately RMB86.8 million during FY2024, which was mainly attributable to the completion of sale of commercial properties in the second and third phases of the Shandong Project, which had been affected by the overall downturn in the PRC property market. The Group generated revenue of approximately RMB109.5 million during FY2025. Total gross floor area of property sales delivered was approximately 14,397.7 sq.m., representing an increase of approximately 6,946.4 sq.m. as compared with FY2024 due to the increase in sales activity of the

Shangdong Project and the property development project Shanghai Xinming • Children's World (the "**Shanghai Project**") but at lower selling prices and the sluggish market sentiment resulting in prolonged sales cycles and intensified market competition as real estate developers aggressively pursued sales by lowering prices and offering promotions.

As at the Latest Practicable Date, the details of the Company's key property development projects are as follows:

Project name	Existing use	Phase	Development stage	Remaining saleable GFA (m^2) (approx.)	Sales/leasing progress
Shandong Project	Residential and commercial	Block nos. 1, 2, 3, 4, 5, 6, 7, 13, 15 of the residential properties	Construction completed in June 2023, currently in the process of applying for title certificates for each unit	Pending issue of title certificates	Pending issue of title certificates
		Block nos. 9 and 16 of the residential properties	Construction completed in September 2025, title certificates expected to be obtained by June 2026	Residential properties: 8,200 m^2	In progress, expected to complete the sale of approximately 55% of the residential units by the end of 2026
		Block nos. 12, 19 and 20 of the residential properties	Under development, expected to begin construction in May 2026 and obtain pre-sale permit by October 2026. Construction expected to be completed in October 2028.	Residential properties: 33,400 m^2	Expected to begin pre-sales by October 2026, and expected to complete the sale of approximately 35% of the residential units by the end of 2026
		Zone A of the commercial properties	Construction completed	46,500 m^2	Commercial leasing expected to begin in June 2026
		Zone B4 of the commercial properties	Construction completed	10,500 m^2	Commercial leasing expected to begin in June 2026
		Ground floor commercial shops	Construction completed	3,900 m^2	In progress, approximately 15% of shops were sold in 2026
Shanghai Project	Commercial	N/A	Construction completed	92,400 m^2, of which: 43,700 m^2 are saleable; and 48,700 m^2 are held for investment	In progress, expected to be completed by July 2026

The Group generated gross profit of approximately RMB53.4 million during FY2023, representing a gross profit margin of approximately 12.6%. The Group generated gross profit of approximately RMB20.7 million for FY2024, representing a gross profit margin of approximately 23.8%. The decrease in gross profit for FY2023 and FY2024 was mainly attributable to the sale of Shandong residential properties held for sale at a lower price due to the negative market sentiments, which had stabilised and improved slightly in FY2024 due to cost control measures implemented by the Group for the Shandong residential properties held for sale. The Group generated gross profit of approximately RMB4.9 million for FY2025, representing a gross profit margin of approximately 4.5%. The decrease in gross profit margin for FY2024 and FY2025 was mainly attributable to an increase in the sales contribution of the Shanghai Project, which has a higher construction costs as compared to the Shandong Project and the lower average selling price of properties sold amid increased competitive pricing amongst property developers.

The Group recorded loss of approximately RMB592.6 million during FY2023, mainly attributable to other expenses of approximately RMB444.1 million, which is mainly liquidated damages on borrowings. The Group recorded loss of approximately RMB589.7 million during FY2024, mainly attributable to a decrease in revenue and the increase in liquidated damages on borrowings. The Group recorded loss of approximately RMB239.3 million during FY2025, mainly attributable to a decrease in other expenses during FY2025.

In 2026, China's economy is expected to continue to have a stable growth. The PRC government has set a GDP growth target of 4.5%–5% for 2026 under the "15th Five-Year Plan". The PRC government has shown efforts to implement mid- to long-term policy measures focused on promoting and facilitating the construction of high-quality property developments and advancing urban renewal projects in the PRC, indicating that the real estate sector is a fundamental industry to the country. Various cities in the PRC are expected to implement new policies and approaches to manage the new housing supply and reduce existing housing inventory. It is expected that with the easing of restrictions on and lowering the barriers and costs of home purchases in major cities, the transaction volume and prices in the PRC real estate sector will stabilise and improve overall market confidence as a result. Looking ahead to 2026, the Group expects a gradual and steady recovery as the effect of PRC government's supportive policies filters through to the broader market, transitioning into a return to normal business operations.

The Group sees both challenges and opportunities during this pivoting transition period. The Group will remain cautious yet proactive, by leveraging the Group's established presence in Shandong and the Yangtze River Delta to capture emerging demand. With proper positioning and strategic marketing of the completed and soon-to-be completed residential property development projects, the Group will be able to locate potential customers and buyers who target quality properties with investment potential. By focusing on the restoration of the Group's credit profile and the successful property sales of the Shanghai Project, the Group aims to transition from a period of financial survival to a stage of sustainable revitalization in 2026.

The Group will continue to proactively progress with (i) the acceleration of the pre-sale and sale of properties under development and completed properties, (ii) the procurement and formulation of the terms with large property developer(s) to sell property development project(s) and/or commercial properties at an appropriate price and the identification and negotiations with new investors to participate in renovation works in order to increase the underlying value and to accelerate the sale of properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties while also exploring the feasibility of assets revitalisation (including but not limited to changing of property use and sale of properties in its entirety). Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

For illustrative purposes only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the 2026 Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company (the "**Unaudited Pro forma Financial Information**") which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the 2026 Rights Issue on the consolidated net tangible liabilities of the Group attributable to equity holders of the Company as if the 2026 Rights Issue had been completed on 31 December 2025. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible liabilities of the Group attributable to equity holders of the Company had of the 2026 Rights Issue been completed as at 31 December 2025 or at any future date.

The Unaudited Pro Forma Information is prepared based on the unaudited consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 as derived from the annual report 2025 of the Company and is adjusted for the effect of the 2026 Rights Issue as if the 2026 Rights Issue had been completed as at 31 December 2025.

	Audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 *(Note 1)*	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share before completion of the 2026 Rights Issue (assuming that the Share Consolidation has become effective)	Estimated net proceeds from the 2026 Rights Issue *(Note 2)*	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 immediately after completion of the 2026 Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share immediately after completion of the 2026 Rights Issue *(Note 3)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Based on 22,543,464 Rights Shares to be issued at the Subscription Price of HK$4.70 per Consolidated Share	(3,744,436)	(0.99)	101,354	(3,643,082)	(0.14)

Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company of HK$3,744,436,000 as at 31 December 2025 is extracted from the annual report 2025 of the Company. The amount is based on deducting non-controlling interests of approximately HK$358,970,000 from the total deficit of approximately HK$4,103,407,000. Based on an exchange rate of RMB1 to HK$1.104 as at 31 December 2025.

2. The estimated net proceeds from the 2026 Rights Issue are based on 22,543,464 Rights Shares (calculated on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date, details as disclosed in note 3) to be issued at the subscription price of HK$4.70 per Consolidated Share, after deducting the estimated related expenses of HK$4,600,000 to be incurred by the Group.

3. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share immediately after completion of the 2026 Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 of HK$3,643,082,000 divided by 26,300,708 Consolidated Shares in issue upon completion of the 2026 Rights Issue, which comprises 3,757,244 Consolidated Shares in issue before the 2026 Rights Issue and 22,543,464 Rights Shares to be issued under the 2026 Rights Issue.

4. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

(B) REPORTING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Global Link CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's Unaudited Pro Forma Financial Information prepared for the purpose of incorporation in this circular.



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Board of Directors of Xinming China Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Xinming China Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 and related notes as set out on in appendix II of the circular issued by the Company dated 15 May 2026 (the "**Circular**") issued in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue of the Company on the basis of six rights shares for every one share held on the record date on a non-underwritten basis (the "**Rights Issue**") on the Group's financial position as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's audited consolidated financial statements for the year ended 31 December 2025, on which an audit report with a disclaimer of opinion has been published.

Directors' Responsibility for the Unaudited pro forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management ("**HKSQM**") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Global Link CPA Limited
Certified Public Accountants
Hong Kong
15 May 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the Share Consolidation becoming effective; and (iii) immediately after completion of the 2026 Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date, other than the Share Consolidation) will be as follows:

(a) As at the Latest Practicable Date

	Number of Shares	Nominal value of Shares
		HK$
Authorised	10,000,000,000	100,000,000
Issued and fully paid	93,931,100	939,311

(b) Immediately upon the Share Consolidation becoming effective

	Number of Shares	Nominal value of Shares
		HK$
Authorised	400,000,000	100,000,000
Issued and fully paid	3,757,244	939,311

(c) Immediately after completion of the 2026 Rights Issue

	Number of Shares	Nominal value of Shares
		HK$
Authorised	400,000,000	100,000,000
Issued and fully paid	3,757,244	939,311
Rights Shares to be issued	22,543,464	5,635,866
Shares in issue immediately after the 2026 Rights Issue	26,300,708	6,575,177

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. Other than the Share Consolidation, the Company has no intention to issue or grant any Shares, warrants, options and/or convertible securities on or before the Record Date.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the 2026 Rights Issue. No part of the securities (including debt securities) of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of each Director and the chief executive of the Company in the Existing Shares, underlying Existing Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or

(b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ Chief Executive	Capacity	Number of Existing Shares held – long position	Approximate percentage of the issued share capital of the Company
Mr. Chen	Interest of controlled corporation *(Note 1)*	243,300	0.26%

Note 1: 243,300 Existing Shares are registered in the name of Xinxing Company Limited, a company wholly-owned by Mr. Chen.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their associates had any interests or short positions in any Existing Shares, underlying Existing Shares or debentures of the Company or any associated corporation which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' and other persons' interests and short positions in Shares and underlying Shares

Save as disclosed in paragraph (a) above in relation to the interests of Mr. Chen, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any persons (other than the Directors and the chief executive of the Company), companies, or director or proposed director who was a director or employee of a company which, as at the Latest Practicable Date, had interests or short positions in the Existing Shares or underlying Existing Shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claims of material importance, and none of the Directors was aware of any litigation, arbitration or claims of material importance pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within two (2) years immediately preceding the date of this circular and up to the Latest Practicable Date:

(a) the placing agreement dated 6 December 2024 entered into between the Company and the Placing Agent in relation to the placing of Shares in the 2025 Rights Issue;

(b) the placing agreement dated 16 June 2025 entered into between the Company and Asia Pacific Securities Limited (as placing agent) in relation to the placing of Shares in the 2025 Rights Issue;

(c) the Original Placing Agreement; and

(d) the Supplemental Placing Agreement.

8. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors was interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

9. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following experts have given statement, opinion and/or advice which are contained or referred to in this circular:

Name	Qualification
Global Link CPA Limited	Certified Public Accountants
First Global Corporate Finance Co., Limited	a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity and the Independent Financial Adviser

As at the Latest Practicable Date, each of the experts above had given and had not withdrawn its written consent to the issue of this circular with such expert's name and statement, opinion and/or advice included in the form and context in which it is included.

As at the Latest Practicable Date, each of the experts above (i) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares or securities in any member of the Group; and (ii) did not have any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION

Executive Directors	Mr. Chen Chengshou *(Chairman and Chief Executive Officer)* Mr. Shi Jianwen
Independent Non-executive Directors	Ms. Chan Wai Yan Ms. Huang Chunlian Ms. Lee Yin Man
Authorised representatives	Mr. Shi Jianwen Mr. Law Hok Yu

Company Secretary	Mr. Law Hok Yu *(Certified public accountant of the Hong Kong Institute of Certified Public Accountants)*
Business address of all the Directors and senior management	Unit D, 7/F, Kee Shing Centre 74-76 Kimberley Road Tsim Sha Tsui, Kowloon Hong Kong
Registered office	Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters in the PRC	Block I, 5th Floor Hengli Building No. 5 Huang Long Road, Hangzhou Zhejiang Province, PRC
Principal place of business in Hong Kong	Unit D, 7/F, Kee Shing Centre 74-76 Kimberley Road Tsim Sha Tsui, Kowloon Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited 17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Industrial and Commercial Bank of China, Tengzhou Branch 1/F, Zhongwan International Jinghe Middle Road Tengzhou City, Shandong Province, PRC Agricultural Bank of China, Branch of Datong Road, Tengzhou 1/F, Minzu Building Tengzhou Railway Station Square Tengzhou City, Shandong Province, PRC

China Construction Bank, Branch of Datong Road, Tengzhou
1 Datong Road
Tengzhou City, Shandong Province, PRC

Agricultural Bank of China, Taizhou Jiazhi Branch
No. 101-108, Building 1
No. 8 North Section of Taizhou Avenue Jiazhi Street
Taizhou City, Zhejiang Province, PRC

Taizhou Bank, Hongjia Branch
No. 399 Hongzhou Avenue
Hongjia Street, Jiaojiang District
Taizhou City, PRC

Auditor

Global Link CPA Limited
Certified Public Accountants
Suite 1604, 16/F
Shun Tak Centre West Tower,
No. 168-200 Connaught Road Central
Sheung Wan, Hong Kong

11. PARTIES INVOLVED IN THE 2026 RIGHTS ISSUE

Company

Xinming China Holdings Limited
Unit D, 7/F, Kee Shing Centre
74-76 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

Reporting accountant of the Company

Global Link CPA Limited
Certified Public Accountants
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Shun Tak Centre West Tower,
No. 168-200 Connaught Road Central
Sheung Wan, Hong Kong

Independent Financial Adviser

First Global Corporate Finance Co., Limited
Room 1706-07, 17/F
China Insurance Group Building
141 Des Voeux Road Central
Central, Hong Kong

Placing Agent	Advent Securities (Hong Kong) Limited Unit A–C, 11/F, Kee Shing Centre 74-76 Kimberley Road Kowloon, Hong Kong

12. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chen Chengshou, aged 60, was appointed as an executive Director, the chairman, chief executive officer, chairman of the Nomination Committee and an authorized representative of the Company on 16 January 2014. Mr. Chen ceased to be an authorized representative of the Company as a result of his intention to concentrate on his other role on the Board on 5 February 2020. He is the founder of the Group and primarily responsible for corporate strategic planning and overall business development of the Group. Mr. Chen had over 30 years of experience in the real estate industry. He has been the chairman of the board of Taizhou City Xinming Real Estate Development Company Limited*(台州市新明房地產開發有限公司) since February 2007 and a director of certain subsidiaries of the Group. Mr. Chen has been first participated in the management of the property development business in the PRC since June 2001 when he was appointed as the chairman of Hangzhou Taoyuan Shanzhuang Property Development Limited*(杭州桃源山莊房地產開發有限公司)("**Taoyuan Property**").

Mr. Chen is the chairman of Hangzhou City Chamber of Commerce for Enterprises Invested in Hangzhou*(杭州市來杭投資企業(商會)聯合會), a member of the standing committee of Federation of Industry & Commerce of Zhejiang Province*(浙江省工商聯), the vice-chairman of Hangzhou Public Diplomacy Association*(杭州公共外交協會), a member of the Eleventh Hangzhou City Committee of the Chinese People's Political Consultative Conference*(中國人民政治協商會議第十一屆杭州市委員會), the honorary chairman of the Hangzhou City Wenzhou Chamber of Commerce*(杭州市溫州商會), the chairman of the Nationwide Taishun Entrepreneurs Fellowship Association*(全國泰順企業家聯誼會) and the vice chairman of Hangzhou City Chamber of Commerce*(杭州市總商會). He was appointed as the deputy director of the market committee of Chinese General Chamber of Commerce*(中國商業聯合會) in March 2013. He has also been a director of Wenzhou Bank since November 2012 and a part-time tutor of master degree in international business of Zhejiang University(浙江大學) since February 2014.

Mr. Chen was awarded "Excellent Entrepreneur of Hangzhou*(傑出杭商)" in October 2016, "Outstanding Contribution of Entrepreneurs of Wenzhou for years 2013 to 2015* (2013-2015年度溫商回歸突出貢獻人物)" in September 2016, "Top ten in Zhejiang Real Estate Industry in the "12th Five-Year Plan"*(「十二五」浙江房地產十大風雲人物)" in June 2016, "2016 Worldwide Outstanding 30 People of Entrepreneur of Wenzhou (External)*(二零一六年世界溫商百名風雲人物－在外傑出溫商三十人)" in February 2016; "Wenzhou People of the Year*(世界溫州人年度人物)" and "One Hundred Excellent Entrepreneur of Wenzhou*(世界溫商百名風雲人物)" in December 2014; "Entrepreneur with Good Character of Hangzhou*(品質杭商)" jointly by Hangzhou Municipal Committee of the Communist Party of China*(中共杭州市委) and The People's Government of Hangzhou*(杭州市人民政府) in October 2013, "Outstanding Representative of Credible Entrepreneurs of Wenzhou*(誠信溫商傑出代表)" jointly by Promotion Department of Wenzhou Municipal Committee of the Communist Party of China*(溫州市委宣傳部) and Wenzhou Credibility Office*(溫州市信用辦公室) in August 2011, "Outstanding Builder of Socialist Undertaking*(優秀社會主義事業建設者)" jointly by Hangzhou Municipal Committee of the Communist Party of China*(中共杭州市委) and The People's Government of Hangzhou*(杭州市人民政府) in September 2010 and "Staff Caring Excellent Entrepreneur*(關愛員工優秀企業家)" jointly by Federation of Trade Union of Hangzhou*(杭州市總工會) and Hangzhou Federation of Industry and Commerce (杭州市工商聯合會) in December 2009.

Mr. Chen obtained a graduation certificate in administrative management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2013. Mr. Chen obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2015. Mr. Chen obtained a master's degree in business administration from Tsinghua University in April 2018.

Mr. Shi Jianwen, aged 32, was appointed as an executive director on 22 August 2025. Mr. Shi has over 8 years of experience in finance and corporate management. Since 2020, he has worked in Shenzhen Zhongzhu Kaixuan Supply Chain Management Co., Ltd. and is currently the general manager. Prior to 2020, he also worked in Shenzhen BYD International Financial Leasing Co., Ltd. and Hengtai International Financial Leasing Co., Ltd., as a project manager and account manager respectively. Since 20 May 2024, Mr. Shi served as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee and as an independent non-executive director of Hang Yick Holdings Company Limited (stock code: 1894).

Mr. Shi obtained a bachelor's degree in Economics from Zhuhai College of Beijing Institute of Technology in 2017.

Independent Non-executive Directors

Ms. Lee Yin Man, aged 42, was appointed as an independent non-executive Director on 9 August 2024. She has 15 years of experience in human resources management, administration, company secretarial services and corporate communications of various companies listed on the Stock Exchange. From August 2016 to January 2018, Ms. Lee served as the human resources director of China Innovation Investment Limited (stock code: 1217). From February 2018 to December 2019, Ms. Lee served as the administration and human resources manager of Hope Life International Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1683). From January 2020 to March 2023, Ms. Lee served as the administration and human resources director of Greater Bay Convergence Services Limited. Ms. Lee holds a Bachelor of Arts Degree from the City University of Hong Kong and a Master Degree in Human Resources Management from Hong Kong Baptist University.

Ms. Huang Chunlian, aged 30, was appointed as an independent non-executive Director on 9 August 2024. She has over 7 years of experience in finance and corporate management. Ms. Huang has served as the financial director of Shenzhen Guangyi Xiangtong Trading Company Limited.*(深圳市廣翊翔通貿易有限公司) since 2020. Ms. Huang obtained a Bachelor's Degree in Accounting from South China Normal University (華南師範大學) in China in 2020.

Ms. Chan Wai Yan, aged 30, was appointed as an independent non-executive Director on 11 April 2025. She obtained a bachelor's degree in Accounting from University of Hull in England. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 8 years of financial and accounting experiences. Ms. Chan is currently an independent non-executive director of Hope Life International Holdings Limited (stock code: 1683), since October 2023, an independent non-executive director of Royal Century Resources Holdings Limited (stock code: 8125), since May 2024 and an independent non-executive director of OneConstruction Group Limited (Nasdaq stock code: ONEG) since the listing in December 2024.

13. EXPENSES

The expenses in connection with the 2026 Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and the placing of all Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent), printing, registration and translation fees, legal fees and accountancy charges are estimated to be approximately HK$4.6 million, which are payable by the Company.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.xinm.net.cn) for not less than 14 days from the date of this circular:

(a) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, the text of which is set out on pages 40 to 41 of this circular;

(b) the letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, the text of which is set out on pages 42 to 75 of this circular;

(c) the independent reporting accountants' assurance report in respect of the Group's unaudited pro forma financial information as set out in Appendix II to this circular;

(d) the written consents of each of the experts as referred to in the section headed "9. Qualifications and Consents of Experts" in this Appendix;

(e) the material contracts referred in the section headed "7. Material Contracts" in this Appendix; and

(f) the annual reports of the Company for each of the three years ended 31 December 2023, 2024 and 2025.

15. MISCELLANEOUS

(a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(b) In the event of any inconsistency, the English text of this circular, the notice of EGM and the accompanying form of proxy shall prevail over their respective Chinese text.

新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2699)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Xinming China Holdings Limited (the "**Company**") will be held at 3/F, Office Plus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong at 11:00 a.m. on Monday, 1 June 2026 for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions. Unless the context specifies otherwise, capitalised terms used herein have the same meaning as defined in the circular of the Company dated 15 May 2026 (the "**Circular**"):

ORDINARY RESOLUTIONS

1. "**THAT** subject to the fulfilment of the conditions set out the section headed "(I) Proposed Share Consolidation – Conditions of the Share Consolidation" under the letter from the board of directors of the Company (the "**Board**") in the circular of the Company dated 15 May 2026 (the "**Circular**") (including The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting, and not having withdrawn or revoked the listing of, and permission to deal, in the Consolidated Shares (as defined below)), with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange or on the business day the aforesaid conditions are fulfiled (whichever is later):

   (a) every twenty five (25) issued and unissued ordinary shares of par value HK$0.01 each in the share capital of the Company (the "**Share(s)**") be consolidated into one (1) ordinary share of par value HK$0.25 each (the "**Consolidated Shares**" and each a "**Consolidated Share**") in the share capital of the Company (the "**Share Consolidation**"); so that the authorised share capital of the Company shall be changed from HK$100,000,000 divided into 10,000,000,000 Shares to HK$100,000,000 divided into 400,000,000 Consolidated Shares immediately follow the Share Consolidation;

(b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to shareholders entitled thereto but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the Board may think fit;

(c) each of the Consolidated Shares arising from the Share Consolidation shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company; and

(d) any one of the directors of the Company (each a "**Director**"), the registered office provider and/or the Cayman Islands legal counsel of the Company be and are hereby authorised to do all such acts and things (including without limitation arranging for the requisite filings and applications with the Registrar of Companies in the Cayman Islands (where applicable)) and execute and deliver all such documents, which are ancillary to the Share Consolidation, on behalf of the Company (including under seal by a Director, where applicable), as they may consider necessary or expedient to give effect to, implement and complete the Share Consolidation."

2. "**THAT** subject to (i) the passing of ordinary resolution number 1 above; and (ii) the fulfilment of the conditions set out the section headed "(II) Proposed 2026 Rights Issue – Details of the 2026 Rights Issue – Conditions of the 2026 Rights Issue" under the letter from the Board in the Circular (including the Stock Exchange granting, and not having withdrawn or revoked the listing of, and permission to deal, in the Rights Shares (as defined below)):

(a) the allotment and issue by the Company by way of rights (the "**2026 Rights Issue**") of up to 22,543,464 ordinary shares of par value HK$0.25 each of the Company (the "**Rights Shares**" and each a "**Rights Share**") at a subscription price of HK$4.70 per Rights Share (the "**Subscription Price**") to the qualifying shareholders of the Company (the "**Qualifying Shareholders**") whose names appear on the register of members of the Company on Friday, 12 June 2026 or such other date as the Company may determine, being the date by reference to which entitlements of such shareholders to participate in the 2026 Rights Issue will be determined (the "**Record Date**") (other than those shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong to whom the Board, after making reasonable enquiries, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions or prohibitions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such jurisdiction (the "**Non-Qualifying Shareholders**")) on the

basis of six (6) Rights Shares for every one (1) Consolidated Share then held on the Record Date and pursuant to the terms and conditions as set out in the Circular (a copy of which marked "A" is produced to the EGM and initialed by the chairperson of the EGM for the purpose of identification) of which this notice convening the EGM forms part, be and is hereby approved;

(b) the terms of, and the Company's entry into and performance of the placing agreement dated 16 February 2026 entered into between the Company and Advent Securities (Hong Kong) Limited (as placing agent) (the "**Placing Agent**") (a copy of which marked "B" is produced to the EGM and initialed by the chairperson of the EGM for the purpose of identification), as amended and supplemented by the supplemental placing agreement dated 22 April 2026 entered into between the Company and the Placing Agent (a copy of which marked "C" is produced to the EGM and initialed by the chairperson of the EGM for the purpose of identification) in relation to the placing of (i) the Rights Shares that are not subscribed by the Qualifying Shareholders and/or (ii) the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company, at the placing price of not less than the Subscription Price on a best-efforts basis, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

(c) any one of the Directors be and is hereby authorised to allot and issue the Rights Shares (in their nil-paid form and fully-paid form) pursuant to and in connection with the 2026 Rights Issue notwithstanding the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any one of the Directors be and is hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or the Non-Qualifying Shareholders as he/she deems necessary, desirable or expedient having regard to any restrictions or obligations under the memorandum and articles of association of the Company, all applicable laws and/or any rules and regulations of any recognised regulatory body or stock exchange in any jurisdiction outside Hong Kong; and

(d) any one of the Directors be and is hereby authorised to do all such acts and things as he/she may in his/her discretion consider necessary, desirable or expedient for the purposes of, in connection with, to implement and/or to otherwise give effect to the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, including but not limited to executing and delivering, and (where required) to affix the common seal of the Company to, all such documents as he/she may in his/her discretion consider necessary, desirable or expedient for the purposes of, in connection with, to implement and/or to otherwise give effect to the 2026 Rights Issue, the Placing and the transactions contemplated thereunder, and including but not limited to the allotment and

issues of the Rights Shares and to agree with such variation, amendment or waiver, to the extent permitted by law, in relation to the 2026 Rights Issue, the Placing and the transactions contemplated thereunder as he/she may in his/her discretion consider appropriate and in the best interests of the Company and its shareholders as a whole.''

By order of the Board
Xinming China Holdings Limited
Shi Jianwen
Executive Director

Hong Kong, 15 May 2026

Notes:

1. Any Shareholder entitled to attend, speak and vote at the EGM will be entitled to appoint a proxy or, if such Shareholder is a holder of two or more shares, proxies to attend, speak and vote in such Shareholder's stead. A proxy need not be a Shareholder but must attend the EGM in person to represent the appointing Shareholder.

2. To be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Saturday, 30 May 2026) for holding of the EGM or any adjournment thereof.

3. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof (as the case may be) and in such event the instrument appointing the proxy shall be deemed to be revoked.

4. Where there are joint holders of any share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the EGM, whether in person or by proxy, the one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

5. The register of members of the Company will be closed from Tuesday, 26 May 2026 to Monday, 1 June 2026 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period. In order to be registered as members of the Company prior to the book closure period, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 22 May 2026.

6. In compliance with the Listing Rules, all the resolutions to be proposed at the EGM will be voted on by way of poll at the EGM.

7. References to times and dates in this notice are to Hong Kong local times and dates.

8. As at the date hereof, the Board comprises two executive Directors, namely Mr. Chen Chengshou and Mr. Shi Jianwen; and three independent non-executive Directors, namely Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man.