



# COUNTRY GARDEN

Holdings Company Limited

碧桂園控股有限公司

Stock Code : 2007

(Incorporated in the Cayman Islands with limited liability)

ANNUAL REPORT  
**2025**

# WHAT IS COUNTRY GARDEN

Country Garden is a high-tech conglomerate working for society's happiness.

## **We are committed to robotics and technology-enabled construction**

The rapidly evolving, diverse technologies have culminated in the age of robotics. We commit ourselves to this wave of technological innovation by recruiting diverse talents. We draw on their expertise and harness the power of technology to create a better life for society and add impetus to the country's technological advancement and quality development.

We established Bright Dream Robotics to develop and apply construction robots, raising the level of intelligentization of construction work.

We set up a technology-enabled construction group to develop a smart construction system that encompasses construction robots, a new type of prefabricated construction, smart equipment and digitalization through building information modeling (BIM). The effort aims at a perfect combination of workplace safety, quality, efficiency, environmental protection and technology. The company is also developing the businesses of general contracting and labour sub-contracting as it initiates and promotes a transformation in the traditional construction sector.

We have established Phoenix Management Company to actively expand into light-asset management and construction services. Leveraging the Group's extensive expertise in design, development, cost management, and customer resources accumulated over the years, we analyze market demands and continuously refine our products. By working closely with our partners, we strive to deliver exceptional projects.

## **We build good housing and good communities**

Country Garden devotes itself to China's new type of urbanization. In the spirit of the craftsman, we design and build green, low-carbon, intelligent and safe housing, which comes with exquisite interior decoration, scenic gardens, comprehensive amenities and thoughtful services to the residents. We have converted over 1,400 rural towns to modern cities across the country, and more than five million people have chosen to make their homes in housing estates developed by Country Garden. We are proud to have contributed to the urbanization and modernization of our country.

## **We fulfil social responsibility**

We join charitable causes to promote common prosperity. Since its establishment, Country Garden, together with its founder, have donated a cumulative total of over RMB10 billion to charity and carried out its work in poverty alleviation and rural revitalization in 57 counties in 16 provinces across the country, benefitting 490,000 people. It will build on its achievements in poverty alleviation by helping to turn villages into harmonious and good places to live and work, thus contributing to rural revitalization.

Established in 1992, Country Garden was listed on the Stock Exchange of Hong Kong in 2007. Country Garden fosters loyalty to the Communist Party of China and patriotism in its corporate culture. It aspires to be a conscientious, socially responsible and transparent company that works diligently for China's modernization and the Chinese Dream of national rejuvenation.

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**Country Garden —  
We are here to make  
society a better place.**

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## Design Concept

Anchored on a core image, the design showcases the grand ambition of Country Garden Group as it unites its members, converges with shared goals and strides towards an infinite future. This core image extends upwards, symbolizing the Group's ability to rise stronger in adversity, strive relentlessly and collectively build a better future.



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# CORPORATE OVERVIEW







## CORPORATE PROFILE

Country Garden Holdings Company Limited (stock code: 2007.HK) is one of the China's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. Country Garden offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and light-asset entrusted management and construction services.

Since its establishment, Country Garden has been benefitting from China's thriving economy. Its business presence has been extended from Guangdong province to other economically vibrant regions of the country. Country Garden had projects of property development and operation in a number of locations of strategic importance in all the provinces, municipalities and autonomous regions of the country by the end of 2025.

Looking ahead, Country Garden will continue to consolidate its various community-based businesses that centre around its real estate business by integrating community resources. Specifically, it will build businesses that can meet all the needs in the entire human life cycle. All this can unlock the value of all of the Group's businesses and contribute to the urbanization and modernization of our country.



# CORE VALUE



## Value:

A transparent company with a conscience and social responsibility

## Vision:

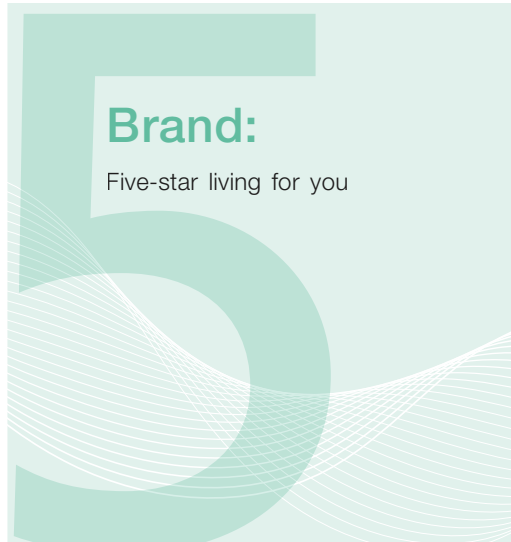
Country Garden is a diversified technology company that creates a happy life for the world.



## Corporate Mission:

Make the world a better place for having us in it





# THE COUNTRY GARDEN THAT I DREAM OF

- This is a company that brings together the best and the brightest
- This is a place where smart people come to excel
- This is a school where we learn to make ourselves better
- This is a big, happy family
- This is a company that values integrity, proper procedure, and the law
- This is a company of reason, always willing to correct itself
- This is a fair company, where hard work brings rewards
- This is a company that knows how to win, how to learn from experience, and apply what it learns
- This is a company that creates a happy life for the world
- This company is good for the community, good for the economy, and good for its employees
- This is a company that the public knows and loves
- This is a company that is always striving for progress and for humanity

YEUNG Kwok Keung

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Ms. YANG Huiyan (*Chairman*)  
 Mr. MO Bin (President before 4 December 2025, re-designated from President to Co-Chairman on 4 December 2025)  
 Dr. CHENG Guangyu (appointed as President on 4 December 2025)  
 Ms. YANG Ziyang  
 Ms. WU Bijun

### Non-executive Director

Mr. CHEN Chong

### Independent Non-executive Directors

Dr. HAN Qinchun  
 Mr. WANG Zhijian  
 Mr. TUO Tuo

## CHIEF FINANCIAL OFFICER

Ms. WU Bijun

## JOINT COMPANY SECRETARIES

Mr. LEUNG Chong Shun  
 Mr. LUO Jie (resigned on 31 March 2026)

## AUTHORIZED REPRESENTATIVES

Ms. YANG Huiyan  
 Dr. CHENG Guangyu (appointed on 4 December 2025)  
 Mr. LEUNG Chong Shun (*alternate to Dr. CHENG Guangyu*) (appointed on 31 March 2026)  
 Mr. MO Bin (ceased on 4 December 2025)  
 Mr. LUO Jie (*alternate to Mr. MO Bin before 4 December 2025, alternate to Dr. CHENG Guangyu from 4 December 2025*) (resigned on 31 March 2026)

## AUDIT COMMITTEE

Mr. WANG Zhijian (*Chairman*)  
 Dr. HAN Qinchun  
 Mr. TUO Tuo

## REMUNERATION COMMITTEE

Mr. TUO Tuo (*Chairman*)  
 Ms. YANG Huiyan  
 Dr. CHENG Guangyu (appointed on 4 December 2025)  
 Dr. HAN Qinchun  
 Mr. WANG Zhijian  
 Mr. MO Bin (resigned on 4 December 2025)

## NOMINATION COMMITTEE

Ms. YANG Huiyan (*Chairman*)  
 Mr. WANG Zhijian  
 Mr. TUO Tuo

## CORPORATE GOVERNANCE COMMITTEE

Ms. YANG Huiyan (*Chairman*)  
 Mr. MO Bin  
 Dr. CHENG Guangyu

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. YANG Huiyan (*Chairman*)  
 Mr. MO Bin  
 Dr. CHENG Guangyu  
 Dr. HAN Qinchun  
 Mr. WANG Zhijian  
 Mr. TUO Tuo

## EXECUTIVE COMMITTEE

Ms. YANG Huiyan (*Chairman*)  
 Mr. MO Bin  
 Dr. CHENG Guangyu  
 Ms. YANG Ziyang

## FINANCE COMMITTEE\*

Ms. WU Bijun (*Chairman*)  
 Ms. YANG Huiyan  
 Mr. MO Bin  
 Dr. CHENG Guangyu  
 Ms. YANG Ziyang

\* Other two members are senior management of the finance centre of the Company

**REGISTERED OFFICE**

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

**PRINCIPAL PLACE OF BUSINESS IN THE PRC**

Country Garden Centre  
No. 1 Country Garden Road  
Beijiao Town, Shunde District, Foshan  
Guangdong Province 528312  
The PRC

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Suite 1702, 17/F.  
Dina House, Ruttonjee Centre  
11 Duddell Street  
Central, Hong Kong

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3  
Building D, P.O. Box 1586  
Gardenia Court, Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

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

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

**PRINCIPAL BANKERS****(In Alphabetical Order)**

Agricultural Bank of China Limited  
Bank of Beijing Co., Ltd.  
Bank of China (Hong Kong) Limited  
Bank of China Limited  
China CITIC Bank Corporation Limited  
China Construction Bank Corporation  
China Development Bank Corporation  
China Everbright Bank Company Limited  
China Guangfa Bank Co., Ltd.  
China Merchants Bank Co., Ltd.  
China Minsheng Banking Corp., Ltd.  
China Zheshang Bank Co., Ltd.  
Chong Hing Bank Limited  
CIMB Bank Berhad  
CMB Wing Lung Bank Limited  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China Limited  
Industrial Bank Co., Ltd.  
Malayan Banking Berhad  
Ping An Bank Company Limited  
Postal Savings Bank of China  
Shanghai Pudong Development Bank Co., Ltd.  
Standard Chartered Bank (Hong Kong) Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited

**AUDITOR**

ZHONGHUI ANDA CPA Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

**LEGAL ADVISORS****As to Hong Kong law:**

Woo Kwan Lee & Lo  
lu, Lai & Li

**As to PRC law:**

King & Wood Mallesons  
Guangdong GuoDing Law Firm  
DeHeng Law Offices  
Dentons Law Firm  
Grandall Law Firm

**STOCK CODES**

Stock Exchange  
Reuters  
Bloomberg

2007  
2007.HK  
2007 HK Equity

**WEBSITE**

<http://www.countrygarden.com.cn>

# PERFORMANCE

碧桂园·柏丽湾  
COUNTRY GARDEN





# CHAIRMAN STATEMENT



2025 was a crucial year for the deepening transformation of China's real estate industry. The 15th Five-Year Plan suggests to explicitly list high-quality development of real estate as a core task for safeguarding people's livelihood, marking a fundamental return of the industry's positioning as the cornerstone of people's livelihood. Shifting from large-scale, rapid-turnover incremental development towards refined operations, the industry is fully integrated into the overall deployment for safeguarding people's livelihood and achieving common prosperity.

The 2026 Government Work Report set the tone for "focusing on stabilizing the market" and systematically promoting "city-specific policies to control incremental volume, reduce inventory and optimize supply", while expressly promoting the conversion of existing inventory into subsidized housing and the construction of safe, comfortable, green and smart "quality houses". It has simultaneously strengthened the "white list" mechanism to prevent risks, providing clear policy guidance for the industry to fix its balance sheet, and creating a favorable environment.

A clear policy framework is driving the market's evolution towards a high-quality development model anchored on "quality houses" and refined operations. For Country Garden, this is both a challenge and, at the same time, a strategic opportunity to remain committed to its original aspiration of "products and services", and to systematically build future-based core competitiveness in fields such as quality real estate and intelligent construction. We believe that as the industry gradually advances from the adjustment period, a more robust new development stage that places more focus on quality and people's livelihood is commencing, which will also provide a broader stage for all enterprises that adhere to sustainability and take the initiative to seek changes.

Over the last three years, the Company found itself in a "no man's land" of complexity, uncertainty and long-term challenges. After fighting two difficult and protracted battles, namely "ensuring property delivery" and debt restructuring, we have achieved decisive results. For the year ended 31 December 2025 (the "Year"), the Group recorded revenue of approximately RMB154.89 billion. The Group, together with its joint ventures and associates,



**YANG Huiyan**  
Chairman

completed the delivery of approximately 170,000 units of properties, with a total delivered GFA of approximately 19.82 million square meters, covering 204 cities across 28 provinces. The Company will continue to focus on “high-quality delivery, risk mitigation, asset and liability restoration, and sustainable operations”, while meticulously quantifying the sub-tasks for each core workstream, actively responding to various support policies from national and local governments, and revitalizing resources through various acquisition and storage policies to support the smooth progress of property deliveries.

At the operational level, the Company has always prioritized the maintenance of its stable and sustainable operations, and its core management team was united, stable and of one mind. In 2025, the Group and its joint ventures and associates together achieved contracted sales attributable to the shareholders of the Company of approximately RMB33.01 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 4.02 million square meters. The Company continued to optimize its organizational structure and expense control, with total administrative expenses and selling and marketing cost during the Year decreasing by 15.7% as compared to last year, while operational efficiency continuously improving. On the sales side, the Company adhered to the refined control of “one strategy for one real estate project”, and formulated reasonable sales prices and supply plans by taking into account the actual situation of the local market as well as the respective capital and debt profile of projects. Such initiatives were to maintain a reasonable rate of flow and striving to maximizing the asset value, and to continuously manage its balance sheet, while preparing for the sale of completed properties. The Company will draw on its experience from the critical task of “ensuring property delivery” to drive a comprehensive operational transition, gradually resume normal operations, maintain positive operating cash flow, and ultimately sustain positive overall cash flow and profit. To this end, the headquarters and regions will work together to promote the reshaping of core capabilities to navigate through cycles by improving mechanisms and systematically enhancing talent teams, and persist in exploring the path of “secondary entrepreneurship” based on actual conditions, ensuring that all measures are implemented effectively and that “every endeavor results in success.”

## CHAIRMAN STATEMENT

Decisive progress was made in stabilizing capital and debt. The offshore debt restructuring proposal involving a total of approximately USD17.7 billion officially became effective on 30 December 2025; meanwhile, the onshore debt restructuring proposal (involving nine tranches of bonds) with a total value of approximately RMB13.77 billion has also been fully approved. The cost of new debt financing after the reorganization has been significantly reduced, and the maturity has been significantly extended. This has won a crucial strategic window for the Company to shed its burdens and move forward unencumbered over the next five years.

The “One Core and Two Wings” strategy we have implemented since 2021 is highly consistent with the direction of the industry’s high-quality transformation. Over the past year, significant progress was made in the “Two wings” businesses: Phoenix Zhituo Construction and Management Company Limited (Management and Construction Services) actively responded to the national call for the construction of quality homes by creating innovative products, and its brand influence has received multiple top industry recognitions; while Bright Dream Robotics, under Giant Leap Construction Technology Group CO., Ltd (Technology-enabled Construction), has delivered a cumulative total of over 5,000 construction robots, making solid progress in external market expansion and international applications. The core component of the Company’s strategy will revolve around “building core competitiveness”. We will actively explore the integrated application of “New Technologies + AI” and promote the transition to data-driven management to navigate the cycle and enter a path of sound development.

**Country Garden** Xiangzhoufu, Zhuhai



Forging resilience to break through challenges, steadily expanding into a new journey. Though the road ahead may be rugged, only by forging ahead can we live up to expectations. The development of Country Garden has benefited deeply from the solid trust of all sectors of society. We bear in mind the strategic guidance of the government and regulatory authorities, thank financial institutions for their staunch support, cherish our partners who have stood with us through adversity, are grateful for the long-term commitment of our investors, and are especially appreciative of the enduring affection from property owners. On behalf of the Board of Country Garden, I would like to express my most heartfelt gratitude and highest respect to every partner who has joined us on this journey!

**Yang Huiyan**  
**Country Garden Holdings Company Limited**  
*Chairman*

Foshan, Guangdong Province, The PRC, 30th March 2026



# BUSINESS OVERVIEW

## PROPERTY DEVELOPMENT

### Contracted Sales

In 2025, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB33.01 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 4.02 million sq.m.

In 2025, the attributable contracted sales outside Guangdong Province was around 75% of that of the Group, reflecting the Group's efforts in geographic diversification.

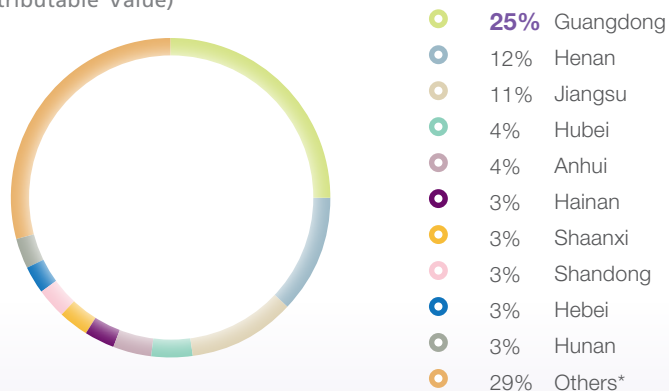
In terms of tier cities, around 61% of the attributable contracted sales in Mainland China was contributed by projects located in tier 3&4 cities targeting tier 3&4 cities, around 24% was contributed by projects located in tier 2 cities targeting tier 2 cities and 15% was contributed by the others.

Attributable contracted sales (RMB billion)



Geographical breakdown of contracted sales in 2025

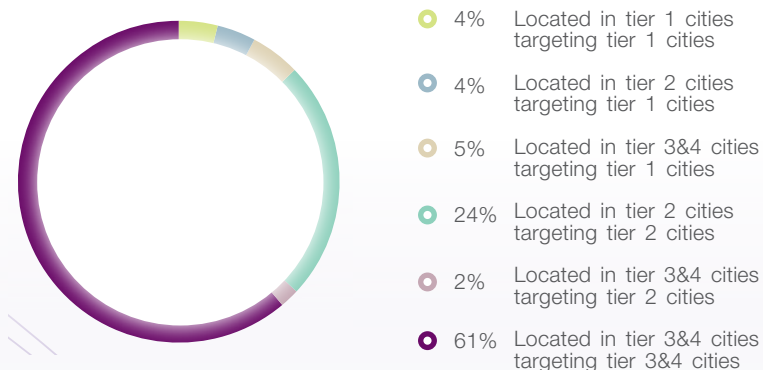
(By Attributable Value)



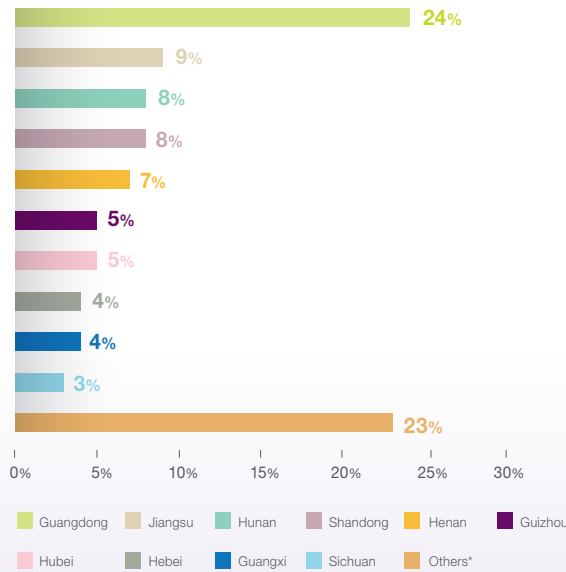
Note: Others\* include Malaysia, Liaoning, Zhejiang, United States, Guizhou, Sichuan, Shanxi, Inner Mongolia, Thailand, Indonesia, Guangxi, Xinjiang, Fujian, Australia, Shanghai, Jiangxi, Chongqing, Gansu, Heilongjiang, Yunnan, Qinghai, India, Jilin, Beijing, Tianjin, Hong Kong, New Zealand, Ningxia.

Contracted sales breakdown in Mainland China

by city type in 2025 (By Attributable Value)



### Landbank breakdown by province in Mainland China (By attributable GFA)

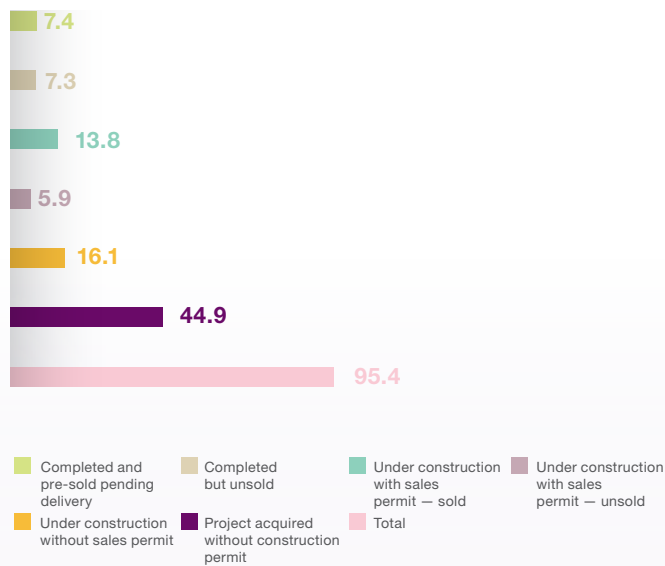


Others\* include Liaoning, Shaanxi, Shanxi, Hainan, Anhui, Xinjiang, Jiangxi, Zhejiang, Gansu, Yunnan, Inner Mongolia, Tianjin, Chongqing, Fujian, Beijing, Qinghai, Jilin, Shanghai, Heilongjiang, Ningxia, Xizang.

### Landbank — Mainland China

As of December 31, 2025, the acquired attributable GFA in Mainland China together with its joint venture and associates was 95.4 million sq.m. 76% of the landbank was located outside of Guangdong province.

### Attributable landbank GFA breakdown by development stage in Mainland China (million sq.m.)



## BUSINESS OVERVIEW

### Project Location

As of December 31, 2025  
the Group operated

**3,071** projects under different development stages,

**3,037** of these projects were located in Mainland China

and **34** were outside Mainland China.



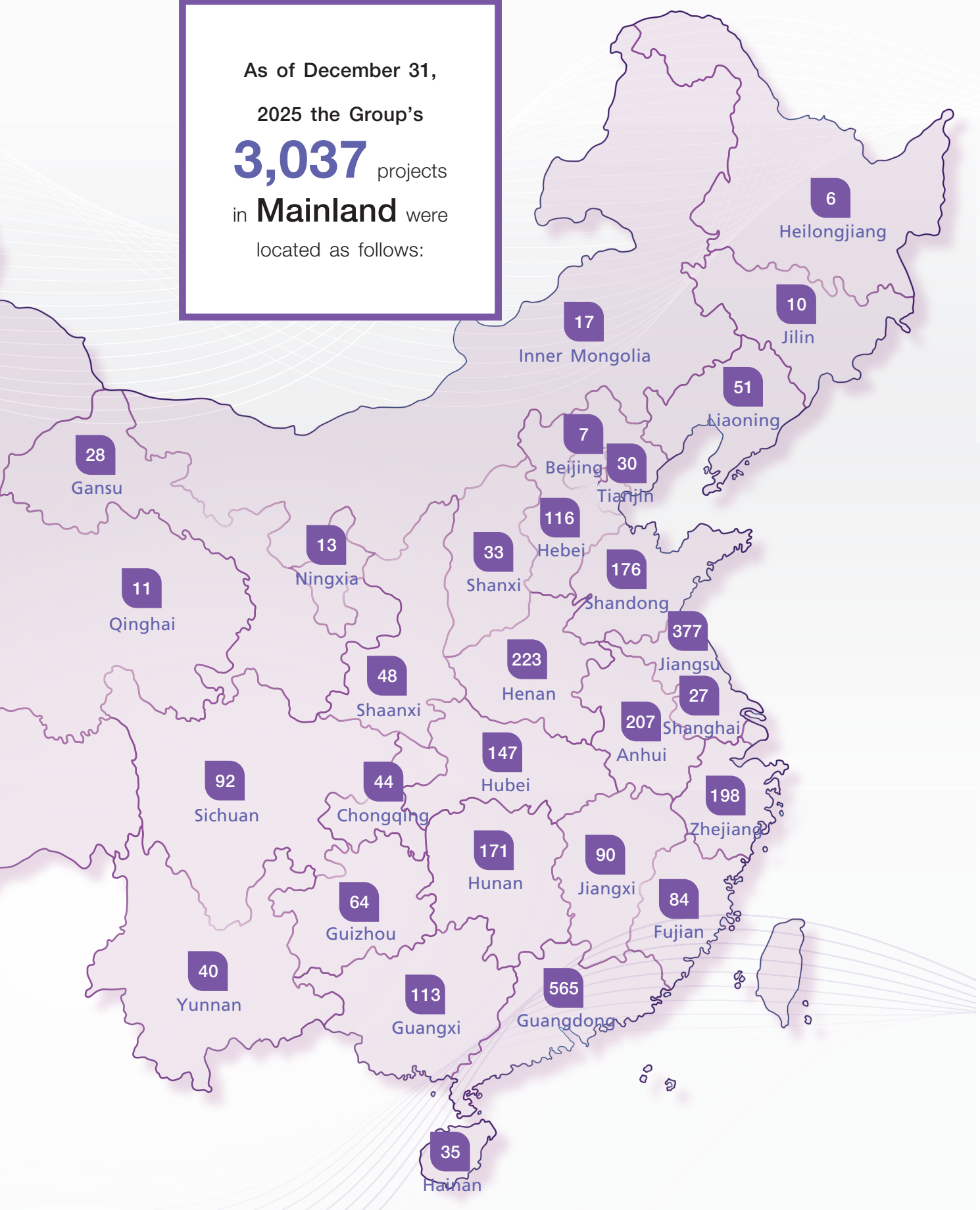
11

Xinjiang

3

Xizang

As of December 31,  
 2025 the Group's  
**3,037** projects  
 in **Mainland** were  
 located as follows:



# BUSINESS OVERVIEW

## Top 50 Projects of Equity Contract Sales in Mainland China in the year of 2025<sup>(1)</sup>

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.
1	Shaoguan Country Garden — Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Wujiang)	4,174,607
2	Country Garden — Yunding (碧桂園雲頂)	Xi'an (Chang'an)	979,139
3	Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,516,036
4	Country Garden — Lanting (碧桂園•蘭亭)	Dongguan (Daojiao)	56,799
5	Country Garden — Xinyue Shiguang (碧桂園•新月時光)	Changzhou (Wujin)	188,518
6	Country Garden — Yujing Stage (碧桂園•瑜璟臺)	Dongguan (Chashan Town)	267,325
7	Haikou Hainan Heart (海口海南之心)	Haikou (Meilan)	1,475,919
8	Country Garden — Cloud Lake Tianjing (碧桂園•雲湖天境)	Zhengzhou (Gaoxin)	85,183
9	Yihe Country Garden — Lion Riding Fudi (頤和碧桂園•獅乘福第)	Cangzhou (Yunhe)	150,256
10	Country Garden — Gaoxin Cloud Villa (碧桂園•高新雲墅)	Xi'an (Chang'an)	311,126
11	Country Garden — Central Garden (碧桂園•中央公園)	Zhengzhou (Zhongmu)	556,801
12	Country Garden — Xinglong Lake (碧桂園•興隆湖畔)	Wanning (Wanning)	140,545
13	Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	4,332,137
14	Country Garden — Fenglin Mansion (碧桂園•鳳麟府)	Shantou (Chaoyang)	322,940
15	Country Garden — Yunding (碧桂園•雲頂)	Guangzhou (Zengcheng)	453,695
16	Country Garden — Yunzhu (碧桂園•雲著)	Shaoguan (Wujiang)	256,034
17	Country Garden — Jingkai New Town (碧桂園經開城)	Wuhan (Hannan)	418,295
18	Country Garden — Yunding (碧桂園•雲頂)	Shenyang (Hunnan)	574,004
19	Country Garden — Phoenix City (碧桂園•鳳凰城)	Zhengzhou (Zhongyuan)	698,982
20	Country Garden — Langu Guang (碧桂園•藍穀之光)	Qingdao (Jimo)	690,364
21	Country Garden — Wanghai Center (碧桂園•望海中心)	Dalian (Zhongshan)	178,249
22	Country Garden — Ten Miles Silver Beach, Victoria Harbour Peninsula (碧桂園•十里銀灘維港半島)	Huizhou (Huidong)	683,056
23	Country Garden — Phoenix City (碧桂園•鳳凰城)	Zhenjiang (Jurong)	6,544,880
24	Country Garden — Yunjing (碧桂園•雲境)	Zhengzhou (Jinshui)	88,522
25	Country Garden — Guanlan (碧桂園•觀瀾)	Jinhua (Yiwu)	208,849
26	Country Garden — Tianyue (碧桂園•天悅)	Luoyang (Laocheng)	179,404
27	Country Garden — Phoenix Bay (碧桂園•鳳凰灣)	Luoyang (Xigong)	464,384

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>			Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.		sq.m.
3,036,404	2,975,105	59,645	2025/7/30	355,452	208,755	2023/7/7	782,751
700,022	690,294	3,465	2024/4/30	229,486	85,287	2022/10/9	49,631
4,486,296	4,482,678		2018/6/8	29,740	12,998	2025/6/20	—
56,799	36,525	14,903	2020/1/7				—
100,637	64,238	20,996	2025/12/26	25,627	4,191	2023/9/1	62,254
190,054	134,786	2,250	2025/6/30	77,271	5,120	2023/5/30	—
609,361	526,978	62,667	2025/11/17	146,562	72,335	2020/12/23	719,996
65,020	35,530	1,268	2025/9/8	20,163	274	2023/6/9	—
103,521	101,776		2025/6/30	46,735	24,075	2021/9/10	—
230,698	227,970		2025/9/30	80,428	65,946	2022/9/30	—
556,801	506,322	6,523	2024/7/16				—
121,360	78,130	20,967	2025/3/25	19,185	8,332	2021/8/26	—
3,928,730	3,895,299	19,678	2025/11/25	96,395	28,683	2021/3/12	307,012
160,621	130,436	23,729	2025/2/10	71,119	48,807	2021/11/19	91,200
395,956	391,021	1,348	2024/11/30	27,858	11,071	2020/7/17	29,881
123,437	119,240	276	2025/12/2	114,575	43,690	2023/12/25	18,022
90,210	83,263	553	2025/12/12	48,164	31,854	2025/7/22	279,921
119,714	65,282	14,810	2023/12/27	43,963		2021/7/6	410,327
504,722	464,491	2,621	2024/6/19	84,182		2021/7/13	110,078
358,283	300,122	23,042	2023/11/30	50,063	28,177	2020/5/14	282,018
83,764	82,511		2025/1/24	94,485	76,428	2020/12/9	—
112,669	68,023	4,265	2025/5/27	196,660		2021/9/30	373,727
5,270,342	5,105,050	805	2025/8/28	183,366	17,417	2022/5/24	1,091,172
26,031	21,041	306	2025/9/8	39,389	16,636	2022/6/2	23,102
173,063	103,142	414	2025/3/24	35,786		2021/12/21	—
160,376	147,679	3,499	2025/6/25	19,028	17,972	2023/11/17	—
105,374	98,518	329	2024/12/4	101,887	24,305	2023/2/24	257,123

# BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project	
			sq.m.	
28	Country Garden – Qingtang Lake (碧桂園•青塘湖)	Huizhou (Huicheng)	266,761	
29	Country Garden Sizhi Plaza (碧桂園思致廣場)	Shanghai (Jinshan)	106,126	
30	Jurong Industrial Park (句容產業園)	Zhenjiang (Jurong)	190,766	
31	Country Garden – Longyue (碧桂園•瓏悅)	Luoyang (Luolong)	92,770	
32	Country Garden – Xinghe Chenyuan (碧桂園•星河宸院)	Taizhou (Xinghua)	134,018	
33	Country Garden – Yuyue Tianjing (碧桂園•豫樾天境)	Suqian (Suyu)	211,310	
34	Country Garden – Tianzhu (碧桂園•天著)	Qingyuan (Qingcheng)	442,595	
35	Country Garden – Guiyang NO.1 (碧桂園•貴陽1號)	Guiyang (Huaxi)	223,153	
36	Country Garden – Tianxi (碧桂園•天璽)	Chuzhou (Nanqiao)	240,924	
37	Country Garden – Fenghui (碧桂園•峰匯)	Suqian (Siyang)	153,942	
38	Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	1,475,179	
39	Haikou Binhai International (海口濱海國際)	Haikou (Meilan)	706,658	
40	Country Garden – Capital Mansion (碧桂園•首府)	Shantou (Chaoyang)	311,914	
41	Country Garden – Shouzuo (碧桂園•首座)	Dongguan (Dalang)	445,667	
42	Country Garden – Sanyuanli (碧桂園•三元里)	Urumqi (Tianshan)	463,929	
43	Country Garden – Cuihu Tower (碧桂園•翠湖大廈)	Shenzhen (Luohu)	21,349	
44	Country Garden – Xingyue (碧桂園•星樾)	Shaoguan (Ruyuan)	127,529	
45	Country Garden – Tianxi Bay (碧桂園•天璽灣)	Zhoukou (Chuanhui)	309,814	
46	Country Garden – Lakeside (碧桂園•湖境)	Huanggang (Huangzhou)	248,666	
47	Country Garden Qujiang Mansion (碧桂園曲江府)	Shaoguan (Qujiang)	211,311	
48	Country Garden – Tianlan (碧桂園•天瀾)	Luoyang (Luolong)	92,882	
49	Country Garden – Rishengchang Lingfeng Garden (碧桂園•日昇昌領峰花園)	Huizhou (Huicheng)	144,290	
50	Huangdai Country Garden (黃埭碧桂園)	Suzhou (Xiangcheng)	112,261	

Note:

- (1) All the GFAs displayed in this section are attributable to the owners of the Company.
- (2) Based on the measurement reports from relevant government departments.
- (3) Based on the actual measurements by the project management department of the Group.
- (4) "GFA for future development" for each project is the GFA expected to be built.

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>			Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.		sq.m.
112,029	85,665	6,895	2025/7/23	145,771		2022/7/9	8,961
106,126	64,813	704	2023/9/21				—
190,766	131,319		2018/11/22				—
92,770	78,929	9,730	2025/6/26			2021/11/13	—
69,819	47,064	2,019	2024/11/8	64,199		2021/6/24	—
109,372	99,617	5,714	2024/12/30	50,626	8,616	2023/2/10	51,312
221,731	211,171	699	2025/12/29	25,667			195,197
223,153	192,073	29,946	2025/3/28				—
180,142	156,157	3,243	2025/9/30	40,731	15,909	2023/2/28	20,051
53,824		45,556	2024/12/27	6,907	3,708	2024/4/18	93,211
1,237,105	1,237,105		2024/8/28	79,009	26,778	2025/1/7	159,065
646,575	644,316	273	2025/4/15	16,443	8,420	2023/6/15	43,640
297,153	295,287		2023/6/30	14,761	13,054	2021/12/13	—
388,047	334,288		2022/1/21				57,620
				182,772	145,029	2021/10/22	281,157
21,349	10,663	2,868	2023/4/11				—
103,029	102,602		2025/12/18	24,500	20,749	2024/9/13	—
225,357	222,794	1,168	2023/11/10	84,457	41,031	2021/11/25	—
146,396	141,743	2,142	2025/7/24	46,012	4,436	2021/6/4	56,258
211,311	179,317	2,878	2024/12/20				—
92,882	69,899	5,040	2025/12/10				—
144,290	133,515	3,272	2023/7/13				—
93,635	82,068	795	2025/12/3	18,626	1,211	2023/5/30	—

# BUSINESS OVERVIEW

## Landbank GFA breakdown by location in Mainland China<sup>(1)</sup>

Province/Location	Aggregate saleable GFA	Completed property developments <sup>(2)</sup>			Properties under development <sup>(3)</sup>		Properties for future development <sup>(4)</sup>
		Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Total saleable GFA under development	Total saleable GFA pre-sold	GFA for future development
		sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
Guangdong	144,056,656	124,909,631	121,465,044	1,596,186	6,942,494	1,547,839	12,204,531
Jiangsu	59,818,838	52,741,885	50,790,317	622,548	3,245,799	669,757	3,831,154
Anhui	44,023,060	42,453,584	42,043,171	97,517	815,367	266,753	754,109
Henan	36,994,399	31,066,901	30,458,351	245,181	3,261,182	1,795,487	2,666,316
Hunan	36,446,053	29,602,839	28,615,244	523,564	2,712,007	1,277,546	4,131,207
Shandong	29,588,167	22,549,941	21,764,215	540,293	3,211,390	1,898,044	3,826,836
Hubei	27,997,370	23,685,558	23,292,873	175,941	1,381,346	369,879	2,930,466
Guangxi	22,426,794	19,903,441	18,970,456	820,283	1,115,936	426,170	1,407,417
Zhejiang	19,623,127	18,981,846	18,412,907	64,523	641,167	207,194	114
Guizhou	18,190,635	13,623,870	13,028,329	199,670	1,724,256	222,759	2,842,509
Hebei	15,365,578	12,029,121	11,442,014	363,047	1,868,432	842,216	1,468,025
Liaoning	14,916,655	12,928,103	12,671,182	42,224	934,511	314,537	1,054,041
Sichuan	14,106,672	11,870,700	11,125,831	684,499	1,080,809	781,483	1,155,163
Jiangxi	11,767,386	10,460,347	10,108,200	283,404	857,550	349,287	449,489
Shaanxi	11,423,465	9,283,143	9,225,750	19,534	1,288,063	602,683	852,259
Hainan	9,044,597	7,304,377	6,963,520	174,706	546,481	206,485	1,193,739
Fujian	8,779,257	8,431,485	8,230,558	17,634	327,560	132,088	20,212
Gansu	7,970,377	7,254,234	6,790,301	412,778	380,330	211,949	335,813
Shanxi	7,770,738	5,863,513	5,658,193	81,766	953,742	422,578	953,483
Chongqing	6,556,734	5,964,633	5,862,481	58,116	379,100	171,644	213,001
Yunnan	4,838,257	4,004,665	3,894,693	62,252	403,697	154,692	429,895
Inner Mongolia	4,798,944	3,963,237	3,922,968	2,319	452,978	148,195	382,729
Tianjin	3,704,264	3,029,220	2,978,849	16,040	310,799	219,988	364,245
Xinjiang	3,291,156	1,720,396	1,569,205	141,311	417,541	304,869	1,153,219
Qinghai	2,056,418	1,847,418	1,835,711	202	143,129	99,885	65,871
Ningxia	1,441,792	1,362,304	1,318,079	38,565	79,488	78,972	0
Jilin	1,265,620	1,190,309	1,052,959	92,794	46,576	24,965	28,735
Shanghai	1,186,735	1,139,798	1,020,605	5,100	46,937	46,937	0
Heilongjiang	1,000,196	898,860	843,551	19,072	101,336	0	0
Beijing	669,359	436,919	375,802	19,371	76,289	0	156,151
Tibet	164,259	154,254	153,559	0	10,005	0	0
Total	571,283,558	490,656,532	475,884,918	7,420,440	35,756,297	13,794,881	44,870,729

Note:

- (1) All the GFAs displayed in this section are attributable to the owners of the Company.
- (2) Based on the measurement reports from relevant government departments.
- (3) Based on the actual measurements by the project management department of the Group.
- (4) "GFA for future development" for each project is the GFA expected to be built.

## FIVE YEARS FINANCIAL SUMMARY

### Consolidated Results

	2021	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue	523,064	430,371	401,015	252,756	154,893
Profit/(loss) before income tax	68,949	5,361	(167,253)	(22,369)	12,865
Income tax expense	(27,967)	(8,323)	(33,709)	(12,776)	(11,241)
<b>Profit/(loss) for the year</b>	<b>40,982</b>	<b>(2,962)</b>	<b>(200,962)</b>	<b>(35,145)</b>	<b>1,624</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Company	26,797	(6,052)	(178,400)	(32,835)	3,261
Non-controlling interests	14,185	3,090	(22,562)	(2,310)	(1,637)
	40,982	(2,962)	(200,962)	(35,145)	1,624
<b>Earnings/(losses) per share:</b>					
Basic (RMB Yuan)	1.22	(0.26)	(6.49)	(1.19)	0.12

### Consolidated Financial Position

	2021	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million	RMB million
Non-current assets	234,428	207,385	136,805	118,958	92,139
Current assets	1,713,937	1,537,082	1,156,187	916,885	719,981
<b>Total assets</b>	<b>1,948,365</b>	<b>1,744,467</b>	<b>1,292,992</b>	<b>1,035,843</b>	<b>812,120</b>
Non-current liabilities	268,833	203,685	78,138	41,839	51,575
Current liabilities	1,378,905	1,231,209	1,126,245	942,750	716,286
<b>Total liabilities</b>	<b>1,647,738</b>	<b>1,434,894</b>	<b>1,204,383</b>	<b>984,589</b>	<b>767,861</b>
Equity attributable to owners of the Company	198,736	203,623	25,947	(7,185)	(859)
Non-controlling interests	101,891	105,950	62,662	58,439	45,118
<b>Total equity</b>	<b>300,627</b>	<b>309,573</b>	<b>88,609</b>	<b>51,254</b>	<b>44,259</b>

# MANAGEMENT DISCUSSION AND ANALYSIS



**Country Garden** Boyuefu, Wen'an

## FINANCIAL REVIEW

### Revenue

The Group's revenue was primarily derived from two business segments as follows: Property Development and Technology-enabled Construction. Revenue of the Group decreased by 38.7% to approximately RMB154,893 million in 2025 from approximately RMB252,756 million in 2024. 97.2% of the Group's revenue was generated from the Property Development segment (2024: 97.2%), and 2.8% from the Technology-enabled Construction and the Others segments (2024: 2.8%).

The Group recorded revenue of

approximately RMB  
**154,893** million

Revenue generated from property development was

approximately RMB  
**150,490** million

***Property Development***

Due to the decrease in GFA delivered, revenue generated from property development decreased by 38.8% to approximately RMB150,490 million in 2025 from approximately RMB245,719 million in 2024. The recognised average selling price of property delivered (value-added taxes not included) was approximately RMB6,908 per sq.m. in 2025.

***Technology-enabled Construction***

Technology-enabled Construction revenue from external parties decreased by 45.8% to approximately RMB1,860 million in 2025 from approximately RMB3,432 million in 2024, primarily due to the decrease in new construction volume resulting from sluggish market of real estate.

***Others***

Others segment mainly includes property investment and hotel operation. Revenue from external parties of others segment decreased by 29.5% to approximately RMB2,543 million in 2025 from approximately RMB3,605 million in 2024.

**Gross Loss**

In 2025, the Group recorded a gross loss of approximately RMB43,118 million (2024: a gross loss of approximately RMB1,687 million), mainly attributable to the net write-down of properties under development and completed properties held for sale by the Group, amounting to approximately RMB44,507 million.

Excluding the impact of such net write-down of properties on the gross loss, the Group's gross profit for 2025 would have been approximately RMB1,389 million.

**Selling and Marketing Costs and Administrative Expenses**

The Group strictly implemented measures to reduce non-core and non-essential operating expenses. Selling and marketing costs and administrative expenses decreased by 15.7% to approximately RMB9,089 million in 2025 from approximately RMB10,783 million in 2024.

**Finance Costs – Net**

The Group recorded net finance costs of approximately RMB2,924 million in 2025 (2024: approximately RMB6,449 million).

In 2025, the Group recorded net foreign exchange gains of approximately RMB2,441 million (2024: net foreign exchange losses of approximately RMB1,761 million) due to changes in the trend of exchange rate fluctuations, and finance income of approximately RMB187 million (2024: approximately RMB526 million). Interest expenses amounted to approximately RMB10,370 million in 2025 (2024: approximately RMB12,937 million), of which approximately RMB4,818 million had been capitalised on qualifying assets (2024: approximately RMB7,723 million).

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Profit/(Loss) before Income Tax**

The Group recorded profit before income tax of approximately RMB12,865 million in 2025 (2024: loss before income tax of approximately RMB22,369 million), mainly because of the following reasons:

- (1) The Group recorded net other income and gains of approximately RMB82,137 million, mainly derived from gains on debt restructuring arrangements;
- (2) Affected by the overall performance of the real estate market, the net write-down of approximately RMB44,507 million was provided for properties under development and completed properties held for sale;
- (3) Affected by multiple adverse factors such as macroeconomic environment, industry environment and negative financial conditions of counter parties, the net impairment losses on financial assets and guarantees of approximately RMB10,525 million were provided; and
- (4) The Group recorded selling and marketing costs and administrative expenses of approximately RMB9,089 million, net finance costs of approximately RMB2,924 million and share of losses of joint ventures and associates of approximately RMB3,339 million.

## **Profit/(Loss) Attributable to Owners of the Company**

In 2025, the profit attributable to owners of the Company was approximately RMB3,261 million (2024: the loss attributable to owners of the Company was approximately RMB32,835 million).

## **Liquidity, Financial and Capital Resources**

### ***Cash position***

As at 31 December 2025, the Group's total cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB18,653 million (31 December 2024: approximately RMB29,897 million), including approximately RMB5,811 million in cash and cash equivalents and approximately RMB12,842 million in restricted cash.

As at 31 December 2025, 87.0% (31 December 2024: 87.3%) of the Group's total cash was denominated in Renminbi and 13.0% (31 December 2024: 12.7%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

### ***Borrowings Composition***

Borrowings decreased from approximately RMB253,488 million as at 31 December 2024, to approximately RMB147,959 million as at 31 December 2025.

As at 31 December 2025, the Group's borrowings, comprising bank and other borrowings, senior notes and corporate bonds, amounted to approximately RMB124,825 million, RMB15,354 million and RMB7,780 million respectively (31 December 2024: bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB153,954 million, RMB73,084 million, RMB19,759 million and RMB6,691 million respectively).

For bank and other borrowings, approximately RMB107,184 million, RMB16,233 million and RMB1,408 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2024: approximately RMB137,413 million, RMB16,541 million and RMB nil respectively).

As at 31 December 2025 and 31 December 2024, the majority of the Group's borrowings were secured by the Group's certain property, plant and equipment, investment properties, properties under development and financial assets, and/or guaranteed by certain subsidiaries of the Group or secured by the pledge of certain equity interests in the Group's subsidiaries.

### ***Capital Gearing Ratio***

The capital gearing ratio is calculated by dividing the net borrowings by total capital. Net borrowings equals borrowings net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net borrowings. The Group's capital gearing ratio decreased from approximately 81.4% as at 31 December 2024 to approximately 74.5% as at 31 December 2025.

### **Key Risk Factors and Uncertainties**

The following lists out the key risks and uncertainties the Group is facing. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

#### ***Risks Pertaining to the Property Market and Operation***

The Group's business and prospects are closely tied to the performance of the Mainland China property market, which is currently undergoing a period of adjustment. According to the 2026 Government Work Report, property-related policies have evolved from "stopping the decline and stabilizing the market" to "focused efforts on stabilisation". The central government and local authorities are working in concert to systematically advance initiatives through "city-specific policies to control incremental volume, reduce inventory and optimize supply", "exploring multiple channels to revitalize existing commercial housing stock, and encouraging the acquisition of existing commercial properties primarily for use in affordable housing", whilst methodically establishing a new model for real estate development. With the effective mitigation of risks associated with "ensuring housing delivery" and a gradual improvement in market expectations, market analysts suggest that the industry is exhibiting a trend of "short-term fluctuations towards stabilization amidst deepening transformation". This indicates signs of stabilization amid short-term volatility, whilst the long-term direction of transitioning towards a new, high-quality development model is becoming increasingly clear.

Since the onset of the industry's deep adjustment, the Group has consistently implemented comprehensive self-help measures. Centered on the core strategy of "ensuring housing delivery, stabilizing assets and liabilities, and preserving operations", the Group has achieved significant milestone results in mitigating extreme risks, laying the groundwork for a return to normal operations. However, the Group continues to face multiple challenges: although significant progress in both onshore and offshore debt restructuring has provided the Group with valuable breathing space, the sales side continues to experience certain pressures, and its operating cash flow is in the process of recovery. Concurrently, the increase in litigation cases and related legal proceedings persistently impacts operational efficiency. Furthermore, the impact of negative publicity on the Group's brand has also exerted considerable adverse effects on its sustainable operation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ***Interest Rate Risk***

The Group's bank and other borrowings mainly bear floating rates. As at 31 December 2025, the weighted average borrowing cost of the Group's borrowings was 3.76%, a decrease of 141 basis points compared to 31 December 2024. The Group has implemented certain interest rate risk management measures, including closely monitoring interest rate risk and continuously maintaining communication with financial institution creditors to promote the optimization of borrowings structure and the reduction of interest rate level.

## ***Foreign Exchange Risk***

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD. The Group has been paying close attention to the fluctuation of the foreign exchange rate and actively taking measures to mitigate the risk of exchange rate fluctuation.

## ***Liquidity Risk***

The Group is facing phased liquidity pressure. In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 2.1(iii) to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this report.

## **Guarantees**

As at 31 December 2025, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB225,522 million (31 December 2024: approximately RMB259,095 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate after the buyers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the property buyers.

In addition, as at 31 December 2025, the Group had provided guarantees amounting to approximately RMB6,714 million (31 December 2024: approximately RMB6,185 million) for certain liabilities of the joint ventures, associates and other parties of the Group.

**Disposal of approximately 11.063% shares in LandSpace Technology Co., Ltd.\* (藍箭航天空間科技股份有限公司) (“LandSpace”) in aggregate**

On 7 April 2025, Guangzhou Bilan Enterprise Management Partnership (Limited Partnership)\* (廣州碧藍企業管理合夥企業(有限合夥)) (the “**First Seller**”) (an indirect non-wholly owned limited partnership of the Company) (as seller), each of (i) Guangzhou Xinde Jiancheng Technology Investment Partnership (Limited Partnership)\* (廣州信德箭成科技投資合夥企業(有限合夥)), (ii) Langma No.98 (Shenzhen) Private Equity Venture Capital Fund Partnership (Limited Partnership)\* (朗瑪九十八號(深圳)私募創業投資基金合夥企業(有限合夥)), (iii) Ningbo Meishan Bonded Port Area Rongtai Chengde Venture Capital Partnership (Limited Partnership)\* (寧波梅山保稅港區融泰成德創業投資合夥企業(有限合夥)) and Ningbo Meishan Bonded Port Area Rongtai Hengde Venture Capital Partnership (Limited Partnership)\* (寧波梅山保稅港區融泰恒德創業投資合夥企業(有限合夥)), (iv) Shanghai Kehui Venture Capital Co.,Ltd.\* (上海科慧創業投資有限公司), (v) Nantong Zhongjin Chuanhe Equity Investment Partnership (Limited Partnership)\* (南通中金傳合股權投資合夥企業(有限合夥)) and (vi) Zhongjin Zhanxin Venture Capital (Heshan) Partnership (Limited Partnership)\* (中金戰新創業投資(鶴山)合夥企業(有限合夥)) (each a purchaser under the relevant share transfer agreements), and LandSpace (as target company) entered into six share transfer agreements in relation to the disposal of approximately 4.536% shares in LandSpace in aggregate at a price of RMB48.74 per share for a total consideration of RMB535,056,997.20.

On 25 April 2025, the First Seller and Foshan Nanhai Ruizheng Equity Investment Partnership (Limited Partnership)\* (佛山市南海區睿正股權投資合夥企業(有限合夥)) (an indirect non-wholly owned limited partnerships of the Company) (as sellers), Qingdao Haijin Xingyu Investment Development Partnership (Limited Partnership)\* (青島海金星宇投資發展合夥企業(有限合夥)) (as purchaser), and LandSpace (as target company) entered into a share transfer agreement in relation to the disposal of approximately 6.527% shares in LandSpace in aggregate at the same price of RMB48.74 per share for a total consideration of RMB769,999,978.88 (collectively the “**2025 Disposal**”). The 2025 Disposal was entered into as part of the Group’s means to resolve the phased liquidity pressure. As at the date of this report, this transaction has been completed.

For further details, please refer to the announcement of the Company dated 25 April 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 31 December 2025, the Group had approximately 14,069 full-time employees. For details of the remuneration of employees, please refer to note 28 to the “Notes to the Consolidated Financial Statements” in this report.

Remuneration of employees is determined with reference to the Group’s remuneration and benefit policies, employees’ performance, the Group’s profitability performance, industry benchmarks and prevailing market conditions. The Group participates in social insurance contribution schemes or other retirement schemes administered by local governments, and makes monthly contributions to pension insurance, medical insurance, unemployment insurance and the housing fund, as well as making regular contributions to mandatory provident fund schemes on behalf of employees. As at the date of this report, there are no material labour disputes that have adversely affected or are likely to adversely affect the Group’s operations.

To achieve sustainable business development and build core competitiveness, the Group has focused on optimizing and refining its approach to talent standards and workforce structure. We have defined the profile of “Three-Quality Talent” for the new era, established standardized identification mechanisms and differentiated retention policies, and strengthened the talent care system. Strategic prioritization in resource allocation has been implemented in areas such as compensation incentives and career development pathways. Through dynamic tracking and evaluation mechanisms, we continuously refine our management strategies, forming a full-cycle closed-loop management system for talent, thereby fully unlocking the strategic value of our human resources.

The Group has approved and/or adopted certain share option schemes, share award scheme and management incentive plan, details can be referred in the sections headed “Employee Incentive Mechanisms and Management Incentive Plan” in “Report of the Directors” of this report.

## Forward Looking

Currently, the policy environment is continuously optimizing, and China’s real estate industry is accelerating its transition towards a new model of high-quality development. From the ongoing improvement in the monetary and financial environment, to the implementation of “quality housing” construction and housing quality enhancement projects, to the accelerated refinement of the financing support system aligned with the new development model, and the solid progress in urban renewal initiatives — all these factors have created favorable conditions for the long-term healthy development of the industry.

In the face of new challenges and changes, the Group adheres to a path that combines short-term intensive efforts to overcome difficulties with medium-to-long-term development. In the short term, “ensuring housing delivery” remains at the core of our operations, as we fully commit to fulfilling our social responsibilities. In 2025, the Group and its joint ventures and associates completed the delivery of nearly 170,000 housing units. Over the three-year period from 2023 to 2025, cumulative deliveries totaled nearly 1.15 million units, consistently ranking first in the industry according to third-party listings in terms of delivery volume.

The year 2026 marks the beginning of the “15th Five-Year Plan” period and is also the most critical year for the Group’s transition from “ensuring housing delivery” to normal operations. The Group will comprehensively intensify its core efforts in high-quality delivery, risk mitigation, asset and debt restoration, and sustainable operations, while ensuring the smooth implementation of the offshore debt restructuring scheme. The next three to five years will be a crucial period for the Group to consolidate its foundation and build a new growth curve. The Group’s strategic focus will revolve around “building core competitiveness,” firmly adhering to a market-oriented approach. We will deepen the new strategic framework of “One Core and Two Wings” (Property Development, Technology-enabled Construction, and Management and Construction Services), leveraging our core competitive advantages in “Product Excellence, Service Excellence, and Cost Efficiency.” We will actively explore the integrated application of “New Technologies + AI” to drive a transition towards data-driven management, enabling us to navigate through market cycles and embark on a trajectory of sound development.

In conclusion, the Group is fully aware of the challenges it currently faces, but firmly believes that with the continuous optimization of the real estate policy environment and the industry’s profound self-adjustment, the market will gradually regain its vitality. The Group will carry out its work diligently with more scientific management and greater resilience, striving to enter a more sound and sustainable development path alongside the industry’s recovery.



# GOVERNANCE



# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



**YANG Huiyan**  
楊惠妍

## Executive Directors

**YANG Huiyan (楊惠妍)**, aged 44, was appointed as an executive Director in December 2006 and a Vice Chairman in March 2012, was re-designated from a Vice Chairman to a Co-Chairman in December 2018, and succeeded the position of the Chairman on 1 March 2023. Ms. YANG is also a chairman of the Nomination Committee, the Corporate Governance Committee, the Environmental, Social and Governance Committee, the Executive Committee and a member of the Remuneration Committee and the Finance Committee, and a director of various members of the Group. Ms. YANG graduated from Ohio State University with a bachelor degree in marketing and logistics and she also obtained an EMBA degree from Tsinghua University in 2019. Ms. YANG joined the Group in 2005 and has successively held key management positions in critical business departments such as investment planning center, procurement department, human resource management center and digital management center. During the tenure as a Co-Chairman of the Company, Ms. YANG jointly managed the day-to-day work of the Group with Mr. YEUNG Kwok Keung, the then Chairman of the Company, and has been responsible for the Group's strategic investments and new business exploration based on the existing business, contributing to the Company's sustainable development. Since the succession as the Chairman, Ms. YANG is responsible for leading the Board and managing the overall businesses of the Group. Ms. YANG is a director of Concrete Win Limited, the substantial shareholder of the Company, which has an interest in the shares and underlying shares in the Company which falls to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance. Ms. YANG was appointed as the chairman and a non-executive director of Country Garden Services Holdings Company Limited, a company whose shares are listed on the Stock Exchange, in March 2018. Ms. YANG was awarded "China Charity Award Special Contribution Award" in 2008, "China Poverty Alleviation Award Contribution Award" in 2008, "China Poverty Alleviation Award Contribution Award" in 2019 and "The 11th China Charity Award Individual Donor Award" in 2021. In addition, for details regarding the information that Ms. YANG is required to disclose under Rules 13.51B(2) and 13.51(2)(n) of the Listing Rules as of the date of this report, please refer to the Company's announcements dated 10 February 2026, 27 November 2025 and 21 May 2025. Ms. YANG is the sister of Ms. YANG Ziying, an executive Director; and the wife of Mr. CHEN Chong, a non-executive Director.

**MO Bin (莫斌)**, aged 59, was appointed as the President and an executive Director in July 2010, was re-designated from president to Co-Chairman on 4 December 2025. Mr. MO is also a member of the Corporate Governance Committee, the Environmental, Social and Governance Committee, the Executive Committee and the Finance Committee and a director of several members of the Group. Mr. MO was a member of the Remuneration Committee until 4 December 2025. Mr. MO was also appointed as the Chairman of the Group's Tengyue Building Technology Group in May 2023. Mr. MO graduated from Hengyang Institute of Technology (currently known as University of South China) with a bachelor degree in industrial and civil architecture. He obtained his postgraduate degree from Zhongnan University of Economics and Law and is a professor-grade senior engineer. Mr. MO is responsible for assisting the Board in coordinating the establishment of the Group's external strategic relationships and resource integration. He also coordinates the implementation of the Group's strategies and major cross-sector matters, helping to enhance the Group's overall operational efficiency and contributing to the Company's sustainable development. Prior to his re-designation as Co-Chairman, Mr. MO was primarily responsible for the management of daily operation and general administration of the Group. Prior to joining the Group, Mr. MO was employed by an internationally competitive construction and property group in Mainland China, China Construction, in a number of senior positions since 1989, most recently as a director and general manager of China Construction Fifth Division. Mr. MO has over 36 years of extensive experience in property development, construction business, construction management, marketing, cost control and corporate management. Mr. MO won the 1st place of "Best CEO — Property (Combined)/(Buy-Side)/(Sell-Side)" at the "2019 All-Asia Executive Team" and the 1st place of "Best CEO — Property (Sell-side)" at the "2020 All-Asia Corporate Executive Team" organised by financial magazine, Institutional Investor. In addition, for details regarding the information that Mr. MO is required to disclose under Rules 13.51B(2) and 13.51(2)(n) of the Listing Rules as of the date of this report, please refer to the Company's announcements dated 10 February 2026 and 21 May 2025.



**MO Bin**  
莫斌

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



**CHENG Guangyu**

程光煜

**CHENG Guangyu (程光煜)**, aged 45, is the President of the Company and CEO of Country Garden Property Group, was appointed as an executive Director and as a member of Finance Committee in December 2022 and was further appointed as a member of the Corporate Governance Committee, the Environmental, Social and Governance Committee and the Executive Committee in March 2023. Dr. CHENG graduated from Tsinghua University with a bachelor's and doctoral degree in civil engineering in 2002 and 2007 respectively, and from Guanghua School of Management of Peking University with an EMBA degree in 2015. Dr. CHENG has also been appointed as the President and a member of the Remuneration Committee of the Company on 4 December 2025, primarily responsible for executing the strategic deployment of the Board, comprehensively coordinating the work of various business segments of the Group, organizing the establishment and implementation of the operation and management system, coordinating the daily operational control and administrative management of the Group, and ensuring the effective achievement of strategic deployment. Dr. CHENG joined the Group in 2007 and has been responsible for overall operation management and sustainable development of property projects in certain regions under his supervision from 2012 to 2014. During the period from 2014 to 2023, Dr. CHENG has been responsible for the overall sales and marketing management, branding management, investment planning management, product design management, operating management and legal compliance supervision of the Group. Dr. CHENG was appointed as the CEO of Country Garden Property Group in May 2023, and is responsible for the overall management of property development business of the Group. Dr. CHENG has over 18 years of experience in management of property development.



**YANG Ziying**

楊子莹

**YANG Ziying (楊子莹)**, aged 38, was appointed as an executive Director in May 2011. Ms. YANG is also a member of the Executive Committee and the Finance Committee. Ms. YANG graduated from Ohio State University with a bachelor degree in psychology. Ms. YANG joined the Group in 2008 as an assistant to the chairman. Currently, she is primarily responsible for overseeing the finance of the Group, including offshore and onshore financing. Prior to joining the Group, Ms. YANG worked in a renowned global investment bank. Ms. YANG is the sister of Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder; and a sister-in-law of Mr. CHEN Chong, a non-executive Director.

**WU Bijun (伍碧君)**, aged 52, being the Company's vice president and the Chief Financial Officer, was appointed as an executive Director in December 2022. Ms. WU is also the chairman of the Finance Committee and a director of a subsidiary of the Group. Ms. WU graduated from the Department of Public Finance and Taxation of Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) with a bachelor's degree of economics majoring in public finance in 1995, and obtained an EMBA degree from China Europe International Business School in 2015. She is qualified as a Chinese certified public accountant and a Chinese certified tax agent. Ms. WU is mainly responsible for offshore restructuring of the Group. Prior to joining the Group in 2005, Ms. WU worked at Hubei Branch of China Construction Bank and was responsible for accounting and auditing management. From 1999 to 2002, Ms. WU was the chief auditor of Guangdong Foshan Zhixin Certified Public Accountants Co., Ltd. and was responsible for reviewing the auditor's reports. From 2002 to 2005, Ms. WU worked at Shunde Finance Bureau and was responsible for the financial management of foreign investment enterprises. Since joining the Group in 2005, Ms. WU has been mainly responsible for the financial management of the Group. Ms. WU has 20 years of experience in the management of real estate financial resources and approximately 30 years of experience in financial management. Ms. WU won the 1st place of "Best CFO — Property (Combined)/(Sell-Side)" at the "2019 All-Asia Executive Team" and the 1st place of "Best CFO — Property(Sell-Side)" at the "2020 All-Asia Corporate Executive Team" organized by financial magazine, Institutional Investor. In addition, for details regarding the information that Ms. WU is required to disclose under Rules 13.51B(2) and 13.51(2)(n) of the Listing Rules as of the date of this report, please refer to the Company's announcements dated 10 February 2026 and 21 May 2025.



**WU Bijun**

伍碧君

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



**CHEN Chong**  
陳翀

### Non-executive Director

**CHEN Chong (陳翀)**, aged 47, was appointed as a non-executive Director in December 2016. Mr. CHEN graduated from Tsinghua University with a bachelor of science in chemistry and obtained a master of science in biological sciences research from Royal Holloway and Bedford New College, University of London. Mr. CHEN also obtained an EMBA degree and a doctoral degree in energy & environmental engineering from Tsinghua University in 2016 and 2024 respectively. In 2015, Mr. CHEN was appointed as the first president of the Overseas Study Youth Association of Guangdong Province and was a member of the 12<sup>th</sup> Guangdong Provincial Committee of the Chinese People's Political Consultative Conference. Mr. CHEN was elected as a member of the 13<sup>th</sup> Standing Committee of the All-China Youth Federation since 2020 and currently being the president of Guoqiang Foundation. Mr. CHEN is the husband of Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder; and a brother-in-law of Ms. YANG Ziying, an executive Director.

### Independent Non-executive Directors

**HAN Qinchun (韓秦春)**, aged 67, was appointed as an independent non-executive Director on 15 March 2024 and is currently a member of the Audit Committee, the Remuneration Committee and the Environmental, Social and Governance Committee. Dr. HAN obtained a doctorate degree in philosophy in urban economics and management from The University of Hong Kong in 1998 and a bachelor's degree in planning from Xi'an University of Architecture and Technology in 1982. Dr. HAN has rich experience in the PRC property sector, financial investment, equity capital market and listed companies' management. From 2000 to 2006, Dr. HAN worked in securities and investment in Bank of China International Holdings Limited, Agricultural Bank of China Securities Limited (now known as Agricultural Bank of China International Holdings Limited) and Everbright Securities Company (Hong Kong) Limited. From 2006 to 2010, Dr. HAN served as the vice-chairman and co-president and executive director of Hong Long Holdings Limited (now known as LET Group Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1383). Dr. HAN served as an independent non-executive director of Lingbao Gold Group Company Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 3330), for nine years and is currently an independent non-executive director of companies listed on the Main Board of the Stock Exchange, namely Xinda Investment Holdings Limited (stock code: 1281), Guangdong – Hong Kong Greater Bay Area Holdings Limited (stock code: 1396) and Sunfonda Group Holdings Limited (stock code: 1771). Dr. HAN is also the founder and chairman of Hong Kong Private Markets Limited, a fintech company in Hong Kong, since 2014.



**HAN Qinchun**  
韓秦春

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



**WANG Zhijian**  
王志健

**WANG Zhijian (王志健)**, aged 47, was appointed as an independent non-executive Director on 15 March 2024 and is currently the chairman of the Audit Committee and a member of the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee. Mr. WANG obtained a bachelor's degree in arts and a master's degree in business administration from Sun Yat-sen University in 2001 and 2015 respectively. He is a certified public accountant in the PRC, a certified public accountant in Australia and an intermediate economist, and has obtained a Fund Practitioner Qualification Certificate. From 2019 to 2021, Mr. WANG served as the person in charge of Guangzhou office and director of client development of Resources Global Professionals (Beijing) Co., Ltd. Mr. WANG is currently the financial controller of Corestone (Guangzhou) Investment Development Co., Ltd.



**TUO Tuo**  
脱脱

**TUO Tuo (脱脱)**, aged 46, was appointed as an independent non-executive Director on 15 March 2024 and is currently the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee. Mr. TUO obtained a bachelor's degree in law from Peking University in 2001, a master's degree in banking and finance laws from the University of London in the United Kingdom in 2003 and a master's degree in law from the University of Pennsylvania in the United States in 2009. From 2004 to 2008, Mr. TUO served as a lawyer at the Beijing representative office of Baker McKenzie. From 2011 to 2021, Mr. TUO served as a senior partner/lawyer of Beijing Dacheng Law Offices, LLP. From February 2021 to October 2025, Mr. TUO served as a director, a partner, a senior vice president, the general counsel of the Baoyun Group and the general manager of Guizhou Baoyun, and the president of Baoyun Vineyard. Mr. TUO is a lawyer/partner of Beijing Hanteng Lawfirm since November 2025.

### Joint Company Secretaries

**LEUNG Chong Shun (梁創順)**, aged 60, was appointed as the company secretary of the Company on 1 October 2016, as the joint company secretary from March 2019, and remained as the company secretary from 31 March 2026. Mr. LEUNG graduated from the University of Hong Kong in November 1988 where he was awarded a bachelor degree of Laws with honors. He is qualified as solicitor in both Hong Kong and England and has been a practicing lawyer in Hong Kong since 1991.

**LUO Jie (羅杰)**, aged 46, was appointed as a joint company secretary of the Company in March 2019. Mr. LUO graduated from Sun Yat-sen University in June 2002 where he was awarded a bachelor of Laws degree. He graduated from The Chinese University of Hong Kong in 2008 where he was awarded a Juris Doctor degree, and obtained the Postgraduate Certificate in Laws (PCLL) from the University of Hong Kong in 2009, followed by being awarded an MBA degree by the Hong Kong University of Science and Technology in 2022. He passed the National Judicial Examination of the PRC in 2005 and obtained the Legal Profession Qualification Certificate. He is qualified as a solicitor in Hong Kong since 2011. He joined the Company in May 2017, was appointed as the joint company secretary in March 2019 and resigned on 31 March 2026.

### Senior Management

**DING Jie (丁杰)**, aged 41, is a vice president. Mr. DING obtained his doctoral degree in structural engineering, and is a first-class national registered structural engineer. He has long been engaged in work related to the safety and reliability of building structures. Mr. DING joined the Group in June 2015 and has served as deputy general manager of projects, general manager of projects, regional executive president and regional president successively. He was appointed as a vice president of the Group and the president of the Guangqing region in April 2021, the president of the Group's Tengyue Building Technology Group in June 2022, and the chairman of the Group's Bozhilin Robotics Ltd. in September 2022. He is responsible for the works related to building construction and intelligent construction of the Group.

**HUANG Yuzang (黃宇瑩)**, aged 50, is a vice president. Mr. HUANG graduated from Zhejiang University with a bachelor's degree in architecture and from Peking University with a master's degree in geography (city and urban planning), and obtained an EMBA degree from Cheung Kong Graduate School of Business. He is a first-class national registered architect. Prior to joining the Group, Mr. HUANG worked in Hong Kong Huayi Design Consultants (Shenzhen) Limited as the managing director and a design director. Mr. HUANG has 26 years of experience in architecture design with extensive practical experience in engineering and acquired dozens of awards both in Mainland China and overseas with his advanced design ideas. Mr. HUANG was recognised as "The First Top Ten Young Architect of Shenzhen", "The Ninth Chinese Architecture Academy Young Architect" and "New Real Estate Architect for the year of 2014". Mr. HUANG joined the Group in March 2015 and was responsible for the design system as the chief designer of the Group. Mr. HUANG was appointed as the general manager of the cost management center of the Group in January 2019 and was responsible for the Group's construction cost, construction tendering and cost management, and was appointed as the president of Anhui region of the Group during the period from February 2020 to April 2021, and was appointed as the general manager of the managed and constructed management company of the Group in September 2023, and was appointed as the chief designer of the Group in December 2025.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**LI Xiaolin (黎曉林)**, aged 54, is a vice president. Mr. LI graduated from Department of Civil Engineering of Tsinghua University and Guanghua School of Management of Peking University with a bachelor degree of architecture and structural engineering with EMBA respectively, and is a qualified PRC architecture engineer and a qualified real estate appraiser in the PRC. Prior to joining the Group in 2008, Mr. LI worked in Zhuhai Zhuguang Architecture Design Engineering Company and was responsible for architecture design, as well as in various property developers, namely China Vanke Co., Ltd., Zhongshan Paramount Development Co., Ltd., and New Home (Zhuhai) Real Estate Co. Ltd., and was responsible for property development and management. Since 2008, Mr. LI has been responsible for the overall operation, management and sustainable development of property projects in certain regions of the Group. He has been successively served as the regional president of the Hunan region, Hunan and Chongqing region, Hunan Chongqing Sichuan and Jiangxi Region. Mr. LI was appointed as a vice president of the Group in 2013, and was served as the general manager of the human resource management centre, the general manager of the operation center and the general manager of the digital management center of the Group since 2020, and currently serves as the general manager of general management center of the Group. Mr. LI has 28 years of experience in the management of property development.

**BU Dehua (卜德華)**, age 43, is a vice president. Mr. BU graduated from Tsinghua University with undergraduate and master's degrees in Environmental Engineering and obtained the qualification of Intermediate Economist in Real Estate. He joined the Group in July 2007, successively served as water supply and drainage designer, investment department manager, and project general manager, etc. In March 2015, he was appointed as a president of the Foshan-Zhaoqing region. In August 2022, he also served as a president of the Shenzhen-Dongguan-Huizhou region. In June 2023, he was appointed as vice president of the Country Garden Property Group and also general manager of the investment planning department. In March 2025, he was appointed as a vice president of the Group and a general manager of the asset management centre, overseeing the Group's asset management operations.

**WANG Jun (王軍)**, age 43, is a vice president. Mr. WANG graduated from Central South University and China Europe International Business School, obtaining a Bachelor's degree in International Economics and Trade and a Master's degree in Business Administration respectively. He joined the Group in 2004 as a management trainee, subsequently overseeing operational management across multiple regional divisions. He has been successively served as a regional marketing general manager, regional marketing director, and president of the Anhui region. In 2023, he was designated to headquarters and was appointed as vice president of the Group in March 2025, overseeing the Group's marketing and operations. Mr. WANG currently serves as vice president of the Group and general manager of the project operations centre, responsible for the Group's marketing, operations, costing, and procurement. Mr. WANG has 22 years of experience in real estate development management.

# CORPORATE GOVERNANCE REPORT

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality Board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

## Corporate Governance Practices

As described in this report, the Company has applied the principles to its corporate governance structure and practices and has complied with the applicable code provisions set out in Part 2 of the Corporate Governance Code under Appendix C1 to the Listing Rules throughout the year ended 31 December 2025.

## Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the year ended 31 December 2025. No incident of non-compliance was noted by the Company in 2025. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

## Strategic Planning

The Group has been committed to implementing a strategic management system which identifies and assesses potential opportunities and challenges, so as to formulate a long-term development strategy and a planned course of action. The strategy management department of the Group is responsible for organizing strategy research and discussions. At the start of every year, senior management of the Group reviews and develops the medium to long term strategic planning of the Group as well as annual budget planning.

## Board of Directors

### Composition

As at 31 December 2025, the Board consisted of five executive Directors, namely, Ms. YANG Huiyan (Chairman), Mr. MO Bin (Co-Chairman), Dr. CHENG Guangyu (President), Ms. YANG Ziyang and Ms. WU Bijun, one non-executive Director, namely, Mr. CHEN Chong and three independent non-executive Directors, namely, Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo. A list of the Directors and their roles and functions is published on the websites of the Stock Exchange and of the Company respectively.

Mr. MO Bin was designated as co-chairman and Dr. CHENG Guangyu was appointed as president of the Company respectively on 4 December 2025.

# CORPORATE GOVERNANCE REPORT

Ms. YANG Huiyan is the sister and the wife of Ms. YANG Ziyang and Mr. CHEN Chong respectively. Save as disclosed above, none of the other Directors has or maintains any financial, business, family or other material/relevant relationship with any of the other Directors.

## **Independent Non-executive Directors**

The independent non-executive Directors are of sufficient number and calibre for their views to carry weight, and are able to comply with the requirements of rules 3.10(1) and (2), and 3.10A of the Listing Rules. The functions of independent non-executive Directors include:

- bringing an independent view and judgement at Board meetings;
- taking the lead where potential conflicts of interests arise;
- serving on Board committees if invited; and
- scrutinizing the Company's performance and monitoring performance reporting.

The independent non-executive Directors have made a positive contribution to the development of the Company's strategies and policies through independent, constructive and informed comments. They benefit the Board and the Board committees by their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation at the meetings of the Board and the Board committees.

In addition to the regular Board meetings, the Chairman met with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2025. Composition of the Board is disclosed, and the independent non-executive Directors are identified, in all corporate communications to the Shareholders.

## **Confirmation of Independence**

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the independent non-executive Directors has made an annual written confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and are independent.

## Board Diversity Policy

The Board has adopted a board diversity policy effective as from 6 August 2013, and has updated the policy on 25 March 2021, 13 December 2022 and 30 June 2025. The Company takes into consideration the benefits of various aspects of diversity, including but not limited to gender, age, culture, ethnicity, education background, skills, knowledge, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board. Appointment of Board members is based on merit and attributes that the selected candidates will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, support good decision making in view of the core businesses and the corporate strategy of the Company, and support succession planning and development of the Board.

In addition, the Company recruits and elects suitable persons as Director candidates in accordance with the nomination policy of the Company so as to comprehensively achieve the Board's decision making and supervisory functions. The Company may also train their executives as Director candidates by assigning the executives different jobs through job rotation, going abroad and being directors of subsidiaries. To maintain the professional and experience inheritance of the Directors, the Company plans the succession for the Board through taking into account the nomination policy as a reference, inviting current Directors to recommend suitable candidates, and considering the Company's executives as well as the Director candidates recommended by Shareholders and will measure the gender diversity of the succession pipeline. The Board is not a single gender board currently. The Company will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

As at 31 December 2025, an analysis of the Board composition based on the range of diversity perspectives is set out as follows:

Core Components of Diversity	Name of Directors	Gender	Basic Composition									Skills*							
			Age			Directors' Term of Office			Profession			Real estate development, construction and management	Law	Decision making	Leadership	Industry knowledge and experience	Financial analysis and capability	Risk management and compliance	Experience in Chinese Mainland market as senior executive
			30-39	40-49	50-59	Over 60	0-2 years	>2-5 years	Over 5 years	marketing strategies and management	Administration and business management								
<b>Executive Director</b>																			
	YANG Huiyan	Female	•				•	•						•	•	•	•	•	•
	MO Bin	Male		•			•		•					•	•	•	•	•	•
	CHENG Guangyu	Male		•			•		•					•	•	•	•	•	•
	YANG Ziyi	Female	•				•							•	•	•	•	•	•
	WU Bijun	Female			•		•			•				•	•	•	•	•	•
<b>Non-executive Director</b>																			
	CHEN Chong	Male		•			•				•			•		•	•	•	•
<b>Independent Non-executive Director</b>																			
	HAN Qinchun	Male				•	•					•		•	•	•	•	•	•
	WANG Zhijian	Male		•			•			•				•	•	•	•	•	•
	TUO Tuo	Male		•			•						•	•	•	•	•	•	•

# CORPORATE GOVERNANCE REPORT

\* Description of Skills:

Decision making:	The ability to identify strategic opportunities and threats, and to develop and implement plans to achieve corporate objectives
Leadership:	The ability to lead corporate teams and implement plans and policies
Industry knowledge and experience:	Familiar with the industry's daily operations, market development, competitors, technology and innovation
Financial analysis capability:	The ability to read and understand company accounts, financial documents, and financial reporting requirements
Risk management and compliance:	Possess the ability and experience to implement, manage or supervise risk management and internal control systems involving legal and regulatory compliance
Experience in Chinese Mainland market:	Understand the operations and marketing environment of the Chinese Mainland market and promote corporate development in the Mainland market
Experience as senior executive:	Senior management experience, responsible for people management and successful reform implementation
Qualification:	Formal qualifications in accounting/finance, economics/business, law or other relevant fields that can assist the Board's decision-making

Each of the Board members possessed different skills and knowledge, including property development, construction and building construction management, development strategy and marketing management, financial management, administration and business management, investment development management and legal, etc. The Board is characterized by significant diversity in terms of gender, age, designation, length of service, skills and knowledge. The Board reviewed the implementation and effectiveness of the board diversity policy of the Company on an annual basis, and based on the aforementioned reasons, the Board believes that it is sufficiently diverse and that the board diversity policy is being effectively implemented.

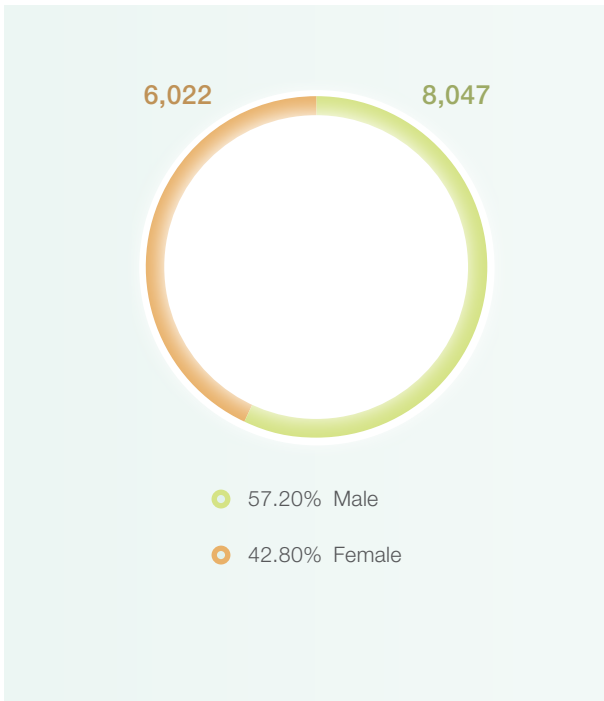
In 2025, the Company's gender diversity in the workforce is set out as follows. Details on the gender ratio in workforce (including Senior Management) of the Group, together with relevant data, are also set out as below diagram:

The number of employees		2025	
		No. of employees (person)	Percentage (%)
Total number of employees		14,069	100%
By gender	Male	8,047	57.20%
	Female	6,022	42.80%
By age	30 and below	2,565	18.23%
	31-40	8,009	56.93%
	41-50	2,551	18.13%
	51 and above	944	6.71%
By rank	Staff-level employees	9,372	66.61%
	Middle Management	4,506	32.03%
	Top Management	191	1.36%
By employment type	Full-time	14,069	100.00%
	Part-time	0	0%
	Others	0	0%
By geographical region	Chinese Mainland	13,261	94.26%
	Hong Kong, Macao and Taiwan	15	0.10%
	Overseas	793	5.64%

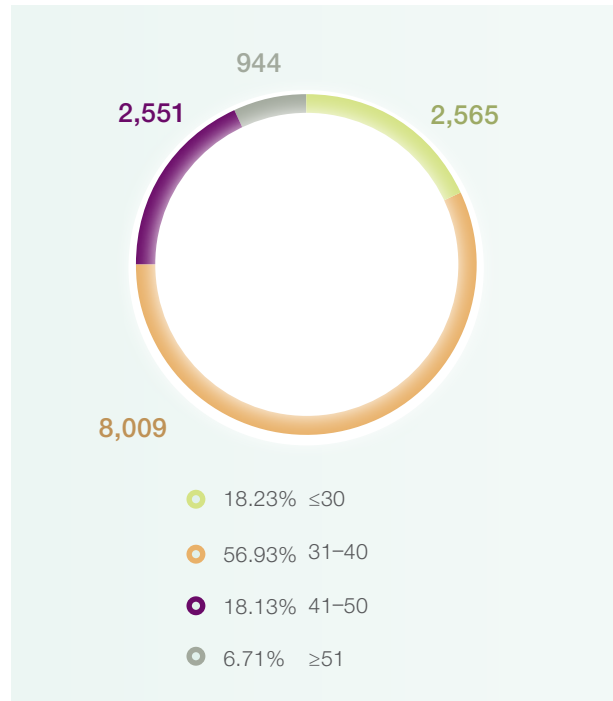
# CORPORATE GOVERNANCE REPORT

Total number of employees: 14,069

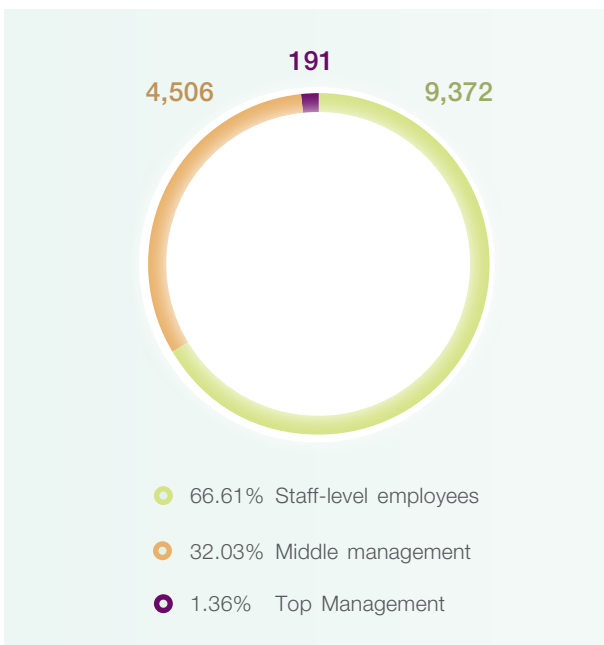
By gender



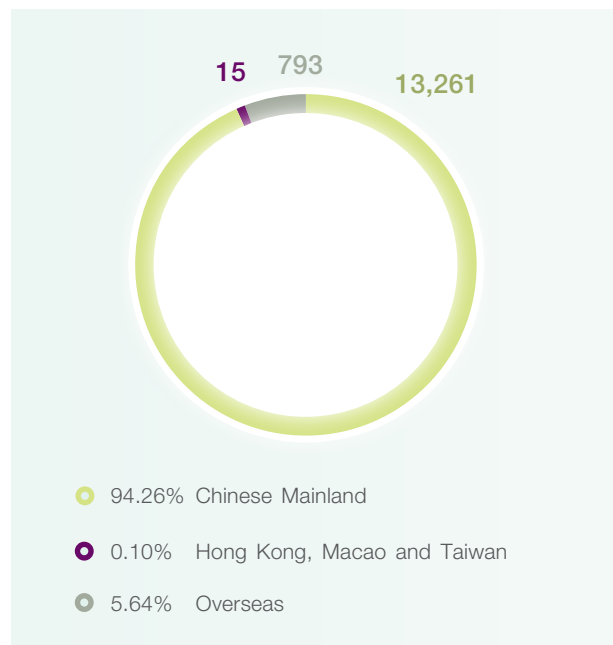
By age



By rank



By geographical region



### **Roles and Functions of the Board and the Management**

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, including dividend policy and risk management strategies. The management is delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group.

### **Appointment, Continuation of Appointment and Re-election of Directors**

All executive Directors have entered into service contracts with the Company, the non-executive Director and all independent non-executive Directors have entered into letters of appointment with the Company with a specific term of two years setting out key terms and conditions of their appointments. All Directors are subject to retirement in accordance with the Articles of Association.

According to the Articles of Association, (i) any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first annual general meeting after his appointment, and shall then be eligible for re-election; (ii) at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, 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 at an annual general meeting at least once every three years. As such, no Directors have a term of appointment longer than three years.

### **Board Meetings**

According to the Corporate Governance Code, the Board should meet regularly and hold at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged, if and when required. The date of each meeting is decided in advance to enable the Directors to attend the meeting in person. For those Directors who are not able to attend these meetings in person, participation by telephone conference is available.

Notice of at least 14 days shall be given for a regular Board meeting to give all Directors an opportunity to attend. The draft of the agenda of the Board meeting shall be sent together with the notice of the Board meeting to the Directors so as to allow the Directors to have sufficient time to propose matters for inclusion in the agenda. For all other Board meetings, reasonable notice will be given. To ensure that all Directors are properly informed about the matters to be discussed at each regular Board meeting, documents in relation to the regular Board meeting are sent to each Director at least three days prior to the meeting.

If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

The joint company secretaries or secretary of the Company (as the case may be) prepare detailed minutes of each Board meeting and Board committee meeting. After the meeting, draft and final versions of the minutes would be sent to the Directors for comment and records respectively as soon as practicable. Minutes of the meetings are kept by the Listing Company Secretariat of the Company and are open for inspection by any Director on reasonable notice.

# CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the Directors have made active contribution to the affairs of the Group. During the year, six Board meetings was held to, among other things, review and approve the postponement of publication of the annual results of the Group for the year ended 31 December 2023 and the interim results of the Group for the six months ended 30 June 2024, the publication of the annual results of the Group for the year ended 31 December 2024 and interim results of the Group for the six months ended 30 June 2025 and seventeen written Board resolutions were passed by all Directors to approve other affairs of the Group. Sufficient measures have been taken to ensure that there was efficient communication among the Directors.

## Attendance Record of Directors

The attendance record of Directors at the meetings of the Board, the Board committees and general meetings held during the year ended 31 December 2025 is set out below:

Directors	Number of meetings attended/Number of meetings held for the year ended 31 December 2025						
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Environmental, Social and Governance Committee	General Meeting
<b>Executive Directors</b>							
Ms. YANG Huiyan (Chairman)	6/6	N/A	3/3	3/3	3/3	5/5	2/2
Mr. MO Bin (Co-Chairman) <sup>1</sup>	6/6	N/A	N/A	3/3	3/3	5/5	2/2
Dr. CHENG Guangyu (President) <sup>2</sup>	6/6	N/A	N/A	N/A	3/3	5/5	2/2
Ms. YANG Ziying	4/6	N/A	N/A	N/A	N/A	N/A	1/2
Ms. WU Bijun	6/6	N/A	N/A	N/A	N/A	N/A	2/2
<b>Non-executive Director</b>							
Mr. CHEN Chong	6/6	N/A	N/A	N/A	N/A	N/A	2/2
<b>Independent non-executive Directors</b>							
Dr. HAN Qinchun	6/6	4/4	N/A	3/3	N/A	5/5	2/2
Mr. WANG Zhijian	6/6	4/4	3/3	3/3	N/A	5/5	2/2
Mr. TUO Tuo	6/6	4/4	3/3	3/3	N/A	5/5	2/2

Note 1: Mr. MO Bin resigned as a member of Remuneration Committee with effect from 4 December 2025.

Note 2: Dr. CHENG Guangyu was appointed as a member of Remuneration Committee with effect from 4 December 2025.

### Access to Information

All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including those changes to relevant rules and regulations and are able to make further enquiries when necessary. Sufficient explanation and information have been provided to the Board by the management to enable the Board to make an informed assessment of financial and other information put before it for approval. They also have unrestricted access to the advice and services of the joint company secretaries or secretary of the Company (as the case may be), who are responsible for providing the Directors with board papers and related materials. A monthly update which gives a balanced and concise assessment of the Company's performance, position and prospects in sufficient details is provided to all Directors to enable the Board as a whole and each Director to discharge his or her duty. The Board has also agreed that the Directors may seek independent professional advice in performing their Directors' duties at the Company's expense.

### Directors and Officers Liability Insurance

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management arising out of corporate activities. The insurance coverage and amount are reviewed on an annual basis.

### Directors' Training and Professional Development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment. Subsequently, the Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills.

During the year ended 31 December 2025, the Directors have participated in continuing professional development ("CPD"). All current Directors have provided the Company with their records of training received for the year. A summary of their records of training is provided as follows:

Directors	Types of CPD	Subject of CPD
	(Note 1)	(Note 2)
<b>Executive Directors</b>		
Ms. YANG Huiyan	1, 2	A, B
Mr. MO Bin	1, 2	A, B
Dr. CHENG Guangyu	1, 2	A, B
Ms. YANG Ziyang	1, 2	A, B
Ms. WU Bijun	1, 2	A, B
<b>Non-executive Director</b>		
Mr. CHEN Chong	1, 2	A, B
<b>Independent non-executive Directors</b>		
Dr. HAN Qinchun	2	A, B
Mr. WANG Zhijian	2	A, B
Mr. TUO Tuo	2	A, B

# CORPORATE GOVERNANCE REPORT

## Note 1:

- 1 Attending in-house briefings/trainings, seminars, conferences or forums
- 2 Reading newspapers, journals and updates

## Note 2:

- A. Businesses related to the Company
- B. Laws, rules and regulations, accounting standards

## Chairman and President

The roles of the Chairman and the President are separated to reinforce independence, accountability and responsibility. During the year ended 31 December 2025, Ms. YANG Huiyan, the Chairman, was responsible for the formulation of development strategies, investment decision making, overall project planning at the Group level, leading the Board and ensuring that the Board functions properly and effectively, whilst Mr. MO Bin, the former President (before 4 December 2025), and Dr. CHENG Guangyu, the current President (with effect from 4 December 2025), were responsible for the management of the daily operation and general administration of the Group. Their respective responsibilities are clearly established and defined by the Board in writing.

In performing the role of Chairman, Ms. YANG Huiyan was responsible for, among other things:

- ensuring that good corporate governance practices and procedures are established;
- ensuring that all Directors are properly briefed on issues arising at Board meetings and that all Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
- encouraging all Directors to make a full and active contribution to the Board's affair and to voice their concerns even with different views, allowing sufficient time for discussion of issues, ensuring that Board decisions fairly reflect the Board's consensus, and taking the lead to ensure that the Board acts in the best interests of the Group;
- ensuring that appropriate steps are taken to provide effective communication with the Shareholders and their views are communicated to the Board as a whole; and
- promoting a culture of openness and debate by facilitating the effective contribution of non-executive Director and independent non-executive Directors in particular and ensuring constructive relations among executive Directors, non-executive Director and independent non-executive Directors.

In performing the role of President, Mr. MO Bin or Dr. CHENG Guangyu (as the case may be) was responsible for, among other things:

- organizing and managing the Group's business;
- leading the corporate team to implement the strategies and plans established by the Board; and
- coordinating overall daily business operations of the Group.

Mr. MO Bin was re-designated from President of the Company to Co-Chairman and Dr. CHENG Guangyu, the executive Director, was appointed as President of the Company on 4 December 2025 respectively.

Following the above re-designation and appointment, Mr. MO Bin, the Co-Chairman, has been responsible for assisting the Board in coordinating the establishment of the Group's external strategic relationships and resource integration. He has also coordinated the implementation of the Group's strategies and major cross-sector matters, helping to enhance the Group's overall operational efficiency and contributing to the Company's sustainable development.

Ms. YANG Huiyan, the Chairman, continued to be responsible for leading and supervising the operation of the Board, and will fulfill the role of Chairman for the purpose of the Articles of Association of the Company, the Corporate Governance Code, and the Listing Rules. Ms. YANG was also fully lead the top-level design of the Group's strategies, coordinate the review and decision-making of fundamental issues such as major strategic matters, core resource allocation, and key risk controls in the Group's overall development, and guide the Group in anchoring its long-term development direction.

Dr. CHENG Guangyu, the President, was primarily responsible for executing the strategic deployment of the Board, comprehensively coordinating the work of various business segments of the Group, organising the establishment and implementation of the operation and management system, coordinating the daily operational control and administrative management of the Group, and ensuring the effective achievement of strategic deployment.

# CORPORATE GOVERNANCE REPORT

## Board Committees

The Board has established seven committees with specific written terms of reference to oversee particular aspects of the Company's affairs.

### Audit Committee

The Audit Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and of the Company respectively. As at 31 December 2025, all the members of the Audit Committee are independent non-executive Directors, namely Mr. WANG Zhijian, Dr. HAN Qinchun and Mr. TUO Tuo. Mr. WANG Zhijian, who has appropriate professional accounting qualifications and financial management expertise as required under the Listing Rules, was appointed as the chairman of the Audit Committee. None of the members of the Audit Committee is a former partner of the auditors of the Company.

The roles and principal duties of the Audit Committee include, among other things: (i) being primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (iii) developing and implementing a policy on engaging an external auditor to supply non-audit services; (iv) monitoring the integrity of the Company's financial statements and the annual report and accounts, half-year report and, if prepared for publication, quarterly reports, before submission of the financial statements and reports to the Board, and reviewing significant financial reporting judgements contained in them; (v) reviewing the Company's financial control, risk management and internal control systems; and (vi) discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems.

The Audit Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, the Audit Committee held four meetings for duly discharging the above-mentioned duties. The attendance record of individual Directors at the Audit Committee meetings is set out on page 52 of this annual report.

### **Nomination Committee**

The Nomination Committee was established in March 2012 and with written terms of reference which have been amended on 1 July 2025. Such written terms of reference are posted on the websites of the Stock Exchange and of the Company respectively. As at 31 December 2025, the Nomination Committee was chaired by an executive Director, Ms. YANG Huiyan and consisted of two other members, who were independent non-executive Directors being Mr. WANG Zhijian and Mr. TUO Tuo.

The roles and principal duties of the Nomination Committee include, among other things: (i) reviewing the policy concerning diversity of board members and the structure, size and composition of the Board, assisting the Board in maintaining a Board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) developing and maintaining a policy for the nomination of board members which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year and reviewing periodically the policy and the progress made towards achieving the objectives set in the policy; (iii) to assess each director's time commitment and contribution to the Board at least annually, as well as the director's ability to discharge his or her responsibilities effectively during the year (in doing so, consideration shall be given to the director's professional qualifications and work experience, any existing directorships of issuers listed on the Main Board or GEM and other significant external time commitments of such director and other factors or circumstances relevant to the director's character, integrity, independence and experience); (iv) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (v) assessing the independence of independent non-executive Directors; (vi) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and (vii) to support the Company's regular evaluation of the Board's performance at least every two years.

On 6 December 2018, the Nomination Committee and the Board respectively adopted the nomination policy of the Company:

#### ***Objectives***

- The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings for appointment or re-appointment or appointment as Directors to fill casual vacancies or as an addition to the existing Board.
- The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.
- The Nomination Committee should ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

# CORPORATE GOVERNANCE REPORT

## ***Selection Criteria***

- The factors to be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate include:
  - (i) reputation for integrity;
  - (ii) accomplishment and experience in different industries;
  - (iii) commitment in respect of available time and relevant interest;
  - (iv) independence;
  - (v) diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, qualifications, professional experience, skills, knowledge, independence and length of service;
  - (vi) for proposed independent non-executive Directors who will be holding their seventh (or more) listed company directorship, whether the individuals would still be able to devote sufficient time to the board (including whether the individuals have extensive experience in corporate governance of listed companies, are familiar with the management of listed companies, have close and good communication with the management and other independent non-executive Directors, can make the management decision of the Company work properly, are a chairman of the board or chief executive officer or full time executive director of other listed companies, the business activity of other listed companies in which the individuals hold directorship, etc.); and
  - (vii) other factors considered to be relevant by the Nomination Committee on a case-by-case basis, including the requirements and restrictions as stated in the Listing Rules.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

- Retiring Directors are eligible for nomination by the Nomination Committee and recommendation by the Board to stand for re-election at a general meeting.
- Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.
- The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

### ***Nomination Procedures***

- The secretary of the Nomination Committee or the secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also identify candidates pursuant to the criteria set out above and put forward candidates who are not nominated by Board members.
- The Nomination Committee may use any process it deems appropriate to evaluate the candidates pursuant to the criteria set out above, which may include personal interviews, background checks, presentations or written submissions by the candidates and third party references.
- For filling a casual vacancy and for addition to the existing Board, the Nomination Committee shall make recommendations for the Board's consideration, approval and appointment. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first annual general meeting after his appointment, and shall then be eligible for re-election pursuant to Article 83(3) of the Articles of Association. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to the Shareholders.
- In case of election at a general meeting, until the issue of the Shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
- In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to Shareholders by the Company. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations (including the Listing Rules), of the proposed candidates will be included in the circular to Shareholders. In addition, where a new Director is appointed or re-designated, the Company will announce the change as soon as practicable and include details of the relevant Director as required pursuant to the Listing Rules.
- The Shareholders may propose a person for election as a Director, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company. A Shareholder can serve a notice at the registered office, head office or the registration office (such place as the Board may from time to time determine to keep a branch register of members and where (except the Board otherwise directs) the transfer or other documents of title are to be lodged for registration and are to be registered) of the Company within the lodgement period of its intention to propose a resolution to elect certain person(s) as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the Shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.
- A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the secretary of the Company.
- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting. The ultimate responsibility for selection and appointment of Directors rest with the entire Board.

# CORPORATE GOVERNANCE REPORT

The Nomination Committee, after carefully evaluating all assessment criteria at its committee meeting (including each Director's role within the Company, attendance at meetings during the year, professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM and other significant external time commitments of such Director and other factors or circumstances relevant to the Director's character, integrity, independence and experience), concluded that all Directors possess appropriate professional backgrounds and extensive industry experience, and have demonstrated a great sense of responsibility, professionalism, and understanding of the Group's business. They have also acted with diligence and pragmatism and proactively participated in the Company's decision-making processes, as well as in all Board and Board committee meetings. The Nomination Committee is of the view that, during the year ended 31 December 2025, each Director was able to devote sufficient time and contributions to the Board, and effectively discharged his or her duties during the year.

The Nomination Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, the Nomination Committee held three meetings for duly discharging the above-mentioned duties. The attendance of individual Directors at the Nomination Committee meeting is set out on page 52 of this annual report.

## **Remuneration Committee**

The Remuneration Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and of the Company respectively. On 4 December 2025, Mr. MO Bin resigned as a member of the Remuneration Committee and Dr. CHENG Guangyu was appointed as a member of the Remuneration Committee. As at 31 December 2025, the Remuneration Committee was chaired by an independent non-executive Director, Mr. TUO Tuo, and consisted of four other members, of whom two were executive Directors being Ms. YANG Huiyan and Dr. CHENG Guangyu, and two were independent non-executive Directors being Dr. HAN Qinchun and Mr. WANG Zhijian.

The roles and principal duties of the Remuneration Committee include, among other things: (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors, non-executive Director and senior management with reference to their performance and terms of the service contracts; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee may consult the Chairman or the President about its remuneration proposals for the other executive Directors and senior management, seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, the Remuneration Committee held three meetings for duly discharging its duties. The attendance of individual Directors at the Remuneration Committee meeting is set out on page 52 of this annual report.

During the year ended 31 December 2025, there has been no grants under the Share Option Schemes, the Share Award Scheme or the MIP (as defined below), and there were no material matters relating to the Share Option Schemes, the Share Award Scheme and the MIP (as defined below) which required review or approval by the Remuneration Committee.

The Company has adopted a formal and transparent policy on remuneration of Directors and senior management (the “**Remuneration Policy**”). The Remuneration Policy was established by the Human Resources Department and Finance Department of the Company, and reviewed and approved by the Remuneration Committee and the Board. The Remuneration Policy may be revised by the Human Resources Department and Finance Department of the Group with reference to corporate policies and objectives, market research, market conditions, industry practices and other factors, which will be subject to the review and approval of the Remuneration Committee and the Board. The Remuneration Committee is also responsible for annual review of the Remuneration Policy and the procedure for setting the policy. Under the Remuneration Policy, the remuneration packages of Directors and senior management shall be recommended by the Remuneration Committee to the Board (and to be reviewed and adjusted periodically) with reference to the following factors:

- remuneration packages of similar positions of other companies engaging in similar businesses and of similar size;
- business needs, general economic conditions and changes in the relevant human resources market;
- personal experience, level of responsibility, job complexity, time commitment, years of service and personal potential;
- any discretionary bonuses, performance bonuses, share awards, etc. for executive Directors and senior management should be linked to the financial performance of the Group and their individual performance, and the Chairman or President or independent professional advice should be consulted to ensure fairness of the remuneration packages and compliance with established policy and guidelines; remuneration levels should be sufficient to attract and retain executive Directors and senior management to supervise and run the Company without paying more than necessary;
- remuneration of non-executive Directors should be determined with reference to their workload, responsibilities and remuneration paid to other non-executive directors by organizations of similar size and nature; and
- no Directors should be involved in deciding that Director’s own remuneration.

# CORPORATE GOVERNANCE REPORT

Under the Remuneration Policy, the remuneration packages of the employees other than Directors and senior management shall be viewed and adjusted periodically by the Human Resources Department and Finance Department of the Group with reference to the following factors:

- salary adjustment based on up-to-market information, including the competitive positioning, the cost of living and the projected pay increase in the similar business;
- to establish indicators to evaluate performance and profitability of each department and individual of the Group, and distribute the appropriate level of bonuses, cash bonuses and grant share awards according to the terms of Share Award Scheme and the MIP (as defined below);
- distribution to individual employees are guided by divisional and individual performances, where managers may make adjustments to account for other factors, including overall total compensation position (i.e. base salary plus bonuses and share awards, etc.), internals pay levels and external remuneration benchmarks; and
- no employees should be involved in deciding that employee's own remuneration.

The remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2025 is set out below:

RMB	Number of members of senior management
1,000,001 to 2,000,000	1
2,000,001 to 3,000,000	3
5,000,001 to 6,000,000	1

## Corporate Governance Committee

The Corporate Governance Committee was established in March 2012 with written terms of reference. As at 31 December 2025, the members of the Corporate Governance Committee were all executive Directors, namely Ms. YANG Huiyan, Mr. MO Bin and Dr. CHENG Guangyu. Ms. YANG Huiyan was the chairman of the Corporate Governance Committee.

The roles and principal duties of the Corporate Governance Committee include, among other things: (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Group's employees and Directors; and (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The Corporate Governance Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, the Corporate Governance Committee held three meetings for duly discharging the above-mentioned duties. The attendance of individual Directors at the Corporate Governance Committee meeting is set out on page 52 of this annual report.

#### **Environmental, Social and Governance Committee**

The Environmental, Social and Governance Committee was established in May 2020 with written terms of reference. As at 31 December 2025, the Environmental, Social and Governance Committee was chaired by an executive Director, Ms. YANG Huiyan and consisted of five other members, of whom two were executive Directors being Mr. MO Bin and Dr. CHENG Guangyu, and three were independent non-executive Directors being Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo.

The roles and principal duties of the Environmental, Social and Governance Committee include, among other things: (i) formulating and reviewing the Group's environmental, social and governance ("ESG") liabilities, vision, strategies, structure, principles and policies; (ii) monitoring the channels and means of communication with the Group's stakeholders; (iii) reviewing key ESG trends and related risks and opportunities, and assess the adequacy and effectiveness of the Group's ESG structure and business model; (iv) overseeing the Group's sustainability performance; (v) overseeing the funding of the initiatives on corporate social responsibilities; and (vi) reviewing and recommending to the Board for approval of the annual Environmental, Social and Governance Report of the Company.

The Environmental, Social and Governance Committee may seek any necessary information from employees within its terms of reference and it is authorised by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend the meetings if required. During the year ended 31 December 2025, the Environmental, Social and Governance Committee held five meetings for duly discharging the above-mentioned duties. The attendance of individual Directors at the Environmental, Social and Governance Committee meetings is set out on page 52 of this annual report.

# CORPORATE GOVERNANCE REPORT

## Executive Committee

The Executive Committee was established in June 2014 with written terms of reference. As at 31 December 2025, the members of the Executive Committee were all executive Directors, namely Ms. YANG Huiyan, Mr. MO Bin, Dr. CHENG Guangyu and Ms. YANG Ziyang. Ms. YANG Huiyan was appointed as the chairman of the Executive Committee.

The roles and principal duties of the Executive Committee include, among other things: (i) discussing and making decisions on matters relating to the management and operations of the Company including but not limited to corporate matters, financial/treasury planning and to form strategy; (ii) considering and making recommendations to the Board on acquisitions of or investments in business or projects; and (iii) reviewing and discussing any other matters as may from time to time be delegated by the Board.

The Executive Committee may seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, the Executive Committee has passed two resolutions (by way of written resolutions or by way of meetings) for duly discharging the above-mentioned duties.

## Finance Committee

The Finance Committee was established in August 2014 with written terms of reference. As at 31 December 2025, the Finance Committee consisted of seven members, of whom five were executive Directors being Ms. YANG Huiyan, Mr. MO Bin, Dr. CHENG Guangyu, Ms. YANG Ziyang and Ms. WU Bijun, and the two other members are senior management of the finance centre of the Company. Ms. WU Bijun was appointed as the chairman of the Finance Committee.

The roles and principal duties of the Finance Committee include, among other things: (i) approving the opening and cancelling of bank/securities accounts in name of the Company ("**Accounts**") and the changing of authorised signatories of the Accounts and dealing with any other matters from time to time in relation to the Accounts; (ii) executing any matters in relation to buy-back of shares of the Company pursuant to the authorisation granted by the Board from time to time and the mandate given by the Shareholders; and (iii) executing any matters in relation to the employees' share incentive scheme pursuant to the authorisation granted by the Board from time to time (unless otherwise provided for under Chapter 17 of the Listing Rules).

The Finance Committee may seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2025, one meeting was held by the Finance Committee for duly discharging the above-mentioned duties.

### Company Secretary

During the year ended 31 December 2025, Mr. LEUNG Chong Shun and Mr. LUO Jie are joint company secretaries of the Company. Mr. LEUNG Chong Shun is a practicing lawyer in Hong Kong and is not a full-time employee of the Company. Mr. LUO Jie is a full-time employee of the Company during the relevant year. They are responsible for advising the Board on corporate governance and Hong Kong legal matters. On 31 March 2026, Mr. LUO Jie resigned as joint company secretary of the Company, and Mr. LEUNG Chong Shun remains in office and acts as the sole company secretary of the Company.

During the year ended 31 December 2025, the primary contact person of the Company with Mr. LEUNG Chong Shun is Mr. LUO Jie, the head of the Listing Company Secretariat of the Company. Mr. LEUNG Chong Shun and Mr. LUO Jie have confirmed that they have taken no less than 15 hours of relevant professional training during the year ended 31 December 2025.

### Risk Management and Internal Control Systems

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and the Shareholders' interests, as well as, with the Audit Committee and the Risk Management Internal Committee, reviewing the effectiveness of these systems. The Group's risk control, audit and supervision department is delegated with responsibility to ensure and maintain sound risk management and internal control systems by continuously reviewing and monitoring the operation of the risk management and internal control systems and procedures so as to manage rather than eliminate the risk of failure to achieve business objectives and ensure that they can provide reasonable and not absolute assurance against material misstatement or loss and to manage risks of failure in the Group's operational systems.

### Risk Management and Internal Control

#### Objectives

The risk management and internal control systems are designed and implemented to achieve the following business objectives:

- evaluating and determining the nature and extent of the risks (including ESG risks) that the Company is willing to take in achieving its strategic objectives
- effectiveness and efficiency of operations
- reliability of financial reporting
- compliance with applicable laws and regulations

# CORPORATE GOVERNANCE REPORT

## Group Risk Management Framework

The Group's risk management and internal control systems were developed by making reference to the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). The Group's risk management and internal control systems consist of eight interdependent integrated components. They jointly ensure the operation of the Group's risk management and internal control systems. These components are internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring.

In order to enhance the effectiveness of the risk management and internal control systems, as well as to improve the level of management and risk response ability of the Group, the Board announced the establishment of the Risk Management Internal Committee on 13 May 2015. The Risk Management Internal Committee is authorized by the Audit Committee to deal with the Group's risk management matters, including overseeing the effectiveness of the Group's strategies and risk management system. On this basis, the Board established a risk management structure which consists of three levels, i.e. the Risk Management Internal Committee, risk management execution party and risk management monitoring party. The chart below shows the organization structure of the Group's risk management framework.



The roles of the key parties in our risk management structure are outlined below:

***Risk Management Internal Committee (Decision Making)***

- Establish and update the Company's risk management policies
- Review the Company's risk appetite, risk management strategies and risk management framework, and report the review results to the Audit Committee and provide recommendations for improvement
- Set up risks identification, assessment and management procedures
- Oversee the implementation of risk management policies and compliance with relevant statutory rules and regulations
- Report any significant risk management issues to the Audit Committee and the suggested solutions
- Review the results of the stress-testing for the major risks (including ESG risks) and the assessment on the Company's capability to withstand the stressed conditions particularly in terms of profitability, capital adequacy and liquidity
- Perform other relevant duties as requested by the Audit Committee

***Management at the Group's Headquarters (Execution)***

Senior management (President) are responsible for group-level risk management:

- Responsible for the design and implementation of the overall risk management systems, including organizing and coordinating cross-functional risk management work, as well as providing professional advice to significant decisions which involve considerable risks (including ESG risks)
- Under the organization and coordination of senior management, the respective functional centers participate in cross-divisional and other relevant risk management activities

***Management at the subsidiaries of the Group (Execution)***

- Management as divided by areas, projects, subsidiaries and branches are responsible for risk management at the respective level
- Under the organization and coordination of the Risk Management Internal Committee of the Group, the management staff members who are responsible for risk management at subsidiary level carry out risk management activities at business level according to the risk management procedures

***The Group's Risk Control, Audit and Supervision Department (Monitoring)***

- Monitor, review and evaluate the operation of risk management by the Group and its subsidiaries

During the year, there were no material changes to the Group's risk management and internal control systems.

# CORPORATE GOVERNANCE REPORT

## Review of the Risk Management and Internal Control Systems

During the year ended 31 December 2025, management has formulated remedial action plans to address the gaps and weaknesses identified during internal control self-assessment, internal control reviews and internal audits, covering 8 business areas and 19 key business processes. The Group's risk control, audit and supervision department has conducted follow-up reviews periodically to ensure remedial actions are taken on a quarterly basis, and has reported the results of the follow-up reviews to the Audit Committee.

During the year, the Board, in conjunction with the Audit Committee and the Risk Management Internal Committee, conducted a comprehensive review of the Company's risk management and internal control systems. The review covered the assessment of significant risks and internal controls over key business processes for the financial year ended 31 December 2025, encompassing all material controls, including financial, operational and compliance controls across the Company's principal business activities. The review considered (i) changes in the nature and extent of significant risks (including ESG risks) and the Company's ability to respond to changes in its business and external environment; (ii) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and the work of its internal audit function and other assurance providers; (iii) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Group's risk management and internal control systems; (iv) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses; (v) the effectiveness of the Group's processes for financial reporting and Listing Rules compliance; and (vi) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, and financial reporting functions, as well as those relating to the Group's ESG performance and reporting. No significant control failings or weaknesses were identified during the year. The Board acknowledges its responsibility for the Company's risk management and internal control systems, and confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code. The Board considers that the Company has complied with the risk management and internal control provisions set out in the Corporate Governance Code, and considers the risk management and internal control systems to be effective and adequate.

During the year ended 31 December 2025, the Audit Committee and the Risk Management Internal Committee have reviewed reports from the Group's Risk Control, Audit and Supervision Department with their findings and recommendations for improvement at each Audit Committee meeting. The external auditors have also reported any observations they identified in the course of their work to the Group, and are satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

During the year ended 31 December 2025, the Group has implemented procedures and internal controls for the handling and dissemination of inside information. In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;
- has established its own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and their implementation was monitored by the Company; and
- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.

### Whistleblower Policy and Anti-Corruption Policy

The Group has established a whistleblower policy since 2008 and updated the policy in 2022. Whistleblowing channels are published in all workplace. The policy is to facilitate employees, partners and customers to report complaints and internal malpractices anonymously and confidentially to the Risk Control, Audit and Supervision Department or the Audit Committee of the Company via telephone, Email or mail. The Group will review, investigate and follow up these complaints. Once cases are verified, investigation results will be reported to the Risk Management Internal Committee of the Group and the Board. If there is sufficient evidence to prove that the reported matter is suspected to constitute a crime, the Group will transfer the case to relevant judicial department for their handling, and will cooperate with the relevant judicial department to carry out investigation.

The Group always upholds a culture of transparency and has zero tolerance for fraud and corruption. Details of internal policies on anti-corruption of the Group are set out in the website of the Company.

### Mechanism on Independent Views to the Board

According to the written terms of the “Mechanism on Independent Views to the Board” of the Company (the “**Mechanism**”), the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively, either on the Company’s affairs or in respect of their fiduciary or other duties, at the Company’s expense.

To ensure independent views and input are available to the Board, the selection criteria and process of independent non-executive Directors set out in the Company’s Nomination Policy and all requirements on independent non-executive Directors set out in the Listing Rules form an integral part of the Mechanism. The independent non-executive Directors shall make a positive contribution to the development of the Company’s strategies and policies through independent, constructive and informed comments, as well as benefit the Board and the Board committees by their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation at the meetings of the Board and the Board committees. Their functions include but not limited to bringing an independent view and judgment at Board meetings; taking the lead where potential conflicts of interests arise; serving on Board committees if invited; and scrutinizing the Company’s performance and monitoring performance reporting.

The Board reviewed the Mechanism on an annual basis to ensure the implementation and effectiveness of the Mechanism.

### Auditor’s Remuneration

For the year ended 31 December 2025, the remuneration paid/payable to the auditor of the Company is set out as follows:

Service rendered	RMB million
Audit services of the Company	5
Non-audit services of the Company (mainly related to review of interim financial information)	1

# CORPORATE GOVERNANCE REPORT

## Directors' Responsibility on the Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2025, which were prepared in accordance with statutory requirements and applicable accounting standards. The Board aims to present a balanced, clear and understandable assessment of the Group's position and prospects in annual reports, interim reports and other financial disclosures required by the Listing Rules.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 122 to 124 of this annual report.

## Going Concern and Mitigation Measures

As described in the section headed "Basis for Disclaimer of Opinion — Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements" in the independent auditor's report on page 122 of this annual report, there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The Company's independent auditor, ZHONGHUI ANDA CPA Limited (the "**Auditor**"), was unable to obtain sufficient appropriate audit evidence to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements of the Group was appropriate. Accordingly, the Auditor did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2025. The Auditor stated in the disclaimer of opinion that, in all other respects, the consolidated financial statements of the Group for the year ended 31 December 2025 have been properly prepared in compliance with the disclosure requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

In order to mitigate phased liquidity pressure and improve financial condition, the Group has adopted various plans and measures. During the year, the restructuring proposals for nine onshore corporate bonds of the Group were approved, and the offshore debt restructuring proposal became effective. On 16 February 2026, the petition was dismissed by an order of the High Court. The Group has also been actively negotiating with other PRC onshore lenders and creditors on the extension or restructuring of borrowings. During the year 2025, the Group and its joint ventures and associates together achieved contracted sales attributable to the shareholders of the Company of approximately RMB33.01 billion, with contracted sales GFA attributable to the shareholders of the Company of approximately 4.02 million square meters, as well as completed the delivery of approximately 170,000 units of properties, with a total delivered GFA of approximately 19.82 million square meters, covering 204 cities across 28 provinces. Equity interests in LandSpace Technology Co., Ltd. were disposed of in 2025 to improve liquidity. During the year 2025, the selling and marketing costs and administrative expenses also decreased by 15.7% as compared to last year. The aforementioned demonstrated the orderly implementation of the mitigation plans and measures formulated by the Group in 2025. Please refer to the announcements of the Company dated 30 June 2025, 30 September 2025, 31 December 2025 and 31 March 2026 in relation to periodic updates on the actions taken by the Company to address the Disclaimer of Opinion for further details.

Going forward, the Group will continue to implement the debt management measures, actively adjust its sales activities to achieve its budgeted sales volume and cash collection, respond to various supportive policies of the national and local governments, revitalise resources and dispose of assets, improve operational efficiency and engage in negotiations with suppliers and other creditors to reach amicable resolutions as soon as possible in order to deal with the ongoing litigation cases. Further details on the Group's proposed plans and measures and the material uncertainties as to whether the Group is able to achieve its proposed plans and measures and continue as a going concern are set out in note 2.1(iii) to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this report.

The management of the Company is therefore of the view that the plans and measures currently adopted by the Group are effective. This is reflected in the fact that the Group has made meaningful progress in stabilising its financial position and addressing its liabilities, enabling it to better focus on housing delivery, continuing its business operations, maintaining the value of its assets, and implementing its business and asset disposal strategies that it believes have greatest potential to maximise value for all stakeholders.

The Group still faces challenges currently, but firmly believes that with the continuous optimization of the real estate policy environment and the industry's profound self-adjustment, the market will gradually regain its vitality. In 2026, the Group will ensure the continued implementation and completion of its onshore and offshore debt restructuring, comprehensively intensify its core efforts in high-quality delivery, steadily advance the resolution of project debt risks, and actively revitalise assets to safeguard the stability and sustainable operation of its business.

The Directors have considered the management's view and basis on major judgmental areas. Having carefully reviewed the Group's cash flow projections covering a period of not less than 12 months from 31 December 2025 prepared by the management, the Directors are of the opinion that the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2025 in view of the Group's successful experience in its onshore and offshore debt restructuring as well as the orderly implementation of the proposed plans and measures which may bring about reasonably possible changes in operation performance and costs control. Accordingly, the Directors consider that the preparation of the consolidated financial statements for the year ended 31 December 2025 on a going concern basis is appropriate, notwithstanding the disclaimer of opinion expressed by the Auditor.

The Audit Committee discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group's management will be able to achieve its proposed plans and measures. Through the discussions with the management of the Group and the Auditor during the meeting of the Audit Committee, the Audit Committee understood that the Auditor expressed the Disclaimer of Opinion on the appropriateness of the Group preparing the consolidated financial statements of the Group for the year ended 31 December 2025 using the going concern basis due to scope limitation, and that there were also no other alternative procedures that the Auditor could perform to satisfy themselves that the Group would be able to implement the proposed plans and measures. As a result, the Auditor was unable to obtain sufficient appropriate evidence they considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 was appropriate.

The Audit Committee has also discussed with the Board and the Group's management in respect of the going concern issue. On the bases of the Cash Flow Forecast, the onshore and offshore debt restructuring proposals becoming effective in 2025, the orderly implementation of the plans and measures and the management and the Board's position and basis on major judgmental areas as set out above, the Audit Committee concurred with the position adopted by the Group's management and the Board in respect of the basis of preparation applied by the Company, notwithstanding the disclaimer of opinion expressed by the Auditor.

There is no disagreement among the Board, the Group's management and the Audit Committee with the position taken by the Auditor regarding the going concern issue.

# CORPORATE GOVERNANCE REPORT

## Communication with Shareholders

The Board has adopted a shareholders' communication policy and has revised the same in December 2022 to reflect the current practices of the Company to maintain an on-going communication with its Shareholders, which has been posted on the website of the Company. Information shall be communicated to Shareholders and the investors through continuous disclosure of all material information of the Company, periodic disclosure through financial announcements and reports (interim and annual reports) of the Company, newsletters, annual general meetings and other Shareholders' meetings of the Company (if any), and websites of the Stock Exchange and of the Company. Shareholders should direct their questions about their shareholdings or corporate communication to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The general meeting of the Company and the provision of email address of the Investor Relations Department of the Company for shareholders' enquiries, [ir@countrygarden.com.cn](mailto:ir@countrygarden.com.cn), provided a platform for Shareholders to provide comments and suggestions and exchange views with the Board, and for the Board to solicit and understand the views of the Shareholders. Shareholders are encouraged to provide, among other things, in particular, their email address to the Company in order to facilitate timely and effective communications. The Board reviews the implementation and effectiveness of this policy regularly. In light of the availability of various channels to communicate with the Shareholders, the Board has considered the implementation and effectiveness of the shareholders' communication policy to be effective and adequate during the year.

## Dividend Policy

The Board adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate liquidity for its working capital requirements and for future growth and shall comply with the Articles of Association and all applicable laws and regulations. The Board shall have regard to the following factors of the Group when considering the declaration and payment of dividends:

- past financial results;
- past and forecasted cash flows;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of Shareholders;
- any restrictions on payment of dividends (including contractual restrictions, i.e. from financing-related agreements); and
- any other factors that the Board may consider relevant.

The Company does not have any pre-determined dividend payout ratio. The Board will continually review, revise and update the dividend policy from time to time. If the Board decides to recommend, declare or pay dividends, the form, frequency and amount will depend upon the situation and applicable factors at the relevant time.

The dividend policy does not constitute a legally binding commitment that the Company will distribute any specific amount of dividends, nor will it in any way hold the Company liable to declare dividends at any time or from time to time.

For the year ended 31 December 2025, due to continuous adjustments across the industry, the Group's gross profit margins were significantly under pressure. Meanwhile, to ensure the smooth delivery of projects and retain cash for working capital requirements, the Company did not declare any dividends. The Company will continue to focus on enhancing sales performance and actively revitalizing assets, aiming to improve investor returns through increased operational efficiency.

### Shareholders' Right

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company can make a written requisition to the Board or the secretary of the Company to require an extraordinary general meeting to be convened by the Board pursuant to Article 58 of the Articles of Association to address any business or resolution specified in the deposited requisition. The written requisition must state the objects of the meeting, and must be signed by the relevant Shareholder(s) and deposited at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, in addition to the principal place of business in Hong Kong at Suite 1702, 17/F., Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.

If within 21 days of the deposit of the requisition, the Board fails to proceed to convene an extraordinary general meeting, the relevant Shareholder(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place (as defined in Article 59(2) of the Articles of Association), and all reasonable expenses incurred by the relevant Shareholder(s) as a result of the failure of the Board to convene a meeting shall be reimbursed to the relevant Shareholder(s) by the Company.

There are no provisions under the Articles of Association or the Companies Act (As revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written deposited requisition.

Shareholders may at any time send their enquiries and concerns in writing to the Board or the secretary of the Company at the principal place of business in Hong Kong at Suite 1702, 17/F., Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong or by email to [ir@countrygarden.com.cn](mailto:ir@countrygarden.com.cn).

### Constitutional Documents

During the year ended 31 December 2025, there was no change in the Company's constitutional documents.

# CORPORATE GOVERNANCE REPORT

## Investor Relations

As a listed company, the Group respects voices from the Shareholders and the capital market. The Group is constantly committed to enhancing the information transparency and strengthening the level of corporate governance so as to strive for greater value for the Shareholders.

The Group formulated a systematic platform for information disclosure and communication. The Group facilitates communication through various channels such as internet networks, site visits, media interviews, roadshows (online, domestic or international) and meetings, and timely responses to the demand from the Shareholders and investors. For the year ended 31 December 2025, the Group continued to issue monthly newsletters to provide further operating details which improved the quality of information disclosure; the Group continued its close communication with investors by non-trading roadshows, reverse roadshows, and participating in roadshows held by various financial institutions in Asia-Pacific and Europe regions. In the communication process, the Group timely introduced to investors its operating results, development strategy and business updates that enhanced investors' understanding of and confidence in the Group. Meanwhile, the dedicated team of the Group timely summarized and analyzed information of the capital market, and gave feedback to the management in a systematic manner.

Going forward, the dedicated investor relations team will, by way of calls, emails, meetings, and site visits etc., continue its interaction with investors, listen to opinions from the market, convey information of the Group and protect the long-term trust between investors and the Group. The Directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Company's relevant information disclosure policy and other laws and regulations.

# REPORT OF THE DIRECTORS

The Board hereby presents the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## Principal Activities

The Company is an investment holding company and its subsidiaries are principally engaged in property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and light-asset entrusted management and construction services.

An analysis of the Group's revenue and operating results for the year ended 31 December 2025 by principal activities is set out in note 5 to the audited consolidated financial statements of the Group.

## Results

The results of the Group for the year ended 31 December 2025 are set out in the audited consolidated income statement and the audited consolidated statement of comprehensive income of the Group on pages 127 to 128 of this annual report.

## Business Review

The business review of the Group for the year ended 31 December 2025 is set out as below:

		Section(s) in this Annual Report	Page No. of this Annual Report
a.	Fair review of the Company's business	Management Discussion and Analysis	26 to 33
b.	Description of the principal risks and uncertainties the Company is facing	Management Discussion and Analysis	26 to 33
c.	Particulars of important events affecting the Company that have occurred since the year ended 31 December 2025 (if any)	Report of the Directors	75 to 119
d.	Indication of likely future development in the Company's business	Chairman Statement and Management Discussion and Analysis	12 to 15 and 26 to 33
e.	Analysis using financial key performance indicators	Five Year Financial Summary and Management Discussion and Analysis	25 and 26 to 33

# REPORT OF THE DIRECTORS

	Section(s) in this Annual Report	Page No. of this Annual Report
f.	<p>Discussion on the Company's environmental policies and performance</p> <p>Country Garden has always strived to operate environmentally, make efficient use of resources and foster a green living environment in property projects that we develop. Minimising adverse impact of construction and development as well as promoting green buildings and green offices are some of our most important environmental responsibilities.</p> <p>We stringently comply with legislations related to environmental protection in markets that we operate in, and take location-specific environmental conditions into concern whenever we develop a project, to minimise our impact on the natural environment.</p> <p>Further information about the Company's environmental policies and performance is described in the "2025 Environmental, Social and Governance Report" (a standalone report).</p>	Not applicable
g.	<p>An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depend</p> <p>Management Discussion and Analysis, Corporate Governance Report and Report of the Directors</p> <p>Further information about the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends is described in the "2025 Environmental, Social and Governance Report" (a standalone report).</p>	26 to 33, 45 to 74 and 75 to 119
h.	<p>Discussion on the Company's compliance with the relevant laws and regulations that have a significant impact on the Company</p> <p>Corporate Governance Report and Report of the Directors</p> <p>Further information about the Company's compliance with the relevant laws and regulations that have a significant impact on the Company is described in the "2025 Environmental, Social and Governance Report" (a standalone report).</p>	45 to 74 and 75 to 119

### Final Dividend

The Board does not recommend the payment of a final dividend (2024 final dividend: Nil) for the year ended 31 December 2025.

### Property, Plant and Equipment

Details of the movements in property, plant and equipment during the year ended 31 December 2025 are set out in note 6 to the audited consolidated financial statements of the Group.

### Borrowings

Details of the borrowings during the year ended 31 December 2025 are set out in note 20 to the audited consolidated financial statements of the Group.

### Share Capital

Details of the movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 22 to the audited consolidated financial statements of the Group.

### Convertible Bonds and Other Equity Fund Raising Activities

On 21 November 2018, the Company, Smart Insight International Limited (the “**Issuer**”, a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the “**Joint Lead Managers**”) entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the “**2023 Convertible Bonds**”). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds were listed on SGX. The 2023 Convertible Bonds have matured on 5 December 2023 and were defaulted with conversion period expired. The 2023 Convertible Bonds were subsequently cancelled on 30 December 2025, the restructuring effective date (the “**RED**”).

On 20 January 2022, the Company, the Issuer and UBS AG Hong Kong Branch (the “**Sole Bookrunner**”) entered into an agreement, under which the Sole Bookrunner agreed to subscribe for the 4.95% secured guaranteed convertible bonds due 2026 to be issued by the Issuer in the aggregate principal amount of HKD3,900 million (the “**2026 Convertible Bonds**”). On 28 January 2022, the Issuer issued the 2026 Convertible Bonds in the principal amount of HKD3,900 million. The 2026 Convertible Bonds were listed on SGX. The last adjusted conversion price of the 2026 Convertible Bonds (as last adjusted on 13 June 2022) was HKD7.92 per Share. The 2026 Convertible Bonds were cross-defaulted and subsequently cancelled on the RED.

# REPORT OF THE DIRECTORS

On the RED, the following instruments have been issued by the Company in accordance with the terms of the Scheme:

Date	Equity fund raising activities	Reasons for the equity fund raising activities	Net price	Net proceeds	Market price	Relevant corporate communications <sup>Note</sup>
<b>Issue of new Shares</b>						
On 30 December 2025, the Company issued a total of 932,548,737 new Shares for the purpose of (i) settling work fees payable to CoCom, AHG and CB Holder Group; (ii) settling RSA Fees; and (iii) payment of accrued and unpaid interest (including default interest) under the TFB Bilateral Loan up to and including 30 September 2024.						
30 December 2025	Issue and allotment of 135,591,359 new Shares in the aggregate nominal value of HKD13,559,135.90 as CoCom Work Fee Shares under General Mandate at the issue price of HKD0.40 per Share to GLAS Agency (Hong Kong) Limited ("GLAS HK").	To settle part of the Work Fees payable to CoCom by way of the issue and realisation through disposal of the CoCom Work Fee Shares under General Mandate.	GLAS HK will dispose (or procure the disposal) of the CoCom Work Fee Shares under General Mandate, and the Company will bear the costs of issuance and disposal. Accordingly, the net price to the Company of each CoCom Work Fee Share under General Mandate shall be the same as the issue price of the CoCom Work Fee.	As the proceeds from the disposal of the CoCom Work Fee Shares under General Mandate will be set off against the Work Fees payable to CoCom, no cash proceeds will arise from the issue of the CoCom Work Fee Shares under General Mandate.	HKD61,694,068.35 (as at 19 December 2025)	Announcements dated 14 November 2025, 22 December 2025 and 31 December 2025, and circular dated 17 November 2025
30 December 2025	Issue and allotment of 16,849,842 new Shares in the aggregate nominal value of HKD1,684,984.20 under Specific Mandate at the issue price of HKD2.60 per Share to Tai Fung Bank Limited.	For payment of accrued and unpaid interest (including default interest) under the TFB Bilateral Loan up to and including 30 September 2024 amounting to HKD43,809,588.1.	The net price to the Company of each Share so issued was the same as the issue price.	No cash proceeds from such issuance of new Shares.	HKD8,930,416.26 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025

Date	Equity fund raising activities	Reasons for the equity fund raising activities	Net price	Net proceeds	Market price	Relevant corporate communications <sup>Note</sup>
30 December 2025	Issue and allotment of 42,209,957 new Shares in the aggregate nominal value of HKD4,220,995.70 under Specific Mandate at the issue price of HKD2.60 per Share to the AHG.	To satisfy the RSA Fees and the work fees payable to the AHG amounting to approximately USD14,069,985.67, among which 33,053,453 new Shares was issued for the purpose of satisfying the RSA Fees and 9,156,504 Shares was issued for the purpose of satisfying the work fees payable to the AHG.	The net price to the Company of each Share so issued was the same as the issue price.	No cash proceeds from such issuance of new Shares.	HKD22,371,277.21 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025
30 December 2025	Issue and allotment of 483,600,000 new Shares in the aggregate nominal value of HKD48,360,000.00 under Specific Mandate at the issue price of HKD0.50 per Share to the AHG.	To settle work fees payable to the AHG amounting to approximately USD31,000,000.	The net price to the Company of each Share so issued was the same as the issue price.	No cash proceeds from such issuance of new Shares.	HKD256,308,000 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025
30 December 2025	Issue and allotment of 199,561,215 new Shares in the aggregate nominal value of HKD19,956,121.50 under Specific Mandate at the issue price of HKD0.55 per Share to CoCom.	To settle work fees payable to CoCom amounting to approximately USD14,071,624.13.	The net price to the Company of each Share so issued was the same as the issue price.	No cash proceeds from such issuance of new Shares.	HKD105,767,443.95 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025
30 December 2025	Issue and allotment of 54,736,364 new Shares in the aggregate nominal value of HKD5,473,636.40 under Specific Mandate at the issue price of HKD0.55 per Share to the CB Holder Group.	To settle work fees payable to the CB Holder Group amounting to approximately USD3,859,615.	The net price to the Company of each Share so issued was the same as the issue price.	No cash proceeds from such issuance of new Shares.	HKD29,010,272.92 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025

# REPORT OF THE DIRECTORS

Date	Equity fund raising activities	Reasons for the equity fund raising activities	Net price	Net proceeds	Market price	Relevant corporate communications <sup>Note</sup>
<b>Convertible Bonds</b>						
30 December 2025	Issue of the zero-coupon mandatory convertible bonds in the denomination of USD1,000 each with a maturity date of 78 months from 30 June 2025 in the principal amount of USD7,500,697,253 (" <b>MCB (A)</b> ") to creditors eligible to receive MCB(A). The MCB(A) may be converted into a maximum number of 22,502,091,759 Shares at the initial conversion price of HKD2.6 per Share (subject to adjustment).	As Scheme Consideration to compromise and discharge part of the obligations of the Group owed to the Creditors under the Existing Debt Instruments.	The net price to the Company of each new Share so issued was the same as the relevant conversion price.	No cash proceeds from such issuance of MCB(A) will be received by the Company.	HKD11,926,108,632.27 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025
30 December 2025	Issue of the zero coupon mandatory convertible bonds in the denomination of USD1,000 each with a maturity date of 114 months from 30 June 2025 in the principal amount of USD603,751,513 (" <b>MCB (B)</b> ") to creditors eligible to receive MCB(B). The MCB (B) may be converted into a maximum number of 470,926,180 Shares at the initial conversion price of HKD10 per Share (subject to adjustment).	As Scheme Consideration to compromise and discharge part of the obligations of the Group owed to the Creditors under the Existing Debt Instruments.	The net price to the Company of each new Share so issued was the same as the relevant conversion price.	No cash proceeds from such issuance of MCB(B) will be received by the Company.	HKD249,590,875.4 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025

Date	Equity fund raising activities	Reasons for the equity fund raising activities	Net price	Net proceeds	Market price	Relevant corporate communications <sup>Note</sup>
30 December 2025	Issue of the zero coupon mandatory convertible bonds in the denomination of USD1,000 each with a maturity date of 78 months from 30 June 2025 in the principal amount of USD39,461,396 (" <b>MCB (C)</b> ") to Chong Hing Bank Limited. The MCB (C) may be converted into a maximum number of 279,817,174 Shares at the initial conversion price of HKD1.10 per Share (subject to adjustment).	To fully discharge and compromise the underlying indebtedness of the CHB Bilateral Loan in return for the lender receiving MCB (C).	The net price to the Company of each new Share so issued was the same as the relevant conversion price.	No cash proceeds from such issuance of MCB(C) will be received by the Company.	HKD148,303,102.22 (as at 11 November 2025)	Announcements dated 14 November 2025, 3 December 2025 and 31 December 2025, and circular dated 17 November 2025
<b>Warrants</b>						
30 December 2025	Issue of 816,676,484 SCA Warrants in the principal amount of USD82,821,268 to the original lenders of the SCA Loan. The SCA Warrants may be issued for a maximum number of 816,676,484 Shares at the initial exercise price of HKD0.60 per Share (subject to adjustment), exercisable on or after the RED up to the close of business on the expiry date, being 24 months after the RED.	To entitle lenders of the SCA Loan to subscribe for new Shares as SCA Warrant Shares in exchange for the reduction or set-off of an equal and corresponding amount payable to that lender under the SCA Loan.	The net price to the Company of each new Share so issued was the same as the relevant exercise price.	No cash proceeds from such issuance of SCA Warrants will be received by the Company.	HKD432,838,536.52 (as at 11 November 2025)	Announcements dated 14 November 2025 and circular dated 17 November 2025

Note: Capitalised terms used in the above table shall have the same meanings as those defined under the relevant announcements or circular as set out under the "Relevant corporate communications" column.

# REPORT OF THE DIRECTORS

Please refer to announcements of the Company dated 10 October 2023, 16 January 2024, 28 February 2024, 4 March 2024, 28 March 2024, 7 April 2024, 17 May 2024, 27 June 2024, 29 July 2024, 30 September 2024, 31 December 2024, 9 January 2025, 20 January 2025, 21 January 2025, 11 April 2025, 9 May 2025, 23 May 2025, 6 June 2025, 30 June 2025, 18 August 2025, 13 October 2025, 30 October 2025, 6 November 2025, 14 November 2025, 3 December 2025, 5 December 2025, 22 December 2025, 29 December 2025 and 31 December 2025 (together, the “**Announcements**” (unless otherwise specified or the context otherwise requires)), the circular dated 17 November 2025 (the “**Circular**”) and the explanatory statement issued by the Company on 13 October 2025 as supplemented by the supplement to the explanatory statement dated 29 October 2025 (the “**Explanatory Statement**”). Capitalised terms used in this Report of the Directors shall have the same meanings as ascribed to them in the Announcements, the Circular and the Explanatory Statement unless otherwise stated or the context otherwise requires.

Details of convertible bonds and SCA Warrants are set out in note 20(a) to the audited consolidated financial statements of the Group, which form part of the disclosure in this report of the Directors.

## Equity Linked Agreements

Save as disclosed in the sections headed “Convertible Bonds and Other Equity Fund Raising Activities” and “Employee Incentive Mechanisms and Management Incentive Plan”, no equity linked agreements were entered into during or subsisted at the end of the year ended 31 December 2025.

## Directors’ Right to Acquire Shares or Debentures

Under the Proposed Restructuring, the executive Directors, namely Mr. MO Bin, Ms. YANG Ziyang and Ms. WU Bijun each beneficially hold certain Existing Public Notes, and would be entitled to receive Scheme Consideration (including the New Debt Instruments) pursuant to the terms of the Scheme. Notwithstanding the above, each of Mr. MO Bin, Ms. YANG Ziyang and Ms. WU Bijun has committed not to make any election to receive MCB(A) and MCB (B) as Scheme Consideration.

Save as disclosed above and in the sections headed “Connected Transactions and Continuing Connected Transactions”, “Employee Incentive Mechanisms and Management Incentive Plan” and “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures”, at no time during the year ended 31 December 2025 was the Company, any of its subsidiaries, fellow subsidiaries or its holding companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

## Distributable Reserves

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

Details of the movements in reserves during the year ended 31 December 2025 are set out in note 41 to the audited consolidated financial statements of the Group.

## Donations

The total donations made by the Group during the year ended 31 December 2025 amounted to approximately RMB0.28 million (2024: approximately RMB0.48 million).

## Permitted Indemnity Provision

The Articles of Association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses and damages which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Group has taken out and maintained directors' liability insurance for the year ended 31 December 2025, which provides appropriate cover for the Directors.

The permitted indemnity provisions were in force during the year ended 31 December 2025 for the benefit of the Directors.

### Five Years Financial Summary

A five years financial summary of the Group is set out on page 25 of this annual report.

### Major Customers and Suppliers

For the year ended 31 December 2025, revenue attributable to the largest customer of the Group amounted to approximately 0.16% of the total revenue of the year and the five largest customers of the Group accounted for less than 30% of the Group's revenue of the year.

For the year ended 31 December 2025, purchases attributable to the largest supplier of the Group amounted to approximately 1.33% of the total purchases in the year and the five largest suppliers of the Group accounted for less than 30% of the Group's purchases in the year.

### Directors' and Shareholders' Interests in Suppliers and Customers of the Group

The Directors, their close associates and the Shareholders (who to the knowledge of the Directors own more than 5% of the issued Shares) did not have any interests in the five largest customers and suppliers of the Group for the year ended 31 December 2025.

### Management Contracts

No contracts other than employment contracts with the Directors and full-time employees concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

### Directors and Directors' Service Contracts

The Directors during the year ended 31 December 2025 and up to the date of this annual report are:

#### Executive Directors

Ms. YANG Huiyan (*Chairman*)

Mr. MO Bin (President before 4 December 2025, re-designated from President to Co-Chairman on 4 December 2025)

Dr. CHENG Guangyu (appointed as President on 4 December 2025)

Ms. YANG Ziyang

Ms. WU Bijun

#### Non-executive Director

Mr. CHEN Chong

#### Independent non-executive Directors

Dr. HAN Qinchun

Mr. WANG Zhijian

Mr. TUO Tuo

## REPORT OF THE DIRECTORS

In accordance with article 84 of the Articles of Association, Dr. CHENG Guangyu, Ms. WU Bijun and Mr. CHEN Chong shall retire from office by rotation and, being eligible, offer themselves for re-election at the 2026 AGM.

No Director proposed for re-election at the 2026 AGM has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

### Changes to Information in Respect of Directors

In accordance with rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) during the year ended 31 December 2025 and up to the date of this report are set out below:

### Positions held with the Company; and Directors' other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas and other major appointments and professional qualifications

Director's Information	Appointment (effective date)	Cessation (effective date)
Mr. MO Bin		
• President, member of the Remuneration Committee and authorised representative of the Company	—	4 December 2025
• Co-Chairman of the Company	4 December 2025	—
Dr. CHENG Guangyu		
• President, member of the Remuneration Committee and authorised representative of the Company	4 December 2025	—
Mr. TUO Tuo		
• Director, partner, senior vice president, the general counsel of the Baoyun Group and the general manager of Guizhou Baoyun, and the president of Baoyun Vineyard	—	31 October 2025
• Lawyer/partner of Beijing Hanteng Lawfirm	7 November 2025	—

### Directors' and Senior Management's Emoluments and Five Highest Paid Individuals

Details of the remuneration of the Directors and senior management, together with those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in note 28 and note 34 to the audited consolidated financial statements of the Group and the section headed "Board Committees – Remuneration Committee" under the corporate governance report.

The emolument payable to the Directors (including salary and other benefits) are recommended by the Remuneration Committee of the Company for the Board's approval, having regard to the Group's results, Directors' performance, duties, etc.

### Directors' Interests in Contracts of Significance

Save as disclosed under the section headed “Connected Transactions and Continuing Connected Transactions” and note 40 to the audited consolidated financial statements of the Group, no transactions, arrangements or contracts of significance in relation to the Company’s business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director or his or her connected entities had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 December 2025.

### Directors' and Their Close Associates' Interests in Competing Business

On 21 July 2021, the Company entered into, inter alia, a deed of non-competition and indemnity (the “**Deed**”) with Ms. YANG Huiyan (“**Ms. YANG**”) (the then co-chairman and current chairman of the Board, executive Director and controlling Shareholder) to replace the original deeds of non-competition (the “**Original Deeds of Non-Competition**”) entered into on 29 March 2007 with Mr. YEUNG Kwok Keung (“**Mr. YEUNG**”), Ms. YANG and other then relevant covenantors (including Qingyuan CG and Qingyuan Country Cultural Development Co., Ltd.) prior to the listing of the Shares in 2007. The Deed has been considered and passed in the extraordinary general meeting of the Company on 22 December 2021 (the “**Effective Date**”), and the Original Deeds of Non-Competition were terminated at the same time. For the sake of completeness, a deed of non-competition and indemnity was similarly entered into by the Company with Mr. YEUNG (the then chairman of the Board and executive Director) on 21 July 2021 and approved on 22 December 2021, but has since automatically terminated when Mr. YEUNG ceased to be the chairman of the Board and executive Director, and ceased to be binding on Qingyuan CG and Qingyuan Country Cultural Development Co., Ltd. (both being close associates of Mr. YEUNG), on 1 March 2023.

Ms. YANG has unconditionally and irrevocably undertaken and warranted under the Deed that, after the Effective Date, she will not, and will procure any of her respective close associates (other than members of the Group) not to, (i) participate in or operate any business which directly or indirectly competes or may compete with business from time to time engaged in by the Group, other than: (a) the Group’s business; (b) investment which is not in the nature of a “business”; (c) business which the Group has newly engaged in that was not a restricted business and she or her close associates have hitherto carried on or participated in or been interested in; and (d) any business segment or market which the Group will not invest in, as approved by a board committee comprising independent non-executive directors who do not have an interest in the business opportunity (the “**Independent Board**”) ((a)-(d) collectively, the “**Exempted Business**”) (the “**Restricted Business**”), or (ii) hold any interests or rights in any companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so compete or may compete with the business of the Group except where they hold less than 5% of the total issued share capital in any company which competes with the business of the Group and have no right to appoint the majority of the board of directors thereof.

Besides, the Deed also formulates a competing business opportunity review mechanism, which requires Ms. YANG and her close associates to first refer new business opportunity of the Restricted Business to the Company. In case the Company declines such business opportunity, Ms. YANG and her close associates are entitled to accept such business opportunity upon passing the competing business opportunity review mechanism (including the approval by the Independent Board). Similarly, in case any restricted business opportunity offered by a third party is declined by the Company or the Company intends to sell a project and Ms. YANG or her close associates wish(es) to accept, they could participate in or operate the relevant Restricted Business upon passing the competing business opportunity review mechanism (including the approval by the Independent Board). For those Restricted Business participated or operated by Ms. YANG or her close associates upon passing the competing business opportunity review mechanism, the Company shall have the pre-emptive right thereof.

## REPORT OF THE DIRECTORS

Pursuant to the Deed, the independent non-executive Directors shall review, at least once every year, the performance of the Deed by Ms. YANG to confirm that she has complied with the terms of the Deed. The Company has received confirmation letter from Ms. YANG on the compliance with the terms of the Deed by herself and her close associates, confirming that all conditions and terms of the Deed have been complied with during the year ended 31 December 2025. In particular, Ms. YANG has used the competing business opportunity review mechanism under the Deed for 56 new business opportunities during the year ended 31 December 2025 in addition to 64 new business opportunities in 2024, 12 new business opportunities in both 2023 and 2022 respectively, and 1 share investment business opportunity of China Resources Vanguard (Holding) Company Limited (“**Vanguard**”) in 2021. For details regarding description of previous new business opportunities and the decision of the Independent Board in rejecting the business opportunities, please refer to the section headed “Directors’ and Their Close Associates’ Interests in Competing Business” in the report of the Directors in the Annual Reports 2021, 2022, 2023 and 2024 of the Company.

All of the 56 new business opportunities during the year ended 31 December 2025 involve the purchase, holding, operation, leasing and construction of certain real estates, shops, parking spaces etc. by various subsidiaries of CG Services. The total value of those real estates, shops and parking spaces is approximately RMB2.4 billion: (i) 52 of which involve assets with a total value of approximately RMB0.796 billion used to offset the debts of the debtors of various subsidiaries of CG Services; (ii) 2 of which involve CG Services Group purchasing assets with a value of RMB38.65 million from independent third party; (iii) 1 of which involves CG Services Group leasing property from independent third party for operation and management at annual rental income of approximately RMB2.44 million; and (iv) remaining 1 of which involves CG Services Group together with an independent third party investing at a value of approximately RMB1.593 billion, constructing and operating a headquarter office building and residential units with the plan for office use, rental or sale to employees of certain independent third parties. Taking into account of, among other things, the unclear outlook of the current real estate industry adjustment period, the liquidity risks of the relevant debtors, the Company’s operating risks and cash flows, the fact that the Company’s capital shall first be used in the development of its major property business and to secure capital turnover, the total business volume, potential return and profit margin of the relevant business opportunities, and the fact that the geographical locations of the business opportunities of the relevant real estates, shops and parking spaces do not constitute substantial competition, the Independent Board has passed resolutions to review and decide that the Company would not participate in such new business opportunities, and approved that Ms. YANG or her close associate be entitled to participate in or operate such business opportunities pursuant to the terms of the Deed. As such, CG Services Group has participated in or operated such business opportunities. Ms. YANG has also requested the variation or substitution of certain assets of a debtor of a subsidiary of CG Services (from the total amount of approximately RMB14.45 million to RMB12.61 million) in 1 business opportunity which was approved under the competing business opportunity review mechanism to be transferred to the subsidiary of CG Services for use to offset debts back in February 2025. The adjustment was due to the discovery of risks associated with the assets transfer in the course of inventory checks and online contract registration of the real estates involved in the aforementioned business opportunity. The Independent Board has passed resolutions to review and approve such variation or substitution of assets.

Despite the above engagement of new business opportunities by subsidiaries of CG Services, and in light of the factors considered by the Independent Board, the Company is independent of businesses of CG Services and Vanguard, and the Company and each of CG Services and Vanguard operate their respective businesses at arm’s length for their own interests. For details regarding the Company’s independence from CG Services, please refer to the section headed “Relationship with our Controlling Shareholders” in the listing documents of CG Services.

Ms. YANG hereby declares that she has complied with all conditions and terms of the Deed during the year ended 31 December 2025. The independent non-executive Directors have reviewed the confirmation letter from Ms. YANG, and assessed whether Ms. YANG and her close associates have complied with the Deed, and are satisfied that Ms. YANG has complied with the terms of the Deed during the year ended 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors and their close associates were considered to be interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### Connected Transactions and Continuing Connected Transactions

Details of connected transactions and continuing connected transactions not exempted under Chapter 14A of the Listing Rules entered into or subsisting (in the case of continuing connected transactions entered into in previous years) in the year ended 31 December 2025 are disclosed below.

#### (1) Connected Transactions

During the year ended 31 December 2025, the Company has entered into certain transactions which constitute connected transactions (as defined in the Listing Rules) of the Company. Pursuant to the disclosure requirements in the annual report under rules 14A.49 and 14A.71 of the Listing Rules, details of these transactions are set out below:

##### **(a) Connected Transaction in relation to the capitalisation of Shareholder Loans involving issuance of new Shares to the Controlling Shareholder under Specific Mandate**

On 13 November 2025 (after trading hours), the Company and Concrete Win entered into the Shareholder Loans Equitisation Agreement. Subject to the occurrence of the RED, approximately USD1.098 billion in principal amount of the Shareholder Loans (together with all accrued and unpaid interest in respect of all Shareholder Loans up to (and including) 30 September 2024) shall be set-off and settled with immediate effect upon the RED, and the Company will issue the corresponding Capitalisation Shares at the issue price of HKD0.60 per Capitalisation Share to Concrete Win from time to time upon written request by Concrete Win. Such Capitalisation Shares will be issued under a Specific Mandate.

If the Proposed Disposal completes, the remaining USD50 million in principal amount of the Shareholder Loans will be set-off as part of the Proposed Disposal. Otherwise, if the Proposed Disposal fails to complete within six calendar months from the RED, (i.e. there is no set-off of USD50 million in principal amount of Shareholder Loans pursuant to the Proposed Disposal), the remaining USD50 million in principal amount of the Shareholder Loans shall be set-off and settled on the date falling six calendar months after the RED, and the Company will issue the corresponding Capitalisation Shares at the issue price of HKD0.60 per Capitalisation Share to Concrete Win from time to time upon written request by Concrete Win.

Up to 15,519,049,697 new Shares shall be issued if the Proposed Disposal fails to complete within six (6) calendar months from the RED, or up to 14,869,049,697 new Shares shall be issued if the Proposed Disposal completes within six (6) calendar months from the RED. During the year ended 31 December 2025, no Capitalisation Shares were issued by the Company.

## REPORT OF THE DIRECTORS

As Concrete Win is a controlling shareholder and a connected person of the Company under the Listing Rules, the proposed capitalisation of part of the Shareholder Loans and the proposed issuance of the Capitalisation Shares to Concrete Win under the Specific Mandate constitute connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**(b) *Connected Transactions in relation to the Proposed Disposal of Equity Interest in Certain Subsidiaries and Setting Off of Shareholder Loans***

*(i) Share Purchase Agreement*

On 13 November 2025 (after trading hours), CGRE, Beauty Humble (each an indirect wholly-owned subsidiary of the Company), Concrete Win and the Company entered into the Share Purchase Agreement, pursuant to which (i) CGRE has conditionally agreed to dispose of the CGWF Shares and the CIBS Preference Shares held by CGRE to Concrete Win (or its designated subsidiary) and (ii) Beauty Humble has conditionally agreed to dispose of CGPV Preference Shares and the CIBS Preference shares held by Beauty Humble to Concrete Win (or its designated subsidiary). Upon the completion of the Proposed Disposal, each of the Target Companies will cease to be a non-wholly owned subsidiary of the Company and the financial results of the Target Companies will no longer be consolidated into the consolidated financial statements of the Company.

The fixed consideration for the Proposed Disposal shall be satisfied by Concrete Win releasing and discharging the obligation of the Company to repay part of the Shareholder Loans in the amount of USD50,000,000 on a dollar-for-dollar basis upon completion of the Proposed Disposal, and such payment shall constitute a full and complete discharge of Concrete Win's obligation to pay the fixed consideration for the Proposed Disposal. In addition, contingent consideration in respect of the Proposed Disposal may be payable under the Upside Sharing Agreement and the ListCo CVR.

The completion of the Proposed Disposal will be conditional upon satisfaction of the following conditions: (a) (i) all intercompany payables owed by the Group (excluding the Target Group) to the Target Group having been set off in full, such that there shall be no liability owed by the Group (excluding the Target Group) to the Target Group; and (ii) the relevant companies of the Target Group and the Group (excluding the Target Group) having entered into a forbearance agreement, pursuant to which a total of approximately MYR4,320 million (equivalent to approximately RMB7,344 million) of the net intercompany payables owed by the Target Group to the Group (excluding the Target Group) shall be subject to a standstill and forbearance arrangement for a period of 30 years from the completion of the Proposed Disposal; (b) the Independent Shareholders' approval(s) of the transactions contemplated under the transaction documents pursuant to the Share Purchase Agreement having been obtained; (c) the establishment of a management incentive plan for the senior management of the Target Group; (d) Ms. YANG Huiyan (the chairlady of the Board and executive Director) having complied and having procured her close associates to comply, with any applicable legal and regulatory requirements (including requirements under the Listing Rules) in respect of the Proposed Disposal; (e) the Company having made all necessary filings of the Proposed Disposal in the PRC in accordance with applicable laws and regulations, and no government order having been

issued, or other government action having been taken, to prohibit the consummation of the Proposed Disposal; (f) the due execution of the Upside Sharing Agreement, the ListCo CVR and the Scheme Creditor CVR on completion of the Proposed Disposal; (g) the occurrence of the Restructuring Effective Date; and (h) an independent valuation advisor having completed, on behalf of the AHG and the CoCom, an independent review of the property valuation report of the FC Project issued by the Valuer, and having confirmed the Valuer's property valuation of the FC Project.

Completion of the Proposed Disposal shall occur on the fifth business day following the fulfilment of the conditions precedent. As at the date of this report, the completion of the Proposed Disposal has not occurred.

(ii) *Upside Sharing Agreement*

On completion of the Proposed Disposal, the Company will enter into the Upside Sharing Agreement (the form of which has been agreed under and appended to the Share Purchase Agreement) with Concrete Win, pursuant to which the Company shall be entitled to share a portion of the upside of the FC Project received by Concrete Win in consideration of the Proposed Disposal. From the date of completion of the Proposed Disposal until three years thereafter, the Company shall be entitled to an upside sharing fee comprising an amount equal to 15% of the excess return that Concrete Win receives from the Target Group over an internal rate of return of 12% per annum, which shall be calculated at the time of each distribution by the Target Group and payable within 15 business days of the delivery of a notice in relation to such distribution. The return that Concrete Win receives from the Target Group will be calculated taking into account any and all dividends, bonus issues or any other distribution or payment made by the Target Group to Concrete Win in its capacity as a direct or an indirect shareholder of any member of the Target Group, including any repayment of any principal or interest of shareholder loans (if any), minus any amount paid or payable under the ListCo CVR or the Scheme Creditor CVR.

(iii) *ListCo CVR*

On completion of the Proposed Disposal, Concrete Win will issue the zero-coupon unsecured ListCo CVR to the Company. The expiry date falls on the earliest of: (i) 31 December 2034 (i.e. 114 complete calendar months from the Reference Date); (ii) the date that Concrete Win (and/or its affiliates) disposes all or substantially all of its economic interest in the FC Project; and (iii) the payment or discharge in full of all outstanding amounts under the SCA Loan, MTI, LTI (A) and LTI (B). In the event that any of the Trigger Events occur, Concrete Win shall pay the Company an amount equal to (i) 15% (from the issuance date of the ListCo CVR to 30 June 2028), (ii) 8% (from 1 July 2028 to 30 June 2031) or (iii) 5% (from 1 July 2031 to 31 December 2034), in each case, of the Company Upside Amount (being (i) the total net cash consideration (after deducting taxes and other transaction expenses) attributable to the distributions from or disposal of the Target Shares (or disposal of the assets of the FC Project) following the occurrence of any of the Trigger Events (plus, without doubling counting, any dividends or other distributions derived from the shares in CGWF, CGPV and CIBS from the issuance date of the ListCo CVR until the occurrence of such Trigger Event), which are received by Concrete Win (and/or its affiliates, excluding the Target Group); less the aggregate of (i) USD50,000,000 (or the relevant pro rata amount if only a portion (instead of all) of the relevant assets are being disposed of) and (ii) any outstanding investments advanced by the Controlling Shareholder to the FC Project and the outstanding costs incurred in advancing such investments (without taking into account any prior returns actually received by Concrete Win and/or its affiliates).

## REPORT OF THE DIRECTORS

(iv) *Scheme Creditor CVR*

Separately, pursuant to the terms of the Scheme and as part of the Scheme Consideration, Concrete Win has agreed to issue the zero-coupon unsecured Scheme Creditor CVR such that the relevant creditors (through an agent who shall hold the Scheme Creditor CVR for the benefit of the holders of the SCA Loan, MTI and LTIs) may share in the future success of the FC Project if the FC Project will be successfully developed by Concrete Win in the long run. The expiry date falls on the earliest of (i) 31 December 2034 (i.e. 114 complete calendar months from the Reference Date); (ii) the date that Concrete Win (and/or its affiliates) disposes all or substantially all of its economic interest in the FC Project; and (iii) the payment or discharge in full of all outstanding amounts under the SCA Loan, MTI, LTI (A) and LTI (B). In the event that any of the Trigger Events occur, Concrete Win shall pay the counterparty of the Scheme Creditor CVR an amount equal to (i) 15% (from the issuance date of the Scheme Creditor CVR to 30 June 2028), (ii) 8% (from 1 July 2028 to 30 June 2031) or (iii) 5% (from 1 July 2031 to 31 December 2034), in each case, of the Company Upside Amount (being (i) the total net cash consideration (after deducting taxes and other transaction expenses) attributable to the distributions from or disposal of the Target Shares (or disposal of the assets of the FC Project) following the occurrence of any of the Trigger Events (plus, without doubling counting, any dividends or other distributions derived from the shares in CGWF, CGPV and CIBS from the issuance date of the Scheme Creditor CVR until the occurrence of such Trigger Event), which are received by the Concrete Win (and/or its affiliates, excluding the Target Group); less the aggregate of (i) USD50,000,000 (or the relevant pro rata amount if only a portion (instead of all) of the relevant assets are being disposed) and (ii) any outstanding investments advanced by the Controlling Shareholder to the FC Project and the outstanding costs incurred in advancing such investments (without taking into account any prior returns actually received by Concrete Win and/or its affiliates).

Concrete Win together with its associates (including Ms. YANG Huiyan (the chairlady of the Board and executive Director) and Mr. CHEN Chong (a non-executive Director and the spouse of Ms. YANG Huiyan)) are a group of Controlling Shareholders of the Company. Accordingly, the Share Purchase Agreement, the Upside Sharing Agreement, the ListCo CVR and the transactions contemplated thereunder will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Shareholder Loans in the principal amount of USD50,000,000 will be set-off in favour of the Group as consideration for the Proposed Disposal and contingent consideration to the Group may be paid under the Upside Sharing Agreement and the ListCo CVR in relation to the Proposed Disposal, such transactions are subject to the announcement, circular and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The transactions under items (a) and (b) above have been approved by the Shareholders in the Company's extraordinary general meeting held on 3 December 2025.

## (2) Continuing Connected Transactions

During the year ended 31 December 2025, the Company has entered into certain transactions which constitute continuing connected transactions (as defined in the Listing Rules) of the Company. Pursuant to the disclosure requirements in the annual report under rules 14A.49 and 14A.71 of the Listing Rules, details of these transactions are set out below:

### (a) *Agreements of Continuing Connected Transactions*

#### (i) *Design Services Agreement*

Pursuant to the design services further supplemental agreement dated 22 August 2017 and the 2018 Design Services Supplemental Agreement dated 21 March 2018 entered into between Shunde Country Garden and Elite Architectural, Elite Architectural agreed to provide survey work, property design and interior design services to the Group on terms no less favourable than those available to independent third parties for three years commencing from 1 January 2017 to 31 December 2019 which later extended for a further term of one year commencing on 1 January 2020 by virtue of the 2018 Design Services Supplemental Agreement.

The engagement pursuant to the 2018 Design Services Supplemental Agreement expired on 31 December 2020. Accordingly, on 4 December 2020, Elite Architectural and Shunde Country Garden entered into a further supplemental agreement ("**2020 Design Services Supplemental Agreement**"), pursuant to which the 2018 Design Services Supplemental Agreement was extended for a further term of three years commencing on 1 January 2021.

The engagement pursuant to the 2020 Design Services Supplemental Agreement expired on 31 December 2023. Accordingly, on 29 December 2023, Elite Architectural and Shunde Country Garden entered into a further supplemental agreement ("**2023 Design Services Supplemental Agreement**"), pursuant to which the 2020 Design Services Supplemental Agreement was extended for a further term of three years commencing on 1 January 2024 with annual caps for the fees for the relevant transactions being approximately RMB500 million, RMB450 million and RMB450 million respectively for each of the three years ending 31 December 2026. For the year ended 31 December 2025, the total amount of survey work, property design and interior design services charged by Elite Architectural amounted to approximately RMB54 million.

Shunde Country Garden is a wholly-owned subsidiary of the Company, and Ms. YANG Meirong (Ms. YANG Huiyan and Ms. YANG Ziyong's aunt) indirectly owned more than 50% interest in Elite Architectural. Ms. YANG Huiyan is the Chairman and an executive Director and Ms. YANG Ziyong is an executive Director, Elite Architectural is therefore a majority-controlled company indirectly held by a relative of Ms. YANG Huiyan and Ms. YANG Ziyong, and a deemed connected person of the Company under the Listing Rules. Transactions contemplated under the 2023 Design Services Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## REPORT OF THE DIRECTORS

(ii) *Property Management Services Framework Agreement*

As disclosed in the Company's announcement dated 19 March 2018, the Company proposed to spin-off and separately list CG Services, engaging in the property management business of the Group then, on the main board of the Stock Exchange by way of introduction (the "**Spin-off**"). CG Services was listed on the main board of the Stock Exchange on 19 June 2018. Following the completion of the Spin-off, CG Services has become a 30%-controlled company indirectly held by Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder. As such, CG Services is an associate of Ms. YANG Huiyan and thus a connected person of the Company.

On 1 June 2018, the Company entered into a property management services framework agreement with CG Services, which sets out the principal terms of the property management services to be provided by CG Services and its subsidiaries (collectively, the "**CG Services Group**") to the Group immediately after the Spin-off, in respect of the unsold property units and the sold property units prior to the agreed delivery date set out in the relevant property purchase contract for projects developed by the Group and managed by CG Services Group, for a term commencing on 19 June 2018 until 31 December 2020 (the "**2018 Property Management Services Framework Agreement**").

Since the 2018 Property Management Services Framework Agreement expired on 31 December 2020, the Company entered into a new property management services framework agreement with CG Services on 4 December 2020 (the "**2020 Property Management Services Framework Agreement**"), for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by the independent shareholders of CG Services.

Since the 2020 Property Management Services Framework Agreement expired on 31 December 2023, the Company entered into a new property management services framework agreement with CG Services on 29 December 2023 (the "**2023 Property Management Services Framework Agreement**"), for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Property Management Services Framework Agreement are respectively RMB440 million, RMB410 million and RMB370 million for each of the three years ending 31 December 2026. For the year ended 31 December 2025, the value of the property management services provided by the CG Services Group to the Group was approximately RMB203 million.

Since CG Services is a connected person of the Company, transactions between the Group and the CG Services Group under the 2023 Property Management Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(iii) *Non-property Owner Value-added Services Framework Agreement*

On 18 September 2018, the Company entered into a sales and leasing agency services framework agreement with CG Services, which sets out the principal terms for the provision of sales and leasing agency services in respect of unsold parking spaces of the Group and provision of sales agency services in respect of unsold property units of the Group (the “**Sales and Leasing Agency Services**”), by the CG Services Group to the Group for a term commencing on 18 September 2018 until 31 December 2020 (the “**2018 Sales and Leasing Agency Services Framework Agreement**”).

Since the 2018 Sales and Leasing Agency Services Framework Agreement expired on 31 December 2020, the Company entered into a new sales and leasing agency services framework agreement with CG Services on 4 December 2020 (the “**2020 Sales and Leasing Agency Services Framework Agreement**”), for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by independent shareholders of CG Services.

The consultancy and other services framework agreement dated 1 June 2018 (the “**2018 Consultancy and Other Services Framework Agreement**”) and consultancy and other services supplemental agreement dated 18 September 2018 (the “**2018 Consultancy and Other Services Supplemental Agreement**”) were entered into between the Company and CG Services, which set out the principal terms of the consultancy and other services to be provided by CG Services Group to the Group, such as consultancy services to the on-site sales office of the Group and cleaning services for the properties developed by the Group before delivery to homeowners, for a term commencing on 19 June 2018 until 31 December 2020.

The advertising and domestic services framework agreement dated 23 August 2019 (the “**Advertising and Domestic Services Framework Agreement**”) was entered into between the Company and CG Services, which set out the principal terms for the provision of advertising services (which comprise installation, maintenance and dismantling services) by the CG Services Group to the Group in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the CG Services Group (the “**Advertising Services**”) and domestic services including home cleaning, household appliances cleaning, garden maintenance, home maintenance and other domestic services by the CG Services Group to the purchasers of property units of the Group (the “**Domestic Services**”), for a term commencing on 23 August 2019 until 31 December 2020.

On 18 March 2020, the Company entered into an elevators installation and other services framework agreement with CG Services (the “**Elevators Installation and Other Services Framework Agreement**”), which sets out the principal terms for provision of elevator products installation, supporting services and other services to be provided by the CG Services Group to the Group (the “**Elevators Installation Services**”), for a term commencing on 18 March 2020 until 31 December 2020.

## REPORT OF THE DIRECTORS

Since the 2018 Consultancy and Other Services Framework Agreement, 2018 Consultancy and Other Services Supplemental Agreement, Advertising and Domestic Services Framework Agreement and Elevators Installation and Other Services Framework Agreement expired on 31 December 2020, the Company entered into a new consultancy and other services framework agreement with CG Services on 4 December 2020 (the “**2020 Consultancy and Other Services Framework Agreement**”), which sets out the principal terms for provision of the consultancy services, the Advertising Services, the Domestic Services, the Elevators Installation Services and other services (including technology services, after-sales maintenance and warranty services for houses and buildings, turnkey furnishing services, hotel management services, institutional food services, disinfection and pest control services and other services) to be provided by the CG Services Group to the Group, for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by independent shareholders of CG Services.

As the 2020 Sales and Leasing Agency Services Framework Agreement and the 2020 Consultancy and Other Services Framework Agreement expired on 31 December 2023, the Company entered into a new non-property owner value-added services framework agreement with CG Services on 29 December 2023 (the “**2023 Non-property Owner Value-added Services Framework Agreement**”), which sets out the principal terms for provision of the consultancy services (including (i) select and employ office managers to reside in the sales office and provide consulting services; (ii) assist the Group in establishing the management system, operating procedures and work plans for sales office services, special service projects, asset management services and other services, and guide the Group’s staff to carry out concierge reception, visit reception, water bar services, order maintenance, environmental maintenance, greenery maintenance, hydro-power engineering maintenance, model room management, property inspection, land reclamation, cleaning, asset management services and other services; and (iii) provide engineering services to the Group), the Sales and Leasing Agency Services, the Advertising Services, the Elevators Installation Services and other services (including technology services, after-sales maintenance and warranty services for buildings, turnkey furnishing services and pest control services and other services) to be provided by the CG Services Group to the Group, for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Non-property owner Value-added Services Framework Agreement are respectively RMB340 million, RMB250 million and RMB220 million for each of the three years ending 31 December 2026. For the year ended 31 December 2025, the fees payable by the Group to the CG Services Group under the 2023 Non-property Owner Value-added Services Framework Agreement was approximately RMB220 million.

Since CG Services is a connected person of the Company (see above), transactions between the Group and the CG Services Group under the 2023 Non-property Owner Value-added Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(iv) *Hotel, Engineering and Transportation Services Framework Agreement*

On 4 December 2020, the Company entered into a hotel, engineering and transportation services framework agreement with CG Services, which sets out the principal terms for the provision of hotel accommodation, maintenance on the public facilities, shuttle-bus transportation services and other services by the Group to the CG Services Group for a term commencing on 1 January 2021 until 31 December 2023 (the “**2020 Hotel, Engineering and Transportation Services Framework Agreement**”).

Since the 2020 Hotel, Engineering and Transportation Services Framework Agreement expired on 31 December 2023, the Company entered into a hotel, engineering and transportation services framework agreement with CG Services on 29 December 2023 (the “**2023 Hotel, Engineering and Transportation Services Framework Agreement**”) for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Hotel, Engineering and Transportation Services Framework Agreement are respectively RMB45 million, RMB45 million and RMB45 million for each of the three years ending 31 December 2026. For the year ended 31 December 2025, the value of the hotel, engineering and transportation services provided by the Group to the CG Services Group was approximately RMB38 million.

Since CG Services is a connected person of the Company (see above), transactions between the Group and the CG Services Group under the 2023 Hotel, Engineering and Transportation Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The above continuing connected transactions are all subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders’ approval requirement under the Listing Rules.

(b) *Annual Review of Continuing Connected Transactions*

Pursuant to rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions subsisting in the year ended 31 December 2025 as set out under sub-section (a) above and confirmed that the continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms or better, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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For the purpose of rule 14A.56 of the Listing Rules, ZHONGHUI ANDA CPA Limited, the auditor of the Company, has provided a letter to the Board, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iv) have exceeded the cap.

**(c) Others**

The connected transactions and continuing connected transactions disclosed above also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions made during the year ended 31 December 2025 is disclosed in note 40 to the financial statements.

Certain items under note 40(a) to the financial statements also constitute connected or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned connected or continuing connected transactions.

Save as disclosed above and under note 40 to the audited consolidated financial statements of the Group, no contract of significance was entered into or subsisting (i) between the Company or any of its subsidiaries and the controlling Shareholder or any of its subsidiaries, (ii) for the provision of services to the Company or any of its subsidiaries by the controlling Shareholder or any of its subsidiaries.

**(d) Management Services Framework Agreement**

On completion of the Proposed Disposal, the Company (or another entity designated by the Company) will enter into the Management Services Framework Agreement (the form of which has been agreed under and appended to the Share Purchase Agreement) with CGWF, pursuant to which the Company (or its designated entity) will provide Management Services to the Target Group for a term commencing from the completion of the Proposed Disposal until three years after the completion of the Proposed Disposal. The Management Services include, amongst others: (a) provision of construction services to the FC Project, including but not limited to building, installing, maintaining and altering construction works; reviewing and assessing design documents; project maintenance services, and project technical services; (b) provision of landscaping services to the FC Project, including but not limited to design and installation services, and maintenance services; and (c) provision of any other matters in relation to the development and management of the FC Project as reasonably requested by the Target Group. The annual caps of transactions contemplated under Management Services Framework Agreement are respectively MYR65 million (equivalent to RMB110.5 million), MYR470 million (equivalent to RMB799 million) and MYR280 million (equivalent to RMB476 million) for each of the period from the completion of the Proposed Disposal to 31 December 2026, for the year ended 31 December 2027 and for the year ended 31 December 2028.

CGWF will become a connected person of the Company upon completion of the Proposed Disposal. The Management Services Framework Agreement and the transactions contemplated thereunder will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As each of the highest applicable percentage ratios in respect of the highest proposed annual caps during the term of the Management Services Framework Agreement exceeds 5%, the Management Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereunder) are subject to the annual review, announcement, circular and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Management Services Framework Agreement and the transactions contemplated thereunder have been approved by the Shareholders in the Company's extraordinary general meeting held on 3 December 2025.

During the year ended 31 December 2025 and as at the date of this report, the Proposed Disposal has not been completed and the Management Services Framework Agreement has not been entered into. Therefore, for the purpose of this report, the annual reporting requirements under rules 14A.49 and 14A.71 of the Listing Rules are not applicable to the Management Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereunder).

### Employee Incentive Mechanisms and Management Incentive Plan

For the purpose of rewarding the contribution of the Senior Management (including the executive Directors of the Company who are also Senior Management) and employees of the Group engaging in profitable property development projects of the Group, two incentive mechanisms (as amended from time to time) (the "**Incentive Mechanisms**") were adopted by the Group (with the latest versions being adopted on 27 December 2019 and 18 September 2020 respectively), which respectively concern property development projects located in the Mainland China and property development projects located in Hong Kong and other overseas jurisdictions (the "**Property Development Projects**"). Under the Incentive Mechanisms, in general, Senior Management and employees would primarily be provided with cash rewards, calculated with reference to net profits generated from the Property Development Projects and the Group's internal rate of return. A portion of these cash rewards would be used as either (i) the consideration for the exercise of the share options granted to them by the Company under the terms of the Share Option Schemes (in respect of certain executive Directors of the Company who are also Senior Management) (the Share Option Schemes have now expired or terminated, and executive Directors of the Company who are also senior management will be awarded under and according to the terms of the new MIP instead (for details of the new MIP adopted by the Company, please refer to the section headed "**Management Incentive Plan**") or (ii) the consideration for the purchase of Shares (i.e. the share awards) (in respect of Senior Management who are not Directors and employees of the Company).

#### (i) Share Award Scheme

The aforementioned share awards to the Senior Management who are not Directors and employees of the Company are funded by existing Shares, and shall be distributed in accordance with the Principles for Employees' Shares Conversion Rights (as amended from time to time) adopted by the Group on 11 February 2015 (the "**Share Award Scheme**"). The Share Award Scheme has no fixed expiry date.

According to the trust deed approved by the Board on 27 January 2015, the trustee of the Share Award Scheme is Power Great Enterprises Limited ("**Power Great**"), a wholly-owned subsidiary of the Company.

# REPORT OF THE DIRECTORS

The following is a summary of the principal terms of the Share Award Scheme:

**(a) Purpose of the Share Award Scheme**

The purpose of the Share Award Scheme is to align with the Incentive Mechanisms so that the Senior Management who are not Directors and employees of the Group may receive cash awards under the Incentive Mechanisms in exchange for the existing Shares, thereby incentivising those who have served the Group loyally for a long time and at the same time created better efficiency and made great contribution to the Group.

**(b) Eligible Participants**

The eligible participants are Senior Management who are not Directors and employees of the Group.

**(c) Total Number of Shares held by Power Great under the Share Award Scheme**

As the grantees of the Share Award Scheme are using a portion of their cash rewards received under the Incentive Mechanisms to purchase Shares, the Share Award Scheme did not specify a maximum number of Shares that can be used. As at 31 December 2025, the total number of Shares in relation to share awards that were granted under the Share Award Scheme was 83,259,032 Shares (being the net number after deduction of the exercised and lapsed share awards). During the year, according to the terms of the Share Award Scheme, 200,000,000 Shares (including share awards deemed to have lapsed) were disposed of by Power Great under a private arrangement with an independent third party for a consideration of approximately HKD118 million. As at the date of this report, Power Great held a cumulative total of 83,259,032 Shares available for use under the Share Award Scheme (which includes Shares that have been granted to the relevant employees with the registration and transfer procedures yet to be completed) (as of 1 January 2025: 283,259,032 Shares; as of 31 December 2025: 83,259,032 Shares), representing 0.20% of the issued Shares as at the date of this report.

**(d) Number of Shares to be Granted to each Participant and the Grant Price of Shares**

As the grantees of the Share Award Scheme are using a portion of their cash rewards received under the Incentive Mechanisms to purchase Shares, the Share Award Scheme did not specify the maximum entitlement of each participant and there is no separate amount payable by them on application or acceptance of the award. The Group calculates the number of Shares that can be obtained by the relevant participants by dividing the relevant portion of the after-tax cash rewards allocated to the relevant participants under the Incentive Mechanisms in exchange for share awards by the grant price of Shares specified in the Share Award Scheme.

The grant price of Shares under the Share Award Scheme shall be the higher of:

- (i) the closing price of the Shares for the last trading day of the calendar month in which the date of grant falls; and
- (ii) the average closing price of the Shares for the last 5 trading days of the calendar month in which the date of grant falls.

“Date of grant” means the date of approval by the Board or its authorized persons (being the president and chief financial officer of the Group). If such dates fall within the black-out period (if any) under the Listing Rules, the date of grant shall be the working day immediately following the black-out period.

**(e) Lock-up Period**

The Shares granted under the Share Award Scheme are subject to a lock-up period of 5 years from the date of grant (the “**Lock-up Period**”). On the date of grant, the beneficial interest in the Shares will be transferred to the relevant participants, provided that the Shares will be held and managed by Power Great as trustee, and Power Great as the registered Shareholder. The management of the Group may adjust the Lock-up Period according to the timing of settlement of the Property Development Projects or other reasons that are beneficial to the incentive of employees.

After the end of the Lock-up Period, if the relevant participants can satisfy the terms and requirements of the Incentive Mechanisms, the Group will discharge the trust in respect of all the relevant Shares and arrange for the transfer and registration procedures to transfer the legal interest in the Shares to the relevant participants.

If the relevant participant fails to satisfy the terms and requirements of the Incentive Mechanisms, including but not limited to death, voluntary resignation or being dismissed due to work error (including but not limited to violation of the Company’s regulations, damaging the Company’s interests, dereliction of duty, corruption and bribery, etc.) prior to the satisfaction of the terms and requirements of the Incentive Mechanisms, the relevant participant shall transfer the beneficial interest in all the relevant Shares to Power Great at a consideration of HKD1.00.

During the year ended 31 December 2025, Power Great as the trustee of the Share Award Scheme had not purchased any Share from the market, and had not acquired any Share by any other means. During the year ended 31 December 2025, no Shares were granted under the Share Award Scheme. Details of movements in the share awards are as follows:

Category of grantees	Share awards							
	Outstanding	Granted	Vested	Lapsed	Outstanding	Grant price	Date of grant	Lock-up period
	as at				as at			
1 January 2025 <sup>1</sup>	during the year	during the year	during the year	31 December 2025	HKD			
<b>Director</b>								
Dr. CHENG Guangyu	1,757,149	0	0	0	1,757,149	2.92-7.00	11.02.2015- 23.03.2017	10.02.2020- 22.03.2022
Five highest paid individuals during the financial year (in aggregate)	20,768,955	0	0	0	20,768,955	2.92-16.82	11.02.2015- 26.03.2021	10.02.2020- 25.03.2026
Other grantees (in aggregate)	142,907,896	0	0	82,174,968	60,732,928	2.92-16.82	11.02.2015- 01.09.2021	10.02.2020- 31.08.2026

Note:

- These Shares were held and managed by Power Great as trustee and registered holder pursuant to the terms of the Share Award Scheme.

# REPORT OF THE DIRECTORS

## Share Option Schemes

### (a) 2007 Share Option Scheme

On 20 March 2007, the 2007 Share Option Scheme was approved and adopted by the then Shareholders for a period of 10 years commencing on the adoption date. The 2007 Share Option Scheme has expired on 19 March 2017. A summary of the principal terms of the 2007 Share Option Scheme is set out as follows:

#### *(i) Purpose of the 2007 Share Option Scheme*

The purpose of the 2007 Share Option Scheme was to provide incentives to the participants.

#### *(ii) Eligible Participants*

The participants of the 2007 Share Option Scheme were employees of the Company and its subsidiaries including the executive Directors and non-executive Directors.

#### *(iii) Grant of Options*

The Board was entitled at any time, within 10 years after the date of adoption of the 2007 Share Option Scheme, to make an offer of the grant of an option to any participant. Following the date of expiry of the 2007 Share Option Scheme, no subsequent options may be granted under the 2007 Share Option Scheme.

#### *(iv) Payment on Acceptance of Option Offer*

HKD1.00 was payable by the participant to the Company on acceptance of the option offer as consideration for the grant within 28 days from the date upon which the option offer was made.

#### *(v) Subscription Price of Shares*

The subscription price of an option to subscribe for Shares granted pursuant to the 2007 Share Option Scheme was the highest of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option offer was made to a participant, which had to be a business day;
- the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an option offer was made; and
- the nominal value of a Share.

**(vi) Maximum Number of Shares Available for Subscription**

The total number of Shares which might be issued upon exercise of all options to be granted under the 2007 Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the global offering and the capitalization issue of the Company. The 10% limit might be refreshed with the approval by ordinary resolution of the Shareholders. The maximum number of Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the 2007 Share Option Scheme must not exceed 30% of the issued share capital of the Company from time to time. As at 19 March 2017 (the date of expiry of the 2007 Share Option Scheme), a total of 1,636,000,000 Shares (including options to subscribe for 14,061,871 Shares that have been granted but not yet lapsed or exercised as at that date) (representing approximately 7.66% of the issued share capital of the Company as at 19 March 2017) were available for issue under the 2007 Share Option Scheme. As at the date of this report, 3,922,138 options granted under the 2007 Share Option Scheme remained outstanding. The number of Shares available for issue upon exercise of all these options represented approximately 0.009% of the issued share capital of the Company as at the date of this report.

**(vii) Maximum Entitlement of Shares of each Participant**

- The total number of Shares issued and to be issued upon exercise of all options granted under the 2007 Share Option Scheme and any other share option schemes of the Company to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- Where Shares issued and to be issued upon exercise of all options already granted and to be granted under the 2007 Share Option Scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) to a participant who is a substantial Shareholder or an independent non-executive Director, or any of his or her associate in the 12-month period up to and including the date of grant, (1) representing in aggregate more than 0.1% of the total number of Shares in issue; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000, the proposed grant of option must be approved by the Shareholders by poll in general meeting.

**(viii) Option Period**

The exercise period of any option granted under the 2007 Share Option Scheme was not longer than 10 years from the date of grant of the relevant option. The Board had the authority to determine the minimum period for which an option had to be held before it could be exercised.

During the year ended 31 December 2025, details of movements in the share options under the 2007 Share Option Scheme are as follows:

Category of grantees	Options to subscribe for Shares						Outstanding at 31 December 2025	Exercise price per Share HKD	Date of grant	Exercisable period
	Outstanding at 1 January 2025	Granted during the year <sup>1</sup>	Exercised during the year	Cancelled during the year	Lapsed during the year					
Other participants <sup>2</sup>	1,506,227	–	–	–	–	1,506,227	3.332	16.03.2016	16.03.2021–15.03.2026	
	1,599,861	–	–	–	–	1,599,861	3.106	11.05.2016	11.05.2021–10.05.2026	
	816,050	–	–	–	–	816,050	3.740	19.08.2016	19.08.2021–18.08.2026	
<b>Total</b>	<b>3,922,138</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,922,138</b>				

# REPORT OF THE DIRECTORS

## Notes:

1. The 2007 Share Option Scheme has expired on 19 March 2017. Following the date of expiry of the 2007 Share Option Scheme, no subsequent options may be granted under the 2007 Share Option Scheme. During the year ended 31 December 2025, no share options were granted by the Company in accordance with the terms of the 2007 Share Option Scheme. Therefore, the total number of Shares which may be issued in respect of share options granted under the 2007 Share Option Scheme during the year divided by the weighted average number of Shares in issue during the year is zero.
2. The “Other participants” are former Directors.
3. As at 1 January 2025 and 31 December 2025, the number of share options available for grant under the 2007 Share Option Scheme was zero since the 2007 Share Option Scheme has expired on 19 March 2017.

## (b) 2017 Share Option Scheme

In view of the expiry of the 2007 Share Option Scheme on 19 March 2017, the 2017 Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 18 May 2017 for the period of 10 years commencing on the adoption date and ending 17 May 2027. The termination of the 2017 Share Option Scheme was approved by the Board and effective upon the approval and adoption of the MIP (as defined below) by the Shareholders at the extraordinary general meeting of the Company held on 3 December 2025 (the “**EGM**”). A summary of the principal terms of the 2017 Share Option Scheme is set out as follows:

### (i) *Purpose of the 2017 Share Option Scheme*

The purpose was to provide the people and the parties working for the interests of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with incentives to work better for the interest of the Group and/or rewards for their contribution and support to the Group.

### (ii) *Eligible Participants*

The following persons were eligible to participate in the 2017 Share Option Scheme:

- any executive or non-executive directors (including certain Senior Management who were also executive Directors of the Company at the time of grant) of each member of the Group and their associates; and
- any full-time employees of each member of the Group.

### (iii) *Grant of Options*

The Board was entitled at any time and from time to time, within 10 years after the date of adoption of the 2017 Share Option Scheme, to make an offer of the grant of an option to any participant.

### (iv) *Payment on Acceptance of Option Offer*

HKD1.00 was payable by the participant to the Company on acceptance of the option offer as consideration for the grant within 28 days from the date upon which the option offer was made.

**(v) Subscription Price of Shares**

The subscription price of an option to subscribe for Shares granted pursuant to the 2017 Share Option Scheme was to be at least the highest of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
- the price being the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and
- the nominal or par value of a Share on the date of grant.

**(vi) Maximum Number of Shares Available for Subscription**

- The total number of Shares which might be issued upon exercise of all options to be granted under the 2017 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date (the "**Original Scheme Limit**"), unless the Company obtained an approval from its Shareholders pursuant to the scheme rules of the 2017 Share Option Scheme.
- The Company might seek approval of its Shareholders in general meeting for refreshing the Original Scheme Limit.
- The maximum number of Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time.
- As at 3 December 2025 (the date of termination of the 2017 Share Option Scheme), a total of 2,060,979,578 Shares (including options to subscribe for 12,148,780 Shares that have been granted but not yet exercised or cancelled) (representing approximately 7.36% of the issued share capital of the Company as at 3 December 2025) were available for issue under the 2017 Share Option Scheme. As at the date of this report, 12,148,780 options granted under the 2017 Share Option Scheme remained outstanding. The number of Shares available for issue upon exercise of all those options represented approximately 0.03% of the issued share capital of the Company as at the date of this report.

**(vii) Maximum Entitlement of Shares of each Participant**

- Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of all options granted under the 2017 Share Option Scheme or any other share option schemes of the Company to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- Where any proposed grant of options would result in Shares issued and to be issued upon exercise of all options already granted and to be granted under the 2017 Share Option Scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) to a participant who is a substantial Shareholder or an independent non-executive Director, or their respective associates in the 12-month period up to and including the date of grant, (1) representing in aggregate more than 0.1% of the total number of Shares in issue; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000, the proposed grant of option must be approved by the Shareholders by poll in general meeting.

# REPORT OF THE DIRECTORS

## (viii) Option Period

The period within which the options must be exercised was specified by the Company at the time of grant. This period could not be longer than 10 years from the date of grant, but subject to the provisions for early termination thereof under the 2017 Share Option Scheme. The Board could also provide restrictions on the exercise of an option during the period an option may be exercised. Unless otherwise determined by the Board and specified in the offer letter at the time of the grant, there was neither any performance target that needs to be achieved by the grantee before an option could be exercised nor any minimum period for which an option must be held before the option could be exercised.

During the year ended 31 December 2025, details of movements in the share options under the 2017 Share Option Scheme are as follows:

Category and/or name of grantees	Options to subscribe for Shares					Outstanding at 31 December 2025	Exercise price per Share HKD	Date of grant	Exercisable period
	Outstanding at 1 January 2025	Granted during the year <sup>1</sup>	Exercised during the year	Cancelled during the year	Lapsed during the year				
<b>Other employee participant</b>	1,135,435	–	–	–	–	1,135,435	8.250	22.05.2017	22.05.2022–21.05.2027
	526,868	–	–	–	–	526,868	16.460	21.03.2018	21.03.2023–20.03.2028
	320,165	–	–	–	–	320,165	12.408	09.05.2019	09.05.2024–08.05.2029
	176,545	–	–	–	–	176,545	10.040	12.05.2020	12.05.2025–11.05.2030
	901,113	–	–	–	–	901,113	9.730	26.03.2021	26.03.2026–25.03.2031
Sub-total	3,060,126	–	–	–	–	3,060,126			
<b>Other participants<sup>2</sup></b>	1,573,688	–	–	–	–	1,573,688	8.250	22.05.2017	22.05.2022–21.05.2027
	978,409	–	–	–	–	978,409	10.100	24.08.2017	24.08.2022–23.08.2027
	659,817	–	–	–	–	659,817	12.980	08.12.2017	08.12.2022–07.12.2027
	421,667	–	–	–	–	421,667	16.460	21.03.2018	21.03.2023–20.03.2028
	258,092	–	–	–	–	258,092	16.280	10.05.2018	10.05.2023–09.05.2028
	202,300	–	–	–	–	202,300	12.240	22.08.2018	22.08.2023–21.08.2028
	619,907	–	–	–	–	619,907	9.654	06.12.2018	06.12.2023–05.12.2028
	414,881	–	–	–	–	414,881	12.044	25.03.2019	25.03.2024–24.03.2029
	429,995	–	–	–	–	429,995	12.408	09.05.2019	09.05.2024–08.05.2029
	1,039,436	–	–	–	–	1,039,436	9.834	23.08.2019	23.08.2024–22.08.2029
	639,140	–	–	–	–	639,140	11.092	05.12.2019	05.12.2024–04.12.2029
	346,922	–	–	–	–	346,922	10.040	12.05.2020	12.05.2025–11.05.2030
	480,615	–	–	–	–	480,615	10.160	24.07.2020	24.07.2025–23.07.2030
	379,388	–	–	–	–	379,388	10.332	03.12.2020	03.12.2025–02.12.2030
	644,397	–	–	–	–	644,397	9.730	26.03.2021	26.03.2026–25.03.2031
Sub-total	9,088,654	–	–	–	–	9,088,654			
<b>Total</b>	12,148,780	–	–	–	–	12,148,780			

Notes:

1. The 2017 Share Option Scheme was terminated on 3 December 2025. Following the termination of the 2017 Share Option Scheme, no subsequent options may be granted under the 2017 Share Option Scheme. During the year ended 31 December 2025, no share options were granted by the Company to eligible person in accordance with the terms of the 2017 Share Option Scheme. Therefore, the total number of Shares which may be issued in respect of share options granted under the 2017 Share Option Scheme during the year divided by the weighted average of Shares in issue during the year is zero and the total number of Shares which may be issued in respect of share options granted under all the Share Option Schemes divided by the weighted average of Shares in issue during the year is also zero.
2. The "Other participants" are former Directors.
3. As at 1 January 2025 and 31 December 2025, the number of Shares available for grant under the 2017 Share Option Scheme was 2,048,830,798 Shares and 0 Shares.

### Management Incentive Plan

To incentivise senior management and other employees of the Group who are critical to the Group's operations to execute business plans effectively and to improve the Group's financial performance and position, satisfy the scheduled payments under the new debt instruments issued under the terms of the Proposed Restructuring, and improve share price performance after the RED, a management incentive plan (the "MIP") was approved and adopted by the Shareholders at the EGM for a period of 10 years commencing upon the fulfillment of all the conditions for the adoption of MIP. All the conditions for the MIP to take effect have been satisfied on the RED. Under the MIP, the Company may grant awards by way of restricted share units, which may vest in the form of Shares or in cash, according to the rules of the MIP and as determined by the Board or the specialised committee of the Board or person(s) to which the Board has delegated its authority to administer the MIP. As at 31 December 2025, no awards were granted, lapsed or cancelled under the MIP since its adoption and up to and including 31 December 2025. As at 31 December 2025, no awards were outstanding under the MIP. As at the date of this report, the total number of Shares available for issue and grant under the MIP remains to be 2,798,850,794 Shares (which were also the total number of Shares available for issue and grant under the MIP both as at the date of the MIP taking effect and as at 31 December 2025), representing approximately 6.56% of the issued share capital of the Company as at the date of this report. Therefore, the total number of Shares which may be issued in respect of Awards granted under the MIP during the year divided by the weighted average number of Shares in issue during the year is zero and the total number of Shares which may be issued in respect of options and awards granted under all the Share Option Schemes and the MIP divided by the weighted average number of Shares in issue during the year is also zero.

A summary of the principal terms of the MIP is set out as follows (capitalised terms used in this section shall have the same meanings as ascribed to them in the circular of the Company dated 17 November 2025 unless otherwise stated or the context otherwise requires):

#### (i) Purpose

The purposes of the MIP are to incentivise senior management and other employees of the Group who are critical to the Group's operations to execute business plans effectively and to improve the Group's financial performance and position, satisfy the scheduled payments under the New Debt Instruments issued under the terms of the Proposed Restructuring, and improve share price performance after the RED.

# REPORT OF THE DIRECTORS

## (ii) Term

The term of the MIP is 10 years commencing upon the fulfilment of all the conditions for the adoption of MIP (i.e. the RED), after which no further Awards will be granted, but the MIP will continue to be effective for the vesting of any non-vested Award Shares granted prior to expiration.

## (iii) Conditions for the MIP

The MIP will take effect upon satisfaction of all the following conditions: (a) the passing of a resolution by the Shareholders of the Company to approve the MIP in accordance with the Listing Rules; (b) the occurrence of the RED; (c) the approval of the Listing Committee of the Stock Exchange for the listing of and permission to deal the Shares underlying the grants pursuant to the MIPs; and (d) the passing of a resolution by the Board to approve the termination of the 2017 Share Option Scheme (as defined below), conditional and effective upon the adoption of the MIP by the Shareholders at the EGM. All of the conditions above have been satisfied on the RED.

## (iv) MIP Limit

As at the date of the EGM, the issued share capital of the Company comprised 27,988,507,946 Shares. The maximum number of Shares that may be allotted and issued in respect of all Awards that may be granted under the MIP, when aggregated with the maximum number of Shares under any other share scheme (as this term is defined in the Listing Rules) of the Company, will be 2,798,850,794 Shares, representing 10% of the total number of Shares in issue (excluding any Treasury Shares) as at the date of the EGM. Except as provided for in the case of Awards requiring specific approvals by the Shareholders, any Awards lapsed in accordance with the terms of the MIP shall not be counted for the purpose of calculating the MIP Limit and may be regranted to any Selected Participant.

## (v) Maximum Entitlement of Each Participant

No Award may be granted to any one person if such grant would result in the total number of Shares issued or to be issued in respect of all options and awards granted to such person under the MIP and any other share scheme over Shares (excluding any options and awards lapsed in accordance with the rules of any other share schemes) in the 12-month period up to and including the date of the latest grant in aggregate to exceed 1% of the Shares in issue (excluding any Treasury Shares) from time to time (the "Individual Limit").

## (vi) Administration

Upon adoption of the MIP, the Company proposes to enter into a trust deed to appoint a trustee for administration of the MIP. According to the trust deed approved by the Board on 30 March 2026, Power Great is the trustee of the MIP. The Company shall at such time as it considers appropriate prior to the vesting of Awards, issue and allot Shares to the trustee, transfer to the trust the necessary funds and/or instruct the trustee to apply any Returned Shares. The trustee may not exercise any voting rights in respect of any Shares held under the MIP that have not yet vested, except as required and in accordance with the Listing Rules. The Company confirms that no Director will act as the trustee of the MIP. The Shares underlying the Awards will rank pari passu with all other Shares.

Subject to the relevant requirements under the Listing Rules, the Company may use Treasury Shares to satisfy Awards granted under the MIP.

Unless the Board or the MIP Administrator decides otherwise and specifies the same in the Award Letter, no amount is payable on grant of an Award.

**(vii) Participants**

The Eligible Participants under the MIP are directors (including executive, non-executive and independent non-executive directors and excluding the Controlling Shareholder), senior management, and employees of the Group, as determined by the Board or the MIP Administrator according to selection criteria such as present and expected contribution to the Group's business plans, profitability, financial performance, repayment milestones under the New Debt Instruments and share price performance. However, (a) no employee or director of the Group who have left the Group or are serving out their notice period as at the RED and (b) no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the MIP is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate.

In particular, as at the date of this report, the Company had no specific plans or immediate intention to grant Awards to independent non-executive Directors. However, the Eligible Participants include independent non-executive Directors having considered key reasons including that (i) equity-based compensation remains a vital tool for aligning shareholder interests with those of employees (regardless of the manner in which they are employed) and all Board members, including independent non-executive Directors; (ii) inclusion of these categories of Eligible Participants is a common practice among public companies; and (iii) all Board members, including independent non-executive Directors, may provide crucial contributions to the Group's development and business through their knowledge, market experience, professional background and valuable insights and advice. The Board believes that having the flexibility to offer Awards to these categories of Eligible Participants, in addition to cash-based compensation, will enhance the Company's ability to maintain competitive remuneration packages for attracting talented employees and Directors, in order to make significant contributions to the Company's business and operation, and performance of the Company's obligations under the New Debt Instruments. Any grant of Awards to the independent non-executive Directors shall be considered in conjunction with the prevailing corporate governance requirements and shall be approved by the remuneration committee and the Board, and if required by the Listing Rules, the Shareholders in general meeting in accordance with the Listing Rules.

**(viii) Performance targets**

The grant of Awards is subject to (i) performance-based criteria determined by the Board or the MIP Administrator at its sole discretion, including but not limited to the actual profitability achieved by the Group for the year as compared to the target profitability and individual appraisal ratings taking into account the contribution of the individual's business segments to the Group's overall profitability, aligning the interests and incentives of participants with those of the Group; and/or (ii) certain criteria determined by the AHG, including but not limited to the satisfaction of scheduled payments under the New Debt Instruments issued under the terms of the Proposed Restructuring and share price performance of the Company, save for Awards granted to independent non-executive Directors where no performance criteria will be imposed.

**(ix) Vesting of award**

Vesting of Awards will be subject to a multi-year period during which Selected Participants must remain employed without serious violations or misconducts and meet certain vesting criteria, which may include the participant and his/her business segment's performance (save for Awards granted to independent non-executive Directors where no performance criteria will be imposed), as specified under the terms of each Award.

## REPORT OF THE DIRECTORS

In accordance with the Listing Rules, the vesting period shall not be less than 12 months, save that the vesting period may be less than 12 months in the following circumstances:

- (a) grants of Selected Participants who are new joiners to the Group in order to replace any incentives that are lapsed and/or forfeited when leaving the previous employers;
- (b) where the grants of Award contains performance-based vesting conditions, and vesting takes place as a result of the satisfaction of such performance-based vesting conditions in lieu of time-based vesting criteria;
- (c) grants of Awards that are made in batches during a year for administrative and/or compliance reasons, where the vesting period is then adjusted to reflect the time from which a grant would have been made; and
- (d) grants of Awards with a mixed or accelerated vesting schedule (e.g. where vesting will take place evenly over a period of not less than 12 months).

For the purposes of vesting of the Award, the Board or the MIP Administrator may direct and procure the Trustee to release from the Trust the Award Shares and Related Income, if any, to the Selected Participants by transferring the number of Award Shares and Related Income, if any, to the Selected Participants in such manner as determined by them from time to time. To the extent that, (i) a Selected Participant chooses to receive cash instead of Award Shares upon vesting of Awards, and such choice is approved by the Board or the MIP Administrator at its absolute discretion, or (ii) at the determination of the Board or the MIP Administrator, it is not practicable for the Selected Participant to receive Award Shares upon vesting due to legal or regulatory restrictions, the Board or the MIP Administrator may (a) direct and procure the Trustee to sell, either at the time of the Board or the MIP Administrator's instruction or the instruction of the relevant Selected Participant, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the Award Sale Proceeds of such Award Shares and Related Income, if any, as set out in the Vesting Notice; or (b) settle the vested Award in cash in lieu of delivering Award Shares and Related Income at such cash amount determined by the Board or the MIP Administrator with reference to the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Vesting Date.

**(x) Clawback mechanism**

The Board or the MIP Administrator may claw back vested Awards or adjust unvested Awards in certain circumstances, such as material inaccuracies in financial or performance metrics, unsatisfactory conduct negatively impacting the Company, or other cases as the Board or the MIP Administrator may determine at its sole discretion.

**(xi) Specific grants to be approved by the Shareholders**

In addition to the MIP Limit, the following grants of Awards will require approval of the Shareholders in accordance with the Listing Rules:

- (i) Awards to any one person if such grant would exceed the Individual Limit;
- (ii) Awards to a Director (other than an independent non-executive director) or chief executive of the Company or their respective associates which will result in the total number of Shares issued and to be issued in respect of all the awards granted under the Share Award Scheme and any other share scheme over Shares (excluding any award lapsed in accordance with the rules of any other share schemes) to such person in the 12-month period up to and including the date of such grant, in aggregate to exceed 0.1% of the Shares in issue (excluding any Treasury Shares) from time to time; and
- (iii) Awards to a substantial shareholder or an independent non-executive Director or their respective associates which will result in the total number of Shares issued and to be issued in respect of all the options and awards granted under the Share Award Scheme and any other share scheme over Shares (excluding any options and award lapsed in accordance with the rules of any other share schemes) to such person in the 12-month period up to and including the date of such grant, in aggregate to exceed 0.1% of the Shares in issue (excluding any Treasury Shares) from time to time, such further grant of Awards must be approved by the Shareholders in general meeting in accordance with the Listing Rules.

The Board will continue to monitor the Share Award Scheme and the MIP for motivating the eligible person, Senior Management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the scheme or plan with and/or adopt any other incentive scheme or plan.

# REPORT OF THE DIRECTORS

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

The Directors and chief executive of the Company who held office at 31 December 2025 had the following interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

### Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of total issued Shares as at 31 December 2025 <sup>8</sup>	Amount of debentures held
Ms. YANG Huiyan	Interest of controlled corporation	14,539,618,535 <sup>1,6</sup>	14,869,049,697 <sup>1,5</sup>	29,408,668,232 <sup>1,5,6</sup>	101.68%	—
Mr. MO Bin	Beneficial owner	86,591,006	—	86,591,006	0.29%	USD 1,560,000 <sup>7</sup>
Dr. CHENG Guangyu	Beneficial owner	12,338,951	1,757,149 <sup>2</sup>	14,096,100	—	USD 27,760,000 <sup>7</sup>
	Interest of spouse	17,307,339 <sup>3</sup>	—	17,307,339	—	—
				31,403,439	0.108%	—
Mr. CHEN Chong	Interest of spouse	14,539,618,535 <sup>4,6</sup>	14,869,049,697 <sup>4,5</sup>	29,408,668,232 <sup>4,5,6</sup>	101.68%	—

Notes:

- These Shares or interests represent Shares or interests held by Concrete Win Limited ("**Concrete Win**") in which Ms. YANG Huiyan beneficially owns the entire issued share capital.
- The relevant interests are share awards granted pursuant to the Share Award Scheme. The grant date was prior to appointment of Dr. CHENG Guangyu as Director on 20 December 2022.
- These Shares represent Shares held by Ms. ZUO Ying who is the spouse of Dr. CHENG Guangyu.
- These Shares represent Shares held by Ms. YANG Huiyan who is the spouse of Mr. CHEN Chong.
- On 13 October 2025, Concrete Win entered into a deed of undertaking in respect of the equitisation of its approximately USD1.15 billion shareholder loan at a price of HKD0.60 per share into 14,869,049,697 ordinary shares, which resulted in an increase in Concrete Win's interest in the ordinary shares of the Company. These interests constitute unlisted physically settled equity derivatives based on the disclosure of interest notice of Concrete Win dated 14 October 2025.
- On 13 October 2025, Concrete Win entered into an equity derivative swap referencing 1,100,000,000 ordinary shares, which resulted in Concrete Win's interest in the referenced shares to be exchanged from a beneficial interest in such shares into a long interest under the equity derivative swap. These interests constitute unlisted cash settled equity derivatives based on the disclosure of interest notice of Concrete Win dated 14 October 2025.

7. On 11 April 2025, the Company and the members of the AHG entered into the restructuring support agreement (as amended and supplemented on 18 August 2025) in respect of the Proposed Restructuring, which resulted in the issuance of LTI (A) with principal amount of USD1,560,000 and the issuance of LTI (B) with principal amount of USD27,760,000 to Mr. MO Bin on 30 December 2025 (i.e. the RED).
8. As at 31 December 2025, the total number of issued Shares is 28,921,056,683 Shares.

Save as disclosed above, during the year ended 31 December 2025, none of the Directors and chief executive of the Company who held office at 31 December 2025 had any interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, in particular, none of the Directors, their spouse or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

### Interests and Short Positions of Shareholders Disclosable Under the SFO

As at 31 December 2025, according to the register kept by the Company under Section 336 of the SFO, the following company, other than the Directors and chief executive of the Company, had, or were deemed or taken to have, an interest and/or short position in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO:

#### Long and short positions in the Shares

Name of Shareholder	Capacity	Number of ordinary Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of total issued Shares as at 31 December 2025 <sup>1</sup>
Concrete Win Limited	Beneficial owner	14,539,618,535 (L) <sup>2,4</sup>	14,869,049,697 (L) <sup>2,3</sup>	29,408,668,232 (L) <sup>2,3,4</sup>	101.68%
AM Asia Strategies Master Fund LP	Beneficial owner	322,927,000 (S) <sup>5</sup>	2,079,242,701 (L) <sup>5</sup> 10,000,000 (S) <sup>5</sup>	2,079,242,701 (L) <sup>5</sup> 332,927,000 (S) <sup>5</sup>	7.18% 1.15%
LMR Partners Limited	Investment Manager	782,487,194 (L) <sup>6</sup>	805,063,128 (L) <sup>6</sup> 1,162,315,000 (S) <sup>6</sup>	1,587,550,322 (L) <sup>6</sup> 1,162,315,000 (S) <sup>6</sup>	5.48% 4.01%

Remarks: (L): Long position; (S): Short position

Notes:

- As at 31 December 2025, the total number of the issued Shares is 28,921,056,683 Shares.
- These Shares or interests are held by Concrete Win Limited ("**Concrete Win**"), the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.

# REPORT OF THE DIRECTORS

3. On 13 October 2025, Concrete Win entered into a deed of undertaking in respect of the equitisation of its approximately USD1.15 billion shareholder loan at a price of HKD0.60 per share into 14,869,049,697 ordinary shares, which resulted in an increase in Concrete Win's interest in the ordinary shares of the Company. These interests constitute unlisted physically settled equity derivatives based on the disclosure of interest notice of Concrete Win dated 14 October 2025.
4. On 13 October 2025, Concrete Win entered into an equity derivative swap referencing 1,100,000,000 ordinary shares, which resulted in Concrete Win's interest in the referenced shares to be exchanged from a beneficial interest in such shares into a long interest under the equity derivative swap. These interests constitute unlisted cash settled equity derivatives based on the disclosure of interest notice of Concrete Win dated 14 October 2025.
5. Based on the disclosure of interest notice of AM Asia Strategies Master Fund LP (the "**Fund**") dated 2 January 2026, on the relevant event date of 30 December 2025, the Fund held (a) long position in 2,079,242,701 underlying Shares which constitute listed derivatives — convertible instruments as the Fund was receiving MCB(A) (XS3261067717) and MCB(B) (XS3261068525) which can be converted to Shares as part of the progress of the Proposed Restructuring; (b) short position in 10,000,000 underlying Shares which constitute unlisted cash settled derivatives; and (c) short position in 322,927,000 Shares.
6. Based on the disclosure of interest notice of LMR Partners Limited ("**LMR**") dated 5 January 2026, on the relevant event date of 30 December 2025, LMR held (a) long position in 805,063,128 underlying Shares which constitute listed derivatives — convertible instruments as the LMR received bonds convertible into Shares as part of the progress of the Proposed Restructuring; (b) long position in 782,487,194 Shares; (c) short position in 1,145,070,000 underlying Shares which constitute unlisted cash settled derivatives; and (d) short position in 17,245,000 underlying Shares which constitute listed physically settled derivatives.

Save as disclosed above, the Company has not been notified by any other person (other than the Directors and chief executive of the Company) who had, or were deemed or taken to have, an interest and/or short position in the Shares or underlying Shares for the year ended 31 December 2025 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

## Purchase, Sale or Redemption of Listed Securities

Save as disclosed in this report, neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of its Shares or listed securities during the year ended 31 December 2025.

For details of additions or redemptions by the Company or any of its subsidiaries of its corporate bonds during the year ended 31 December 2025, please refer to the note 20(b)(ii) to the "Notes to the Consolidated Financial Statements" of this annual report.

## Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the law of the Cayman Islands, being the jurisdiction in which the Company was incorporated, under which the Company would be obliged to offer new Shares on a pro-rata basis to the existing Shareholders.

### Disclosure under Rule 13.18 of the Listing Rules

On 21 October 2020, the Company, as the borrower, entered into a facility agreement (the “**2020 Facility Agreement**”) with various financial institutions as original lenders (the “**2020 Original Lenders**”) and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2020 Original Lenders have agreed to make available a dual tranche term loan facilities with a lender accession option denominated in HKD and USD in an amount of HKD8,133.3 million and USD453 million, respectively (collectively, the “**2020 Loans**”) to the Company for a term of 48 months commencing from the date of the 2020 Facility Agreement. The 2020 Loans obtained under the 2020 Facility Agreement were to be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 8 December 2016 and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses incurred under the 2020 Facility Agreement. Pursuant to the terms of the 2020 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2020 Facility Agreement. The 2020 Loans were cancelled on the RED.

On 22 July 2021, the Company, as the borrower, entered into a facility agreement (the “**2021 Facility Agreement**”) with various financial institutions as the original lenders (the “**2021 Original Lenders**”), pursuant to which the 2021 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in an amount of HKD6,076 million and USD559 million, respectively (collectively, the “**2021 Loans**”) to the Company for a term of 48 months commencing from the date of the 2021 Facility Agreement. The 2021 Loans obtained under the 2021 Facility Agreement were to be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 17 October 2017 and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses incurred under the 2021 Facility Agreement. Pursuant to the terms of the 2021 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2021 Facility Agreement. The 2021 Loans were cancelled on the RED.

On 26 December 2022, the Company, as the borrower, entered into a facility agreement (the “**2022 Facility Agreement**”) with various financial institutions as the original lenders (the “**2022 Original Lenders**”), and Industrial and Commercial Bank of China (Asia) Limited as the facility agent, pursuant to which the 2022 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in a total amount of USD280 million (collectively, the “**2022 Loans**”) to the Company for a term of 36 months commencing from the date of the 2022 Facility Agreement. The 2022 Loans obtained under the 2022 Facility Agreement were to be applied by the Company for refinancing in full the HKD and USD dual tranche term loan facilities made available to the Company pursuant to a facility agreement dated 28 December 2018 and thereafter for financing costs and expenses incurred under the 2022 Facility Agreement. Pursuant to the terms of the 2022 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2022 Facility Agreement. The 2022 Loans were cancelled on the RED.

## REPORT OF THE DIRECTORS

On 26 January 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 First Facility Agreement”**) with China Minsheng Banking Corp., Ltd. Hong Kong Branch as the original lender (the **“2023 First Original Lender”**), pursuant to which the 2023 First Original Lender has agreed to make available a term loan facility of the RMB equivalent of up to USD50 million (the **“2023 First Loan”**) to the Company for a term of 36 months commencing from the first drawing of the 2023 First Loan. The 2023 First Loan obtained under the 2023 First Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including but not limited to refinancing outstanding indebtedness. Pursuant to the terms of the 2023 First Facility Agreement, the Company has undertaken to the 2023 First Original Lender that among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. All the outstanding loans, accrued interest and all other amounts due and payable under the 2023 First Facility Agreement have been fully repaid.

On 31 March 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 Second Facility Agreement”**) with Tai Fung Bank Limited as the lender (the **“2023 Second Original Lender”**), pursuant to which the 2023 Second Original Lender has agreed to make available a term loan facility in the amount of HKD950 million (the **“2023 Second Loan”**) to the Company for a term of 36 months commencing from the date of first drawing of the 2023 Second Loan. The 2023 Second Loan obtained under the 2023 Second Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of the real estate development projects of the Group in the PRC. Pursuant to the terms of the 2023 Second Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall beneficially own 40% or more of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, acting jointly, shall have control over the Company; or (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Second Facility Agreement.

On 14 July 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 Third Facility Agreement”**) with Chong Hing Bank Limited as the lender (the **“2023 Third Original Lender”**), pursuant to which the 2023 Third Original Lender has agreed to make available a term loan facility in the equivalent amount of USD35 million (the **“2023 Third Loan”**) to the Company for a term of 36 months commencing from the date on which the 2023 Third Loan was made. The 2023 Third Loan obtained under the 2023 Third Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of real estate developments or projects of the Group in the PRC. Pursuant to the terms of the 2023 Third Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the single largest shareholder of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall hold the beneficiary interest in not less than 40% of the issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall have the power to decide the management and policies of the Company (whether through the ownership of voting capital, by contract or otherwise); or (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairman of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Third Facility Agreement. The 2023 Third Loan was cancelled on the RED.

On 20 July 2023, the Company, as the borrower, entered into a facility agreement (the “**2023 Fourth Facility Agreement**”) with various financial institutions as the original lenders (the “**2023 Fourth Original Lenders**”) and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2023 Fourth Original Lenders have agreed to make available a dual-tranche term loan facilities (with a lender accession option in the amount of USD11,200,000) denominated in HKD and USD in an amount of HKD3,583,020,000 and USD388,660,000, respectively (the “**2023 Fourth Loans**”) to the Company for a term of 30 months commencing from the date of the 2023 Fourth Facility Agreement. The 2023 Fourth Loans obtained under the 2023 Fourth Facility Agreement was to be applied by the Company for refinancing in full the HKD and USD dual-tranche term loan facilities made available to the Company pursuant to the 2019 Facility Agreement; and thereafter for reimbursing the Company of part or all of the amount funded by the Company’s own source for the repayment of the 2019 Facility Agreement. Pursuant to the terms of the 2023 Fourth Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Fourth Facility Agreement. The 2023 Fourth Loans were cancelled on the RED.

### Important events during and after the financial year end date

#### Debt Restructuring

##### *Offshore Debt Restructuring*

Reference is made to the announcements of the Company dated 10 October 2023, 16 January 2024, 7 April 2024, 27 June 2024, 30 September 2024, 9 January 2025, 11 April 2025, 9 May 2025, 23 May 2025, 6 June 2025, 18 August 2025, 13 October 2025, 30 October 2025, 6 November 2025, 5 December 2025, 22 December 2025, 29 December 2025 and 31 December 2025 in relation to, inter alia, the Proposed Restructuring (together, the “**Announcements**” (unless otherwise specified or the context otherwise requires)) and the circular of the Company dated 17 November 2025 (the “**Circular**”). Capitalised terms used in this section shall have the same meanings as ascribed to them in the Announcements, the Circular or the RSA (as defined below) unless otherwise stated or the context otherwise requires.

Following the announcement by the Company of the key terms of the Restructuring Proposal and reaching consensus with seven eminent banks that are long-term lenders to the Group on 9 January 2025, the Group has since achieved significant milestones in implementing the Proposed Restructuring:

- (i) as disclosed in the announcements of the Company dated 11 April 2025, 9 May 2025, 23 May 2025 and 6 June 2025, the Company has entered into a restructuring support agreement (the “**RSA**”) with the AHG, i.e. holders of approximately 30% of the outstanding principal amount of USD senior notes and Existing HKD Convertible Bonds issued by the Group, on 11 April 2025 under which the principal terms of the Restructuring Proposal were agreed;
- (ii) as disclosed in the announcement of the Company dated 18 August 2025, the principal terms of the Restructuring Proposal, pursuant to an amendment agreement to the RSA dated 18 August 2025, have also been agreed with the CoCom, i.e. lenders representing 49% in aggregate principal amount of the Existing Syndicated Loans;

## REPORT OF THE DIRECTORS

- (iii) as disclosed in the announcement of the Company dated 6 November 2025, the special resolutions regarding the change of governing law of the Existing HKD Convertible Bonds to the laws of Hong Kong were duly passed at the 2023 Convertible Bonds Consent Solicitation Meeting conducted at 5: 00 p.m. Hong Kong time on 5 November 2025 and the 2026 Convertible Bonds Consent Solicitation Meeting conducted at 5: 30 p.m. Hong Kong time on 5 November 2025. In addition, the Scheme was approved by the requisite statutory majorities of Scheme Creditors (Class 1) and Scheme Creditors (Class 2) at the Scheme Meeting (Class 1) convened at 6: 00 p.m. Hong Kong time on 5 November 2025 and the Scheme Meeting (Class 2) convened at 8: 00 p.m. Hong Kong time on 5 November 2025, respectively;
- (iv) as disclosed in the announcement of the Company dated 5 December 2025, by an order made by the Court on 4 December 2025 (the “**Sanction Order**”), the Scheme has been sanctioned by the Court. A sealed copy of the Sanction Order was filed with the Hong Kong Registrar of Companies for registration on 5 December 2025. Accordingly, the Scheme Effective Date (as defined in the Scheme) for the Scheme occurred on 5 December 2025 in accordance with the terms of the Scheme;
- (v) as disclosed in the announcement of the Company dated 29 December 2025, the Company designated 30 December 2025 as the Restructuring Effective Date (the “**RED**”); and
- (vi) as disclosed in the announcement of the Company dated 31 December 2025, the RED has occurred on 30 December 2025. The Proposed Restructuring broadly involves the cancellation of the Existing Debt and the release of all Existing Debt Obligors in exchange for the issuance of Scheme Consideration Entitlements (including the SCA Loan, MCB (A), MCB (B), MTI, LTI (A), LTI (B), the SCA Warrants and the Scheme Creditor CVR) to Scheme Creditors under the Scheme on the RED (save for the Scheme Creditor CVR, which will be issued upon completion of the Proposed Disposal). All of the rights, title and interest of Scheme Creditors in respect of the Existing Debt shall be subject to each of the arrangements and compromises set out in the Scheme on the terms and conditions set out in the Scheme.

### *Onshore Debt Restructuring*

The Group provided a holistic restructuring proposal to the holders of 9 onshore corporate bonds (collectively, the “**Subject Bonds**”), making adjustments to the principal and interest repayment arrangements for the Subject Bonds and providing restructuring options including a repurchase option, a stock option and a general creditor claim option. The aforesaid bonds restructuring was progressed by convening bondholders’ meetings, and during the period between September and December 2025, the restructuring proposal was passed by voting at the meetings of relevant bondholders. Accordingly, the principal and interest repayment arrangements for the Subject Bonds were adjusted in 2025.

In 2026, the Group will, in accordance with relevant provisions of the restructuring proposal, initiate the cash repurchase option, the stock option and the general creditor claim option in sequence, and arrange for bondholders to make selection and allocation in the restructuring proposal options for the corporate bonds held by them.

In February 2026, the Group initiated the repurchase option in accordance with relevant terms of the resolutions of the bondholders' meetings, with the maximum aggregate amount of funds intended for the repurchase being RMB450 million. As of the date of this report, the repurchase applications for the relevant bonds have been completed. The Company will also make further announcements regarding the progress of the subsequent options as and when necessary in accordance with the relevant rules and regulations.

For details regarding the latest information on domestic bonds, please refer to the announcement of the Company dated 4 December 2025, the Announcement of Country Garden Holdings Company Limited on Major Matters of Corporate Bonds (Bond code: 135797) published by the Company on the website of the SSE, the Announcement of Country Garden Real Estate Group Co., Ltd. on Major Matters of Corporate Bonds (Bond codes: 163015, 175214, 175366, 149407, 149509, 149632 and 149748) published by Country Garden Real Estate Group Co., Ltd. on the websites of the SSE and the SZSE, and the Announcement of Giant Leap Construction Technology Group Co., Ltd. on Major Matters of Corporate Bonds (Bond code: 136780) published by Giant Leap Construction Technology Group Co., Ltd. on the website of the SSE.

The above debt restructurings reflect meaningful progress in the Company's efforts to stabilise its financial position and address its liabilities, which enable the Group to better focus on housing delivery, continue its business operations, maintain the value of its assets, and implement its business and asset disposal strategies that it believes have the greatest potential to maximise value for all stakeholders.

### **Winding-up petition**

A winding-up petition dated 27 February 2024 was filed by Ever Credit Limited (the "**Petitioner**") at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HKD1.6 billion, plus accrued interest. The Company opposed the petition vigorously and, following the successful implementation of the Proposed Restructuring, the petition was eventually dismissed by an order of the High Court dated 16 February 2026.

For further details of the winding-up petition, please refer to the announcements of the Company dated 28 February 2024, 4 March 2024, 17 May 2024, 6 June 2024, 29 July 2024, 9 January 2025, 20 January 2025, 11 April 2025, 26 May 2025, 7 August 2025, 31 December 2025 and 16 February 2026.

# REPORT OF THE DIRECTORS

## Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

## Sufficiency of Public Float

Rule 13.32B of the Listing Rules requires there to be an open market in the shares listed on the Stock Exchange. This will normally mean that a portion of the class of shares listed on the Exchange and held by the public must, at all times: (1) represent at least 25% of the issuer's total number of issued shares in that class of shares (excluding treasury shares), or any lower minimum percentage of public float prescribed at the time of listing under rule 8.08(1) (the "**Initial Prescribed Threshold**"); or (2) alternatively: (a) have a market value of at least HKD1,000,000,000; and (b) represent at least 10% of the issuer's total number of issued shares in that class of shares (excluding treasury shares). Where an issuer was granted a waiver from strict compliance with the minimum percentage of public float as prescribed by rule 8.08(1) (as amended from time to time) at the time of listing, the Initial Prescribed Threshold shall mean the minimum percentage of public float prescribed under that waiver.

The Group has applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange exercised its discretion under the then rule 8.08(1)(d) of the Listing Rules to accept a public float percentage of the Company of 16.87% (the Initial Prescribed Threshold of the Company), which represented the issued share capital as would have been held by the public in the event that the whole or a part of the over-allotment option had been exercised (the over-allotment option was exercised by the Company, which had an expected market capitalization at the time of listing of over HKD10,000 million), on the basis that the Stock Exchange was satisfied that the number of Shares concerned and the extent of their distribution would enable the market to operate properly with the public float percentage, and on the condition that the Company would make appropriate disclosure of the prescribed percentage of public float in the prospectus of the Company issued on 3 April 2007 and confirm the sufficiency of public float in its successive annual reports after listing. At the time of listing of the Company on 20 April 2007, the market capitalization of the Company exceeded HKD10,000 million.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Directors confirm that the Company has maintained the Initial Prescribed Threshold as required under the Listing Rules. As at 31 December 2025, the Company's public float was 53.53% of its total issued shares.

## Auditor

Messrs. PricewaterhouseCoopers resigned as the auditor of the Company with effect from 3 September 2024. The Board has resolved to appoint ZHONGHUI ANDA CPA Limited as the new auditor of the Company to fill the casual vacancy following the resignation of Messrs. PricewaterhouseCoopers with effect from 5 September 2024. For further details, please refer to the announcement of the Company dated 4 September 2024.

The consolidated financial statements for the year ended 31 December 2025 have been audited by ZHONGHUI ANDA CPA Limited. A resolution for the re-appointment of ZHONGHUI ANDA CPA Limited as the Company's auditor for the ensuing year is to be proposed at the 2026 AGM.

### Professional Tax Advice Recommended

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

### Closure of Registers of Members

For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the 2026 AGM, the registers of members of the Company ("**Registers of Members**") will be closed as appropriate as set out below:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Thursday, 21 May 2026
Record date	Friday, 22 May 2026
Closure of the Registers of Members	Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive)

For purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

For and on behalf of the Board

**YANG Huiyan**

*Chairman*

Foshan, Guangdong Province, the PRC, 30 March 2026

# FINANCIAL STATEMENTS





# INDEPENDENT AUDITOR'S REPORT



## TO THE SHAREHOLDERS OF COUNTRY GARDEN HOLDINGS COMPANY LIMITED

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

### Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Country Garden Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 125 to 237, which comprise the consolidated statement of financial position as at 31 December 2025, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters 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 these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Disclaimer of Opinion

#### Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements

We draw attention to note 2.1(iii) to the consolidated financial statements, which mentions that as at 31 December 2025, the Group had borrowings of approximately RMB148.0 billion, out of which approximately RMB107.6 billion was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB18.7 billion. In addition, as at 31 December 2025, the Group had certain indebtedness with an aggregate carrying amount of approximately RMB74.1 billion that were in default or cross-defaulted. Furthermore, the Group is subject to a number of ongoing litigation cases primarily brought by creditors and suppliers. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company (the “Directors”) have been undertaking a number of plans and measures to mitigate the liquidity pressure and improve its financial position, details of which are set out in note 2.1(iii) to the consolidated financial statements. To assess the appropriateness of the going concern basis, the management of the Group prepared a cash flow forecast (“Cash Flow Forecast”), which takes into account the effects of the success in implementing and completing the aforesaid plans and measures as scheduled, notwithstanding the inherent uncertainties associated with the outcome of these plans and measures. In particular, the positive outcome of the Cash Flow Forecast is dependent upon the following key assumptions: (a) the timely realisation of forecasted sales proceeds from pre-sale and sale of properties; (b) the successful negotiation with creditors on proposals for the settlement or restructuring of outstanding indebtedness; and (c) the successful negotiation with suppliers on proposals for the settlement of outstanding payables and the favourable resolution of ongoing litigation cases. Based on the result of the Cash Flow Forecast, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 31 December 2025. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

However, we were unable to obtain sufficient appropriate audit evidence to evaluate the appropriateness of the above key assumptions. In particular, we were unable to conclude on the appropriateness of the assumptions underlying the forecasted sales proceeds given the prevailing conditions in the PRC property market, the inherent uncertainties associated with forecasting property sales, and the further decrease in the Group’s pre-sale and revenue from the property development segment compared to the prior year. We were also unable to conclude on the likely outcome of the negotiations with creditors and suppliers, as management advised that whilst negotiations on settlement proposals are ongoing, no formal agreements have been reached as at the date of this report. Furthermore, due to the inherent uncertainties associated with the outcome of litigation, we were unable to conclude that the Group will successfully resolve the ongoing litigation cases.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and 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 effect of these adjustments has not been reflected in the consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## Responsibilities of Directors for the Consolidated Financial Statements

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

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

## 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 HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

#### **Tse Kit Yan**

*Audit Engagement Director*

Practising Certificate Number P08158

Hong Kong, 30 March 2026

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2025 RMB million	2024 RMB million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	18,983	21,077
Investment properties	7	15,386	15,687
Intangible assets		665	776
Right-of-use assets		6,258	6,317
Properties under development	8	—	9,751
Investments in joint ventures	9(b)	22,631	29,621
Investments in associates	9(c)	13,950	15,910
Financial assets at fair value through other comprehensive income	10	4,104	4,627
Trade and other receivables	13	—	783
Deferred income tax assets	25	10,162	14,409
		<b>92,139</b>	118,958
<b>Current assets</b>			
Properties under development	8	392,067	465,996
Completed properties held for sale	11	90,083	112,271
Inventories	12	3,238	4,996
Trade and other receivables	13	197,153	267,649
Contract assets and contract acquisition costs	14	5,029	10,137
Prepaid income tax		7,383	17,238
Financial assets at fair value through profit or loss	17	6,375	8,701
Restricted cash	15	12,842	23,535
Cash and cash equivalents	16	5,811	6,362
		<b>719,981</b>	916,885
<b>Total assets</b>		<b>812,120</b>	1,035,843
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital and premium	22	52,749	50,783
Other reserves	24	26,769	27,933
Accumulated losses	24	(80,377)	(85,901)
		<b>(859)</b>	(7,185)
<b>Non-controlling interests</b>		<b>45,118</b>	58,439
<b>Total equity</b>		<b>44,259</b>	51,254

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2025 RMB million	2024 RMB million
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	20	40,348	26,693
Lease liabilities		2,502	2,324
Deferred government grants		124	136
Deferred income tax liabilities	25	8,601	12,686
		<b>51,575</b>	41,839
<b>Current liabilities</b>			
Contract liabilities	19	157,751	281,988
Trade and other payables	18	399,475	394,857
Current income tax liabilities		40,329	38,918
Borrowings	20	107,611	226,795
Financial liabilities at fair value through profit or loss	21	10,942	—
Lease liabilities		178	192
		<b>716,286</b>	942,750
<b>Total liabilities</b>		<b>767,861</b>	984,589
<b>Total equity and liabilities</b>		<b>812,120</b>	1,035,843

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 125 to 237 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

.....  
**CHENG Guangyu**  
 Director

.....  
**YANG Ziying**  
 Director

# CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2025 RMB million	2024 RMB million
<b>Revenue</b>	5	<b>154,893</b>	252,756
Cost of sales	27	<b>(198,011)</b>	(254,443)
<b>Gross loss</b>		<b>(43,118)</b>	(1,687)
Other income, gains and losses — net	26	<b>82,137</b>	(2,207)
Losses arising from changes in fair value of and transfers to investment properties	7	<b>(212)</b>	(818)
Selling and marketing costs	27	<b>(4,466)</b>	(5,892)
Administrative expenses	27	<b>(4,623)</b>	(4,891)
Research and development expenses	27	<b>(65)</b>	(301)
Net impairment losses on financial assets and guarantees	3(a)(iii)	<b>(10,525)</b>	(1,902)
<b>Operating profit/(loss)</b>		<b>19,128</b>	(17,698)
Finance income	29	<b>187</b>	526
Finance costs	29	<b>(3,111)</b>	(6,975)
Finance costs — net	29	<b>(2,924)</b>	(6,449)
Share of results of joint ventures and associates	9(b), 9(c)	<b>(3,339)</b>	1,778
<b>Profit/(loss) before income tax</b>		<b>12,865</b>	(22,369)
Income tax expenses	30	<b>(11,241)</b>	(12,776)
<b>Profit/(loss) for the year</b>		<b>1,624</b>	(35,145)
<b>Profit/(loss) attributable to:</b>			
— Owners of the Company		<b>3,261</b>	(32,835)
— Non-controlling interests		<b>(1,637)</b>	(2,310)
		<b>1,624</b>	(35,145)
<b>Earnings/(losses) per share attributable to owners of the Company (expressed in RMB yuan per share)</b>			
Basic	33	<b>0.12</b>	(1.19)
Diluted	33	<b>0.12</b>	(1.19)

The above consolidated income statement should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2025 RMB million	2024 RMB million
<b>Profit/(loss) for the year</b>		<b>1,624</b>	(35,145)
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
– Changes in fair value of financial assets at fair value through other comprehensive income	24	<b>(198)</b>	39
<i>Items that may be reclassified to profit or loss:</i>			
– Currency translation differences		<b>(372)</b>	(275)
<b>Total other comprehensive loss for the year, net of tax</b>		<b>(570)</b>	(236)
<b>Total comprehensive income/(loss) for the year</b>		<b>1,054</b>	(35,381)
<b>Total comprehensive income/(loss) attributable to:</b>			
– Owners of the Company		<b>2,936</b>	(33,077)
– Non-controlling interests		<b>(1,882)</b>	(2,304)
		<b>1,054</b>	(35,381)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital and premium RMB million (Note 22)	Other reserves RMB million (Note 24)	Accumulated losses RMB million (Note 24)	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
<b>Balance at 1 January 2025</b>	50,783	27,933	(85,901)	(7,185)	58,439	51,254
<b>Comprehensive (loss)/income</b>						
Profit/(loss) for the year	—	—	3,261	3,261	(1,637)	1,624
Other comprehensive (loss)/income	—	(357)	32	(325)	(245)	(570)
<b>Total comprehensive (loss)/income for the year</b>	—	(357)	3,293	2,936	(1,882)	1,054
<b>Transactions with owners in their capacity as owners</b>						
Capital reduction from non-controlling interests	—	—	—	—	(1,622)	(1,622)
Transfer to statutory reserve	—	1,156	(1,156)	—	—	—
Payment of offshore debt restructuring costs by way of placing shares (note 22)	296	—	—	296	—	296
Disposal of treasury shares	1,670	(1,563)	—	107	—	107
Dividends	—	—	—	—	(7,897)	(7,897)
Employee share schemes						
— Value of employee services (note 23)	—	109	—	109	—	109
— Lapse of share options and share awards	—	(1,511)	1,511	—	—	—
Non-controlling interests arising from business combinations (note 39)	—	—	—	—	207	207
Effect of offshore debt restructuring	—	920	1,703	2,623	—	2,623
Loss of controls of subsidiaries (note 38)	—	(173)	173	—	(979)	(979)
Changes in ownership interests in subsidiaries without change of control (note 37)	—	255	—	255	(1,148)	(893)
<b>Total transactions with owners</b>	1,966	(807)	2,231	3,390	(11,439)	(8,049)
<b>Balance at 31 December 2025</b>	52,749	26,769	(80,377)	(859)	45,118	44,259

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company			Total RMB million	Non- controlling interests RMB million	Total equity RMB million
	Share capital and premium RMB million (Note 22)	Other reserves RMB million (Note 24)	Accumulated losses RMB million (Note 24)			
<b>Balance at 1 January 2024</b>	50,783	25,373	(50,209)	25,947	62,662	88,609
<b>Comprehensive (loss)/income</b>						
Loss for the year	—	—	(32,835)	(32,835)	(2,310)	(35,145)
Other comprehensive (loss)/income	—	(108)	(134)	(242)	6	(236)
<b>Total comprehensive loss for the year</b>	—	(108)	(32,969)	(33,077)	(2,304)	(35,381)
<b>Transactions with owners in their capacity as owners</b>						
Capital injections from non-controlling interests	—	—	—	—	645	645
Transfer to statutory reserve	—	2,745	(2,745)	—	—	—
Dividends	—	—	—	—	(2,773)	(2,773)
Employee share schemes						
— Value of employee services (note 23)	—	241	—	241	—	241
Non-controlling interests arising from business combinations	—	—	—	—	179	179
Loss of controls of subsidiaries	—	(22)	22	—	92	92
Changes in ownership interests in subsidiaries without change of control	—	(296)	—	(296)	(62)	(358)
<b>Total transactions with owners</b>	—	2,668	(2,723)	(55)	(1,919)	(1,974)
<b>Balance at 31 December 2024</b>	50,783	27,933	(85,901)	(7,185)	58,439	51,254

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December	
		2025 RMB million	2024 RMB million
<b>Cash flows from operating activities</b>			
Cash generated from operations	32(a)	7,062	6,232
Income tax paid		(2,555)	(4,287)
Interest paid	32(b)	(2,973)	(5,225)
<b>Net cash generated from/(used in) operating activities</b>		<b>1,534</b>	<b>(3,280)</b>
<b>Cash flows from investing activities</b>			
Net cash (outflow)/inflow on business combinations	39	(186)	22
Proceeds from disposals of property, plant and equipment		382	511
Net cash (outflow)/inflow on loss of controls of subsidiaries	38	(4)	759
Purchases of property, plant and equipment		—	(41)
Proceeds from disposals of investment properties		20	15
Net payments for investments in joint ventures		(63)	(2)
Net proceeds for investments in associates		10	103
Proceeds from disposals of financial assets at fair value through other comprehensive income		277	2,869
Purchases of financial assets at fair value through profit or loss		(280)	(143)
Proceeds from disposals of financial assets at fair value through profit or loss		1,305	831
Interest received	29	187	526
Dividend income from joint ventures and associates		6	602
<b>Net cash generated from investing activities</b>		<b>1,654</b>	<b>6,052</b>

# CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December	
		2025 RMB million	2024 RMB million
<b>Cash flows from financing activities</b>			
Net cash outflow on transactions with non-controlling interests		(520)	(358)
Payments for principal portion of leases	32(b)	(149)	(236)
Proceeds from disposal of treasury shares		107	—
Dividends to non-controlling interests		—	(558)
Proceeds from borrowings	32(b)	9,134	9,038
Repayments of borrowings	32(b)	(12,300)	(11,415)
<b>Net cash used in financing activities</b>		<b>(3,728)</b>	<b>(3,529)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(540)</b>	<b>(757)</b>
Cash and cash equivalents at the beginning of the year		6,362	7,130
Exchange losses on cash and cash equivalents		(11)	(11)
<b>Cash and cash equivalents at the end of the year</b>	16	<b>5,811</b>	6,362

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information

Country Garden Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding and its subsidiaries (collectively, the “Group”) are principally engaged in the property development, construction, interior decoration, property investment, and the development and management of hotels.

The parent undertaking of the Company is Concrete Win Limited, a company incorporated in the British Virgin Islands with limited liability, whose registered office address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

The shares of the Company are listed on Stock Exchange.

These consolidated financial statements are presented in RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2026.

## 2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

**(i) Compliance with HKFRS Accounting Standards and the Hong Kong Companies Ordinance**

The consolidated financial statements of the Group have been prepared in accordance with applicable HKFRS Accounting Standards and disclosure requirements under the Hong Kong Companies Ordinance Cap. 622.

**(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (“FVOCI”), financial liabilities at FVTPL and investment properties, which are carried at fair value.

**(iii) Going concern basis**

As at 31 December 2025, the Group had borrowings in the forms of senior notes, corporate bonds and bank and other borrowings amounting to RMB147,959 million in aggregate, of which RMB107,611 million were included in current liabilities, while the Group’s cash and cash equivalents amounted to RMB5,811 million and restricted cash amounted to RMB12,842 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.1 Basis of preparation *(Continued)*

#### *(iii) Going concern basis (Continued)*

As at 31 December 2025, an aggregate amount of RMB74,052 million of the Group's borrowings was defaulted or cross-defaulted. Furthermore, the Group is subject to a number of ongoing litigation cases primarily brought by creditors and suppliers.

All of the above events and conditions indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 31 December 2025, taking into account the following plans and measures:

- (a) The Group has actively adopted and will continue to implement various debt management measures to mitigate its phased liquidity pressure, including:
  - the restructuring proposals for nine onshore corporate bonds of the Group were approved at the relevant bondholders' meetings during the year. The principal and interest repayment arrangements for the nine bonds were adjusted, offering the aforesaid bondholders a restructuring proposal including a repurchase option, a stock option and a general creditor claim option. The Group will ensure continued implementation and completion of the aforesaid restructuring;
  - by an order made by the Court on 4 December 2025, the offshore debt restructuring scheme has been sanctioned by the Court. Subsequently, the Company designated 30 December 2025 as the Restructuring Effective Date (the "RED"). The proposed restructuring broadly involves the cancellation of the existing debt and the release of all existing debt obligors in exchange for the issuance of scheme consideration entitlements to scheme creditors under the scheme on the RED. All of the rights, title and interest of scheme creditors in respect of the existing debt shall be subject to each of the arrangements and compromises set out in the scheme on the terms and conditions set out in the scheme. The Group will ensure continued implementation and completion of the aforesaid restructuring;
  - save for the debt restructuring arrangements above, the Group has also been actively negotiating with other PRC onshore lenders and creditors on the extension or restructuring of borrowings. Due to the diverse lender base and changing market conditions, time is still required to determine the extension plans or restructuring plans on a case-by-case basis. Having considered the Group's credit history and longstanding relationships with the relevant lenders and creditors, the Directors believe that the Group will be able to materialise the extension or restructuring arrangements step by step;

## 2 Summary of material accounting policies *(Continued)*

### 2.1 Basis of preparation *(Continued)*

#### *(iii) Going concern basis (Continued)*

- (b) The Group will continue to actively adjust its sales activities to respond to market changes and capture demands. The Group believes after undergoing adjustments, the PRC real estate market is expected to usher in new development opportunities. Therefore, the Group will adhere to the refined control of “one strategy for one real estate project”, and formulate reasonable sales prices and supply plans by taking into account the actual situation of the local market and each project, in order to achieve its budgeted sales volume and cash collection;
- (c) The Group will actively respond to various supportive policies of the national and local governments, revitalise resources through all kinds of acquisition and reserve policies, and consider disposing of assets when necessary to generate more cash inflows;
- (d) The Group will adapt to current market changes and operational focus, continue to optimise its organisational structure and strictly control various non-core and non-essential operating expenses, to improve operational efficiency continuously; and
- (e) The Group will fully utilise its existing resources and actively engage in negotiations with suppliers and other creditors to reach amicable resolutions as soon as possible, in order to deal with the ongoing litigation cases.

The directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than 12 months from 31 December 2025. The directors of the Company are of the opinion that, considering the anticipated cash inflows to be generated from the Group’s operations taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) Successful completion of the above-mentioned debt management measures, which will be subject to various external conditions that are beyond the Group’s control, including but not limited to the restructuring of the remaining onshore indebtedness of the Group, possible material adverse changes in the market conditions during the process and fulfilment of legal or regulatory requirements;
- (b) Successful implementation of the plans and measures to achieve its budgeted sales volume and timely collection of the relevant sales proceeds;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.1 Basis of preparation *(Continued)*

#### *(iii) Going concern basis (Continued)*

- (c) Successfully activating resources and disposing of assets;
- (d) Successful implementation of various measures to further streamline organisational structures and to strictly control various non-core and non-essential operating expenses, to improve operational efficiency; and
- (e) Successful amicable resolutions reached with suppliers and other creditors, as well as favourable resolution of ongoing litigation cases.

Should the Group fail to continue 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 further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

#### *(iv) New and amended standards adopted by the Group*

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

## 2 Summary of material accounting policies *(Continued)*

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

##### *(i) Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.2 Subsidiaries *(Continued)*

#### 2.2.1 Consolidation *(Continued)*

(i) *Business combinations (Continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposals of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

## 2 Summary of material accounting policies *(Continued)*

### 2.2 Subsidiaries *(Continued)*

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income as part of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.3 Associates *(Continued)*

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of associates' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in profit or loss.

### 2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income as part of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to 'share of results of joint ventures' in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2 Summary of material accounting policies *(Continued)*

### 2.5 Segment reporting

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

### 2.6 Foreign currency translation

#### *(i) Functional and presentation currency*

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

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within 'finance costs — net'. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within 'finance costs — net', except when capitalised on the basis set out in note 2.26. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other income, gains and losses — net'.

#### *(iii) Group companies*

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency 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 date of that statement of financial position;
- Income and expenses for each consolidated income statement and consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and land	20–40 years
Machinery	5–10 years
Transportation equipment	4–10 years
Furniture, fitting and equipment	5–8 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 6).

Construction in progress represents the direct costs of construction incurred of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'other income, gains and losses — net' in the consolidated income statement.

## 2 Summary of material accounting policies *(Continued)*

### 2.8 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in profit or loss as part of a valuation gain or loss.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under HKAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss. For a transfer from completed properties held for sale or properties under development to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

The Group shall transfer a property from investment property to property under development when it commences related development with a view to sale. For a transfer from investment property that is carried at fair value to property under development, related property under development shall be recognised at fair value at the transfer date.

### 2.9 Intangible assets

#### (i) *Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.9 Intangible assets *(Continued)*

#### *(ii) Computer software*

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 3 to 10 years on a straight-line basis. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### *(iii) Research and development expenses*

Research and development expenditures that do not meet the capitalised criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### 2.10 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Group leases various properties. These property lease agreements do not impose any covenants, but leased properties may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

## 2 Summary of material accounting policies *(Continued)*

### 2.10 Leases *(Continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.10 Leases *(Continued)*

Payments associated with short-term leases of equipment and vehicles and low-value assets leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

### 2.11 Impairment of non-financial assets

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

### 2.12 Financial assets

#### *(i) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## 2 Summary of material accounting policies *(Continued)*

### 2.12 Financial assets *(Continued)*

#### *(ii) Recognition and measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated income statement.

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

#### *Debt instruments*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other income, gains and losses — net'. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated income statement within 'other income, gains and losses — net' in the period in which it arises. Interest income from these financial assets is included in the 'finance income'.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.12 Financial assets *(Continued)*

#### *(ii) Recognition and measurement (Continued)*

##### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in 'other income, gains and losses — net' in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at FVOCI are not reported separately from other changes in fair value.

### 2.13 Recognition and derecognition of financial instruments

Financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss. Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liabilities. Accordingly, such modification of terms is accounted for as an extinguishment, and any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent. For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liabilities is recognised in profit or loss at the date of modification.

## 2 Summary of material accounting policies *(Continued)*

### 2.14 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and financial assets at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3(a)(iii) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9 – Financial instruments (“HKFRS 9”), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 2.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.16 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

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

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

Costs to fulfill a contract primarily comprise construction cost and the land use right cost directly related to an existing contract that will be used to satisfy performance obligations in the future. The costs to fulfill a contract are recorded in properties under development if they are expected to be recovered. The amount is amortised on a systematic basis, consistent with the pattern of revenue recognition of the contract to which the asset relates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.17 Completed properties held for sale

Completed properties remaining unsold at year end are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

### 2.18 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion.

### 2.19 Trade and other receivables

Trade receivables are amounts due from buyers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 2.20 Contract related assets and contract liabilities

Upon entering into a contract with a buyer, the Group obtains rights to receive consideration from the buyer and assumes performance obligations to transfer goods or provide services to the buyer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract related assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs of obtaining a contract with a buyer as contract acquisition cost within contract related assets if the Group expects to recover those costs.

## 2 Summary of material accounting policies *(Continued)*

### 2.21 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

### 2.22 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect is included in equity attributable to the owners of Company.

### 2.23 Government grants

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

Government grants relating to construction of hotel properties are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets when they are completed and ready for use.

### 2.24 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.25 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.26 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as 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 eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are adjustments to interest costs include the differences between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and is limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

### 2.27 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

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 HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities may be designated upon initial recognition at FVTPL if the criteria in HKFRS 9 are satisfied. The Group has designated the mandatory convertible bonds as financial liabilities at FVTPL. The SCA warrants and the conversion feature embedded in the shareholder loans equitisation arrangement are classified as financial liabilities at FVTPL.

Gains or losses on financial liabilities at FVTPL are recognised in profit or loss.

## 2 Summary of material accounting policies *(Continued)*

### 2.28 Current and deferred income tax

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

#### *(i) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### *(ii) Deferred income tax*

##### *Inside basis differences*

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.28 Current and deferred income tax *(Continued)*

#### *(ii) Deferred income tax (Continued)*

##### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the joint venture's or associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### *(iii) Offsetting*

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

### 2.29 Employee benefits

#### *Pension obligations*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

## 2 Summary of material accounting policies *(Continued)*

### 2.30 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (including shares options and share awards) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Company over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.31 Provisions and contingent liabilities

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

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

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

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

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

### 2.32 Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially recognised at fair value and subsequently measured at the higher of:

- the loss allowance; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss over the terms of the guarantee contracts.

### 2.33 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and provision of services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

## 2 Summary of material accounting policies *(Continued)*

### 2.33 Revenue recognition *(Continued)*

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

Revenue is recognised when or as the control of an asset is transferred to the buyer. 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 all of the benefits received and consumed simultaneously by the buyer; or
- creates and enhances an asset that the buyer controls as the Group performs; or
- do 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 buyer obtains control of the asset.

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

#### *(i) Sales of properties and rendering of technology-enabled construction services*

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the buyer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

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 rendering of technology-enabled construction services, usually there is only one single performance in a contract, the Group's performance creates or enhances an asset or work in progress that the buyer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 Summary of material accounting policies *(Continued)*

### 2.33 Revenue recognition *(Continued)*

#### *Revenue from contracts with customers (Continued)*

##### *(ii) Hotel operation*

Revenue from hotel operation is recognised in the accounting period in which the services are rendered.

#### *Revenue from other sources*

##### *Rental income*

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

### 2.34 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.35 Dividend income

Dividend income is recognised when the right to receive payment is established.

### 2.36 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors of the Company, where appropriate.

### 3 Financial risk management

The Group conducts its operations mainly in the PRC and is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

The Group's activities expose it to a variety of financial risks: market risk (mainly included foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC, which will affect the volumes of property transactions and selling prices. The Group mainly relies on sales of properties and debt financing to fund its operations. The Group has alternative plans (refer to note 3(a)(iv)) to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

#### (a) Financial risk factors

##### (i) Foreign exchange risk

The Group's businesses are principally conducted in RMB. The majority of its assets is denominated in RMB. The majority of its non-RMB assets and liabilities are bank deposits and borrowings denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD"). The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management (Continued)

### (a) Financial risk factors (Continued)

#### (i) Foreign exchange risk (Continued)

The aggregated carrying amount of the foreign currency denominated monetary assets and monetary liabilities of group companies at the respective dates of statement of financial position are as follows:

	2025 RMB million	2024 RMB million
Assets		
HKD	113	64
USD	210	950
Other currencies	7	34
	<b>330</b>	1,048
Liabilities		
HKD	683	22,573
USD	18,776	88,167
	<b>19,459</b>	110,740

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. Should RMB strengthened/weakened by 5% against the relevant currencies, the effects on profit before tax for the year would be as follows:

	Change of profit before tax – increase/(decrease)	
	2025 RMB million	2024 RMB million
RMB against HKD:		
Strengthened by 5%	29	1,125
Weakened by 5%	(29)	(1,125)
RMB against USD:		
Strengthened by 5%	928	4,361
Weakened by 5%	(928)	(4,361)

### 3 Financial risk management *(Continued)*

#### (a) Financial risk factors *(Continued)*

##### (ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest-bearing bank deposits, borrowings and lease liabilities. Bank deposits and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings and lease liabilities issued at fixed rates expose the Group to fair value interest rate risk.

The Group has implemented certain interest rate risk management measures, including closely monitoring interest rate risk and continuously maintaining communication with financial institution creditors to promote the optimisation of borrowings structure and the reduction of interest rate level.

The exposure of the Group's borrowings (notes 20) and lease liabilities to interest rate changes and the contractual maturity dates of the borrowings at the end of the year are as follows:

	<b>2025</b> RMB million	2024 RMB million
Variable rate borrowings	<b>101,297</b>	129,110
Fixed rate borrowings and lease liabilities		
— repricing or maturity dates:		
1 year or less	<b>20,722</b>	110,342
1–2 years	<b>1,261</b>	11,997
2–5 years	<b>10,218</b>	4,003
Over 5 years	<b>17,141</b>	552
	<b>150,639</b>	256,004

As at 31 December 2025, borrowings of the Group which were bearing at floating rates amounted to approximately RMB101,297 million (2024: RMB129,110 million). As at 31 December 2025, should the interest rate be increased/decreased by 50 basis points with all other factors remain unchanged and without taking into account interest capitalisation, the finance costs of the Group would be increased/decreased by approximately RMB506 million (2024: RMB646 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management *(Continued)*

### (a) Financial risk factors *(Continued)*

#### *(iii) Credit risk*

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, wealth management products and restricted cash and cash and cash equivalents.

The carrying amounts of trade and other receivables, contract assets, wealth management products, restricted cash and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, bank deposits and wealth management products are mainly placed or entered with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. The Group has policies in place to ensure that sales are made to buyers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For properties that are still under construction and the buyers choose to pay by bank mortgage, the Group typically provides guarantees to banks in connection with the buyers' borrowing of mortgage loans to finance their purchases of the properties. If a buyer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the buyer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price would drop by more than the buyer's deposits received, the Group may not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk is largely mitigated. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables and contract assets to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and buyers.

The Group has arranged bank financing for certain buyers of property units and provided guarantees to secure obligations of such buyers for repayments. Detailed disclosure of these guarantees is made in note 34.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and available forward-looking information.

### 3 Financial risk management *(Continued)*

#### (a) Financial risk factors *(Continued)*

##### (iii) Credit risk *(Continued)*

The Group considers the probability of default upon initial recognition of, a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. In particular, the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

##### *i. Trade and other receivables (excluding deposits for acquisitions of companies and prepayments)*

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

The Group applies the 12 months expected losses approach to provide for expected credit losses prescribed by HKFRS 9 for other receivables (excluding deposits for acquisitions of companies and prepayments) when there has been no significant increase in credit risk of other receivables since initial recognition. If significant increase in credit risk of other receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit loss according to HKFRS 9 three-stage approach.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management *(Continued)*

### (a) Financial risk factors *(Continued)*

#### (iii) Credit risk *(Continued)*

- i. *Trade and other receivables (excluding deposits for acquisitions of companies and prepayments) (Continued)*

As at 31 December 2025, the ageing of trade receivables and the loss allowance provision based on dates of delivery of goods and dates of rendering of services are as follow:

Trade receivables	2025			Total
	Within 180 days	More than 180 days	More than 365 days	
Expected loss rate	0.19%	1.82%	20.34%	
Gross carrying amount (RMB million)	11,254	1,210	7,280	19,744
Loss allowance provision (RMB million)	21	22	1,481	1,524

Other receivables (excluding deposits for acquisitions of companies and prepayments)	Gross carrying amount (RMB million)	Loss allowance provision (RMB million)	Expected loss rate
Stage 1 (12-month ECL)	82,583	1,049	1.27%
Stage 2 (Lifetime ECL (non-credit impaired))	93,987	18,676	19.87%
Stage 3 (Lifetime ECL (credit impaired))	35,931	33,004	91.85%
Total	212,501	52,729	

### 3 Financial risk management (Continued)

#### (a) Financial risk factors (Continued)

##### (iii) Credit risk (Continued)

- i. Trade and other receivables (excluding deposits for acquisitions of companies and prepayments) (Continued)

Trade receivables	2024			Total
	Within 180 days	More than 180 days	More than 365 days	
Expected loss rate	0.29%	3.98%	32.56%	
Gross carrying amount (RMB million)	21,453	4,954	2,936	29,343
Loss allowance provision (RMB million)	63	197	956	1,216
Other receivables (excluding deposits for acquisitions of companies and prepayments)	Gross carrying amount (RMB million)	Loss allowance provision (RMB million)		Expected loss rate
Stage 1 (12-month ECL)	155,095	1,507		0.97%
Stage 2 (Lifetime ECL (non-credit impaired))	58,774	9,120		15.52%
Stage 3 (Lifetime ECL (credit impaired))	46,123	32,562		70.60%
Total	259,992	43,189		

- ii. Financial guarantees

The Group applies the 12 months expected credit losses approach to provide for expected credit losses prescribed by HKFRS 9 for financial guarantees when there has been no significant increase in credit risk since the initial recognition of the financial guarantees. As at 31 December 2025, the management has performed an impairment assessment and concluded that there had been no significant increase in credit risk since the initial recognition of the financial guarantees. Accordingly, the loss allowance for financial guarantees provided by the Group is measured at an amount equal to 12 months expected credit losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management *(Continued)*

### (a) Financial risk factors *(Continued)*

#### (iii) Credit risk *(Continued)*

##### ii. Financial guarantees *(Continued)*

As at 31 December 2025, the loss allowance provision for trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and financial guarantees reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB million	Other receivables (excluding deposits for acquisitions of companies and prepayments) RMB million	Financial guarantees RMB million	Total RMB million
Loss allowance as at 1 January 2024	1,084	41,514	879	43,477
Provision for loss allowance recognised in profit or loss during the year	132	1,675	95	1,902
Loss allowance as at 31 December 2024 and 1 January 2025	1,216	43,189	974	45,379
Provision for loss allowance recognised in profit or loss during the year	308	9,540	677	10,525
Loss allowance as at 31 December 2025	<b>1,524</b>	<b>52,729</b>	<b>1,651</b>	<b>55,904</b>

As at 31 December 2025, the gross carrying amount of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) was RMB232,245 million (2024: RMB289,335 million) and the maximum exposure to loss was RMB177,992 million (2024: RMB244,930 million). The Group made no write-off of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) during the year (2024: nil)

### 3 Financial risk management *(Continued)*

#### (a) Financial risk factors *(Continued)*

##### (iv) Liquidity risk

Management aims at maintaining sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The management of the Company have prepared cash flow projections for the year ending 31 December 2026. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2026 are included in note 2.1(iii).

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment (note 2.1(iii)). The Group will base on its assessment of the relevant future costs and benefits to pursue such options as appropriate. The directors of the Company consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the date of the statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows and included interest (based on the earliest date on which the Group is required to pay, if applicable).

	<b>Less than 1 year RMB million</b>	<b>Between 1 and 2 years RMB million</b>	<b>Between 2 and 5 years RMB million</b>	<b>Over 5 years RMB million</b>	<b>Total RMB million</b>
<b>At 31 December 2025</b>					
Borrowings	113,280	11,164	10,030	54,074	188,548
Trade and other payables (excluding other taxes payable and salaries payable)	385,094	—	—	—	385,094
Lease liabilities	500	461	1,030	2,575	4,566
<b>Total</b>	<b>498,874</b>	<b>11,625</b>	<b>11,060</b>	<b>56,649</b>	<b>578,208</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management *(Continued)*

### (a) Financial risk factors *(Continued)*

#### (iv) Liquidity risk *(Continued)*

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
<b>At 31 December 2024</b>					
Borrowings	238,918	21,450	6,867	—	267,235
Trade and other payables (excluding other taxes payable and salaries payable)	370,618	—	—	—	370,618
Lease liabilities	484	445	999	2,181	4,109
<b>Total</b>	<b>610,020</b>	<b>21,895</b>	<b>7,866</b>	<b>2,181</b>	<b>641,962</b>

### (b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, buy back of shares, issue new shares or sell assets.

The Group monitors capital on the basis of the capital gearing ratio. This ratio is calculated by dividing the net borrowings by total capital. Net borrowings equals to borrowings net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net borrowings.

### 3 Financial risk management *(Continued)*

#### (c) Fair value estimation

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
<b>At 31 December 2025</b>				
<b>Assets</b>				
Financial assets at FVOCI	21	—	4,083	4,104
Financial assets at FVTPL	133	1,368	4,874	6,375
Total	154	1,368	8,957	10,479
<b>Liabilities</b>				
Financial liabilities at FVTPL	—	—	10,942	10,942
	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
<b>At 31 December 2024</b>				
<b>Assets</b>				
Financial assets at FVOCI	6	—	4,621	4,627
Financial assets at FVTPL	135	2,214	6,352	8,701
Total	141	2,214	10,973	13,328

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management (Continued)

### (c) Fair value estimation (Continued)

#### (i) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Valuation techniques used to derive level 2 fair values

For Level 2 financial assets at FVOCI and FVTPL, fair values are generally obtained through the use of valuation methodologies with observable market inputs.

#### (ii) Financial instruments in level 3

The following table presents the changes in level 3 financial assets and financial liabilities for the year ended 31 December 2025:

	2025		2024
	Financial assets RMB million	Financial liabilities RMB million	Financial assets RMB million
Opening balance	10,973	—	16,583
Total gains or losses recognised in profit or loss	(193)	—	29
in other comprehensive (loss)/income	(258)	—	248
Additions	—	10,942	—
Disposals	(1,565)	—	(5,887)
Closing balance	8,957	10,942	10,973

There is no material unrealised gain or loss recognised in profit or loss for the year ended 31 December 2025 and 2024 attributable to balances held at the end of the reporting period.

There were no changes in valuation techniques during the year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 Financial risk management (Continued)

### (d) Financial instruments by category (Continued)

	31 December 2025		Total RMB million
	Liabilities at amortised cost RMB million	Liabilities at FVTPL RMB million	
<b>Liabilities as per consolidated statement of financial position</b>			
Borrowings	147,959	—	147,959
Financial liabilities at FVTPL	—	10,942	10,942
Trade and other payables (excluding other taxes payable and salaries payable)	385,094	—	385,094
Lease liabilities	2,680	—	2,680
<b>Total</b>	<b>535,733</b>	<b>10,942</b>	<b>546,675</b>
			31 December 2024 Liabilities at amortised cost RMB million
<b>Liabilities as per consolidated statement of financial position</b>			
Borrowings			253,488
Trade and other payables (excluding other taxes payable and salaries payable)			370,618
Lease liabilities			2,516
<b>Total</b>			<b>626,622</b>

## 4 Critical accounting estimates and judgements

### Critical judgments in applying accounting policies

In the process of applying accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### *Going concern consideration*

In the process of applying Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that may individually or collectively cast a significant doubt upon the going concern assumption are set out in note 2.1(iii) to the consolidated financial statements.

#### **Key sources of estimation of uncertainty**

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **(a) *Estimates for net realisable value of properties under development and completed properties held for sale***

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable values based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion. Net realisable value for completed properties held for sale is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses.

#### **(b) *Estimated impairment of trade and other receivables***

The Group estimates loss allowance for expected credit losses for trade receivables and other receivables resulting from expected cash shortfalls. The Group bases the estimates on the information about past events, current conditions and forecasts of future economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of a counterparty's actual default in the future. If the above conditions were to change, actual provisions would be varied than estimated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4 Critical accounting estimates and judgements *(Continued)*

### Key sources of estimation of uncertainty *(Continued)*

#### *(c) Current and deferred income tax*

Significant judgements are required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

#### *(d) Land appreciation taxes*

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities for certain projects. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes payable. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

#### *(e) Estimation of the fair value of financial instruments recognised as at the date of debt restructuring*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the date of recognition. For details of the key assumptions used and the impact of changes to these assumptions see note 3(c) and note 20.

## 5 Revenue and segment information

The executive directors of the Company review the Group's internal reporting in order to assess segment performance and allocate resources. The executive directors of the Company have determined the operating segments based on these reports.

During the year, the executive directors of the Company concluded that the Group only has two reportable segments — Property development and Technology-enabled construction. The Others segment mainly includes property investment and hotel operation, which are individually and collectively insignificant for segment reporting purposes.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, adjusted by excluding the gains from the centrally managed offshore and onshore debt restructuring and changes in fair value of derivative financial instruments and including share of results of joint ventures and associates.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, investment properties, financial assets at FVOCI, financial assets at FVTPL, properties under development, completed properties held for sale, inventories, investments in joint ventures, investments in associates, trade and other receivables, prepaid income tax, contract assets and contract acquisition costs and operating cash. They exclude deferred income tax assets. Segment liabilities consist primarily of operating liabilities. They exclude current income tax liabilities, borrowings, financial liabilities at FVTPL and deferred income tax liabilities.

Capital expenditure mainly comprises additions to property, plant and equipment (note 6), intangible assets and right-of-use assets, excluding those arising from business combinations.

Revenue consists of the following:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Sales of properties	<b>150,490</b>	245,719
Rendering of technology-enabled construction services	<b>1,860</b>	3,432
Rental income	<b>1,040</b>	1,051
Others	<b>1,503</b>	2,554
	<b>154,893</b>	252,756

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

The Group's revenue is mainly attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 Revenue and segment information (Continued)

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2025 is as follows:

	Property development RMB million	Technology- enabled construction RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers	150,490	6,157	2,028	158,675
Revenue from other source: Rental income	—	—	1,040	1,040
Segment revenue	150,490	6,157	3,068	159,715
Inter-segment revenue	—	(4,297)	(525)	(4,822)
Revenue from external customers	150,490	1,860	2,543	154,893
Share of results of joint ventures and associates	(3,341)	—	2	(3,339)
Losses arising from changes in fair value of and transfers to investment properties	—	—	(212)	(212)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(691)	(537)	(659)	(1,887)
Net impairment losses on financial assets and guarantees	(10,525)	—	—	(10,525)
Net write-down of properties under development and completed properties held for sale	(44,507)	—	—	(44,507)
Segment results	(76,591)	(41)	(1,059)	(77,691)
<b>At 31 December 2025</b>				
Total segment assets after elimination of inter-segment balances	709,060	23,517	69,381	801,958
Investments in joint ventures and associates	35,656	—	925	36,581
Capital expenditure	375	260	201	836
Total segment liabilities after elimination of inter-segment balances	486,558	28,620	44,852	560,030

## 5 Revenue and segment information (Continued)

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2024 is as follows:

	Property development RMB million	Technology- enabled construction RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers	245,719	11,541	5,450	262,710
Revenue from other source: Rental income	—	—	1,051	1,051
Segment revenue	245,719	11,541	6,501	263,761
Inter-segment revenue	—	(8,109)	(2,896)	(11,005)
Revenue from external customers	245,719	3,432	3,605	252,756
Share of results of joint ventures and associates	1,776	—	2	1,778
Losses arising from changes in fair value of and transfers to investment properties	—	—	(818)	(818)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(585)	(437)	(587)	(1,609)
Net impairment losses on financial assets and guarantees	(1,902)	—	—	(1,902)
Net write-down of properties under development and completed properties held for sale	(4,348)	—	—	(4,348)
Segment results	(13,268)	(1,012)	(1,700)	(15,980)
<b>At 31 December 2024</b>				
Total segment assets after elimination of inter-segment balances	914,748	21,683	85,003	1,021,434
Investments in joint ventures and associates	44,606	—	925	45,531
Capital expenditure	1,361	111	48	1,520
Total segment liabilities after elimination of inter-segment balances	604,878	25,695	48,924	679,497

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 Revenue and segment information *(Continued)*

- (a) During the year ended 31 December 2025, substantially all of the Group's revenue from property development was recognised at a point in time.
- (b) During the year ended 31 December 2025, all of the Group's revenue from technology-enabled construction was recognised over time.
- (c) During the year ended 31 December 2025, the amount of revenue from others recognised at a point in time and recognised over time were RMB740 million (2024: RMB4,017 million) and RMB1,288 million (2024: RMB1,433 million) respectively.

Reportable segment results are reconciled to profit/(loss) for the year as follows:

	2025 RMB million	2024 RMB million
Total segment results	(77,691)	(15,980)
Other income, gains and losses	93,480	60
Finance costs — net	(2,924)	(6,449)
Profit/(loss) before income tax	12,865	(22,369)
Income tax expenses	(11,241)	(12,776)
Profit/(loss) for the year	1,624	(35,145)

Reportable segment assets and liabilities are reconciled to total assets and total liabilities as follows:

	2025 RMB million	2024 RMB million
Total segment assets after elimination of inter-segment balances	801,958	1,021,434
Deferred income tax assets	10,162	14,409
<b>Total assets</b>	<b>812,120</b>	<b>1,035,843</b>
Total segment liabilities after elimination of inter-segment balances	560,030	679,497
Current income tax liabilities	40,329	38,918
Borrowings	147,959	253,488
Financial liabilities at FVTPL	10,942	—
Deferred income tax liabilities	8,601	12,686
<b>Total liabilities</b>	<b>767,861</b>	<b>984,589</b>

## 6 Property, plant and equipment

	Buildings and land RMB million	Machinery RMB million	Transportation equipment RMB million	Furniture, fitting and equipment RMB million	Construction in progress RMB million	Total RMB million
<b>Year ended 31 December 2025</b>						
Opening net book amount	15,946	1,940	44	240	2,907	21,077
Other additions	80	9	7	96	216	408
Transfer	259	—	—	—	(259)	—
Loss of controls of subsidiaries	—	—	(2)	—	—	(2)
Other disposals	(326)	(365)	(2)	(80)	(115)	(888)
Depreciation	(1,075)	(529)	(9)	(61)	—	(1,674)
Impairment	(48)	—	—	—	—	(48)
Exchange differences	109	8	(8)	1	—	110
Closing net book amount	14,945	1,063	30	196	2,749	18,983
<b>At 31 December 2025</b>						
Cost	26,453	3,689	560	2,421	2,749	35,872
Accumulated depreciation and impairment	(11,508)	(2,626)	(530)	(2,225)	—	(16,889)
Net book amount	14,945	1,063	30	196	2,749	18,983
<b>Year ended 31 December 2024</b>						
Opening net book amount	16,764	2,412	96	281	3,141	22,694
Acquisitions of subsidiaries	52	1	—	3	—	56
Other additions	277	261	3	48	37	626
Transfer	67	—	—	195	(262)	—
Loss of controls of subsidiaries	(345)	(15)	(1)	(6)	—	(367)
Other disposals	(46)	(180)	(21)	(172)	(9)	(428)
Depreciation	(937)	(547)	(42)	(110)	—	(1,636)
Impairment	(19)	—	—	—	—	(19)
Exchange differences	133	8	9	1	—	151
Closing net book amount	15,946	1,940	44	240	2,907	21,077
<b>At 31 December 2024</b>						
Cost	26,697	4,400	902	2,630	2,907	37,536
Accumulated depreciation and impairment	(10,751)	(2,460)	(858)	(2,390)	—	(16,459)
Net book amount	15,946	1,940	44	240	2,907	21,077

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6 Property, plant and equipment *(Continued)*

Depreciation charge was capitalised or expensed in the following categories in the consolidated statement of financial position or the consolidated income statement respectively:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Properties under development	<b>110</b>	382
Cost of sales	<b>810</b>	547
Selling and marketing costs	<b>59</b>	91
Administrative expenses and research and development expenses	<b>695</b>	616
	<b>1,674</b>	1,636

As at 31 December 2025, buildings with net book value of RMB9,795 million (2024: RMB8,228 million) were pledged as collateral for the Group's borrowings (note 20).

As at 31 December 2025, title certificates of buildings with net book value of RMB2,403 million (2024: RMB2,601 million) were still in the process of being obtained.

## 7 Investment properties

	<b>2025</b> <b>RMB million</b>	2024 RMB million
<b>At 1 January</b>	<b>15,687</b>	16,625
Fair value changes	<b>(212)</b>	(818)
Other disposals	<b>(89)</b>	(104)
Loss of controls of subsidiaries	<b>—</b>	(16)
<b>At 31 December</b>	<b>15,386</b>	15,687
Losses arising from changes in fair value of and transfer to investment properties recognised in profit or loss:		
— fair value changes	<b>(212)</b>	(818)

## 7 Investment properties *(Continued)*

As at 31 December 2025, investment properties with net book value of RMB960 million (2024: RMB1,219 million) were pledged as collateral for the Group's borrowings (note 20).

The Group's policy is to recognise change of fair value hierarchy levels as of the date of the event or change in circumstances that caused the change. At 31 December 2025 and 2024, the Group only had investment properties measured at level 3 valuation.

### **Valuation processes of the Group**

The Group's investment properties were valued at transfer or business acquisition dates, and at 31 December 2025 and 2024 by an independent and professionally qualified valuer who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates the highest and best use.

Discussions of valuation processes and results are held between management and the valuers on a semi-annual basis, in line with the Group's interim and annual reporting dates.

At each half year-end, management:

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

### **Valuation techniques**

Valuations are based on:

- (i) Income capitalisation approach taking into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property; or
- (ii) Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on land and construction costs, professional fees, contingency, marketing and legal costs, and interest payments to be incurred as well as anticipated developer's profits.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 Investment properties (Continued)

### Valuation techniques (Continued)

Main information about fair value measurements using significant unobservable inputs (level 3)

	Fair value as at 31 December 2025 RMB million	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	12,469	Income capitalisation	The rate of return/ capitalisation rate Monthly rental (RMB/ square meter/month)	3.5%–7.5% per annum 11–137
Investment properties under construction	2,917	Residual method	Budgeted construction costs to be incurred (RMB/square meter) Remaining percentage to completion Anticipated developer's profit margin	2,179–7,987 45%–81% 5%
	Fair value as at 31 December 2024 RMB million	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	12,674	Income capitalisation	The rate of return/ capitalisation rate Monthly rental (RMB/ square meter/month)	3%–8% per annum 10–145
Investment properties under construction	3,013	Residual method	Budgeted construction costs to be incurred (RMB/square meter) Remaining percentage to completion Anticipated developer's profit margin	290–8,000 9%–81% 5%

## 7 Investment properties (Continued)

### Valuation techniques (Continued)

#### Main information about fair value measurements using significant unobservable inputs (level 3) (Continued)

Relationships of unobservable inputs to fair value are as follows:

- The higher rate of return/capitalisation rate, the lower fair value;
- The higher monthly rental, the higher fair value;
- The higher budgeted construction cost to be incurred, the lower fair value;
- The higher remaining percentage to completion, the lower fair value; and
- The higher the anticipated developer's profit margin, the lower fair value.

#### Amounts recognised in profit or loss for investment properties

	2025 RMB million	2024 RMB million
Rental income (note 5)	1,040	1,051
Direct operating expenses	(734)	(463)
	<b>306</b>	588

#### Leasing arrangements

The investment properties are generally leased to tenants under operating leases with rentals payable monthly. There are no other variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to note 36(b).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8 Properties under development

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Properties under development expected to be completed and delivered:		
– Within one operating cycle included under current assets	<b>392,067</b>	465,996
– Beyond one operating cycle included under non-current assets	<b>—</b>	9,751
	<b>392,067</b>	475,747
Amounts comprise:		
– Construction costs including depreciation and staff cost capitalised	<b>210,312</b>	222,627
– Land costs	<b>174,603</b>	241,976
– Borrowing costs capitalised	<b>7,152</b>	11,144
	<b>392,067</b>	475,747

One operating cycle of the Group's property development generally ranges from one to two years.

The capitalisation rate used to determine the amount of interest on general borrowings incurred eligible for capitalisation in 2025 was 4.93% per annum (2024: 5.49% per annum).

The properties under development of the Group are substantially located in Mainland China.

As at 31 December 2025, properties under development of RMB112,249 million (2024: RMB126,101 million) were pledged as collateral for the Group's borrowings (note 20).

**9(a) Subsidiaries**

The principal subsidiaries at 31 December 2025 are listed in note 42.

The directors of the Company consider that none of the non-controlling interests of the individual subsidiaries were significant to the Group and thus the individual financial information of these subsidiaries was not disclosed.

**9(b) Investments in joint ventures**

The balance comprises the following:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Unlisted investments		
— Share of net assets	<b>22,459</b>	29,445
— Notional goodwill	<b>172</b>	176
	<b>22,631</b>	29,621

As at 31 December 2025, certain borrowings of joint ventures were guaranteed by the Group (note 34) and/or secured by the Group's certain interests in joint ventures with an aggregate carrying value of RMB877 million (2024: RMB602 million). As at 31 December 2025, there were no significant commitments relating to the Group's interests in the joint ventures.

The directors of the Company consider that none of the joint ventures as at 31 December 2025 and 2024 was significant to the Group and thus the individual financial information of the joint ventures was not disclosed. The summarised financial information of individually immaterial joint ventures on an aggregate basis is as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Carrying amount in the consolidated financial statements	<b>22,631</b>	29,621
Share of (loss)/profit for the year	<b>(1,541)</b>	1,530
Share of total comprehensive (loss)/income for the year	<b>(1,541)</b>	1,530

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9(c) Investments in associates

The balance comprises the following:

	2025 RMB million	2024 RMB million
Unlisted investments		
— Share of net assets	13,950	15,910

As at 31 December 2025, certain borrowings of associates were guaranteed by the Group (note 34) and/or secured by the Group's certain interests in associates with an aggregate carrying value of RMB346 million (2024: RMB287 million).

The directors of the Company consider that none of the associates as at 31 December 2025 and 2024 was significant to the Group and thus the individual financial information of the associates was not disclosed. The summarised financial information of individually immaterial associates on an aggregate basis is as follows:

	2025 RMB million	2024 RMB million
Carrying amount in the consolidated financial statements	13,950	15,910
Share of (loss)/profit for the year	(1,798)	248
Share of total comprehensive (loss)/income for the year	(1,798)	248

## 10 Financial assets at fair value through other comprehensive income

	2025 RMB million	2024 RMB million
Listed equity securities	21	6
Unlisted equity investments	4,083	4,621
	4,104	4,627

The Group's financial assets measured at FVOCI mainly represent equity investments in various investment holding companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price or recent transaction prices of similar deals.

The above financial assets were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

As at 31 December 2025, financial assets at FVOCI with fair value of RMB2,226 million (2024: RMB4,450 million) were pledged (note 20).

**11 Completed properties held for sale**

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Completed properties held for sale	<b>90,083</b>	112,271

The completed properties held for sale are mainly located in Mainland China.

**12 Inventories**

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Construction materials and other inventories	<b>3,238</b>	4,996

Inventories were mainly charged to properties under development upon utilisation.

**13 Trade and other receivables**

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Included in current assets		
— Trade receivables — net (note (a))	<b>18,220</b>	28,127
— Other receivables — net (note (b))	<b>159,772</b>	216,803
— Other prepayments (note (c))	<b>19,161</b>	22,719
	<b>197,153</b>	267,649
Included in non-current assets		
— Deposits for acquisitions of companies	—	783
	<b>197,153</b>	268,432

As at 31 December 2025, the carrying value of trade and other receivables approximated their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13 Trade and other receivables *(Continued)*

(a) Details of trade receivables are as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Trade receivables	<b>19,744</b>	29,343
Less: allowance for impairment (note 3(a)(iii))	<b>(1,524)</b>	(1,216)
Trade receivables — net	<b>18,220</b>	28,127

Trade receivables mainly arise from sales of properties and the provision of technology-enabled construction services. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Within 90 days	<b>9,904</b>	19,861
Over 90 days and within 180 days	<b>1,350</b>	1,592
Over 180 days and within 365 days	<b>1,210</b>	4,954
Over 365 days	<b>7,280</b>	2,936
	<b>19,744</b>	29,343

As at 31 December 2025 and 2024, trade receivables were mainly denominated in RMB.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB1,524 million (2024: RMB1,216 million) was made against the gross amounts of trade receivables (note 3(a)(iii)).

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of buyers. Trade receivables were mainly collateralised by the titles of the properties sold.

**13 Trade and other receivables** *(Continued)*

(b) Details of other receivables are as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Amounts due from joint ventures, associates and other related parties	<b>45,737</b>	54,112
Deposits	<b>16,050</b>	20,145
Others (i)	<b>150,714</b>	185,735
	<b>212,501</b>	259,992
Less: allowance for impairment (note 3(a)(iii))	<b>(52,729)</b>	(43,189)
Other receivables — net	<b>159,772</b>	216,803

(i) These receivables mainly included current accounts due from the other shareholders of certain subsidiaries of the Group, which are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other prepayments mainly included prepaid value-added taxes and prepayments for purchases of construction materials and services.

**14 Contract assets and contract acquisition costs**

Details of contract assets and contract acquisition costs are as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Contract assets related to sales of properties	<b>1,154</b>	373
Contract assets related to technology-enabled construction services (note (a))	<b>3,089</b>	4,810
Contract acquisition costs (note (b))	<b>1,674</b>	4,954
	<b>5,917</b>	10,137
Less: allowance for impairment	<b>(888)</b>	—
Total contract assets and contract acquisition costs — net	<b>5,029</b>	10,137

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14 Contract assets and contract acquisition costs *(Continued)*

- (a) Contract assets consist of unbilled amount resulting from technology-enabled construction services when revenue recognised exceeds the amount billed to the buyer.
- (b) Management expected that the contract acquisition costs, represented primarily sale commission and stamp duty paid/payable for obtaining property sale contracts are recoverable. The Group has deferred them and will charge them to profit or loss when the related revenue is recognised. For the year ended 31 December 2025, the total amount charged to profit or loss was RMB3,293 million (2024: RMB4,775 million) and there was RMB888 million (2024: nil) impairment loss in relation to the remaining balance.

## 15 Restricted cash

Restricted cash mainly included unreleased guarantee deposits for construction of pre-sale properties, guarantee deposits for workers' wages and funds frozen as a result of litigations.

## 16 Cash and cash equivalents

	<b>2025</b> RMB million	2024 RMB million
Cash at banks and in hand	<b>18,653</b>	29,897
Less: restricted cash (note 15)	<b>(12,842)</b>	(23,535)
	<b>5,811</b>	6,362

Cash and deposits are denominated in the following currencies:

	<b>2025</b> RMB million	2024 RMB million
RMB	<b>16,224</b>	26,105
HKD	<b>235</b>	278
USD	<b>215</b>	1,461
MYR	<b>1,113</b>	1,081
Other currencies	<b>866</b>	972
	<b>18,653</b>	29,897

The conversion of RMB and MYR denominated balances into other currencies and the remittance of bank balances and cash out of the PRC and Malaysia are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC and Malaysian governments.

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

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Listed equity security (note (a))	<b>133</b>	135
Unlisted equity investments (note (a))	<b>4,874</b>	6,352
Wealth management products (note (b))	<b>1,368</b>	2,214
	<b>6,375</b>	8,701

- (a) The investments mainly represent listed and unlisted equity investments in various industries. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price, recent transaction prices of similar deals or valuation reports.
- (b) Wealth management products are mainly investments in financial instruments issued by financial institutions. The carrying values of these investments approximated their fair values as at 31 December 2025.
- (c) As at 31 December 2025, financial assets at FVTPL with fair value of RMB130 million (2024: RMB1,641 million) were pledged (note 20).

**18 Trade and other payables**

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Trade payables (note (a))	<b>245,956</b>	203,978
Other payables (note (b))	<b>139,138</b>	166,640
Other taxes payable	<b>13,662</b>	21,725
Salaries payable	<b>719</b>	2,514
	<b>399,475</b>	394,857

As at 31 December 2025, the carrying amounts of trade and other payables approximated their fair values.

- (a) The ageing analysis of trade payables is as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Within 365 days	<b>206,958</b>	201,041
Over 365 days	<b>38,998</b>	2,937
	<b>245,956</b>	203,978

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18 Trade and other payables *(Continued)*

- (b) Other payables mainly included current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.

## 19 Contract liabilities

	2025 RMB million	2024 RMB million
Contract liabilities	<b>157,751</b>	281,988

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of property sales as at 31 December 2025 amounted to RMB163,474 million, substantially all of which are expected to be recognised within three years.

The balance of contract liabilities as at 1 January 2024 was RMB489,021 million.

### (a) Revenue recognised in relation to contract liabilities

	2025 RMB million	2024 RMB million
Revenue recognised that was included in the contract liability balance at the beginning of the year	<b>138,015</b>	215,413

## 20 Borrowings

	2025 RMB million	2024 RMB million
Included in non-current liabilities:		
Senior notes (note (a))	15,354	42,375
Corporate bonds (note (b))	7,353	14,301
Convertible bonds (note (a))	—	3,725
Bank and other borrowings — secured (note (a) and note (c))	106,276	131,394
Bank and other borrowings — unsecured (note (a) and note (c))	13,735	15,578
	<b>142,718</b>	207,373
Less: current portion of non-current liabilities	<b>(102,370)</b>	(180,680)
	<b>40,348</b>	26,693
Included in current liabilities:		
Senior notes (note (a))	—	30,709
Corporate bonds (note (b))	427	5,458
Convertible bonds (note (a))	—	2,966
Bank and other borrowings — secured (note (a) and note (c))	4,187	2,483
Bank and other borrowings — unsecured (note (a) and note (c))	627	4,499
Current portion of non-current liabilities	102,370	180,680
	<b>107,611</b>	226,795
Total borrowings	<b>147,959</b>	253,488

### (a) Offshore debt restructuring

Effective on the RED, the borrowings with carrying amounts of approximately RMB119,396 million, including senior notes, convertible bonds and certain bank and other borrowings, have been discharged in exchange for the issuance of the new senior notes (the “**New Senior Notes**”), the new term loans (the “**New Term Loans**”), the SCA facility loan (the “**SCA Facility Loan**”), the SCA warrants (the “**SCA Warrants**”), the mandatory convertible bonds (the “**MCBs**”), and cash consideration, pursuant to the offshore debt restructuring via a Court-sanctioned Scheme of Arrangement.

Among them, the existing shareholder loans with carrying amounts of approximately RMB7,634 million owed to Concrete Win Limited (“**Concrete Win**”), which is the controlling shareholder of the Company, were discharged, and capitalisation shares will be issued upon delivery by Concrete Win of an issue notice.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 Borrowings (Continued)

### (a) Offshore debt restructuring (Continued)

The following table summarises the key terms of the new financial instruments issued pursuant to the offshore debt restructuring:

Instrument	Principal amount (USD million)	Key terms and conversion features	Coupon interest rate	Maturity date
<b>New Senior Notes</b>				
2032 Senior Notes	2,653	Not applicable	2.50%	31 December 2032
2034 Senior Notes	1,093	Not applicable	2.00%	31 December 2034
2036 Senior Notes	1,043	Not applicable	1.00%	31 December 2036
<b>New Term Loans</b>				
2032 Term Loans	57	Not applicable	2.50%	31 December 2032
2034 Term Loans	28	Not applicable	2.00%	31 December 2034
2036 Term Loans	457	Not applicable	1.00%	31 December 2036
<b>SCA Facility Loan and SCA Warrants</b>				
SCA Facility Loan	89	Not applicable	4.29%	30 December 2027
SCA Warrants	816,676,484 warrants	Each warrant entitles the holder to subscribe for one ordinary share of the Company at an initial exercise price of HKD0.60 per share, subject to anti-dilution adjustments.	Not applicable	30 December 2027
<b>Mandatory Convertible Bonds</b>				
MCB (Tranche A)	7,501	Zero-coupon. Convertible into ordinary shares of the Company at a conversion price of HKD2.60 per share, subject to mandatory conversion at 15% of principal per annum starting from 2027. Upon a relevant event, bondholders may require redemption at 100% of principal. Issuer call option exercisable at specified redemption prices.	Not applicable	31 December 2031
MCB (Tranche B)	604	Zero-coupon. Convertible into ordinary shares of the Company at a conversion price of HKD10.00 per share, subject to mandatory conversion at 10% of principal per annum starting from 2027. Upon a relevant event, bondholders may require redemption at 100% of principal.	Not applicable	31 December 2034

**20 Borrowings** *(Continued)***(a) Offshore debt restructuring** *(Continued)*

The following table summarises the key terms of the new financial instruments issued pursuant to the offshore debt restructuring: *(Continued)*

Instrument	Principal amount (USD million)	Key terms and conversion features	Coupon interest rate	Maturity date
<b>Mandatory Convertible Bonds</b> <i>(Continued)</i>				
MCB (Tranche C)	39	Zero-coupon. Convertible into ordinary shares of the Company at a conversion price of HKD1.10 per share, subject to mandatory conversion at 15% of principal per annum starting from 2027. Issuer call option exercisable at specified redemption prices.	Not applicable	31 December 2031
<b>Shareholder Loan Equitisation</b>				
Equitisation Option	1,098	Shareholder loans owed to Concrete Win were equitised at HKD0.60 per share. At any time during the period commencing from the RED up to the maturity date of the MCB (Tranche B). Up to 15,519,049,697 ordinary shares may be issued, depending on the outcome of a related asset disposal.	Not applicable	<i>note</i>

Note: USD50 million of the shareholder loans is contingent upon the completion of a proposed disposal of certain subsidiaries to the controlling shareholder. If the disposal completes, the USD50 million will be offset against the purchase consideration; if it does not complete within six months from the RED, the amount will be equitised into additional shares.

The 2032 Senior Notes and 2032 Term Loans are secured by the shares of the Group's subsidiaries. Interest is accrued and payable semi-annually in arrears. The Company may elect either to fully pay in cash at the interest rate of 2.5% per annum or pay in kind ("PIK") with PIK premium of 2.5% over cash interest rate. The Company shall pay minimum cash interest of 1.0% per annum at all times.

The 2034 Senior Notes and 2034 Term Loans are secured by the shares of the Group's subsidiaries. Interest is accrued and payable semi-annually in arrears at the interest rate of 2.0% per annum. Full PIK option available until 31 December 2026. Partial PIK period (minimum 0.5% cash required) until 31 December 2030. No PIK allowed thereafter. PIK premium of 0.25% over cash rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 Borrowings (Continued)

### (a) Offshore debt restructuring (Continued)

The 2036 Senior Notes and 2036 Term Loans are secured by the shares of the Group's subsidiaries. Interest is accrued and payable semi-annually in arrears at the interest rate of 1.0% per annum. Full PIK option available until 31 December 2026. Partial PIK period (minimum 0.5% cash required) until 31 December 2031. No PIK allowed thereafter. PIK premium of 0.25% over cash rate.

The offshore debt restructuring was accounted for as an extinguishment of existing financial liabilities under HKFRS 9. The Court-sanctioned Scheme of Arrangement resulted in legal discharge of the original contractual obligations. Accordingly, the existing debts were fully derecognised, and the new financial liabilities were recognised at their fair values at the RED.

The Company accounted for the MCBs, SCA Warrants and Equitisation Option as financial liabilities at FVTPL at the date of initial recognition.

The fair values of these financial instruments recognised were within Level 3 of the fair value hierarchy.

The following table summarises the valuation method adopted and the quantitative information about the significant unobservable inputs used in fair value measurements of the financial instruments recognised in the offshore debt restructuring as at the RED.

Instrument	Fair value at the RED (USD million)	Valuation method	Significant unobservable inputs	Range of significant unobservable inputs
New Senior Notes	2,286	Discounted cash flow model	Discount rate	13.4% to 15.9%
New Term Loans	187	Discounted cash flow model	Discount rate	13.4% to 15.9%
SCA Facility Loan	80	Discounted cash flow model	Discount rate	13.6%
SCA Warrants	8	Binomial option pricing model	Expected volatility rate	51.5%
			Risk-free rate	2.4%
MCBs	837	Binomial option pricing model	Expected volatility rate	59.5% to 65.9%
(Tranche A, B and C)			Discount rate	15.8% to 16.1%
Equitisation Option	712	Binomial option pricing model	Expected volatility rate	59.5%
			Risk-free rate	4.1%
			Discount rate	16.1%

Relationships of unobservable inputs to fair value are as follows:

- The higher the discount rate, the lower the fair value;
- The higher the expected volatility rate, the higher the fair value of the MCBs and SCA Warrants.

## 20 Borrowings (Continued)

### (a) Offshore debt restructuring (Continued)

As a result of the above, gains on offshore debt restructuring of approximately RMB85,824 million were recognised in 'other income, gains and losses — net' of the consolidated income statement for the year ended 31 December 2025.

Subsequent to the initial recognition, the carrying amounts of the New Senior Notes, New Term Loans and SCA Facility Loan are measured at amortised cost; and the carrying amounts of the MCBs, SCA Warrants, and Equitisation Option are measured at fair values with changes in fair value recognised in profit or loss. As at 31 December 2025, the carrying amounts of the New Term Loans and SCA Facility Loan are included in the bank and other borrowings (note (c)).

As at 31 December 2025, the breakdown of outstanding New Senior Notes is shown as below:

Name of notes	Outstanding principal (USD million)	Issue date	Remaining maturity
<b>New Senior Notes, including:</b>			
2032 Senior Notes	2,600	30 December 2025	7.0 years
2034 Senior Notes	1,093	30 December 2025	9.0 years
2036 Senior Notes	1,043	30 December 2025	11.0 years

As at 31 December 2025, the weighted average effective interest rate of the senior notes is 14.74% (2024: 5.49%).

As at 31 December 2025, all senior notes are listed on the SGX.

### (b) Corporate bonds

#### (i) Onshore debt restructuring

With effect from the approval of the onshore debt restructuring proposal at the relevant meetings of bondholders from September 2025 to December 2025, the Group completed the restructuring of nine onshore corporate bonds (the "**Nine Corporate Bonds**") issued by the Company, Country Garden Property and Giant Leap. The restructuring proposal provides four options for bondholders including repayment arrangements adjustment (default option), a repurchase option, a stock option and a general creditor claims option.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 Borrowings (Continued)

### (b) Corporate bonds (Continued)

#### (i) Onshore debt restructuring (Continued)

The following table summarises the changes to key terms resulting from the onshore debt restructuring plan in December 2025 and the par values of the Nine Corporate Bonds as at 31 December 2025.

Issuer/Name of bonds	Par value (RMB million)	Coupon interest rate after restructuring	Remaining maturity after restructuring
<i>The Company:</i>			
RMB corporate bonds tranche IV issued in 2016 – series II	3,650	1%	9.5 years
<i>Giant Leap:</i>			
RMB corporate bonds issued in 2016 – series II	441	1%	9.5 years
<i>Country Garden Property:</i>			
RMB corporate bonds issued in 2019 – tranche III	922	1%	9.5 years
RMB corporate bonds issued in 2020 – tranche III	1,793	1%	9.5 years
RMB corporate bonds issued in 2020 – tranche IV	1,486	1%	9.5 years
RMB corporate bonds issued in 2021 – tranche I	1,772	1%	9.5 years
RMB corporate bonds issued in 2021 – tranche II	945	1%	9.5 years
RMB corporate bonds issued in 2021 – tranche III	1,302	1%	9.5 years
RMB corporate bonds issued in 2021 – tranche IV	898	1%	9.5 years

The onshore debt restructuring was regarded as a substantial modification under HKFRS 9. As the approval of the onshore debt restructuring proposed for the Nine Corporate Bonds was obtained at the relevant meetings of bondholders in 2025, the carrying amounts of the Nine Corporate Bonds of approximately RMB14,613 million were fully de-recognised. The Nine Corporate Bonds were recognised at their fair values at the effective date of the onshore debt restructuring.

The fair values of these financial instruments recognised were within level 3 of the fair value hierarchy.

The following table summarises the valuation method adopted and the quantitative information about the significant unobservable inputs used in fair value measurements of the financial instruments recognised in the onshore debt restructuring as at the effective date of the onshore debt restructuring.

Instrument	Fair value at the date of modification (RMB million)	Valuation method	Significant unobservable inputs	Range of significant unobservable inputs
Nine Corporate Bonds	6,957	Discounted cash flow model	Discount rate	10.2% to 10.3%

## 20 Borrowings (Continued)

### (b) Corporate bonds (Continued)

#### (i) Onshore debt restructuring (Continued)

Relationships of unobservable inputs to fair value are as follows:

- The higher the discount rate, the lower the fair value.

As a result of the above, gain on onshore debt restructuring of RMB7,656 million were recognised in 'other income, gains and losses — net' of the consolidated income statement for the year ended 31 December 2025. Subsequent to the initial recognition, the carrying amounts of the Nine Corporate Bonds are measured at amortised cost.

#### (ii) Other corporate bonds

The following table summarises the Group's corporate bonds that do not fall within the onshore debt restructuring plan as at 31 December 2025:

Issuer/Name of bonds	Par value RMB million	Interest rate	Issue date	Term of the bonds
<i>Malaysia Country Garden:</i>				
MYR private corporate bonds issued in 2020 — tranche V	166	5.70%	2 March 2020	7 years
MYR private corporate bonds issued in 2021 — tranche IX	79	4.90%	4 May 2021	5 years
<i>Risland (Thailand) Company Limited:</i>				
Callable and Secured Debentures issued in 2025 — tranche I	154	7.00%	21 August 2025	1 year
Callable and Secured Debentures issued in 2025 — tranche II	175	7.00%	25 November 2025	1 year
Early redeemed during the year:				
<i>Risland (Thailand) Company Limited:</i>				
Callable and Secured Debentures No. 2/2566 Due B.E. 2567	172	7.50%	20 October 2023	1.75 years
Callable and Secured Debentures issued in 2024 — tranche I	88	7.50%	2 February 2024	1.75 years

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 Borrowings (Continued)

### (b) Corporate bonds (Continued)

(iii) The Group's corporate bonds are repayable as follows:

	2025 RMB million	2024 RMB million
Within 1 year	427	9,607
Between 1 and 2 years	173	8,805
Between 2 and 5 years	7,180	1,347
	<b>7,780</b>	19,759

As at 31 December 2025, the weighted average effective interest rate of the corporate bonds is 9.70% (2024: 4.87%).

All RMB public corporate bonds issued by Giant Leap and Country Garden Property are listed on the SSE or the SZSE, while the remaining corporate bonds are private placements.

### (c) Bank and other borrowings

At 31 December 2025, the Group's bank and other borrowings were repayable as follows:

	2025 RMB million	2024 RMB million
Within 1 year	107,184	137,413
Between 1 and 2 years	9,788	11,324
Between 2 and 5 years	6,445	5,217
Over 5 years	1,408	—
	<b>124,825</b>	153,954

The weighted average effective interest rate of bank and other borrowings for the year ended 31 December 2025 was 4.93% per annum (2024: 5.68% per annum).

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

**20 Borrowings (Continued)****(c) Bank and other borrowings (Continued)**

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
RMB	<b>119,412</b>	114,928
HKD	<b>683</b>	22,573
USD	<b>3,425</b>	15,088
MYR	<b>373</b>	798
Others	<b>932</b>	567
	<b>124,825</b>	153,954

As at 31 December 2025, bank and other borrowings with carrying amounts of approximately RMB74,052 million were defaulted or cross-defaulted and were classified as current liabilities.

Other than the above, certain of the Group's bank and other borrowings included in the non-current liabilities with carrying amounts of approximately RMB5,222 million are subject to the fulfilment of covenants relating to certain debt servicing financial indicators. As at 31 December 2025, none of these covenants had been breached.

- (d) The Group's borrowings as at 31 December 2025 of RMB131,613 million (2024: RMB133,877 million) were secured by the Group's certain property, plant and equipment (note 6), investment properties (note 7), properties under development (note 8) and financial assets (note 10 and note 17) with total net book value of RMB125,360 million (2024: RMB141,639 million), and/or guaranteed by certain subsidiaries of the Group or secured by the pledge of certain equity interests in the Group's subsidiaries.

**21 Financial liabilities at fair value through profit or loss**

	<b>2025</b> <b>RMB million</b>	2024 RMB million
— SCA Warrants (note 20(a))	<b>55</b>	—
— Mandatory Convertible Bonds (note 20(a))	<b>5,880</b>	—
— Equitisation Option (note 20(a))	<b>5,007</b>	—
	<b>10,942</b>	—

For information about the methods and assumptions used in determining the fair value of these liabilities, refer to note 20 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 22 Share capital and premium

	Number of ordinary shares million	Nominal value of ordinary shares HKD million	Equivalent nominal value of ordinary shares RMB million	Share premium RMB million	Total RMB million	Treasury shares RMB million	Group total RMB million
<b>Authorised</b>							
At 1 January 2024, 31 December 2024 and 2025, HKD0.10 per share	100,000	10,000					
<b>Issued and fully paid</b>							
At 1 January 2024 and 31 December 2024	27,988	2,798	2,592	50,416	53,008	(2,225)	50,783
<b>Issued and fully paid</b>	<b>27,988</b>	<b>2,798</b>	<b>2,592</b>	<b>50,416</b>	<b>53,008</b>	<b>(2,225)</b>	<b>50,783</b>
At 1 January 2025							
Payment of offshore debt restructuring costs by way of placing shares	933	93	84	212	296	—	296
Disposal of treasury shares	—	—	—	—	—	1,670	1,670
At 31 December 2025	<b>28,921</b>	<b>2,891</b>	<b>2,676</b>	<b>50,628</b>	<b>53,304</b>	<b>(555)</b>	<b>52,749</b>

## 23 Employee share schemes

The share-based compensation expenses recognised during the year are as follows:

	2025 RMB million	2024 RMB million
Share option scheme	15	19
Share award scheme	94	222
	<b>109</b>	<b>241</b>

## 23 Employee share schemes *(Continued)*

### (a) Share option scheme

Since 13 December 2013, the Group granted certain share options to certain directors of the Company and employees in connection with a profit sharing incentive scheme (the “Incentive Scheme”) adopted by the Group. Pursuant to the Incentive Scheme, certain portion of the bonus calculated in accordance with the Incentive Scheme to certain senior management and employees is settled in cash, while the remaining portion is settled in the Company’s shares as the consideration for the costs to exercise the share options. The vesting period of the share options is generally 5 years from their respective grant dates. The fair value of the share options at the grant date approximated the portion of bonus which is to be settled in the Company’s shares.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Weighted-average exercise price (HKD per share)	Number of options	Weighted-average exercise price (HKD per share)	Number of options
<b>At 1 January</b>	<b>8.887</b>	<b>16,070,918</b>	8.887	16,070,918
Lapsed	—	—	—	—
<b>At 31 December</b>	<b>8.887</b>	<b>16,070,918</b>	8.887	16,070,918

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 23 Employee share schemes *(Continued)*

### (a) Share option scheme *(Continued)*

Particulars of share options outstanding as at 31 December 2025 are as follows:

Date of grant	Expiry date	Exercise price in HKD per share	Number of share options granted	Number of share options lapsed	Number of share options exercised	Number of share options cancelled	Number of share options outstanding
16 March 2016	15 March 2026	3.332	2,431,903	—	925,676	—	1,506,227
11 May 2016	10 May 2026	3.106	1,599,861	—	—	—	1,599,861
19 August 2016	18 August 2026	3.740	1,265,081	—	449,031	—	816,050
22 May 2017	21 May 2027	8.250	2,895,406	—	186,283	—	2,709,123
24 August 2017	23 August 2027	10.000	978,409	—	—	—	978,409
8 December 2017	7 December 2027	12.980	659,817	—	—	—	659,817
21 March 2018	20 March 2028	16.460	948,535	—	—	—	948,535
10 May 2018	9 May 2028	16.280	258,092	—	—	—	258,092
22 August 2018	21 August 2028	12.240	202,300	—	—	—	202,300
6 December 2018	5 December 2028	9.654	619,907	—	—	—	619,907
25 March 2019	24 March 2029	12.044	12,770,908	—	12,356,027	—	414,881
9 May 2019	8 May 2029	12.408	750,160	—	—	—	750,160
23 August 2019	22 August 2029	9.834	1,039,436	—	—	—	1,039,436
5 December 2019	4 December 2029	11.092	10,464,274	—	9,825,134	—	639,140
12 May 2020	11 May 2030	10.040	523,467	—	—	—	523,467
24 July 2020	23 July 2030	10.160	480,615	—	—	—	480,615
3 December 2020	2 December 2030	10.332	379,388	—	—	—	379,388
26 March 2021	25 March 2031	9.730	13,243,976	—	11,698,466	—	1,545,510
							16,070,918

## 23 Employee share schemes *(Continued)*

### (b) Share award scheme

Pursuant to the Incentive Scheme, certain portion of the bonus to certain senior management and employees, calculated in accordance with the Incentive Scheme is settled in cash, while the remaining portion is settled in the Company's shares (the "Awarded Shares"). The vesting period of the Awarded Shares is 5 years from their respective grant dates.

The Group planned to use treasury shares to award the grantees of the Awarded Shares. The Awarded Shares are held by a wholly-owned subsidiary of the Company, on behalf of these senior management and employees until the end of vesting periods.

The fair value of these Awarded Shares at the grant date approximated the portion of bonus which is to be settled in the Company's shares.

Movements in the number of Awarded Shares are as follows:

	2025	2024
<b>At 1 January</b>	<b>165,434,000</b>	165,746,992
Lapsed	<b>(82,174,968)</b>	(312,992)
<b>At 31 December</b>	<b>83,259,032</b>	165,434,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24 Other reserves and accumulated losses

	Merger reserve	Statutory reserve	Share option and share award reserve	Financial assets at FVOCI reserve	Currency translation reserve	Revaluation reserve	Others	Total other reserves	Accumulated losses	Total
	RMB million (note (a))	RMB million (note (b))	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 1 January 2025	(150)	28,819	2,929	(1,273)	(2,257)	902	(1,037)	27,933	(85,901)	(57,968)
Profit for the year	–	–	–	–	–	–	–	–	3,261	3,261
Transfer to statutory reserve (note (b))	–	1,156	–	–	–	–	–	1,156	(1,156)	–
Employee share schemes										
– Value of employee services (note 23)	–	–	109	–	–	–	–	109	–	109
– Lapse of share options and share awards	–	–	(1,511)	–	–	–	–	(1,511)	1,511	–
Changes in fair value of financial assets at FVOCI	–	–	–	(198)	–	–	–	(198)	–	(198)
Disposals of financial assets at FVOCI	–	–	–	(32)	–	–	–	(32)	32	–
Changes in ownership interests in subsidiaries without change of control (note 37)	–	–	–	–	–	–	255	255	–	255
Currency translation differences	–	–	–	–	(127)	–	–	(127)	–	(127)
Loss of controls of subsidiaries	–	(173)	–	–	–	–	–	(173)	173	–
Effect of offshore debt restructuring	–	–	–	–	–	–	920	920	1,703	2,623
Disposal of treasury shares	–	–	–	–	–	–	(1,563)	(1,563)	–	(1,563)
Balance at 31 December 2025	(150)	29,802	1,527	(1,503)	(2,384)	902	(1,425)	26,769	(80,377)	(53,608)

## 24 Other reserves and accumulated losses (Continued)

	Merger reserve RMB million (note (a))	Statutory reserve RMB million (note (b))	Share option and share award reserve RMB million	Financial assets at FVOCI reserve RMB million	Currency translation reserve RMB million	Revaluation reserve RMB million	Others RMB million	Total other reserves RMB million	Accumulated losses RMB million	Total RMB million
Balance at 1 January 2024	(150)	26,096	2,688	(1,446)	(1,976)	902	(741)	25,373	(50,209)	(24,836)
Loss for the year	—	—	—	—	—	—	—	—	(32,835)	(32,835)
Transfer to statutory reserve (note (b))	—	2,745	—	—	—	—	—	2,745	(2,745)	—
Employee share schemes										
— Value of employee services (note 23)	—	—	241	—	—	—	—	241	—	241
Changes in fair value of financial assets at FVOCI	—	—	—	39	—	—	—	39	—	39
Disposals of financial assets at FVOCI	—	—	—	134	—	—	—	134	(134)	—
Changes in ownership interests in subsidiaries without change of control	—	—	—	—	—	—	(296)	(296)	—	(296)
Currency translation differences	—	—	—	—	(281)	—	—	(281)	—	(281)
Loss of controls of subsidiaries	—	(22)	—	—	—	—	—	(22)	22	—
Balance at 31 December 2024	(150)	28,819	2,929	(1,273)	(2,257)	902	(1,037)	27,933	(85,901)	(57,968)

- (a) Merger reserve of the Group represented the difference between the share capital of subsidiaries acquired pursuant to a group reorganisation undertaken for the listing of Company on the Main Board of Stock Exchange in 2007 over the nominal value of shares of the Company issued in exchange thereof.
- (b) Pursuant to the relevant rules and regulations governing foreign investment enterprises established in Mainland China and the articles of association of certain subsidiaries in Mainland China of the Group, the subsidiaries are required to transfer certain portion of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their respective registered capital.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 25 Deferred income tax

The analysis of deferred income tax assets and liabilities is as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
Deferred income tax assets	<b>10,162</b>	14,409
Deferred income tax liabilities	<b>(8,601)</b>	(12,686)
	<b>1,561</b>	1,723

The movement on the net deferred income tax account is as follows:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
At 1 January	<b>1,723</b>	1,624
Acquisitions of subsidiaries (note 39)	<b>(137)</b>	(430)
Loss of controls of subsidiaries	<b>(266)</b>	(172)
Credited/(charged) to other comprehensive income	<b>48</b>	(49)
Credited to profit or loss (note 30)	<b>193</b>	750
At 31 December	<b>1,561</b>	1,723

## 25 Deferred income tax (Continued)

Movements in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

Deferred income tax assets:

	Business combinations	Recognition of expenses	Elimination of unrealised profits	Tax losses	Prepaid land appreciation tax	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2024	986	330	1,365	9,676	8,213	20,570
Acquisitions of subsidiaries	—	—	—	133	—	133
Loss of controls of subsidiaries	(40)	—	—	(52)	(158)	(250)
Charged to profit or loss	—	(155)	(1,075)	(3,406)	(1,408)	(6,044)
At 31 December 2024	946	175	290	6,351	6,647	14,409
At 1 January 2025	<b>946</b>	<b>175</b>	<b>290</b>	<b>6,351</b>	<b>6,647</b>	<b>14,409</b>
Acquisitions of subsidiaries (note 39)	—	—	—	20	—	20
Loss of controls of subsidiaries	(66)	—	—	(52)	(52)	(170)
Credited/(charged) to profit or loss	—	18	239	(1,973)	(2,381)	(4,097)
At 31 December 2025	<b>880</b>	<b>193</b>	<b>529</b>	<b>4,346</b>	<b>4,214</b>	<b>10,162</b>

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets as at 31 December 2025 of RMB566 million (2024: RMB600 million) in respect of accumulated tax losses amounting to RMB2,264 million as at 31 December 2025 (2024: RMB2,398 million)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 25 Deferred income tax (Continued)

Deferred income tax liabilities:

	Business combination RMB million	Withholding income tax on profit to be distributed in future RMB million	Fair value changes on investment properties RMB million	Others RMB million	Total RMB million
At 1 January 2024	(9,578)	(1,774)	(875)	(6,719)	(18,946)
Acquisitions of subsidiaries	(563)	—	—	—	(563)
Loss of controls of subsidiaries	78	—	—	—	78
Charged to other comprehensive income	—	—	—	(49)	(49)
Credited to profit or loss	2,349	—	205	4,240	6,794
At 31 December 2024	(7,714)	(1,774)	(670)	(2,528)	(12,686)
At 1 January 2025	<b>(7,714)</b>	<b>(1,774)</b>	<b>(670)</b>	<b>(2,528)</b>	<b>(12,686)</b>
Acquisitions of subsidiaries (note 39)	<b>(157)</b>	—	—	—	<b>(157)</b>
Loss of controls of subsidiaries	<b>(96)</b>	—	—	—	<b>(96)</b>
Credited to other comprehensive income	—	—	—	<b>48</b>	<b>48</b>
Credited to profit or loss	<b>4,168</b>	—	<b>53</b>	<b>69</b>	<b>4,290</b>
At 31 December 2025	<b>(3,799)</b>	<b>(1,774)</b>	<b>(617)</b>	<b>(2,411)</b>	<b>(8,601)</b>

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes on the unremitted earnings of certain subsidiaries in the PRC. Such amounts will be reinvested according to the distribution and reinvestment plan of the Group.

**26 Other income, gains and losses — net**

	<b>2025</b>	2024
	<b>RMB million</b>	RMB million
Other income		
— Forfeiture income	<b>125</b>	50
— Government subsidy income	<b>77</b>	128
— Management and other related service income	<b>—</b>	5
	<b>202</b>	183
Other gains/(losses)		
— Gains on debt restructuring arrangements (note 20(a) and note 20(b))	<b>93,480</b>	—
— Losses on loss of controls of subsidiaries (note 38)	<b>(6,895)</b>	(184)
— Changes in fair value of financial assets at FVTPL	<b>(1,604)</b>	(95)
— Losses on disposals of joint ventures and associates	<b>(852)</b>	(474)
— Losses on disposals of property, plant and equipment	<b>(377)</b>	—
— Impairment losses on property, plant and equipment	<b>(48)</b>	(19)
— Losses on disposals of investment properties	<b>(17)</b>	(44)
— Changes in fair value of derivative financial instruments	<b>—</b>	60
— Others	<b>(1,752)</b>	(1,634)
	<b>81,935</b>	(2,390)
Total other income, gains and losses — net	<b>82,137</b>	(2,207)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27 Expenses by nature

	2025 RMB million	2024 RMB million
Cost of properties sold, technology-enabled construction services and others	152,263	248,894
Net write-down of properties under development and completed properties held for sale	44,507	4,348
Employee benefit expenses (note 28)	3,547	4,702
Sales commission to agents	2,393	3,246
Depreciation of property, plant and equipment (note 6)	1,564	1,254
Other taxes and levies	473	721
Property management and other services expenses	450	527
Advertising and promotion costs	118	348
Depreciation of right-of-use assets	239	201
Amortisation of intangible assets	84	154
Auditor's remuneration	6	7
Others	1,521	1,125
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	207,165	265,527

- (a) The subsidiaries in Mainland China of the Group are subject to value-added tax ("VAT") on their revenues. The applicable tax rates are as follows:

Category	Rate of VAT
Sales of properties (i)	5%, 9%
Property construction (i)	3%, 9%
Property investment (i)	5%, 9%
Hotel service (ii)	3%, 6%

- (i) VAT for sales of properties and rental income from property investment, in the case that the construction of properties commenced or the investment property was acquired before 1 May 2016, is calculated at a tax rate of 5% based on a simple method. VAT for small-scale VAT payer of property construction is 3%.

- (ii) The rates of VAT for general VAT payers and small-scale VAT payers of hotel service are 6% and 3%, respectively.

**28 Employee benefit expenses**

	<b>2025</b>	2024
	<b>RMB million</b>	RMB million
Wages and salaries	<b>4,912</b>	6,628
Contributions to pension plans (note (a))	<b>34</b>	45
Staff welfare	<b>77</b>	104
Medical benefits	<b>67</b>	91
Share-based compensation expenses (note 23)	<b>109</b>	241
Other allowances and benefits	<b>19</b>	26
	<b>5,218</b>	7,135
Less: capitalised in assets	<b>(1,671)</b>	(2,433)
	<b>3,547</b>	4,702

**(a) Contributions to pension plans**

Employees in the Group's subsidiaries in Mainland China are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's subsidiaries in Mainland China contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal governments to the scheme to fund the retirement benefits of the employees.

During the year ended 31 December 2025, there were no forfeited contributions to offset existing contributions under the defined contribution scheme.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28 Employee benefit expenses *(Continued)*

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included nil (2024: one) directors of the Company whose emoluments are reflected in the analysis shown in note 43. The emoluments payable to the remaining five (2024: four) individuals during the year are as follows:

	2025 RMB million	2024 RMB million
Salaries	9	10
Discretionary bonuses	2	6
Other benefits and share-based compensation expenses	5	7
	<b>16</b>	23

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HKD2,500,001 to HKD3,000,000	2	—
HKD3,000,001 to HKD3,500,000	1	1
HKD3,500,001 to HKD4,000,000	1	—
HKD5,500,001 to HKD6,000,000	1	—
HKD6,500,001 to HKD7,000,000	—	1
HKD7,000,001 to HKD7,500,000	—	1
HKD8,500,001 to HKD9,000,000	—	1

**29 Finance costs – net**

	<b>2025</b>	2024
	<b>RMB million</b>	RMB million
Finance income:		
– Interest income on bank deposits and others	<b>187</b>	526
Finance costs:		
– Interest expenses on borrowings	<b>(10,246)</b>	(12,813)
– Interest expenses on lease liabilities	<b>(124)</b>	(124)
	<b>(10,370)</b>	(12,937)
Less: amounts capitalised on qualifying assets	<b>4,818</b>	7,723
	<b>(5,552)</b>	(5,214)
– Net foreign exchange gains/(losses)	<b>2,441</b>	(1,761)
	<b>(3,111)</b>	(6,975)
Finance costs – net	<b>(2,924)</b>	(6,449)

**30 Income tax expenses**

	<b>2025</b>	2024
	<b>RMB million</b>	RMB million
Current income tax		
– Corporate income tax	<b>2,726</b>	4,473
– Land appreciation tax (note (c))	<b>8,708</b>	9,053
	<b>11,434</b>	13,526
Deferred income tax (note 25)	<b>(193)</b>	(750)
	<b>11,241</b>	12,776

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 30 Income tax expenses (Continued)

The income tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group companies as follows:

	2025 RMB million	2024 RMB million
Profit/(loss) before income tax	12,865	(22,369)
Tax calculated at Mainland China corporate income tax rate of 25% (2024: 25%)	3,216	(5,592)
Different tax rates applicable to different subsidiaries of the Group	(11)	(45)
Land appreciation tax deductible for calculation of income tax purpose	(2,113)	(1,852)
Utilisation of tax losses not previously recognised as deferred income tax assets	—	(168)
Effects of share of post-tax results of joint ventures and associates	835	(445)
Tax effect of income that is not taxable	(21,456)	—
Tax effect of expenses and losses that are not deductible	1,889	4,819
Tax effect of tax losses and temporary differences not recognised	20,430	8,651
	2,790	5,368
Land appreciation tax (note (c))	8,451	7,408
Income tax expenses	11,241	12,776

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2024:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) The Mainland China corporate income tax is 25%.
- (c) Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land and all property development expenditures.

## 31 Dividends

The Board did not recommend or declare the payment of any dividend in respect of the years ended 31 December 2025 and 2024.

## 32 Cash flow information

### (a) Cash generated from operations

	Note	2025 RMB million	2024 RMB million
Profit/(loss) for the year		<b>1,624</b>	(35,145)
Adjustments for:			
Income tax expenses	30	<b>11,241</b>	12,776
Interest income on bank deposits and others	29	<b>(187)</b>	(526)
Net foreign exchange (gains)/losses	29	<b>(2,441)</b>	1,761
Depreciation of property, plant and equipment	27	<b>1,564</b>	1,254
Amortisation of intangible assets	27	<b>84</b>	154
Depreciation of right-of-use assets	27	<b>239</b>	201
Losses on disposals of property, plant and equipment	26	<b>377</b>	—
Net impairment losses on financial assets and guarantees	3(a)(iii)	<b>10,525</b>	1,902
Share of results of joint ventures and associates		<b>3,339</b>	(1,778)
Losses arising from changes in fair value of and transfer to investment properties	7	<b>212</b>	818
Share-based compensation expenses	28	<b>109</b>	241
Changes in fair value of financial assets at FVTPL	26	<b>1,604</b>	95
Changes in fair value of derivative financial instruments	26	<b>—</b>	(60)
Losses on disposals of joint ventures and associates	26	<b>852</b>	474
Losses on disposals of investment properties	26	<b>17</b>	44
Impairment losses on property, plant and equipment	26	<b>48</b>	19
Finance costs	29	<b>5,552</b>	5,214
Losses on loss of controls of subsidiaries	26	<b>6,895</b>	184
Gains on debt restructuring arrangements	20(a)(b)	<b>(93,480)</b>	—
		<b>(51,826)</b>	(12,372)
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries and currency exchange differences on consolidation):			
Properties under development and completed properties held for sale		<b>103,585</b>	168,043
Inventories		<b>1,758</b>	2,810
Restricted cash		<b>10,708</b>	33,271
Trade and other receivables and contract assets and contract acquisition costs		<b>(12,627)</b>	33,841
Trade and other payables and contract liabilities		<b>(44,536)</b>	(219,361)
Cash generated from operations		<b>7,062</b>	6,232

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 32 Cash flow information *(Continued)*

### (b) Reconciliation of liabilities arising from financing activities

	Borrowings RMB million	Lease liabilities RMB million	Total RMB million
<b>Liabilities as at 1 January 2025</b>	<b>253,488</b>	<b>2,516</b>	<b>256,004</b>
Cash flows			
– Net cash flows from financing activities	(3,166)	(149)	(3,315)
– Interest paid	(2,849)	(124)	(2,973)
– Loss of controls of subsidiaries	(178)	–	(178)
Non-cash movements			
– Interest expenses	10,246	124	10,370
– Effect of debt restructuring arrangement	(104,520)	–	(104,520)
– Foreign exchange adjustments	(2,441)	–	(2,441)
– Other non-cash movements	(2,621)	313	(2,308)
<b>Liabilities as at 31 December 2025</b>	<b>147,959</b>	<b>2,680</b>	<b>150,639</b>

	Borrowings RMB million	Derivative financial instruments RMB million	Lease liabilities RMB million	Total RMB million
<b>Liabilities as at 1 January 2024</b>	249,649	60	2,004	251,713
Cash flows				
– Net cash flows from financing activities	(2,377)	–	(236)	(2,613)
– Interest paid	(5,101)	–	(124)	(5,225)
– Acquisitions of subsidiaries	223	–	–	223
– Loss of controls of subsidiaries	(688)	–	–	(688)
Non-cash movements				
– Changes in fair value of derivative financial instruments	–	(60)	–	(60)
– Interest expenses	12,813	–	124	12,937
– Foreign exchange adjustments	1,978	–	–	1,978
– Other non-cash movements	(3,009)	–	748	(2,261)
<b>Liabilities as at 31 December 2024</b>	<b>253,488</b>	<b>–</b>	<b>2,516</b>	<b>256,004</b>

### 33 Earnings/(losses) per share

#### (a) Basic

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares (note 22).

	2025	2024
Profit/(loss) attributable to owners of the Company (RMB million)	3,261	(32,835)
Weighted average number of ordinary shares in issue (million)	27,796	27,705
Earnings/(losses) per share — Basic (RMB yuan per share)	0.12	(1.19)

#### (b) Diluted

	2025
Profit attributable to owners of the Company (RMB million)	3,261
Weighted average number of ordinary shares in issue for basic earnings per share (million)	27,796
Effects of dilution from MCBs, Equitisation Option, SCA Warrants, and awarded shares	284
Weighted average number of ordinary shares adjusted for the effect of dilution	28,080
Earnings per share — Diluted (RMB yuan per share)	0.12

For the year ended 31 December 2025, the share options were excluded from the computation of diluted earnings per share as they are anti-dilutive.

For the year ended 31 December 2024, the share options, awarded shares, written call options and convertible bonds were excluded from the computation of diluted losses per share as they are anti-dilutive.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 34 Guarantees

	2025 RMB million	2024 RMB million
Guarantees in respect of mortgage facilities for certain property buyers (note (a))	225,522	259,095
Guarantees to joint ventures and associates and other parties in respect of liabilities	6,714	6,185
	<b>232,236</b>	265,280

- (a) These represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain property buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) issuance of the real estate ownership certificates after the buyers taking possession of the relevant properties; or (ii) the satisfaction of mortgaged loans by the property buyers.
- (b) As at 31 December 2025, the Group provided loss allowance for financial guarantees of approximately RMB1,651 million (2024: RMB974 million) (note 3(a)(iii)).

## 35 Contingencies

From time to time, the Group may become involved in litigations relating to claims arising from the ordinary course of business. The Group believes that there are currently no claims or actions pending against the Group, the ultimate disposition of which could have a material adverse effect on the Group's financial position, results of operations or cash flows. As at 31 December 2025, in connection with certain litigation cases pending against the Group, certain assets of the Group have been frozen by the relevant courts in the PRC pursuant to court orders, pending the resolution of the respective litigation. The frozen assets comprise investment properties and property inventories (including properties under development and completed properties held for sale) with an aggregate carrying amount of approximately RMB8,139 million, and equity interests in certain subsidiaries. The asset freezes restrict the Group from transferring or otherwise disposing of the affected assets until the relevant litigation is resolved, but do not affect the normal operations of these assets. The Group is in the process of resolving the relevant litigations.

However, litigations are subject to inherent uncertainties and the Group's view of these matters may change in the future. When an unfavorable outcome occurs, there exists the possibility of a material adverse impact on the Group's financial position, results of operations or cash flows for the periods in which the unfavorable outcome occurs, and potentially in future periods.

### 36 Commitments

#### (a) Commitments for capital expenditures

	2025 RMB million	2024 RMB million
Contracted but not provided for: Property, plant and equipment	63	63

#### (b) Operating lease rentals receivable

The majority of the lease terms are between 1 and 10 years, and renewable at the end of the lease period at market price. The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of buildings are as follows:

	2025 RMB million	2024 RMB million
Not later than one year	456	399
Later than one year and not later than two years	450	369
Later than two years and not later than three years	362	320
Later than three years and not later than four years	279	262
Later than four years and not later than five years	236	211
Later than five years	1,481	1,251
	<b>3,264</b>	2,812

The investment properties are leased to tenants under operating leases with rentals payable monthly. For details of the leasing arrangements, refer to note 7.

### 37 Transactions with non-controlling interests

The aggregate effects of transactions with non-controlling interests on the equity attributable to owners of the Company for the year ended 31 December 2025 are as follows:

	2025 RMB million
Changes in equity attributable to owners of the Company arising from: — Acquisitions of additional interests in subsidiaries (note (a))	255

- (a) The Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total cash consideration of RMB893 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 37 Transactions with non-controlling interests *(Continued)*

The following table summarises the effect of these acquisitions:

	2025 RMB million
Total carrying amounts of non-controlling interests acquired	1,148
Total consideration	(893)
Total difference recognised within equity	255

## 38 Loss of controls of subsidiaries

During the year, the Group lost controls of certain subsidiaries due to the disposal of interests in a number of subsidiaries to certain third parties and the commencement of liquidation proceedings of certain subsidiaries. Details of the disposals are as follows:

	RMB million
Disposal consideration	
– Cash received	146
– Outstanding and included in other receivables	723
– Fair value of investments in joint ventures and associates retained upon disposal	76
	945
Less:	
– Total net assets of subsidiaries disposed of	(8,819)
– Non-controlling interest disposed of	979
Losses on disposals (note 26)	(6,895)
Cash proceeds from disposals, net of cash disposed of	
– Cash considerations received	146
– Less: cash and cash equivalents in the subsidiaries disposed of	(150)
Net cash outflow on disposals	(4)

## 39 Business combinations

Business combinations during the year mainly included the acquisitions of interest in various property development companies and acquisitions of additional interests in the joint ventures and associates which were further recognised as the Group's subsidiaries. The directors of the Company consider that none of these subsidiaries acquired during the year was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition dates was not disclosed.

**39 Business combinations** *(Continued)*

The acquired companies' principal activities are mainly property development. The combined financial information of these acquired companies on the acquisition dates is summarised as follows:

	RMB million
<b>Total consideration</b>	
— Cash	255
— Fair value of investments in joint ventures and associates held before business combinations	186
	441
<b>Total recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	69
Restricted cash	15
Properties under development and completed properties held for sale	2,085
Trade and other receivables	1,361
Contract assets and contract acquisition costs	6
Prepaid income tax	96
Deferred income tax assets	20
Trade and other payables	(1,523)
Contract liabilities	(534)
Current income tax liabilities	(790)
Deferred income tax liabilities	(157)
Total identifiable net assets	648
Non-controlling interests	(207)
	441
Outflow of cash to acquire business, net of cash acquired	
— Cash considerations	(255)
— Cash and cash equivalents in the subsidiaries acquired	69
Net cash outflow on business combinations	(186)

The acquired businesses contributed total revenue of RMB182 million and net loss of RMB30 million to the Group for the period from their respective acquisition dates to 31 December 2025. Had these companies been consolidated from 1 January 2025, the consolidated income statement would show pro-forma revenue of RMB154,992 million and pro-forma profit for the year of RMB1,607 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 40 Related party transactions

The Company is ultimately controlled by Ms. YANG Huiyan (the “Ultimate Controlling Shareholder”).

Apart from those related party transactions disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties.

### (a) Transactions with related parties

	2025 RMB million	2024 RMB million
<b>(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members</b>		
Purchase of design service	54	251
Construction service income	13	66
Purchase of property management and related services	450	527
Property lease income	22	21
Other transactions	149	168
<b>(ii) Joint ventures</b>		
Provision of guarantee in respect of liabilities	3,783	4,621
Construction service income	223	1,152
Other transactions	11	227
<b>(iii) Associates</b>		
Provision of guarantee in respect of liabilities	2,420	1,564
Construction service income	162	167
Other transactions	50	36

The prices for the above transactions were determined in accordance with the terms of the underlying agreements.

### (b) Key management compensation

Key management includes directors and chief executive officer of the Company.

	2025 RMB million	2024 RMB million
Fees and salaries	4	4
Discretionary bonuses	—	2
Other benefits and share-based compensation expenses	—	1
	4	7

**40 Related party transactions** *(Continued)***(c) Balances with related parties**

Saved as disclosed in other notes above, the Group had the following significant balances with its related parties:

	<b>2025</b> <b>RMB million</b>	2024 RMB million
<b>(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members</b>		
Trade and other receivables	<b>1,156</b>	1,171
Contract assets and contract acquisition costs	<b>40</b>	22
Trade and other payables	<b>4,360</b>	4,382
Other borrowings	<b>352</b>	7,877
<b>(ii) Joint ventures</b>		
Trade and other receivables	<b>37,944</b>	42,173
Contract assets and contract acquisition costs	<b>916</b>	1,179
Trade and other payables	<b>31,825</b>	41,396
<b>(iii) Associates</b>		
Trade and other receivables	<b>10,114</b>	14,497
Contract assets and contract acquisition costs	<b>262</b>	202
Trade and other payables	<b>20,145</b>	23,080

The above balances due from/to related parties are mainly interest free or at interest rate agreed by both parties, unsecured and to be settled according to the contract terms.

**(d) Borrowings**

As at 31 December 2025, borrowings with principal amount of approximately USD29 million (equivalent to approximately RMB204 million) were held by Mr. MO Bin (2024: senior notes with principal amounts of USD575 million (equivalent to approximately RMB4,133 million) and USD30 million (equivalent to approximately RMB216 million) and USD18 million (equivalent to approximately RMB129 million) and USD0.5 million (equivalent to approximately RMB3.6 million) were held by Mr. YEUNG Kwok Keung, Mr. MO Bin, Ms. YANG Ziying and Ms. WU Bijun respectively).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 41 Statement of financial position and reserve movement of the Company

	As at 31 December	
	2025 RMB million	2024 RMB million
<b>Non-current assets</b>		
Investments in subsidiaries	—	3,960
Financial assets at fair value through other comprehensive income	2	2
	<b>2</b>	3,962
<b>Current assets</b>		
Amounts due from subsidiaries	81,508	156,581
Other receivables	291	297
Cash and cash equivalents	117	118
	<b>81,916</b>	156,996
<b>Current liabilities</b>		
Amounts due to subsidiaries	51,652	51,285
Other payables	40	3,519
Borrowings	1,337	110,728
Financial liabilities at fair value through profit or loss	10,942	—
	<b>63,971</b>	165,532
<b>Net current assets/(liabilities)</b>	<b>17,945</b>	(8,536)
<b>Total assets less current liabilities</b>	<b>17,947</b>	(4,574)

**41 Statement of financial position and reserve movement of the Company** *(Continued)*

	As at 31 December	
	2025 RMB million	2024 RMB million
<b>Non-current liabilities</b>		
Borrowings	18,872	2,693
<b>Equity</b>		
Share capital and premium	53,517	53,220
Other reserves (note)	5,134	3,913
Accumulated losses (note)	(59,576)	(64,400)
<b>Deficit in equity</b>	<b>(925)</b>	<b>(7,267)</b>
<b>Deficit in equity and non-current liabilities</b>	<b>17,947</b>	<b>(4,574)</b>

The statement of financial position of the Company was approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

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**CHENG Guangyu**  
*Director*

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**YANG Ziyang**  
*Director*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 41 Statement of financial position and reserve movement of the Company (Continued)

Note:

### Reserve movement of the Company

	Other reserves RMB million	Accumulated losses RMB million	Total RMB million
<b>At 1 January 2025</b>	<b>3,913</b>	<b>(64,400)</b>	<b>(60,487)</b>
Profit for the year	—	<b>3,313</b>	<b>3,313</b>
Employee share schemes			
— Value of employee services	<b>109</b>	—	<b>109</b>
— Lapse of share options and share awards	<b>(1,511)</b>	<b>1,511</b>	—
Effect of offshore debt restructuring	<b>2,623</b>	—	<b>2,623</b>
<b>At 31 December 2025</b>	<b>5,134</b>	<b>(59,576)</b>	<b>(54,442)</b>
<b>At 1 January 2024</b>	3,672	(31,492)	(27,820)
Loss for the year	—	(32,908)	(32,908)
Employee share schemes			
— Value of employee services	241	—	241
<b>At 31 December 2024</b>	<b>3,913</b>	<b>(64,400)</b>	<b>(60,487)</b>

## 42 Particulars of principal subsidiaries

The following is a list of principal subsidiaries at 31 December 2025, all of these are limited liability companies:

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
<b>Directly held by the Company:</b>					
<b>Incorporated in the BVI and operates in Hong Kong:</b>					
Smart World Development Holdings Ltd.	28 March 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
<b>Indirectly held by the Company:</b>					
<b>Incorporated in Hong Kong and operates in Hong Kong:</b>					
Country Garden (Hong Kong) Development Company Limited	21 September 2005	HKD20,000,001	100%	0%	Investment holding and rendering of property related sales services

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 42 Particulars of principal subsidiaries (Continued)

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
<b>Incorporated in the BVI and operates in Hong Kong:</b>					
Impreza Group Limited	7 April 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
Falcon Investments Development Ltd.	21 March 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
Estonia Development Ltd.	21 March 2006	USD200	100%	0%	Investment holding and rendering of property related sales services
Angel View International Limited	7 April 2006	USD200	100%	0%	Investment holding and rendering of property related sales services

## 42 Particulars of principal subsidiaries (Continued)

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non- controlling interests	Principal activities
<b>Established and operates in Mainland: (Registered as limited liability companies under PRC law)</b>					
Country Garden Real Estate Group Co., Ltd. 碧桂園地產集團有限公司	20 April 2015	RMB15,319,604,768	100%	0%	Property development
Foshan Shunde Country Garden Property Development Co., Ltd. 佛山市順德區碧桂園物業發展有限公司	2 April 1997	RMB1,387,500,000	100%	0%	Property development
Zhengzhou Gaoxin Country Garden Real Estate Development Co., Ltd. 鄭州高新碧桂園房地產開發有限公司	3 June 2016	RMB500,000,000	85%	15%	Property development
Zhengzhou Mingxing Real Estate Co., Ltd. 鄭州名興置業有限公司	3 August 2016	RMB100,000,000	99%	1%	Property development

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 42 Particulars of principal subsidiaries (Continued)

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Guangzhou Bike Smart City Development and Construction Investment Co., Ltd. 廣州碧科智城開發建設投資有限公司	5 April 2017	RMB500,000,000	100%	0%	Property development
Shenyang Urban Construction Tianhe Real Estate Co., Ltd. 沈陽城建天和置業有限公司	16 December 2011	RMB300,000,000	69%	31%	Property development
Foshan Guangfoli Investment and Development Co., Ltd. 佛山市廣佛裡投資開發有限公司	21 August 2017	RMB10,000,000	70%	30%	Property development
Dongguan Yuexi Real Estate Development Co., Ltd. 東莞市悅溪房地產開發有限公司	27 October 2016	RMB133,334,000	100%	0%	Property development
Huidong Huixing Investment Co., Ltd. 惠東匯興投資有限公司	15 January 2015	RMB26,500,000	70%	30%	Property development
Guizhou Hengfeng Weiye Real Estate Development Co., Ltd. 貴州恆豐偉業房地產開發有限公司	28 April 2007	RMB100,000,000	100%	0%	Property development
Guangdong Guangbo Real Estate (Group) Co., Ltd. 廣東廣博房地產(集團)有限公司	22 November 2007	RMB110,000,000	85%	15%	Property development

## 42 Particulars of principal subsidiaries (Continued)

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Zhengzhou Zhongguan New City Real Estate Co., Ltd. 鄭州中貫新城置業有限公司	13 August 2015	RMB200,000,000	100%	0%	Property development
Huizhou Huihao Bay Industrial Co., Ltd. 惠州惠豪灣實業有限公司	23 May 2007	RMB57,402,598	100%	0%	Property development
Suqian Xihu Real Estate Development Co., Ltd. 宿遷熙湖房地產開發有限公司	11 December 2020	RMB1,520,000,000	96%	4%	Property development
Foshan Shunde Zhouhua Investment Consulting Co., Ltd. 佛山市順德區宙華投資諮詢有限公司	12 November 2012	RMB13,889,820,339	100%	0%	Investment consulting
Guangdong Yaokang Investment Co., Ltd. 廣東耀康投資有限公司	20 April 2015	RMB1,383,400,000	100%	0%	Investment consulting
Giant Leap Construction Technology Group Co., Ltd. 騰越建築科技集團有限公司	25 March 1997	RMB5,400,000,000	100%	0%	Construction
Guangdong Bright Dream Robotics Co., Ltd. 廣東博智林機器人有限公司	17 July 2018	RMB5,000,000,000	100%	0%	Robot research and development and related services

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 42 Particulars of principal subsidiaries (Continued)

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Zhaoqing Biguiyuan Modern Furniture Co., Ltd. 肇慶市現代築美家居有限公司	12 December 2007	USD30,000,000	100%	0%	Manufacturing
Guangdong Fengtuo Construction Management Co., Ltd. 廣東鳳拓建設管理有限公司	31 October 2023	RMB20,000,000	100%	0%	Project management and related services
Wuhan Ecological City Country Garden Investment Co., Ltd. 武漢生態城碧桂園投資有限公司	4 December 2009	RMB500,000,000	55%	45%	Hotel operation
Foshan Country Garden Hotel Co., Ltd. 佛山碧桂園酒店有限公司	24 August 2017	RMB100,000,000	90%	10%	Hotel operation

The English names of the Mainland China companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

#### 43 Benefits and interests of directors

##### (a) Directors' emoluments

The remuneration of every director and chief executive officer of the Company is set out below:

For the year ended 31 December 2025:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Employer's contribution to retirement benefit scheme RMB'000
<b>Chairman</b>				
Ms. YANG Huiyan	—	120	—	6
<b>Executive directors</b>				
Mr. MO Bin	—	120	—	6
Ms. YANG Ziyang	—	120	—	6
Dr. CHENG Guangyu*	—	1,000	—	16
Ms. WU Bijun	—	1,000	444	51
<b>Non-executive director</b>				
Mr. CHEN Chong	120	—	—	6
<b>Independent non-executive directors</b>				
Dr. HAN Qinchun	330	—	—	—
Mr. WANG Zhijian	330	—	—	—
Mr. TUO Tuo	330	—	—	—
	<b>1,110</b>	<b>2,360</b>	<b>444</b>	<b>91</b>

\* Chief executive officer of the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 43 Benefits and interests of directors (Continued)

### (a) Directors' emoluments (Continued)

For the year ended 31 December 2024:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Other benefits and share- based compensation expenses RMB'000	Employer's contribution to retirement benefit scheme RMB'000
<b>Chairman</b>					
Ms. YANG Huiyan	—	120	—	—	6
<b>Executive directors</b>					
Mr. MO Bin	—	120	—	—	6
Ms. YANG Ziying	—	120	—	—	6
Dr. CHENG Guangyu	—	1,000	—	—	26
Ms. WU Bijun	—	1,000	550	—	49
Mr. SU Baiyuan (resigned on 1 November 2024)	—	1,000	1,751	794	32
<b>Non-executive director</b>					
Mr. CHEN Chong	120	—	—	—	6
<b>Independent non-executive directors</b>					
Dr. HAN Qinchun (appointed on 15 March 2024)	194	—	—	—	—
Mr. WANG Zhijian (appointed on 15 March 2024)	194	—	—	—	—
Mr. TUO Tuo (iii) (appointed on 15 March 2024)	194	—	—	—	—
Mr. LAI Ming, Joseph (resigned on 15 March 2024)	69	—	—	—	—
Mr. SHEK Lai Him, Abraham (resigned on 15 March 2024)	69	—	—	—	—
Mr. TONG Wui Tung (resigned on 15 March 2024)	69	—	—	—	—
Mr. TO Yau Kwok (resigned on 1 November 2024)	204	—	—	—	—
	1,113	3,360	2,301	794	131

#### 43 Benefits and interests of directors *(Continued)*

**(b) Directors' retirement benefits**

During the year ended 31 December 2025, no retirement benefits were paid to the directors of the Company by the Group in respect of the director's services as a director of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiaries (2024: nil).

**(c) Directors' termination benefits**

During the year ended 31 December 2025, no payments to the directors of the Company as compensation for the early termination of the appointment (2024: nil).

**(d) Consideration provided to or receivable by third parties for making available directors' services**

During the year ended 31 December 2025, there were no considerations provided to or receivable by any third party for making available the services of a person as a director of the Company (2024: nil).

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

During the year ended 31 December 2025, there were no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors (2024: nil).

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

Save as disclosed above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: nil).

#### 44 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. The related changes included the consolidation of senior notes, corporate bonds, convertible bonds, and bank and other borrowings into a single borrowings balance. The new classification was considered to provide a more appropriate presentation of the Group's financial position.

#### 45 Subsequent event

A winding-up petition dated 27 February 2024 was filed by Ever Credit Limited (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HKD1.6 billion, plus accrued interest. On 16 February 2026, the petition was dismissed by an order of the High Court.

## GLOSSARY

“2007 Share Option Scheme”	the share option scheme of the Company adopted on 20 March 2007 and expired on 19 March 2017
“2017 Share Option Scheme”	the share option scheme of the Company adopted on 18 May 2017 and which was terminated on 3 December 2025
“2018 Design Services Supplemental Agreement”	the supplemental agreement dated 21 March 2018 entered into between Shunde Country Garden and Elite Architectural which further extended the design services agreement dated 27 March 2007 (as amended and supplemented by the design services supplemental agreements dated 20 June 2008, 17 December 2010, 31 October 2012, 13 December 2013, 30 December 2016 and 22 August 2017) entered into between Shunde Country Garden and Elite Architectural in respect of the provision of survey work, property design and interior design services by Elite Architectural to the Group
“2026 AGM”	the annual general meeting of the Company to be held on Thursday, 28 May 2026
“Articles of Association”	the articles of association of the Company
“attributable contracted sales”	the contracted sales of the Group’s subsidiaries, joint ventures and associates attributable to shareholders of the Company
“Audit Committee”	audit committee of the Company
“Board”	the board of Directors
“CG Services”	Country Garden Services Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 6098), ceased to be a subsidiary of the Company since its spin-off was completed on 19 June 2018
“Chairman” or “Chairman of the Board”	the chairman of the Board
“Chief Financial Officer”	chief financial officer of the Company
“China Construction”	China State Construction Engineering Corporation
“China Construction Fifth Division”	China Construction Fifth Engineering Division Corp., Ltd.
“Company” or “Country Garden”	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007)

“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The amendments to the Corporate Governance Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective Corporate Governance Code
“Corporate Governance Committee”	corporate governance committee of the Company
“Country Garden Property”	Country Garden Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company
“Country Garden Property Group”	Country Garden Property and its subsidiaries
“Director(s)”	director(s) of the Company
“Elite Architectural”	Guangdong Elite Architectural Co., Ltd.
“Environmental, Social and Governance Committee”	environmental, social and governance committee of the Company
“Executive Committee”	executive committee of the Company
“Finance Committee”	finance committee of the Company
“GFA”	gross floor area
“Giant Leap”	Giant Leap Construction Technology Group Co., Ltd., a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mainland China”	the People’s Republic of China, for the purpose of this annual report, excluding Hong Kong, Macau and Taiwan

## GLOSSARY

“Malaysia Country Garden”	Country Garden Real Estate Sdn. Bhd., a wholly-owned subsidiary of the Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MYR”	Malaysian Ringgit, the lawful currency of Malaysia
“Nomination Committee”	nomination committee of the Company
“PRC” or “China”	the People’s Republic of China
“President”	president of the Company
“Qingyuan CG”	Qingyuan Jiazhen Real Estate Co., Ltd.
“Remuneration Committee”	remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Management”	senior management of the Company disclosed in this annual report
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX”	Singapore Exchange Securities Trading Limited
“Share Option Schemes”	2007 Share Option Scheme and 2017 Share Option Scheme
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HKD0.10 each
“Shareholder(s)”	shareholder(s) of the Company
“Shunde Country Garden”	Foshan Shunde Country Garden Property Development Co., Ltd.
“SSE”	Shanghai Stock Exchange of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZSE”	Shenzhen Stock Exchange of the People’s Republic of China
“USD”	US dollar, the lawful currency of the United States of America
“%”	per cent



[www.countrygarden.com.cn](http://www.countrygarden.com.cn)

