景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2231

2025
Annual Report

Company Profile

JY Grandmark Holdings Limited (stock code: 2231) was listed on the Stock Exchange on 5 December 2019.

JY Grandmark is a property developer, operator and property management service provider based in the PRC. It runs four principal businesses, namely (i) property development and sales, (ii) hotel operations, (iii) property management and (iv) commercial property investment, with business presence in Guangdong, Hainan, Yunnan, Jiangsu and Hunan provinces. As at 31 December 2025, the total gross floor area of the Group's land reserves reached approximately 3.50 million sq.m.

The Group positions itself as an "Eco-friendly and People-oriented Property Developer" (生態人文地產發展商). It develops homes and communities that it considers to be truly liveable for buyers by leveraging the natural resources, unique landscapes and features as well as rich culture of its selected project sites.

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Corporate Information

Board of Directors

Non-executive Director

Mr. SHEK Lai Him, Abraham
(Chairman)
(appointed on 6 June 2025)

Executive Directors

Mr. CHAN Sze Ming Michael
(Chairman)
(resigned on 28 March 2025)
Mr. LIU Huaxi *(Vice-Chairman)*
Ms. ZHENG Catherine Wei Hong
Mr. WU Xinping
(resigned on 30 June 2025)
Ms. YU Jiafeng
(appointed on 30 June 2025)

Independent non-executive Directors

Mr. MA Ching Nam
Mr. LEONG Chong
Mr. WU William Wai Leung

Audit Committee

Mr. WU William Wai Leung
(Chairman)
Mr. MA Ching Nam
Mr. LEONG Chong

Remuneration Committee

Mr. LEONG Chong *(Chairman)*
Mr. MA Ching Nam
Mr. WU William Wai Leung
Mr. LIU Huaxi

Nomination Committee

Mr. MA Ching Nam *(Chairman)*
Mr. LEONG Chong
Mr. WU William Wai Leung
Mr. LIU Huaxi
Ms. YU Jiafeng
(appointed on 27 August 2025)

Legal Advisers

As to Hong Kong law:
Iu, Lai & Li Solicitors & Notaries

As to PRC law:
Jingtian & Gongcheng

As to Cayman Islands law:
Conyers Dill & Pearman

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Share Registrar

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

Registered Office

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Unit No. 1101, 11th Floor
The Bay Hub, 17 Kai Cheung Road
Kowloon Bay, Kowloon
Hong Kong

Principal Place of Business and Head Office in the PRC

X1301-C4884,
No. 106 (Self-named Building 1),
Fengze East Road, Nansha District
Guangzhou City
Guangdong Province, the PRC

Auditor

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
and Registered Public Interest Entity Auditor
(appointed on 28 November 2025)

Company Secretary

Ms. WAI Ching Sum

Authorised Representatives

Mr. CHAN Sze Ming Michael
(resigned on 28 March 2025)
Mr. LIU Huaxi
(appointed on 28 March 2025)
Ms. WAI Ching Sum

Principal Banks

Hang Seng Bank Limited
Chong Hing Bank Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of China, Guangdong Branch

Company's Website

www.jygrandmark.com

Listing Information

Equity Securities

The Company's ordinary shares (stock code: 2231) are listed on the Main Board of the Stock Exchange.

Financial Calendar

Interim results announcement	27 August 2025
Annual results announcement	31 March 2026
AGM	28 May 2026

Closure of Register of Members and Other Key Dates

The Company's Hong Kong register of members will be closed during the following period:

To determine the identity of Shareholders who are entitled to attend and vote at the AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 22 May 2026
Period of closure of Hong Kong register of members	:	Tuesday, 26 May 2026 to Thursday, 28 May 2026 (both days inclusive)

To qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the share certificate must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than the corresponding latest time for lodging transfer document of shares.

Annual General Meeting

The AGM will be held on Thursday, 28 May 2026. The AGM Notice will be set out in the Company's circular to be despatched together with this annual report to the Shareholders. The AGM Notice and the proxy form will also be published on the Company's website (www.jygrandmark.com) and the Stock Exchange's website (www.hkexnews.hk).

Despatch of Corporate Communications

The English and Chinese versions of this annual report are available on the website of the Company at www.jygrandmark.com and the HKEXnews website at www.hkexnews.hk. A notice of publication of the website version of this annual report, in both English and Chinese, will be sent by the Company to the Shareholders by email or by post (only if the Company does not possess the email address of the Shareholder or the email address provided by the Shareholder is not functional) on the publication date of this annual report.

No printed copies of this annual report will be sent to the Shareholders unless the Shareholder has specifically requested for printed copies.

Chairman's Statement

While the path forward presents significant challenges, the entire Group will stand united, make every effort to overcome current difficulties with unyielding resilience and practical actions, and uphold our unwavering commitment to creating and safeguarding long-term value for all stakeholders.

Dear Shareholders,

On behalf of the Board of JY Grandmark Holdings Limited (the "Company", together with its subsidiaries, the "Group", Stock Code: 02231), I present the Chairman's statement of the Group for the year ended 31 December 2025 (the "Year"), which sets forth the Group's operational review and future prospects.

Review and Business Overview of the Year

In 2025, the real estate market in China remained at a critical stage of transformation and upgrading. The market was characterised by structural divergence, with core cities demonstrating notable resilience while certain non-core regions continued to face challenges. In such a complex industry environment, the Group's business was inevitably affected. During the Year, the Group's real estate development business in non-core cities faced dual pressures from sales destocking and capital recovery, while the hotel business encountered operational challenges due to intensified industry competition and properties entering maintenance cycle. Overall, the Group encountered significant operational pressures during the Year.

In the face of adversity, the Board and the management remained committed to their roles, responded with composure and consistently placed the protection of all stakeholders' interests at the core. The Group strictly adhered to the guiding principles of "stabilising operation, ensuring delivery, controlling risks and enhancing synergy", made every effort to ensure stable operations, and achieved phased progress in the following key areas:

1. Upholding delivery standards and fulfilling commitments to customers: The Group prioritised project completion and delivery, and successfully delivered a gross floor area of approximately 91,967 square metres comprising a total of 960 residential units during the Year, thereby earnestly fulfilling its responsibilities to customers and effectively safeguarding its brand reputation.

2. Innovating marketing strategies to accelerate asset turnover: The Group actively explored diversified sales channels and strategies, and strived to accelerate the destocking of existing properties with an aim to improve operating cash flows.

3. Proactively managing debt and pursuing long-term solutions: The Group has been continuously and proactively engaging in constructive negotiations with relevant financial institutions and creditors to actively advance loan extensions and debt restructuring, with an aim to optimise its financial structure and mitigate liquidity risks.

4. Implementing lean management to reduce costs and enhance efficiency: The Group comprehensively implemented cost control measures, reduced non-essential expenditures, and continuously optimised organisational structures and project management processes, with an aim to improve overall operational efficiency.

Future Prospects and Strategic Priorities

Looking ahead to 2026, the industry is expected to continue its adjustment cycle. The Group regards this year as a pivotal year for mitigating risks, restoring its operational fundamentals and reshaping its future. We will closely follow the national policy guidance of "seeking progress while maintaining stability, and promoting stability through progress". With firm resolve and practical measures, we will focus on the following core initiatives to gradually propel the Group back onto a path of steady development:

1. Prioritising debt restructuring: This is our current top priority. We will accelerate negotiations with principal creditors and professional advisers, and strive to formulate and implement a solution that is fair, feasible and balances the interests of all parties, thereby fundamentally eliminating the material uncertainties regarding the Group's ability to continue as a going concern.

2. Revitalising existing assets and optimising asset structure: The Group will prudently evaluate existing resources, and actively revitalise such assets through various means, including asset disposal and collaborative development, to enhance asset returns, with an aim to improve the Group's balance sheet position and financial health.

3. Continuously strengthening governance and transparency: We will further improve our corporate governance, internal control and risk management systems to ensure compliant operations. Through more transparent and timely information disclosure, we will strive to rebuild the long-term confidence in the Group among the capital markets and all stakeholders.

Appreciation

Finally, on behalf of the Board, I hereby express my sincere gratitude to all shareholders of the Company for their continued trust and support during these challenging times. I also wish to express my heartfelt appreciation to all employees for their hard work, dedication and perseverance, as well as to our customers, business partners, financial institutions and government authorities at all levels for their consistent understanding and assistance. While the path forward presents significant challenges, the entire Group will stand united, make every effort to overcome current difficulties with unyielding resilience and practical actions, and uphold our unwavering commitment to creating and safeguarding long-term value for all stakeholders.

Shek Lai Him, Abraham
Chairman of the Board

Hong Kong, 31 March 2026

Management Discussion and Analysis

BUSINESS AND FINANCIAL REVIEW

Overall performance

In 2025, the aggregated contracted sales of the Group, including those of the Group's joint venture and associates, was approximately RMB266 million, representing a decrease of 43.5% as compared to RMB470.5 million in 2024. The corresponding contracted GFA was approximately 59,000 sq.m., representing an increase of 15.7% as compared to approximately 51,000 sq.m. in 2024. Although the contracted GFA increased by 15.7% compared to the full year 2024, the average selling price dropped significantly, leading to a substantial decrease in the aggregated contracted sales for 2025.

In 2025, the Group's recognised revenue was RMB559.1 million, representing a significant year-on-year decrease of 83.7% as compared to RMB3,426.7 million in 2024. The operating loss was RMB361.2 million, as compared to operating loss of RMB23.6 million in 2024. Loss for the Year was RMB526.8 million, as compared to loss for the year of RMB132.6 million in 2024.

Revenue

Our revenue represents consolidated revenue from (i) property development and sales; (ii) hotel operations; (iii) property management; and (iv) commercial property investment which are all derived in the PRC. In 2025, revenue of the Group amounted to RMB559.1 million (2024: RMB3,426.7 million), representing a year-on-year decrease of 83.7%.

Property development and sales

We focus on the development of quality residential properties with comfortable and convenient living environment. In 2025, revenue from property development and sales business of the Group recorded a decrease of 85.6%, from RMB3,323.3 million in 2024 to RMB478.4 million in 2025, accounting for 85.6% of the Group's total revenue. The decrease in revenue was due to a reduction in the aggregate GFA delivered and a decline in the recognised average selling price to RMB5,162 per sq.m. (2024: RMB14,003 per sq.m.).

The following table sets forth the breakdown of our revenue from property development and sales by geographical location for the years ended 31 December 2025 and 2024.

	Year ended 31 December 2025				Year ended 31 December 2024			
City	**Recognised revenue from sales of properties RMB'000**	**% of total revenue from sales of properties %**	**Total GFA delivered sq.m.**	**Recognised average selling price RMB/sq.m.**	Recognised revenue from sales of properties RMB'000	% of total revenue from sales of properties %	Total GFA delivered sq.m.	Recognised average selling price RMB/sq.m.
Guangzhou	**157,703**	**33.0**	**13,502**	**11,680**	1,438,953	43.3	100,987	14,249
Zhaoqing	**9,805**	**2.0**	**1,759**	**5,574**	6,318	0.2	1,552	4,071
Qingyuan	**62,646**	**13.1**	**17,858**	**3,508**	99,482	3.0	27,545	3,612
Lingao	**5,696**	**1.2**	**903**	**6,308**	5,309	0.2	855	6,209
Tengchong	**11,484**	**2.4**	**1,186**	**9,683**	60,527	1.8	5,300	11,420
Zhuzhou	**141,615**	**29.6**	**49,556**	**2,858**	7,678	0.2	2,721	2,822
Nanjing	**85,816**	**17.9**	**7,203**	**11,913**	1,702,965	51.2	98,225	17,337
Other revenue *(Note)*	**3,593**	**0.8**	**N/A**	**N/A**	2,115	0.1	N/A	N/A
Total/overall	**478,358**	**100.0**	**91,967**	**5,162**	3,323,347	100.0	237,185	14,003

Note: Other revenue represented service income from property development and management.

Hotel operations

Apart from property development and sales, we also operate Just Stay Resort and Just Stay Inn under our hotel operations business. In 2025, revenue from hotel operations of the Group amounted to RMB30.7 million, representing a decrease by 47.6% from RMB58.6 million in 2024. The downward trend was mainly due to the closure of Just Stay Hotel in November 2024. As a significant component of hotel business, the closure of the Just Stay Hotel has had a direct impact on the overall hotel operation revenue.

Property management

We also derived income from our property management services provided to purchasers of the residential properties. In 2025, revenue from property management services of the Group reached RMB49.4 million, representing an increase of 16.8% as compared with RMB42.3 million in 2024, mainly driven by stable growth in total GFA of properties under management.

Commercial property investment

In 2025, revenue from commercial property investment of the Group amounted to RMB0.64 million, with a year-on-year decrease of 74.4% as compared with RMB2.5 million in 2024. The decrease was primarily due to the sale of investment properties, resulting in a reduction in rental properties being leased.

Cost of sales

Cost of sales of the Group primarily represents costs of properties sold which are directly associated with the Group's property development activities, as well as costs incurred in relation to other businesses. In 2025, cost of sales of the Group amounted to RMB521.8 million, representing a decrease of 82.2% as compared with RMB2,926.2 million in 2024. The significant decrease in cost of sales was in line with less properties being delivered in 2025.

Gross profit and gross profit margin before net provision for completed properties held for sale and properties under development

In 2025, the Group's gross profit before net provision for completed properties held for sale and properties under development amounted to RMB37.3 million, representing a decrease of 92.5% as compared with RMB500.5 million in the corresponding period of 2024. The Group's gross profit margin before net provision for completed properties held for sale and properties under development decreased to 6.67% from 14.61% for the same period of 2024.

In 2025, the Group's gross profit margin before net provision for completed properties held for sale and properties under development from our property development and sales decreased to 10.0% from 15.1% in 2024. Such decrease was mainly due to lower recognised average selling price in order to accelerate the pace of sales in view of the weakening sales trend in PRC property sector in 2025.

Analysing based on the gross profit margin before net provision for completed properties held for sale and properties under development by city, top three cities ranked by revenue including Guangzhou, Zhuzhou and Nanjing attained an average gross profit margin before net provision for completed properties held for sale and properties under development of 9.7%, and the revenue of these three cities accounted for 80.5% of our total revenue from property development and sales in 2025.

Net provision for completed properties held for sale and properties under development

In 2025, net provision for completed properties held for sale and properties under development amounting to RMB163.7 million (2024: RMB154.5 million) was provided for in accordance with the remeasurement of net realisable value of the property projects based on the prevailing selling prices as well as other related market conditions.

Selling and marketing expenses

Our selling and marketing expenses consist primarily of commission fees, advertising costs, employee benefit expenses and other miscellaneous expenses. During the Year, selling and marketing expenses of the Group amounted to RMB36 million, representing a decrease of 73.4% as compared with RMB135.3 million in 2024. The downward trend was mainly attributable to the decrease in commission fees recognised by RMB88 million year-on-year, as a result of the decrease in recognised revenue from property development and sales. We have capitalised the commission fees incurred as contract costs and subsequently recognised the amounts as expenses when the related revenue is recognised. Excluding commission fees, other selling and marketing expenses decreased by 58% year-on-year, mainly attributable to the continuous efforts on cost control measures over marketing activities throughout the Year.

Administrative expenses

Administrative expenses primarily comprised of employee benefit expenses, depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets, tax and other levies, entertainment expenses for our business, office and travelling expenses and other miscellaneous expenses. In 2025, the Group's administrative expenses amounted to RMB71.7 million, representing a decrease of 25.5% as compared with RMB96.3 million in 2024. The decrease was also resulted from continuous cost control measures imposed.

Other gains/losses, net

In 2025, our other gains/losses, net primarily consisted of net losses on disposals of investment properties and property, plant and equipment, fair value losses on investment properties, net and net foreign exchange gains and losses. The Group's other losses, net decreased from RMB43.0 million in 2024 to RMB28.2 million in 2025, mainly due to an increase of RMB10.1 million arising from legal expenses related to the auction of buildings and gain on disposals of investment properties and property, plant and equipment.

Finance costs, net

Finance costs, net comprised mainly interest expense on borrowings and leases (net of capitalised interest expense), net exchange gains on foreign currency borrowings and interest income from bank deposits. The Group's finance costs, net increased from RMB31.7 million in 2024 to RMB134.1 million in 2025, mainly due to the suspension of certain projects, which resulted in borrowing interest not meeting the criteria for capitalisation.

Share of profit/(loss) of investments accounted for using the equity method

In 2025, the Group's share of profit/(loss) of investments accounted for using the equity method changed from profit of RMB0.1 million in 2024 to loss of RMB0.01 million in 2025.

Income tax expense

Income tax expense included corporate income tax and land appreciation tax ("LAT"). In 2025, corporate income tax expense amounted to RMB15.9 million (2024: RMB92.0 million), mainly due to the effect of losses not recognised as deferred income tax assets. LAT recorded tax expense of RMB15.6 million (2024: LAT credit of RMB14.7 million).

Loss for the Year

As a result of the aforementioned, the Group recorded a net loss of RMB526.8 million in 2025, as compared to loss of RMB132.6 million in 2024. Loss attributable to owners of the Company amounted to RMB408.9 million, as compared to loss attributable to owners of the Company amounted to RMB344.1 million in 2024.

Basic and diluted losses per share in 2025 was RMB0.25, as compared to basic and diluted losses per share of RMB0.21 in 2024.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group funded and is expected to continue to fund its operations principally from cash generated from its operations, borrowings from financial institutions and proceeds from issuance of senior notes.

Cash positions and fund available

As at 31 December 2025, the total cash and bank balances of the Group were RMB72.3 million (31 December 2024: RMB154.9 million), of which RMB20.7 million (31 December 2024: RMB21.2 million) was cash and cash equivalents and RMB51.6 million (31 December 2024: RMB133.8 million) was restricted cash.

As at 31 December 2025, the Group had placed at designated bank accounts the pre-sale proceeds of properties received of RMB36.6 million (31 December 2024: RMB117.1 million) as the guarantee deposits for the constructions of related properties.

As at 31 December 2025, the Group's undrawn banking facilities were approximately RMB302.5 million (31 December 2024: RMB340.5 million).

Borrowings

As at 31 December 2025, the total interest-bearing borrowings and senior notes of the Group were approximately RMB3,448.2 million (31 December 2024: RMB3,252.5 million), of which approximately RMB37 million (31 December 2024: RMB580.0 million) was included in non-current liabilities and approximately RMB3,411.1 million (31 December 2024: RMB2,672.5 million) was included in current liabilities of the Group, respectively.

(a) As at 31 December 2025, certain borrowings of approximately RMB989 million and interest payables of approximately RMB132 million, relating to borrowings with a total principal amount of approximately RMB1,700 million, were overdue. As a result of such default, the principal amount of borrowings of approximately RMB69 million were considered as cross default. The aggregate principal amount of the aforesaid borrowings of approximately RMB1,769 million would be immediately repayable if requested by the lenders. The amount includes borrowings of approximately RMB337 million with original contractual repayment date falling after 31 December 2026 (reclassified as current liabilities as at 31 December 2025).

(b) On 7 January 2025, the Company issued the senior notes with nominal interest rate 9.5% due 6 January 2026 in an aggregate principal amount of approximately US$174 million. The issuance of the new senior notes included an exchange offer of the senior notes due on 9 January 2025 amounting to approximately US$159 million and interest accrued and unpaid.

(c) As at 31 December 2025, the Group's borrowings were denominated in following currencies:

	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
RMB	**1,560,552**	1,489,004
HK$	**542,017**	512,547
US$	**1,345,627**	1,250,988
	3,448,196	3,252,539

(d) As at 31 December 2025, bank and other borrowings totalling RMB1,992 million (31 December 2024: RMB1,885.9 million) of the Group were secured by the pledge of the following assets together with the Group's shares of certain subsidiaries as collaterals:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Land	**10,547**	11,090
Property, plant and equipment	**121,920**	129,800
Properties under development	**944,128**	1,025,241
Completed properties held for sale	**990,623**	1,199,241
Restricted cash	**57**	144
	2,067,275	2,365,516

Cost of borrowings

In 2025, total cost of borrowings of the Group amounted to RMB236.3 million, representing a decrease of 8.7% from RMB258.8 million in 2024. The weighted average effective interest rate was 7.20% per annum (2024: 7.94% per annum).

Net gearing ratio

As at 31 December 2025, net gearing ratio* was at 525.2% (31 December 2024: 277.7%).

* Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as at the end of the reporting period.

Contingent liabilities

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

As at 31 December 2025, the outstanding guarantees were RMB1,326.2 million (31 December 2024: RMB1,482.2 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The Group considers that in case of default in payments by purchasers, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

(b) As at 31 December 2025, the Group had provided guarantees for borrowings of the Group's joint venture amounting to RMB349.3 million (31 December 2024: RMB344.7 million), with a provision amounting to RMB35.9 million (31 December 2024: RMB25.3 million) being made in the financial statements for the guarantee.

Commitments

As at 31 December 2025, the commitments of the Group for property development expenditure amounted to RMB19.9 million (31 December 2024: RMB276.1 million).

Currency risks

The Group's businesses are principally conducted in Renminbi ("RMB"). The monetary assets and liabilities of the Group's subsidiaries in the PRC are mainly denominated in RMB and the foreign exchange risk is immaterial. The non-PRC subsidiaries' functional currency is Hong Kong Dollar ("HK$"). As at 31 December 2025 and 31 December 2024, major non-HK$ assets and liabilities of the non-PRC subsidiaries are cash and cash equivalents, restricted cash, other receivables, borrowings and other payables, which are denominated in RMB or US Dollar ("US$"). Fluctuation of the exchange rate of HK$ against RMB or US$ could affect the Group's results of operations.

The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have plan for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MAJOR ACQUISITIONS AND DISPOSALS

The Group did not hold significant investments, or conduct material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

On 14 April 2026, Guangzhou Yinong Enterprise Co., Ltd.* (廣州意濃實業有限公司, an indirect wholly-owned subsidiary of the Company, hereinafter "**Guangzhou Yinong**"), Guangzhou Yimei Property Management Co., Ltd.* (廣州怡美物業管理有限公司, hereinafter "**Guangzhou Yimei**") and Guangzhou Zhuodu Property Management Co., Ltd.* (廣州卓都物業管理有限公司, hereinafter "**Guangzhou Zhuodu**") entered into an equity transfer agreement, pursuant to which Guangzhou Yinong agreed to sell, and Guangzhou Yimei agreed to acquire, 100% of the equity interest in Guangzhou Zhuodu at a consideration of RMB650,000 ("**Disposal of Guangzhou Zhuodu**"). The completion of the Disposal of Guangzhou Zhuodu took place on 14 April 2026. For details, please refer to the announcement of the Company dated 14 April 2026.

EMPLOYEES AND REMUNERATIONS

As at 31 December 2025, the Group had a total of 437 employees (2024: 552 employees). For the year ended 31 December 2025, the Group has recognised staff costs of RMB60.8 million (2024: RMB91.1 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contribution to the Group. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group was committed to cultivating all-level skilled employees. The Group provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group also engaged external experts to provide training courses for its employees from time to time.

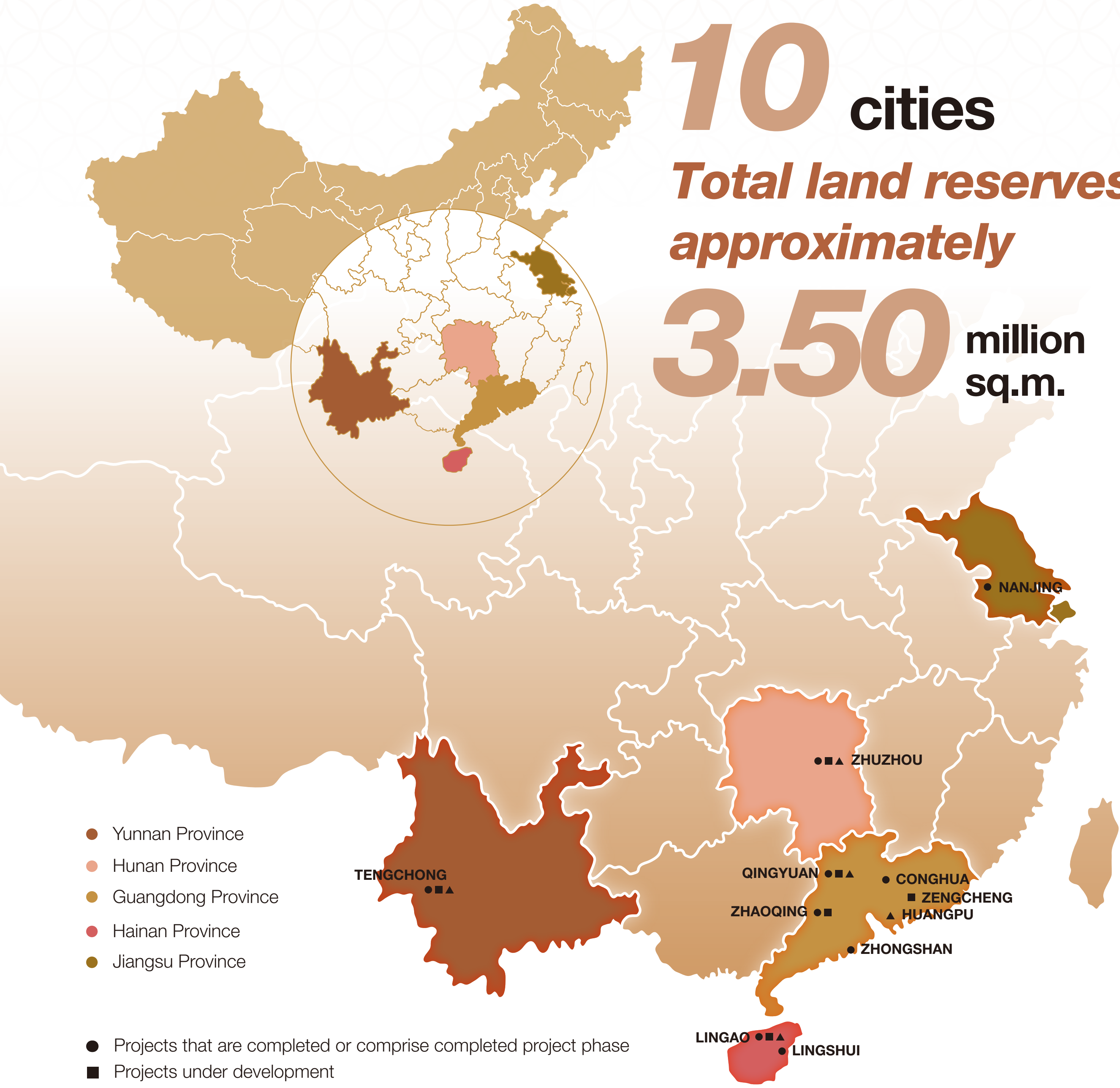
Land Reserves

Project Overview
(As of 31 December 2025)

10 cities

Total land reserves approximately

3.50 million sq.m.



- Yunnan Province
- Hunan Province
- Guangdong Province
- Hainan Province
- Jiangsu Province

● Projects that are completed or comprise completed project phase
■ Projects under development
▲ Projects held for future development

LAND RESERVES AS AT 31 DECEMBER 2025

I. Land reserves calculated by cities

As at 31 December 2025, the Group had a total of 35 property projects in 10 cities. 34 of these properties were developed and owned by the Group, and 1 was developed by the Group's joint venture and associates. As at 31 December 2025, the Group had a land reserves of approximately 3.50 million sq.m. on an attributable basis.

The total GFA of the Group's land reserves includes (i) the total GFA of property completed, (ii) the total GFA of property under development and (iii) the total GFA for future development.

The following table sets forth the land reserves details of the Group by region as at 31 December 2025.

		Completed	Under development	Future development	Completed	Under development	Future development	
Location	No. of project	No. of project	No. of project	No. of project	Saleable/ leasable GFA unsold/ not leased (sq.m.)	Aggregate GFA (including non-saleable/ non-leasable GFA) (sq.m.)	Estimated aggregate GFA for future development (sq.m.)	Total land reserves (sq.m.)
Guangdong								
Conghua	3	3			33,151	–	–	33,151
Zhongshan	1	1			24,819	–	–	24,819
Qingyuan	6	1	3	2	101,585	217,973	804,275	1,123,833
Zhaoqing	2	1	1		57,397	159,081	–	216,478
Zengcheng	2		2		17,925	87,476	–	105,401
Hainan								
Lingshui	5	5			286	–	–	286
Lingao	3	1	1	1	8,239	21,137	143,237	172,613
Yunnan								
Tengchong	8	2	1	5	8,615	86,765	1,079,170	1,174,550
Jiangsu								
Liuhe	1	1	–	–	9,122	–	–	9,122
Hunan								
Zhuzhou	4	1	2	1	17,759	145,824	474,826	638,409
Total	**35**	**18**	**8**	**9**	**278,898**	**718,256**	**2,501,508**	**3,498,662**

II. Land reserves calculated by project

No.	Project	Interest of the Group	Province	Location	Property type	Site area x Group interest *(note 1)* (sq.m.)	Completed Saleable/ leasable GFA unsold/ not leased x Group interest (sq.m.)	Under development Aggregate GFA (including non-saleable/ non-leasable GFA) x Group interest (sq.m.)	Future development Estimated aggregate GFA for future development x Group interest (sq.m.)	Total estimated GFA *(note 2)* (sq.m.)	Whether land use right certificate is obtained	Construction completion time/ estimated construction completion time
1	JY Lychee Town Phase I	100%	Guangdong	JY Lychee Town Garden, Xuanxing Village, Wenquan Town, Conghua District, Guangzhou City, Guangdong Province, the PRC	Residential	70,385	3,802	–	–	3,802	Yes	2015.12
2	JY Lychee Town Phase II	100%	Guangdong	JY Lychee Town Garden, Xuanxing Village, Wenquan Town, Conghua District, Guangzhou City, Guangdong Province, the PRC	Residential	70,385	28,786	–	–	28,786	Yes	2018.10
3	JY Hot Spring Villas	100%	Guangdong	No. 288 Yuquan Avenue, Liangkou Town, Conghua District, Guangzhou City, Guangdong Province, the PRC	Hotel rooms	131,091	563	–	–	563	Yes	2016.10
4	JY Clearwater Bay No. 3 Phase I	100%	Hainan	Qingshui Bay Scenic Area, Yingzhou Town, Lingshui County, Hainan Province, the PRC	Residential	83,375	220	–	–	220	Yes	2015.12
5	JY Clearwater Bay No. 3 Phase II	100%	Hainan	Qingshui Bay Scenic Area, Yingzhou Town, Lingshui County, Hainan Province, the PRC	Residential	67,770	66	–	–	66	Yes	2016.12
6	JY Clearwater Bay No. 3 Phase III	100%	Hainan	Qingshui Bay Scenic Area, Yingzhou Town, Lingshui County, Hainan Province, the PRC	Residential	121,631	–	–	–	–	Yes	2018.07
7	JY Clearwater Bay No. 3 Phase VI	100%	Hainan	Qingshui Bay Scenic Area, Yingzhou Town, Lingshui County, Hainan Province, the PRC	Residential	58,823	–	–	–	–	Yes	2019.06
8	JY Clearwater Bay No. 3 Phase VII	100%	Hainan	Qingshui Bay Scenic Area, Yingzhou Town, Lingshui County, Hainan Province, the PRC	Residential	48,471	–	–	–	–	Yes	2019.06
9	JY Yarra New Street (previously known as Zhongshan Yueheng Project)	50%	Guangdong	Yarra City Commercial Street, Southern District, Zhongshan City, Guangdong Province, the PRC	Shop		24,819	–	–	24,819	Yes	–
10	JY Grand Garden Phase I	100%	Guangdong	JY Grand Garden, West of Yingzhou Avenue, Yingcheng Town, Yingde City, Qingyuan City, Guangdong Province, the PRC	Residential	67,812	89,089	–	–	89,089	Yes	2020.12

No.	Project	Interest of the Group	Province	Location	Property type	Site area x Group interest *(note 1)* (sq.m.)	Completed Saleable/ leasable GFA unsold/ not leased x Group interest (sq.m.)	Under development Aggregate GFA (including non-saleable/ non-leasable GFA) x Group interest (sq.m.)	Future development Estimated aggregate GFA for future development x Group interest (sq.m.)	Total estimated GFA *(note 2)* (sq.m.)	Whether land use right certificate is obtained	Construction completion time/ estimated construction completion time
11	JY Gaoligong Town Phase I	100%	Yunnan	JY Gaoligong Town, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	252,047	4,532	–	–	4,532	Yes	2019.12
12	JY Gaoligong Town Phase II	100%	Yunnan	JY Gaoligong Town, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	252,047	4,083	–	113,842	117,925	Yes	2020.12
13	JY Mountain Lake Gulf Phase I (100# Lot)	100%	Hunan	79 Jincheng East Road, Hetang District, Zhuzhou City, Hunan Province, the PRC	Residential	101,175	17,759	–	–	17,759	Yes	2020.12
14	JY Egret Bay Phase I (previously known as JY Well-being Valley Phase I (06# Lot))	100%	Hainan	Ganlang Village, Nanbao Town, Lingao County, Hainan Province, the PRC	Residential	28,779	8,239	–	–	8,239	Yes	2020.12
15	JY Egret Bay Phase II (previously known as JY Well-being Valley Phase II (07# Lot))	100%	Hainan	Ganlang Village, Nanbao Town, Lingao County, Hainan Province, the PRC	Residential	59,717	–	21,137	80,093	101,230	Yes	2025.12
16	JY Well-being Valley Phase III (04# Lot)	100%	Hainan	Ganlang Village, Nanbao Town, Lingao County, Hainan Province, the PRC	Residential	51,513	–	–	63,144	63,144	Yes	2026.12
17	JY Grand Garden Phase II	100%	Guangdong	JY Grand Garden, West of Yingzhou Avenue, Yingcheng Town, Yingde City, Qingyuan City, Guangdong Province, the PRC	Residential	67,812	12,496	55,594	–	68,090	Yes	2021.06
18	JY Grand Garden Phase III	100%	Guangdong	Lot B, North of Guangbi Road, East of Yingzhou Avenue, Yingde City, Qingyuan City, Guangdong Province, the PRC	Residential	26,340	–	76,378	88,512	164,890	Yes	2027.12
19	JY Canglong Bay Project	80%	Guangdong	Lot B, North of Jiaoyu Road, East of Hongyun Avenue, Yinghong Town, Yingde City, Qingyuan City, Guangdong Province, the PRC	Residential	60,230	–	86,001	132,349	218,350	Yes	2027.12
20	JY Yonghua Shijia Project	100%	Guangdong	North of Lingnan Road, East of Hongyun Avenue, Yinghong Town, Yingde City, Qingyuan City, Guangdong Province, the PRC	Residential	60,877	–	–	182,630	182,630	Yes	2028.12
21	JY Yingde Jinxiong Project	100%	Guangdong	West of Baojing Road, South of Yingzhou Avenue, Yingcheng District, Yingde City, Qingyuan City, Guangdong Province, the PRC	Urban redevelopment: Commercial and residential property to be redeveloped	160,314	–	–	400,784	400,784	Yes	2028.12

No.	Project	Interest of the Group	Province	Location	Property type	Site area x Group interest *(note 1)* (sq.m.)	Completed Saleable/ leasable GFA unsold/ not leased x Group interest (sq.m.)	Under development Aggregate GFA (including non-saleable/ non-leasable GFA) x Group interest (sq.m.)	Future development Estimated aggregate GFA for future development x Group interest (sq.m.)	Total estimated GFA *(note 2)* (sq.m.)	Whether land use right certificate is obtained	Construction completion time/ estimated construction completion time
22	JY Gaoligong Town Phase III	100%	Yunnan	JY Gaoligong Town, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	252,047	–	–	68,893	68,893	Yes	2028.06
23	JY Mountain Lake Gulf Phase II (100# Lot)	100%	Hunan	79 Jincheng East Road, Hetang District, Zhuzhou City, Hunan Province, the PRC	Residential	101,175	–	–	236,787	236,787	Yes	2027.12
24	JY Mountain Lake Gulf Phase III (111# Lot)	100%	Hunan	North of Intersection of Jincheng East Road and Jinda Road, Zhuzhou City, Hunan Province, the PRC	Residential	85,260	–	91,512	183,129	274,641	Yes	2028.12
25	Jing Ye Square (previously known as JY Mountain Lake Gulf Phase IV (99# Lot))	100%	Hunan	299 Hetang Avenue, Hetang District, Zhuzhou City, Hunan Province, the PRC	Commercial	22,754	–	54,312	54,910	109,222	Yes	2026.12
26	Zhaoqing International Technology and Innovation Centre (Zone A)	100%	Guangdong	North of Zongbu 3rd Road, South of Zongbu 2nd Road, North of Yongli Avenue, West of Yingbin Road, New Area, Dinghu District, Zhaoqing City, Guangdong Province, the PRC	Business and commercial	26,446	–	159,081	–	159,081	Yes	2028.12
27	JY Uniworld (previously known as Zhaoqing International Technology and Innovation Centre (Zone B))	100%	Guangdong	17 Yongli Avenue, New Area, Dinghu District, Zhaoqing City, Guangdong Province, the PRC	Residential and commercial	40,335	57,397	–	–	57,397	Yes	2020.10
28	JY Jiangshan Shili Zone A	100%	Yunnan	JY Jiangshan Shili, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	96,922	–	86,765	181,078	267,843	Yes	2025.12
29	JY Jiangshan Shili Zone B	100%	Yunnan	JY Jiangshan Shili, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	48,559	–	–	145,677	145,677	Yes	2027.12
30	JY Jiangshan Shili Zone C	100%	Yunnan	JY Jiangshan Shili, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	30,724	–	–	92,172	92,172	Yes	2028.12

No.	Project	Interest of the Group	Province	Location	Property type	Site area x Group interest *(note 1)* (sq.m.)	Completed Saleable/ leasable GFA unsold/ not leased x Group interest (sq.m.)	Under development Aggregate GFA (including non-saleable/ non-leasable GFA) x Group interest (sq.m.)	Future development Estimated aggregate GFA for future development x Group interest (sq.m.)	Total estimated GFA *(note 2)* (sq.m.)	Whether land use right certificate is obtained	Construction completion time/ estimated construction completion time
31	JY Jiangshan Shili Zone D	100%	Yunnan	JY Jiangshan Shili, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	67,072	–	–	201,216	201,216	Yes	2029.06
32	Jinke JY Grand Garden	51%	Guangdong	Kengbei Village, Zhongxin Town, Zengcheng District, Guangzhou City, Guangdong Province, the PRC	Residential	16,376	7,939	30,857	–	38,796	Yes	2023.11
33	JY Uniworld (previously known as Zengcheng Shitan Project)	100%	Guangdong	West of Xincheng Avenue, Shitan Town, Zengcheng District, Guangzhou City, Guangdong Province, the PRC	Residential	26,938	9,986	56,619	–	66,605	Yes	2024.03
34	JY Logan Jiuyun Mansion (previously known as Nanjing Liuhe Project)	26%	Jiangsu	Lot at South of Qinyuan Road, East of Yanan Road, Xiongzhou Street, Liuhe District, Nanjing City, Jiangsu Province, the PRC	Residential	13,002	9,122	–	–	9,122	Yes	2024.01
35	JY Yunshan Xigu	100%	Yunnan	JY Yunshan Xigu, Qushi Town, Tengchong County, Baoshan City, Yunnan Province, the PRC	Residential	132,971	–	–	276,292	276,292	Yes	2028.12
	Total					**2,057,709**	**278,898**	**718,256**	**2,501,508**	**3,498,662**		

Notes:

(1) Relevant land use certificate was granted to the entire land parcel and breakdown of site area for each phase was not available.

(2) The total GFA of the Group's land reserves includes (i) the total GFA of property completed, (ii) the total GFA of property under development and (iii) the total GFA for future development. For projects held by non-wholly-owned subsidiaries, joint ventures and associates of the Group, the above-mentioned GFA is adjusted by the equity interest of the Group in the respective project.

(3) The relevant GFA does not include the GFA for resettlement purpose.

Biographies of the Directors and Senior Management

Directors

Non-executive Director

Mr. Shek Lai Him, Abraham, GBS, SBS, JP (石禮謙) (alias: Abraham Razack), aged 80, was appointed as a chairman of the Company and a non-executive Director on 6 June 2025. He is primarily responsible for formulating development strategies of the Group, establishing overall business, operation and management directions and project investment strategies. He obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970 respectively. Mr. Shek also obtained a Juris Doctor Degree in City University of Hong Kong in June 2022. He became the honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018 respectively. Mr. Shek was appointed as a Justice of the Peace in 1995 and was awarded the Silver Bauhinia Star and the Gold Bauhinia Star by the government of the Hong Kong Special Administrative Region (the "**HKSAR**") in 2007 and 2013, respectively. Mr. Shek served as a member of the Legislative Council of the HKSAR representing the Real Estate and Construction Functional Constituency for the period between October 2000 and December 2021. From January 2017 up until 31 December 2022, Mr. Shek was a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. Mr. Shek is currently an honorary member of Court of The Hong Kong University of Science and Technology, a member of the Court of City University of Hong Kong, as well as the Court of Hong Kong Metropolitan University.

Mr. Shek is an independent non-executive director of Alliance International Education Leasing Holdings Limited (stock code: 1563), Chuang's China Investments Limited (stock code: 298), Chuang's Consortium International Limited (stock code: 367), Cosmopolitan International Holdings Limited (stock code: 120), CSI Properties Limited (stock code: 497), CTF Services Limited (stock code: 659), Everbright Grand China Assets Limited (stock code: 3699), Far East Consortium International Limited (stock code: 35), Hao Tian International Construction Investment Group Limited (stock code: 1341), ITC Properties Group Limited (stock code: 199), Lai Fung Holdings Limited (stock code: 1125), Paliburg Holdings Limited (stock code: 617) and Shin Hwa World Limited (stock code: 582), and the chairman and an executive director of Goldin Financial Holdings Limited (in liquidation and was delisted on 31 October 2023, stock code: 530), all of which are companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust (stock code: 2778)) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust (stock code: 1881)), both trusts are listed on the Stock Exchange.

Mr. Shek was an independent non-executive director of Lifestyle International Holdings Limited (stock code: 1212) (privatised on 20 December 2022), Country Garden Holdings Company Limited (stock code: 2007) (resigned on 15 March 2024), and China Resources Building Materials Technology Holdings Limited (stock code: 1313) (resigned on 24 October 2025), both are listed companies in Hong Kong.

Executive Directors

Mr. LIU Huaxi (劉華錫), aged 51, was appointed as a Director on 24 May 2019 and was redesignated as an executive Director and the vice chairman of the Company on 13 November 2019. Mr. Liu joined the Group in May 2019. He is primarily responsible for managing investment centre, urban renewal work of the Group, and the subsidiaries of the Company in Hong Kong. He is a member of the Remuneration Committee and Nomination Committee.

Before joining the Group, Mr. Liu had been working in Agile Group Holdings Limited (3383.HK) ("**Agile Group**") since 1995. He was responsible for project operation and development, hotel business, property management, human resources and administration management, capital market operation and management of Agile Foundation* (雅居樂公益基金會) in Guangdong Province ("**Agile Foundation**"). He left as the vice president of Agile Group Holdings Limited, and chairman of Agile Foundation in 2014. From August 2014 to April 2019, he worked in Zhongshan Yuelai Investment Holding Co., Ltd* (中山市悦來投資控股有限公司) (previously known as Zhongshan Yuelai Real Estate Investment Group Co., Ltd.*) as the vice chairman and executive president. He was responsible for the overall management of the company. C&L International Holdings Pty Ltd, a company in which Mr. Liu held 30% shareholding, completed the real estate project of Royal Como – 663-667 Chapel Street, South Yarra, Melbourne in Australia in 2018. He has over 30 years of experience in real estate development industry and senior management.

Mr. Liu graduated from Hohai University (河海大學) in the PRC in July 1995 majoring in Industrial Enterprise Management. He was named "Person of the Year" (年度影響力風雲人物) for 2015-2016 Zhongshan Zhuhai Jiangmen Real Estate Overall Rating (中珠江樓市總評榜) by Sohu and www.focus.cn in 2016.

Ms. ZHENG Catherine Wei Hong (alias 鄭紅) (previously known as Zheng Weihong, 鄭衛紅), aged 58, was appointed as a Director on 2 November 2018 and was redesignated as an executive Director of the Company on 13 November 2019. Ms. Zheng joined the Group in March 2014 and is now the president of the Group. She is primarily responsible for managing marketing centre of the Group, and the operating property management and hotel operations business of the subsidiaries of the Company.

Before joining the Group, Ms. Zheng worked in Agile Property Land Co., Ltd.* (雅居樂地產置業有限公司) as the assistant to president from 2001 to 2010, and in Guangzhou Panyu Agile Real Estate Development Co., Ltd.* (廣州番禺雅居樂房地產開發有限公司) as the general manager from 2010 to 2014. She was responsible for formulating medium-term to long-term development plan and regular operation plans based on the overall development plan of the company, managing the real estate projects, supervising the accomplishment of the operation targets and plans of the company and participating in marketing activities. Ms. Zheng has over 24 years of experience in the real estate development industry and senior management.

Ms. Zheng obtained a Master of Business Administration with Distinction in May 2001 from the University of Western Sydney in Australia. Ms. Zheng was awarded "Outstanding Female Entrepreneur of Guangdong Province" (廣東省優秀女企業家) by Guangdong Female Entrepreneur Association* (廣東省女企業家協會) in May 2013 and she has been the vice president of the Council Committee of Guangzhou Female Entrepreneur Association* (廣州市女企業家協會) since January 2012. She has been the vice president of the Council Committee of Guangzhou Panyu Nancun General Chamber* (廣州市番禺區南村總商會) from 2016 to 2025.

Ms. Yu Jiafeng (余嘉鳳), aged 52, was appointed as an executive director on 30 June 2025. Ms. Yu joined the Group in September 2022 and is the general manager of finance centre of the Group. She is primarily responsible for overseeing the capital management and financial management of the Group, including profit forecast and analysis and taxation management. She is a member of the Nomination Committee.

Before joining the Group, Ms. Yu initially worked at the Zhongshan branch of the Bank of China from 1994 to 2001, where she served as the office director of the Sanxiang sub-branch before her departure. Subsequently, from 2001 to 2022, she held various positions successively in Agile Group, including the head of the capital management department and the head of the finance centre of the real estate group, and was the head of finance for the South China region before her departure.

Ms. Yu graduated from Sun Yat-sen School* (孫文學院) of Sun Yat-sen University in July 1994, majoring in Chinese Secretary, Department of Chinese Literature, and further graduated from University of Electronic Science and Technology of China in June 2013 through online education, majoring in Financial Management.

Independent non-executive Directors

Mr. MA Ching Nam, BBS, CStJ, J.P. (馬清楠), aged 73, was appointed as an independent non-executive Director of the Company on 13 November 2019. He is responsible for providing independent judgement on the Group's strategies, performance, resources and standard of conduct. Mr. Ma is the chairman of the Nomination Committee, and member of the Audit committee and the Remuneration Committee.

Mr. Ma obtained a degree of Bachelor of Science in Economics with honours from the University of Hull in July 1977. He was admitted as a solicitor in England and Wales, Hong Kong, Victoria (Australia) and Singapore. He is also a Notary Public, China Appointed Attesting Officer and Civil Celebrant of Marriages. Mr. Ma has been practicing law for over 42 years. He is currently a consultant solicitor of Hastings & Co., Solicitors & Notaries.

Mr. Ma currently serves as director of Heptacontinental group of companies, Ma Kam Ming Company Limited, Ma's Enterprises Company Limited and Ma Kam Ming Charitable Foundation. He is also the independent non-executive director of EC Healthcare (formerly known as Union Medical Healthcare Limited) (2138.HK). Mr. Ma was the independent non-executive director of Time Watch Investments Limited (2033.HK) from 2013 to 2022.

Mr. Ma was the President of the Hong Kong Society of Notaries from 2007 to 2013. He was Chairman of Po Leung Kuk from 2019 to 2020 and now Advisor of Po Leung Kuk Advisory Board (2020-present). He was a member of Political and Consultative Conference in Hunan Province, the People's Republic of China from 2003 to 2017. He is a Visiting Professor of the China Agricultural University.

Mr. LEONG Chong (梁翔), aged 60, was appointed as an independent non-executive Director on 13 November 2019. He is responsible for providing independent judgment on the Group's strategies, performance, resources and standard of conduct. Mr. Leong is the chairman of the Remuneration Committee, and member of the Audit Committee and the Nomination Committee.

Before joining the Group, Mr. Leong worked as (i) construction analyst of the research department in Carr Indosuez Asia Group from 1994 to 1995, (ii) research analyst in ING Baring Securities (Hong Kong) Limited from 1995 to 1997, (iii) analyst and vice president in the equity research division of Morgan Stanley Dean Witter Asia Limited (摩根士丹利添惠亞洲有限公司) from 1997 to 2000, (iv) director in equity research department of Credit Suisse First Boston (Hong Kong) Limited from 2000 to 2001. Then, he joined Morgan Stanley Dean Witter Asia Limited (摩根士丹利添惠亞洲有限公司) and worked in the Morgan Stanley group of companies from 2002 to 2015. Prior to his departure, he was working in the capacity of a managing director in the investment banking division in Hong Kong. Since 2015 until 2019, he was the deputy general manager of S.F. Holding Co., Ltd.. Mr. Leong has over 30 years of experience in securities and investment industry and senior management. Currently, he is an independent non-executive director of Central China New Life Limited (9983.HK) and Longfor Group Holdings Limited (960.HK).

Mr. Leong obtained the degree of Bachelor of Arts with a major in Computer Science in December 1990 by University of California, Berkeley.

Mr. WU William Wai Leung (胡偉亮), aged 59, was appointed as an independent non-executive Director on 13 November 2019. He is responsible for providing independent judgment on the Group's strategies, performance, resources and standard of conduct. Mr. Wu is the chairman of the Audit Committee, and member of the Remuneration Committee and Nomination Committee.

Before joining the Group, Mr. Wu worked as (i) analyst and then associate in the corporate finance department of Marleau, Lemire Securities Inc., Canada from 1993 to 1995, (ii) business analyst of Salomon Brothers Hong Kong Limited from 1995 to 1996, (iii) assistant manager in the corporate finance division of Schroders Asia Limited from 1996 to 1998, (iv) manager and then senior manager from 1998 to 1999 in the equity capital markets department of BNP Equities Hong Kong Limited, (v) director of E2-Capital Limited and E2-Capital (HK) Limited from 1999 to 2001, and then head of equity capital markets and joint head of corporate finance of SBI E2-Capital Limited (joint venture between Softbank Investment and E2-Capital Group) from 2001 to 2002, (vi) employee of Sunwah Kingsway Capital Holdings Limited (188.HK) (previously known as SW Kingsway Capital Holdings Limited) from 2002 to 2011, with the titles of executive director and chief executive officer from 2006 to 2010 and strategy consultant from 2010 to 2011, (vii) chief executive officer of RHB Hong Kong Limited from 2011 to 2017 and (viii) executive director and chief executive officer of Minerva Group Holding Limited (397.HK) (previously known as known as Power Financial Group Limited) from 2017 to 2019 and (ix) managing director of investment banking at Glory Sun Securities Limited (previously known as China Goldjoy Securities Limited) (an indirect subsidiary of China Goldjoy Group Limited (1282. HK)) from 2019 to 2022. Currently, he is an independent non-executive director of Asia Allied Infrastructure Holdings Limited (711. HK) since 2015 and True Partner Capital Holdings Limited (8657.HK) since 2026. He is also an independent director of DSS, Inc. (DSS-NYSE-Amer) (previously known as Document Security Systems, Inc.) since 2019, Alset Inc. (NASDAQ: AEI) (previously known as Alset EHome International Inc. and HF Enterprises Inc. (NASDAQ: HFEN)) since 2020 and HWH International Inc. (NASDAQ: HWH) (previously known as Alset Capital Acquisition Corp. Unit (NASDAQ: ACAXU)) since 2022. He is also the director of Hong Kong-ASEAN Economic Cooperation Foundation Limited, and Monte Jade Science and Technology Association of Hong Kong Limited. Mr. Wu has over 30 years of experience in financial industry and senior management.

Mr. Wu graduated from Simon Fraser University, Vancouver, BC, Canada with a degree of Bachelor in Business Administration in October 1990, and a degree of Master in Business Administration in June 1993. He became the chartered financial analyst designated by The Institute of Chartered Financial Analysts in September 1996.

Mr. Wu has been a member of Guangxi Zhuang Autonomous Region Committee of the Chinese People's Political Consultative Conference from 2013 to 2022. He is also the life chairman of HK Guangxi Chamber of Commerce Limited.

Senior Management

Ms. WAI Ching Sum (衛靜心), aged 58, is the deputy general manager and company secretary of the Group. She joined the Group in August 2017. Ms. Wai is primarily responsible for corporate governance and corporate affairs of the Group.

Before joining the Group, Ms. Wai worked in various group companies of UDL Management Limited from 1996 to 1999. She left the group as the company secretary. She then worked as the company secretary of (i) COSCO International Holdings Limited (currently known as COSCO SHIPPING International (Hong Kong) Co., Ltd.) (517. HK) from 1999 to 2005 and (ii) Agile Group from 2005 to 2014. Ms. Wai was an executive director and the financial director of Sumpo Food Holdings Limited (currently known as Leyou Technologies Holdings Limited) (before delisting in HKEx: 1089.HK) from 2014 to 2015. From 2015 to 2017, she was the company secretary of Pacific Century Group Holdings (HK) Limited, an investment management company. Ms. Wai has over 30 years of experience in senior management and provision of company secretarial services to private and listed companies.

Ms. Wai obtained a Master of Science in Financial Economics, through long distance learning, in December 1997 from University of London, the United Kingdom, and a Master of Laws in Chinese Comparative Law in November 2002 from the City University of Hong Kong. She was admitted as a fellow member of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators (currently known as The Hong Kong Chartered Governance Institute) in June 2002.

Directors' Report

The Board is pleased to present this annual report together with the audited financial statements of the Group for the year ended 31 December 2025.

Principal Activities

The Company is an investment holding company and the principal activities of the Group are property development and sales, hotel operations, property management and commercial property investment in the PRC. Particulars of the principal activities of the Company's subsidiaries are set out in note 40 to the consolidated financial statements of the Group. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2025.

Business Review

A business review of the Group for the year ended 31 December 2025 and its future development are set out in the chairman's statement from page 4 to page 7 and management discussion and analysis from page 8 to page 13 of this annual report.

Results

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 75 of this annual report.

Dividend

The Board has resolved not to declare the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Annual General Meeting

The AGM will be held on Thursday, 28 May 2026. The AGM Notice will be published and despatched to the Shareholders in accordance with the requirements of the Listing Rules in April 2026.

Closure of Register of Members

For determining the entitlement of the Shareholders to attend and vote at the AGM, the Hong Kong register of members of the Company will be closed from Tuesday, 26 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

Donations

Charitable and other donations made by the Group for the year ended 31 December 2025 amounted to approximately RMB30,000 (2024: RMB10,000).

Reserves and Distributable Reserves of the Company

Movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 78 of this annual report and note 39 to the consolidated financial statements respectively.

As at 31 December 2025, the Company's reserves available for distribution to equity shareholders in accordance with its articles of association and the laws of the Cayman Islands amounted to nil.

Material Acquisitions and Disposals

Save as disclosed in the section headed "Management Discussion and Analysis – Significant investments, major acquisitions and disposals" in this annual report, during the year ended 31 December 2025 and up to the date of this annual report, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

Borrowings

Details of the Group's borrowings as at 31 December 2025 are set out in note 32 to the consolidated financial statements.

Share Capital

Details of the movements in the issued share capital of the Company for the year ended 31 December 2025 are set out in note 29 to the consolidated financial statements.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Articles and the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Major Customers and Suppliers

Sales to the Group's five largest customers accounted for less than 25% of the Group's total revenue for the year. During the year ended 31 December 2025, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 29.59% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 10.15% of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued Shares (excluding treasury shares)) had any interest in any of the five largest customers and suppliers of the Group disclosed above during the year ended 31 December 2025.

Relationship with Stakeholders

The Group recognises that the employees, customers and suppliers are the keys to corporate sustainability and is keen on developing long-term relationships with stakeholders. The Company places significant emphasis on human capital and strives to foster an environment in which the employees can develop their full potential and to assist their personal and professional growth. The Company provides a fair and safe workplace, promoting diversity to its staff, providing competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts on-going efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions. The Company understands that it is important to maintain good relationship with customers. The Group is also dedicated to developing good relationship with suppliers as long-term business partners to ensure stable supplies of materials. The Group reinforces business partnerships with suppliers and contractors by recurring communication in a proactive and effective manner so as to ensure quality and delivery.

Directors

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

Non-executive Director

Mr. SHEK Lai Him, Abraham *(Chairman)* (appointed on 6 June 2025)

Executive Directors

Mr. CHAN Sze Ming Michael *(Chairman)* (resigned on 28 March 2025)
Mr. LIU Huaxi *(Vice-Chairman)*
Ms. ZHENG Catherine Wei Hong
Mr. WU Xinping (resigned on 30 June 2025)
Ms. YU Jiafeng (appointed on 30 June 2025)

Independent non-executive Directors

Mr. MA Ching Nam
Mr. LEONG Chong
Mr. WU William Wai Leung

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the first annual general meeting after his/her appointment and be subject to re-election of such meeting. According to Article 84(2) of the Articles, any Director appointed pursuant to Article 83(3) of the Articles shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Article 84(1) of the Articles, 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 shall be subject to retirement at an annual general meeting at least once every three years and shall then be eligible for re-election.

In accordance with the Articles and the Corporate Governance Code contained in Appendix 14 to the Listing Rules, Mr. Shek Lai Him, Abraham, Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong, Ms. Yu Jiafeng and Mr. WU William Wai Leung will retire by rotation in accordance with Article 83(3), 84(1) and 84(2) of the Articles. All retiring Directors, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' Service Contracts and Letters of Appointment

The Chairman and non-executive Director has entered into a service contract with the Company of an initial term of three (3) years commencing from 5 June 2025, which shall be automatically renewed for such further period commencing from the expiry date of the initial term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting is adjourned, the adjourned meeting) following such expiry date. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the service contract with the Company, the initial term shall be automatically renewed for such further period commencing from the expiry date of the initial term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

Each of the executive Directors has entered into a service agreement with the Company of an initial term (the "**Initial Term**") commencing from the Listing Date or the subsequence appointment date until and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting), which may be terminated by not less than three months' notice in writing served by either party on the other. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the service agreement with the Company, the Initial Term shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

Each of the independent executive Directors has entered into a letter of appointment with the Company of an initial term of three (3) years commencing from 5 December 2025, which shall be automatically renewed for such further period commencing from the expiry date of the initial term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting is adjourned, the adjourned meeting) following such expiry date. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the letter of appointment with the Company, the initial term shall be automatically renewed for such further period commencing from the expiry date of the initial term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Independence of Independent Non-Executive Directors

The Board considers all the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules.

Directors' Emoluments and Five Highest Paid Individuals

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in notes 13 and 14 to the consolidated financial statements of the Group in this annual report.

None of the Directors waived his/her emoluments or has agreed to waive his/her emoluments for the year ended 31 December 2025.

Directors' Interests in Competing Business

Mr. LIU Huaxi currently holds interests in the entities which operate property development and property management in Zhongshan, the PRC (the "**Zhongshan Business**").

Set out below are the interests of Mr. LIU Huaxi in the Zhongshan Business (save for the intermediary holding companies) which may potentially compete with the Group's businesses for the purpose of Rule 8.10(2) of the Listing Rules during the year ended 31 December 2025:

Company name	Business nature	Interest
Zhongshan Yuelai Investment Holding Co., Ltd* (中山市悦來投資控股有限公司) (previously known as Zhongshan Yuelai Real Estate Investment Group Co., Ltd.*) ("**Zhongshan Yuelai**")	Investment holding	Direct 50% interest in this company
Zhongshan Yingfuda Real Estate Development Co., Ltd.* (中山市盈富達房地產開發有限公司)	Property development	Indirect interest through Zhongshan Yuelai which indirectly wholly owns this company
Zhongshan Yueying Property Management Co., Ltd.* (中山市悦盈物業管理有限公司)	Property management	Indirect interest through Zhongshan Yuelai which owns 15% interest in this company

Save as disclosed above, as at 31 December 2025, so far as known to the Directors and chief executive of the Company, none of the Controlling Shareholders or the Directors was engaged or had interest in any business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

Continuing Disclosure Obligation Under Rule 13.21 of the Listing Rules

On 29 December 2022, the Company as borrower, Hang Seng Bank Limited as agent (the "**Agent**") and certain other financial institutions as lenders, among others, entered into a facility agreement (the "**Facility Agreement**") in relation to certain term loan facilities in the aggregate principal amount of HK$517,470,000 (the "**Facilities**") for a term of 36 months from the date of the Facility Agreement subject to the terms and conditions as set out therein.

Pursuant to the Facility Agreement, if (a) the family trust of Mr. CHAN Sze Ming Michael ("**Mr. Chan**") ceases to beneficially own directly or indirectly more than 50% of the issued shares in or control the Company; or (b) Mr. Chan ceases to remain or continue to act as chairman and executive director of the Company or to maintain control over the management and business of the Company and its subsidiaries, (i) the Company shall promptly notify the Agent upon becoming aware of that event; (ii) lenders shall not be obliged to fund the utilisation; and (iii) the Facilities will be immediately and automatically cancelled and all outstanding loans together with accrued interest and all other amounts accrued or outstanding under the finance documents will become immediately due and payable within ten days of demand by the Agent. The outstanding principal amount of HK$478,659,750 under the Facility forms part of the Defaulted Borrowings as at 31 December 2025 mentioned in the Independent Auditor's Report below.

Compliance With Non-Competition Undertakings

Deed of Non-Competition

Each of the Company's Controlling Shareholders, namely, Sze Ming Limited and Mr. CHAN Sze Ming Michael (together, the "**Covenantors**"), has entered into the deed of non-competition on 13 November 2019, pursuant to which each of the Covenantors has given an irrevocable non-competition undertaking in favor of the Company namely, each of the Covenantors has, among other matters, irrevocably undertaken and covenanted with the Company that at any time during the Relevant Period (as defined below), each of the Covenantors shall directly or indirectly, and shall procure that their close associates and entities or companies controlled by them or their close associates (other than the Group) shall:

(a) not be engaged, interested or otherwise involved, directly or indirectly, in any business in any form or manner which is, directly or indirectly, in competition with the business that the Group carries out that includes property development and sales, hotel operations, property management and commercial property investment in the PRC (including but not limited to Guangdong, Hainan, Yunnan and Hunan provinces) and any business in any form or manner that is or is likely to be in competition with that of any member of the Group or the Group as a whole from time to time (excluding, for the avoidance of doubt, sales and purchases of properties by the Covenantor for personal residential and/or investment purpose(s) from time to time) (the "**Restricted Activity(ies)**");

(b) not directly or indirectly solicit, interfere with or endeavor to entice any person, firm, company or organisation, who to his/its knowledge is from time to time or has been, at any time within the immediate past two years before the date of the Prospectus, a customer, supplier, distributor, director, consultant or employee of the Group, away from the Group;

(c) not at any time employ any person who has been a director, manager, employee of or consultant to the Group who is or may be likely to be in possession of any confidential information or trade secrets relating to any business of the Group; and

(d) not directly or indirectly solicit or persuade any person who has dealt with the Group or is in the process of negotiating with the Group in relation to any Restricted Activity, or cease to deal with the Group or reduce the amount of business which the person would normally do with the Group.

Notwithstanding the undertakings under (a) to (d) above, nothing shall restrict any of the Covenantors from acquiring or holding interests in equity securities issued by any company engaged in any Restricted Activity provided that each of them (individually or together) will not directly or indirectly own more than 5% of the total issued share capital of such company or control the exercise of more than 5% of the voting rights thereof or control the composition of the board of directors of such company and that the business and assets of the aforesaid company relating thereto account for less than 5% of the relevant company's consolidated turnover and consolidated assets, respectively, as shown in that company's latest audited consolidated accounts.

Compliance With Non-Competition Undertakings (continued)

Deed of Non-Competition (continued)

For the above purpose, the "Relevant Period" means the period commencing from the Listing Date and shall expire on the earlier of the dates below:

(i) the date on which the Covenantors and his/its close associates (individually or taken as a whole) cease to own 30% or more of the then issued Share capital of the Company directly or indirectly or cease to be the Controlling Shareholders of the Company for the purpose of the Listing Rules and do not have power to control the Board; and

(ii) the date on which the Shares cease to be listed on the Stock Exchange.

Annual Review

The Covenantors have confirmed that they did not refer, or to procure the referral of, any investment or commercial opportunities relating to the Restricted Activities to the Group during the year ended 31 December 2025.

The Company has received a confirmation from each of the Covenantors in respect of the compliance by them and their close associates with the terms of the deed of non-competition.

The independent non-executive Directors have reviewed the deed of non-competition and assessed whether the Covenantors and their close associates have complied with the terms of the deed of non-competition, and were satisfied that each of the Covenantors has complied with its/his undertakings under the deed of non-competition during the year ended 31 December 2025.

Changes in Directors' Information

Subsequent to the date of the 2025 interim report of the Company and as at the date of this report, the changes in Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

Mr. SHEK Lai Him, Abraham resigned as an independent non-executive director of China Resources Building Materials Technology Holdings Limited (stock code: 1313) on 24 October 2025.

Mr. WU William Wai Leung was appointed as an independent non-executive director of True Partner Capital Holding Limited (Stock code: 8657) on 27 March 2026.

Connected Transactions

During the year ended 31 December 2025, the Group has not entered into any connected transaction or continuing connected transaction which is required to be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

Related Party Transactions

Details of the related party transactions undertaken in the usual course of business are set out in note 38 to the consolidated financial statements of the Group in this annual report. Save for item (i) in note 38(b) to the consolidated financial statements which was a fully-exempted connected transaction, none of the related party transactions constituted connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules. The Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Directors' and Controlling Shareholders' Interests in Transaction, Arrangement or Contract

Other than those transactions disclosed in note 38 to the consolidated financial statements of the Group in this annual report and in paragraphs headed "Directors' Interests in Competing Business" and "Connected Transactions" in this annual report, (i) no Director or an entity connected with a Director has any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group's business (including any contract of significance for the provision of services to the Company or any of its subsidiaries) subsisting at the end of the year or at any time during the year ended 31 December 2025; and (ii) there is no contract of significance (including any contract of significance for the provision of services to the Company or any of its subsidiaries) between the Company, or one of its subsidiaries, and a Controlling Shareholder of the Company or any of its subsidiaries, at the end of the year or at any time during the year ended 31 December 2025.

Principal Risks and Uncertainties

Principal risks and uncertainties facing the Group include, among others, that:

(i) the Group's business is subject to extensive governmental regulation and is sensitive to property purchase restriction policy (if any) and other policy changes particularly in Guangdong, Hainan, Jiangsu, Yunnan and Hunan provinces;

(ii) the Group's business and prospects depend heavily on the economic conditions in the PRC and the performance of the PRC property markets, particularly in Guangdong, Hainan, Jiangsu, Yunnan and Hunan provinces;

(iii) the Group may not be able to acquire land in desirable locations that are suitable for the Group's development at commercially acceptable prices or at all;

(iv) the Group may be subject to fines or sanctions by the PRC government if the Group fails to pay land grant premium or fails to develop properties according to the terms of the land grant contracts;

(v) the Group's cash inflow from and results of operation may vary significantly from period to period and such fluctuations may make it difficult to predict the Group's future performance and price of the Shares; and

(vi) the Group may not be able to obtain sufficient funding for the Group's land acquisitions and future property developments whether through bank loans or other arrangements on commercially reasonable terms, or at all.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations which have a significant impact to the Group. As at the date of this annual report, except as disclosed in this annual report, the Group complied with, in all material respects, all the applicable and relevant PRC laws and regulations governing the business of property development and management and the Group has obtained all licenses, permits and certificates for the purpose of operating its business.

As at the date of this annual report, the Company's associates are not involved in and the Board is not aware of any non-compliance incidents that might materially adversely affect the value of the Company's interest in them.

Share Option Scheme

The Company approved and adopted the Share Option Scheme on 13 November 2019.

Details of the Share Option Scheme

(a) Purpose

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the success of the business of the Group.

(b) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with paragraph (c) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group. The Directors are aware that from 1 January 2023, options may only be made to those that are eligible participants as defined in the amended Chapter 17 of the Listing Rules among the eligible participants currently under the terms of the Share Option Scheme.

(c) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that for the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five Business Days, the new issue price shall be used as the closing price for any Business Day fall within the period before listing.

(d) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(e) Maximum number of Shares

(i) Subject to sub-paragraphs (ii) and (iii) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue as at the Listing Date. Therefore, the Company may grant options in respect of up to 160,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 160,000,000 Shares from time to time) to the participants under the Share Option Scheme. The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme represents (A) 10% of the total number of issued Shares as at 5 December 2019, being the Listing Date, or (B) approximately 9.7% of the total number of issued Shares as at the date of this annual report.

(ii) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the Shareholders containing the information as required under the Listing Rules in this regard.

(iii) The Company may seek separate approval of the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, and such other information required under the Listing Rules.

(iv) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(f) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such 1% limit must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted) to such grantee, and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted to such grantee must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(g) Grant of options to a Director, chief executive or substantial Shareholder, or any of their respective associates

(i) Notwithstanding the aforesaid, any grant of an option to a Director, chief executive or substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the option).

(ii) Where any grant of options to a substantial Shareholder or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company in any 12-month period up to and including the date of grant:

(a) representing in aggregate over 0.1% of the Shares in issue; and

(b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million,

such further grant of options is required to be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of poll. The Company shall send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. The grantee, his associates and all core connected persons of the Company must abstain from voting (except where any connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates is also required to be approved by the Shareholders in the aforesaid manner.

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(h) Restrictions on the time of grant of options

(i) An offer for the grant of options may not be made after any inside information (as defined in the SFO) has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced pursuant to the requirements of the Listing Rules and the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

(b) the deadline for the Company to publish an announcement of the results for any year, half-year or quarterly under the Listing Rules, or other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement.

(ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of the Company are published and:

(a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. No minimum period for which an option must be held before the exercise of any option save as determined by the Board and provided in the offer of the grant of the relevant options.

(j) Performance targets

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(k) Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any option shall not carry any voting rights until the name of the grantee has been duly entered on the register of members of the Company as the holder thereof.

(l) Rights are personal to grantee

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

(m) Rights on cessation of employment by death

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (n) below arises within a period of three years prior to the death, in the case the grantee is an employee at the date of grant), the legal personal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (q), (r) and (s) occurs prior to his death or within such period of 12 months following his death, then his personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

(n) Rights on cessation of employment by dismissal

In the event that the grantee is an employee of the Group at the date of grant and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, his option (to the extent not already exercised) shall lapse automatically on the date of cessation of his employment with the Group.

(o) Rights on cessation of employment for other reasons

In the event that the grantee is an employee of the Group at the date of grant and he subsequently ceases to be an employee of the Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (n) above, the option (to the extent not already exercised) shall lapse on the expiry of three months after the date of cessation of such employment (which date will be the last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not).

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(p) Effects of alterations to share capital

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which any member of the Group is a party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised and/or the subscription prices, as the auditors of or independent financial adviser to the Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the Listing Rules, or any guideline or supplemental guideline issued by the Stock Exchange from time to time (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

(q) Rights on a general offer

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

(r) Rights on winding-up

In the event a notice is given by the Company to the members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the grantee credited as fully paid.

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(s) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and the Shareholders or the creditors of the Company being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Act, the Company shall give notice thereof to all the grantees (or, as the case may be, their legal personal representative(s)) on the same day as it gives notice of the meeting to the Shareholders or the creditors to consider such compromise or arrangement and the options (to the extent not already exercised) shall become exercisable in whole or in part on such date not later than two Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement ("**Suspension Date**"), by giving notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the Suspension Date, the rights of all grantees (or, as the case may be, their legal personal representative(s)) to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of options hereunder shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees (or, as the case may be, their legal personal representative(s)) to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.

(t) Lapse of options

An option shall lapse automatically on the earliest of:

(i) the expiry of the period referred to in paragraph (i) above;

(ii) the date on which the Board exercises the Company's right to cancel, revoke or terminate the option on the ground that the grantee commits a breach of paragraph (l);

(iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (m), (o), (q), (r) or (s) above;

(iv) the date of the commencement of the winding-up of the Company;

Share Option Scheme (continued)

Details of the Share Option Scheme (continued)

(t) Lapse of options (continued)

(v) the occurrence of any serious misconduct, act of bankruptcy, insolvency or entering into of any arrangements or compromises with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty;

(vi) where the grantee is only a substantial shareholder of any member of the Group, the date on which the grantee ceases to be a substantial shareholder of such member of the Group; or

(vii) subject to the compromise or arrangement as referred to in paragraph (s) above becomes effective, the date on which such compromise or arrangement becomes effective.

(u) Cancellation of options granted but not yet exercised

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

(v) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing from the Adoption Date (i.e. 13 November 2019) and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof (i.e. 12 November 2029) unless terminated earlier by the Shareholders in general meeting.

(w) Alteration to the Share Option Scheme

(i) The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme which alters to the advantage of the grantees of the options relating to matters governed by Rule 17.03 of the Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting.

(ii) Any alternation to the terms of the Share Option Scheme which is of a material nature or any change to the terms of options granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

(iii) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of the Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(x) Termination to the Share Option Scheme

The Company by resolution in general meeting or by resolution of the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

Detail of the Option Granted

No option has been granted or agreed to be granted under the Share Option Scheme since the Adoption Date, and therefore there was no outstanding option as at 31 December 2025.

Accordingly, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2025 divided by the weighted average number of Shares in issue (excluding treasury shares) for the year ended 31 December 2025 is nil.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations

As at 31 December 2025, so far as known to the Directors and chief executive of the Company, none of the Directors or the chief executive of the Company had interests and/or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be and/or were 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.

Directors' and Chief Executive's Rights to Acquire Shares or Debentures

Other than the Share Option Scheme, at no time during the year ended 31 December 2025 and up to the date of this annual report was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation (Chapter 622D of laws of Hong Kong)) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed in this annual report, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

As at 31 December 2025, the following persons or corporations (other than the Directors and chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Nature of interest	Number of ordinary Shares held or interest in the Company	Approximate percentage of issued share capital of the Company(4)
Mr. CHAN Sze Ming Michael	Founder of a discretionary trust	1,195,140,000(2)	72.6%
IQ EQ (BVI) Limited	Trustee of a discretionary trust	1,195,140,000(2)	72.6%
Sze Ming Limited	Beneficial owner	1,195,140,000(2)	72.6%
Ms. SHUM Wing Yin	Interest of spouse	1,195,140,000(3)	72.6%

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares (continued)

Notes:

(1) All interests stated are long positions.

(2) These Shares are held by Sze Ming Limited. The entire issued capital of Sze Ming Limited is held by IQ EQ (BVI) Limited as trustee of The Phoenix Trust (previous named Chan S.M. Michael Family Trust), a discretionary trust with Mr. CHAN Sze Ming Michael as settlor and established in accordance with the laws of the BVI. There are certain discretionary beneficiaries including siblings and descendants of Mr. CHAN Sze Ming Michael and descendants of his siblings. Mr. CHAN Sze Ming Michael is taken to be interested in these Shares held by Sze Ming Limited pursuant to the SFO.

(3) Ms. SHUM Wing Yin is the spouse of Mr. CHAN Sze Ming Michael, and is deemed to be interested in the Shares which are interested by Mr. CHAN Sze Ming Michael under the SFO.

(4) The calculation is based on the total number of issued Shares of 1,646,173,000 shares as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, so far as known to the Directors and chief executive of the Company, there was no person or corporation (other than the Directors and chief executives of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

Equity-Linked Agreements

Other than the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025 or subsisted as at 31 December 2025.

Shares and Debentures Issued

On 7 January 2025, the Company issued the new senior notes with nominal interest rate 9.5% due 6 January 2026 in an aggregate principal amount of US$174,332,581. The issuance of the new senior notes included an exchange offer of the senior notes due on 9 January 2025 amounting to US$159,284,612 and capitalised interest accrued and unpaid. Save as disclosed, no Shares, equity securities or debentures were issued, and there was no sale of treasury shares of the Company for cash by the Company, during the year ended 31 December 2025.

Tax Relief

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holdings of the Company's securities.

Management Contracts

No contracts concerning the management and administration of the whole or substantial part of the business of the Group were entered into or existed during the year ended 31 December 2025.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025.

The Company did not hold any treasury shares as at 31 December 2025.

Retirement Benefits Schemes

Details of the retirement benefits schemes participated by the Group are set out in note 13 to the consolidated financial statements.

Directors and Senior Management

Particulars of the Directors and senior management of the Company are set out on page 20 to page 24 of this annual report.

Corporate Governance

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

Audit Committee

The Audit Committee consists of three members, namely Mr. WU William Wai Leung, Mr. MA Ching Nam and Mr. LEONG Chong, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. WU William Wai Leung who possesses appropriate accounting and related financial management expertise. The Audit Committee has considered and reviewed the Group's audited annual results for the year ended 31 December 2025, the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the audited annual financial results for the year ended 31 December 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has, in conjunction with the external auditor of the Company, McMillan Woods (Hong Kong) CPA Limited, reviewed the consolidated financial statements for the year ended 31 December 2025, including the accounting policies of the Group.

Employees and Remuneration Policies

As at 31 December 2025, the Group had a total of 437 employees (2024: 552 employees). For the year ended 31 December 2025, the Group has recognised staff costs of RMB60.8 million (2024: RMB91.1 million). The Group has provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contribution to the Group. The Group has also contributed to mandatory provident fund, employees' compensation insurance, medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group is committed to cultivating all-level skilled employees. The Group has provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group has also engaged external experts to provide training courses for its employees from time to time. Details of the Share Option Scheme are set out in the section headed "Directors' Report – Share Option Scheme". The Group regularly reviews and determines the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

Under the applicable PRC laws and regulations, the Group is subject to social insurance contribution plans.

Basis for Determining Emoluments to Directors

Apart from taking into account the advice from the Remuneration Committee and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for each Director. Appropriate benefit schemes are in place for the Directors.

Indemnity and Insurance Provisions

The Articles provide that the Directors, managing directors, alternate Directors, auditors, secretary and other officers for the time being of the Company and the trustees for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts. The Company has arranged appropriate directors and officers liability insurance which provides aforesaid indemnities with appropriate cover for the Directors and directors of the subsidiaries of the Company. The permitted indemnity provisions (within the meaning under section 469 of the Companies Ordinance (Chapter 622 of laws of Hong Kong)) contained in the Articles and the Directors' liability insurance were in force during the financial year ended 31 December 2025 and as at the date of this annual report.

Significant Event After the Reporting Period

Subsequent to the end of the reporting period, given that the Group continued to negotiate with the lenders for renewal and extension of those bank and other borrowings, the Group continued to fail to settle certain bank and other borrowings and breach certain financial covenants of the bank and other borrowings, and such breaches constituted the default and cross-default on the other borrowings.

The hotel held by the Group with carrying amount of approximately RMB121,920,000 as at 31 December 2025 was still subject to forced auction by the Court commencing from 15 January 2025 (the "**Forced Auction**"). The Forced Auction continued during the year ended 31 December 2025 and up to the date of approving these consolidated financial statements with no significant progress.

Given that the uncertainties arising from the results and the auction price of the Forced Auction, the financial impact and results arising from the loss of control over the hotel and the Forced Auction could not be estimated by the directors of the Company up to the date of the approving these consolidated financial statements.

On 14 April 2026, Guangzhou Yinong Enterprise Co., Ltd.* (廣州意濃實業有限公司, an indirect wholly-owned subsidiary of the Company, hereinafter "**Guangzhou Yinong**"), Guangzhou Yimei Property Management Co., Ltd.* (廣州怡美物業管理有限公司, hereinafter "**Guangzhou Yimei**") and Guangzhou Zhuodu Property Management Co., Ltd.* (廣州卓都物業管理有限公司, hereinafter "**Guangzhou Zhuodu**") entered into an equity transfer agreement, pursuant to which Guangzhou Yinong agreed to sell, and Guangzhou Yimei agreed to acquire, 100% of the equity interest in Guangzhou Zhuodu at a consideration of RMB650,000 ("**Disposal of Guangzhou Zhuodu**"). The completion of the Disposal of Guangzhou Zhuodu took place on 14 April 2026. For details, please refer to the announcement of the Company dated 14 April 2026.

Except the above, no significant events affecting the Group had occurred during the period from 1 January 2026 to the date of this annual report.

Public Float

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. In respect of the Company, the prescribed level of public float is that at least 25% of the Company's total issued shares must at all times be held by the public. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at 20 April 2026, being the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules.

Auditor

PricewaterhouseCoopers resigned as auditor of the Company with effect from 15 July 2024. D & Partners CPA Limited was appointed as auditor of the Company with effect from 15 July 2024 and resigned with effect from 28 November 2025. McMillan Woods (Hong Kong) CPA Limited was appointed as auditor of the Company with effect from 28 November 2025.

The consolidated financial statements for the year ended 31 December 2025 have been audited by McMillan Woods (Hong Kong) CPA Limited who shall retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of the auditor will be proposed at the AGM.

Environmental Policies

The Group is committed to implementing policies in environmental protection in order to conserve natural resources. The Group strives to minimise the Group's environmental impact through reducing electricity and water consumption and encouraging recycling of office supplies and other materials. The Group is also committed to ensuring that the Group is in strict compliance with the applicable environmental laws and regulations of the relevant jurisdictions.

As at 31 December 2025, the Group did not encounter any material issues in passing inspections conducted by the relevant environmental protection authorities upon completion of the properties. During the year ended 31 December 2025 and up to the date of this annual report, no material fines or penalties were imposed on the Group for non-compliance of PRC environmental laws and regulations. As at the date of this annual report, the Group had obtained all required approvals in relation to the environmental impact reports, where applicable, for the projects of the Group under development.

Please refer to the Environmental, Social and Governance Report of the Group published by the Company.

Health and Safety

The Group is committed to the health and safety of our employees and provides a safe and effective working environment. The Group pledges full compliance with all occupational health and safety legislation. The Group values the health and well-being of the employees.

During the year ended 31 December 2025 and up to the date of this annual report, the Group did not encounter any material safety accident, and there were no material claims for personal or property damages and no material compensation was paid to employees in respect of claims for personal or property damages related to safety accident.

Social Responsibility

The Group has entered into employment contracts with its employees in accordance with the applicable PRC and Hong Kong laws and regulations.

The Group maintains social welfare insurance for its full-time employees in the PRC and Hong Kong, including pension insurance, medical insurance, personal injury insurance, unemployment insurance and maternity insurance, in accordance with the relevant PRC and Hong Kong laws and regulations.

Development and Training

The Group is committed to the professional and personal development and growth of employees and considers development and training as a continual process. The Group offers and encourages employees at all levels to participate in various internal and external courses in order to promote the advancement of their job-related skills. The Group's employees are provided with fair opportunities for adequate learning, training and promotions.

Relationship with Customers and Suppliers

The Group maintains a solid and steady relationship with its customers and provides products which satisfy their needs and requirements. The Group enhances the relationship by continuous interaction with customers to gain insights on market demand and consumer needs so that the Group could respond proactively. The Group also maintains a close relationship with its suppliers. This leads to a high degree of cooperative development and enables the Group to deliver the high-quality solutions as required and expected by the Group's customers.

Professional Tax Advice Recommended

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

On behalf of the Board
JY Grandmark Holdings Limited
SHEK Lai Him, Abraham
Chairman

Hong Kong, 31 March 2026

Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of Shareholders and other stakeholders and enhancing shareholder value.

Accordingly, the Company has adopted the CG Code as its own code on corporate governance. It also adopts sound corporate governance principles that emphasise a quality Board, effective risk management and internal control, stringent compliance practices and transparency and accountability to all stakeholders.

In the Directors' opinion, the Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2025.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the Model Code during the year ended 31 December 2025.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the year ended 31 December 2025.

The Board

Responsibilities of the Board

The Board is responsible for, and has general powers under the Articles for, the leadership and oversight of the Company's management and performance and the formulation and review of the Group's overall policies and strategies.

The Board is also responsible for performing corporate governance duties, including the (i) development and review of the Company's policies and practices on corporate governance; and (ii) review of the Company's compliance with Appendix C1 to the Listing Rules and disclosures in the corporate governance report. All major decisions, including but not limited to those decisions affecting the financial results, operations and Shareholders of the Company, such as financial statements, business acquisitions, major transactions and dividend policies, are made by the Board as a whole. Each Director is aware of his or her fiduciary duties and duties and responsibilities as a director under the Listing Rules, the CG Code and applicable laws and regulations, and has acted objectively for the benefit and best interest of the Company and its Shareholders.

Decisions of the Board are communicated to the senior management through executive Directors. The day-to-day management, administration and operation of the Group are delegated to the executive Directors and a senior management team. The senior management team is also responsible for the supervision and execution of the Group's business plans. The Board reviews periodically the performance of the senior management team.

Certain functions and responsibilities are delegated to committees established by the Board. For details, please refer to the paragraphs headed "Audit Committee", "Remuneration Committee" and "Nomination Committee" below.

During the year, as part of its corporate governance function, the Board has performed the corporate governance duties including: (a) reviewed the Company's policies and practices on corporate governance; (b) reviewed and monitored the training and continuous professional development of Directors and senior management; (c) reviewed and monitored the Company's policies and practices in compliance with legal and regulatory requirements; (d) reviewed and monitored the code of conduct and compliance manual (if any) applicable to employees and Directors; and (e) reviewed the Company's compliance with the code and disclosure in the Corporate Governance Report.

The Board (continued)

Composition of the Board

As at the date of this annual report, the Board comprises one non-executive Director, three executive Directors and three independent non-executive Directors whose names are listed below. Each member of the Board brings a wide spectrum of valuable experience, knowledge and expertise to the Board for its efficient and effective functioning.

Non-executive Directors	**Date of appointment**	**Length of tenure**
Mr. SHEK Lai Him, Abraham *(Chairman)*	6 June 2025. Mr. Shek obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 3 June 2025 and has confirmed he understood his obligations as a director of the Company.	less than 1 year

Executive Directors	**Date of appointment**	**Length of tenure**
Mr. CHAN Sze Ming Michael *(Chairman)*	2 November 2018 (resigned on 28 March 2025)	N/A
Mr. LIU Huaxi *(Vice-Chairman)*	24 May 2019	6 years
Ms. ZHENG Catherine Wei Hong *(President)*	2 November 2018	7 years
Mr. WU Xinping	2 November 2018 (resigned on 30 June 2025)	N/A
Ms. YU Jiafeng	30 June 2025. Ms. Yu obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 25 June 2025 and has confirmed she understood her obligations as a director of the Company.	less than 1 year

Independent non-executive Directors		
Mr. MA Ching Nam	13 November 2019	6 years
Mr. LEONG Chong	13 November 2019	6 years
Mr. WU William Wai Leung	13 November 2019	6 years

Save as disclosed in this annual report, there is no financial, business, family or other material or relevant relationship between the Directors.

Mechanisms ensuring independent views available to the Board

The Company has established mechanisms ensuring independent views available to the Board during the year and the Board will, or may designate a board committee to, review the implementation and effectiveness of such mechanisms on an annual basis.

1. *Composition of the Board and Board Committees*
   (i) The Board endeavours to ensure the appointment of at least three independent non-executive directors ("**INED(s)**") and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time).

   (ii) Apart from complying with the requirements prescribed by the Listing Rules as to the composition of certain Board committees, INEDs will be appointed to other Board committees as far as practicable to ensure independent views are available.

2. *Independence Assessment*
   (i) The Nomination Committee must strictly adhere to the nomination policy of the Company and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of INEDs.

   (ii) Each INED is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence.

   (iii) The Nomination Committee is mandated to assess annually the independence of all INEDs by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.

The Board (continued)

Composition of the Board (continued)

Mechanisms ensuring independent views available to the Board (continued)

3. *Remuneration*

   No equity-based remuneration (e.g. share options or grants) with performance related elements will be granted to INEDs as this may lead to bias in their decision making and compromise their objectivity and independence.

4. *Board Decision Making*

   (i) NED and INEDs (as with other directors) are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the Company's company secretary and, where necessary, independent advice from external professional advisers at the Company's expense.

   (ii) NED and INEDs (as with other directors) shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

   (iii) The chairman of the Board shall at least annually hold meetings with the INEDs without the presence of other Directors to discuss major issues and any concerns.

During the year ended 31 December 2025, the Company has complied with the requirements of the Listing Rules to have at least three INEDs representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

Having considered the factors for assessing the independence of INEDs under Rule 3.13 of the Listing Rules and the annual confirmations from each INEDs, the Board considers all of its INEDs to be independent.

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules. A list of the Directors identifying their roles and functions is also available on the Company's website at www.jygrandmark.com and on the website of the Stock Exchange at www.hkexnews.hk.

Terms of appointment of Directors

Non-executive Director

Non-executive Director has entered into a letter of appointment with the Company of an initial term (the "**Initial Term**") of three (3) years commencing from 5 June 2025, which shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting is adjourned, the adjourned meeting) following such expiry date. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the letter of appointment with the Company, the Initial Term shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

The Board (continued)

Terms of appointment of Directors (continued)

Executive Directors

Each of the executive Directors has entered into a service agreement of an Initial Term commencing from the Listing Date until and including the date of the third annual general meeting (or if such meeting is adjourned, the adjourned meeting). The appointment may be terminated by not less than three months' notice in writing served by either the relevant Director or the Company. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the service agreement with the Company, the Initial Term shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either the relevant Director or the Company.

Independent non-executive Directors

Each of the independent executive Directors has entered into a letter of appointment with the Company of an Initial Term of three (3) years commencing from 5 December 2025, which shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting is adjourned, the adjourned meeting) following such expiry date. Subject to the approval from the Shareholders for re-election of the Director as a director of the Company and in accordance with the Listing Rules, the Articles and the letter of appointment with the Company, the Initial Term shall be automatically renewed for such further period commencing from the expiry date of the Initial Term or subsequent renewal term(s) thereof (as the case may be) to and including the date of the third annual general meeting (or if such meeting adjourned, the adjourned meeting) following such expiry date, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

Director Nomination Policy

Nomination, appointment, re-election and removal procedures

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's Articles. Every Director is subject to the provisions of retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his or her appointment and be subject to re-election at such meeting.

The Nomination Committee has been established on 13 November 2019 to review the structure, size and composition of the Board at least annually to ensure that the Board has a balance of expertise, skill and experience appropriate to meet the requirements of the Company. The director nomination policy is that this committee will identify individuals who are qualified or suitable for directorship, assess their qualifications, skill, prior experience, character and other relevant aspects including but not limited to their independence in the case of an independent non-executive Director candidate, and make recommendations to the Board on the appointment or re-appointment of Directors or the filling of casual vacancies on the Board or any other proposed changes to the Board to complement the Company's corporate strategies. Please refer to the paragraph headed "Nomination Committee" below for more details on the Nomination Committee.

The Board (continued)

Director Nomination Policy (continued)

Nomination criteria

The Nomination Committee shall consider a number of factors in making nominations of Directors, including but not limited to the following:

(i) Qualifications: The candidate should possess the skills, knowledge and experience, which are relevant to the operations and corporate strategies of the Company and its subsidiaries.

(ii) Diversity: The candidate should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the board diversity policy of the Company and the balance of skills and experience in board composition.

(iii) Commitment: The candidate should be able to devote sufficient time to attend board meetings and participate in induction trainings and other board associated activities.

(iv) Character: The candidate must satisfy the requirements of the Board and the Stock Exchange that he or she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a director of the Company.

(v) Independence: The candidate to be nominated as an independent non-executive director must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

The above criteria are for reference only and are not meant to be exhaustive or decisive. The Board shall take into consideration the benefits of a diversified Board when selecting Board candidates.

Nomination procedures

If the Nomination Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate. The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election of the Board. On making a recommendation, the Nomination Committee may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate(s) as director(s) to fill a casual vacancy(ies) or as an addition to the Board or recommend such candidate to shareholders for election or re-election (where appropriate) at the general meeting.

Please refer to the paragraph headed "Nomination Committee" below for more details on the Nomination Committee.

Board practices and conduct of meetings

Directors are given the opportunity to include matters in the agenda for Board meetings with notices of regular Board meetings given or to be given at least fourteen days in advance. Notices and agenda of the Board meetings are prepared by the company secretary of the Company as delegated by the chairman. Directors are provided with adequate and timely information to allow them to fulfill their duties properly. They are allowed to seek independent professional advice in appropriate circumstances at the Company's expenses.

Directors are encouraged to make a full and active contribution to the Board's affairs and to voice out their views and concerns. Directors are supplied with sufficient information and given sufficient time for discussion to ensure that Board decisions fairly reflect Board consensus.

The Board (continued)

Board practices and conduct of meetings (continued)

A Director who to his or her knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his or her interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he or she knows his or her interest then exists, or in any other case, at the first meeting of the Board after he or she knows that he or she is or has become so interested. Subject to the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposals in which he or she or any of his or her close associates is materially interested.

Minutes of Board meetings and meetings of Board committees containing sufficient details of the matters considered and decisions reached, including any concerns raised or dissenting views express, are sent to each Director for their review, comment and records within a reasonable time after each meeting. The final version of such minutes is kept by the company secretary of the Company and is open for inspection by Directors upon reasonable notice.

Board and Board Committee Meetings

The Board meets at least four times each year or more as required. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the following year will be presented to all Directors in the last Board meeting such that they can arrange for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The company secretary assists the chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the company secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the senior management including the company secretary, and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting, or to be implemented and dealt with by the designated Board committee. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the company secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The meeting minutes of the Board and its committees are drafted and kept by the company secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The company secretary will distribute the draft meeting minutes to all Directors for their comment and the final version of the meeting minutes to all Directors for their record within reasonable time after the meetings are held.

The Board (continued)

Board and Board Committee Meetings (continued)

During the year, the Board held a total of eight meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meetings is set out as follows:

	Number of attendance/meeting(s) held in 2025				
	Board Meeting(s)	Audit Committee Meeting(s)	Nomination Committee Meeting(s)	Remuneration Committee Meeting(s)	Annual General Meeting
Mr. SHEK Lai Him, Abraham *(Chairman)* (appointed on 6 June 2025)	6/6	–	–	–	–
Mr. CHAN Sze Ming Michael *(Chairman)* (resigned on 28 March 2025)	1/1	–	–	–	–
Mr. LIU Huaxi *(Vice-Chairman)*	8/8	–	1/1	2/2	1/1
Ms. ZHENG Catherine Wei Hong *(President)*	8/8	–	–	–	1/1
Mr. WU Xinping (resigned on 30 June 2025)	2/3	–	–	–	1/1
Ms. YU Jiafeng (appointed on 30 June 2025)	5/5	–	–	–	–
Mr. MA Ching Nam	7/8	3/4	1/1	2/2	1/1
Mr. LEONG Chong	8/8	4/4	1/1	2/2	1/1
Mr. WU William Wai Leung	8/8	4/4	1/1	1/2	1/1

All the non-executive Director, executive Directors and INEDs have allocated reasonable amount of time to follow and deal with various affairs of the Company during the year. All Directors will make their best efforts to attend any meetings of the Board and its committees. They will also allocate reasonable time in reviewing materials as well as other documents provided by the Company from time to time. The chairman met once a year with the INEDs without the executive Directors present.

Chairman and President

Mr. CHAN Sze Ming Michael serves as the chairman of the Board till his resignation on 28 March 2025. Mr. SHEK Lai Him, Abraham serves as the chairman of the Board since his appointment on 6 June 2025. Both Mr. CHAN Sze Ming Michael and Mr. SHEK Lai Him, Abraham are responsible for the overall strategic planning and business direction of the Group during their respective tenure. With the support of the executive Directors and the company secretary, the chairman approves the agenda for, and chairs, Board meetings to ensure that all key and appropriate issues are discussed in a timely manner, including any matters proposed by other Directors. He is responsible for the effective functioning of the Board, including but not limited to taking steps to ensure that all Directors are properly briefed on issues arising at Board meetings, providing all Directors with adequate information which is accurate, clear, complete and reliable in a timely manner, communicating Shareholders' views to the Board as a whole and promoting a culture of openness and constructive debate during Board meetings.

Ms. ZHENG Catherine Wei Hong serves as the president of the Company. She is responsible for the execution of the strategic planning and general management of the Group.

Board Committees

Audit Committee

The Audit Committee was established on 13 November 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the applicable CG Code. The primary duties of the Audit Committee include (but without limitation): (i) be 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; (ii) monitor the integrity of the Company's financial statements, annual reports, accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them; (iii) oversight of the Company's financial reporting system, risk management and internal control systems; and (iv) develop and review the Company's policies and practices on corporate governance and make recommendations to the Board. The written terms of reference of the Audit Committee has been made available on the Company's website at www.jygrandmark.com and on the website of the Stock Exchange at www.hkexnews.hk. For the year ended 31 December 2025, the Audit Committee consists of three INEDs, namely, Mr. WU William Wai Leung (chairman of the Audit Committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. MA Ching Nam and Mr. LEONG Chong.

During the financial year, four Audit Committee meetings were held and the executive directors, the management and the independent auditors also attended to provide necessary information. The Audit Committee has reviewed with the management of the Group the accounting principles and practices adopted by the Group, and reviewed risk management, internal controls, internal audit and financial reporting matters including review of the audited consolidated financial statements of the Group for the year ended 31 December 2025, the change of auditors, and the unaudited interim financial statements of the Group for the six months ended 30 June 2025.

Remuneration Committee

The Remuneration Committee was established on 13 November 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the applicable CG Code. The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Board regarding our policy and structure for the remuneration of all of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management; (iii) make recommendations to the Board on the remuneration of non-executive Directors; (iv) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (v) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The written terms of reference of the Remuneration Committee has been made available on the Company's website at www. jygrandmark.com and on the website of the Stock Exchange at www.hkexnews.hk. For the year ended 31 December 2025, the Remuneration Committee consists of one executive Director, namely Mr. LIU Huaxi, and three INEDs, namely Mr. LEONG Chong (chairman of the Remuneration Committee), Mr. MA Ching Nam and Mr. WU William Wai Leung.

During the financial year, two Remuneration Committee meetings were held. The Remuneration Committee has reviewed and considered the remuneration packages of the Directors and senior management, service contracts of each of the executive Directors and renewed letters of appointment of each of the INEDs. The Remuneration Committee has also assessed the performance of the executive Directors and reviewed the director and employee remuneration policy of the Company.

There are no material matters relating to the Share Option Scheme which are required to be reviewed and/or approved by the Remuneration Committee during the year.

Board Committees (continued)

Nomination Committee

The Nomination Committee was established on 13 November 2019 with written terms of reference, which amended on 1 September 2025, in compliance with Rule 3.27A of the Listing Rules and the applicable CG Code. The primary duties of the Nomination Committee include (but without limitation): (i) propose a set of personal attributes to the Board; (ii) propose a set of procedures for processing nominations of candidates for the Board's approval; and (iii) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and recommend any proposed changes to the Board to complement the Company's corporate strategy. The written terms of reference of the Nomination Committee has been made available on the Company's website at www.jygrandmark.com and on the website of the Stock Exchange at www.hkexnews.hk. For the year ended 31 December 2025, the Nomination Committee consists of two executive Directors, namely Mr. LIU Huaxi and Ms. YU Jiafeng, and three INEDs, namely Mr. MA Ching Nam (chairman of the Nomination Committee), Mr. LEONG Chong and Mr. WU William Wai Leung.

During the financial year, one Nomination Committee meeting was held. The Nomination Committee has reviewed the structure, size and diversity of the Board, considered the independence of INEDs and recommended the appointment of Mr. SHEK Lai Him, Abraham, and Ms. YU Jiafeng as Directors and the re-appointment of retiring directors which were approved by the Shareholders at the annual general meeting. The Nomination Committee has also reviewed the director's nomination policy of the Company and recommended relevant disclosure herein.

The Nomination Committee has also assessed each director's time commitment and contribution to the Board, as well as the director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of issuers listed on the Stock Exchange and other significant external time commitments of such director and other factors or circumstances relevant to the director's character, integrity, independence and experience.

Diversity

The Company adopted a board diversity policy on 13 November 2019 which sets out the objective and approach on the diversity of the Board. The board diversity policy has been made available on the Company's website at www.jygrandmark.com. The Company recognises the importance of having a diverse Board in enhancing the Board effectiveness and corporate governance, and considers that Board diversity, including gender diversity, is a vital asset to the business. A diverse Board will include and make good use of differences in the skills, industry knowledge and professional experience, cultural and education background and other qualities of directors of the Company and does not discriminate on the ground of race, age or gender. Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Company adopted a workforce diversity policy which sets out the objective and approach on the diversity of the workforce. The workforce diversity policy has been made available on the Company's website at www.jygrandmark.com. The Company recognises the importance of having a diverse work force in enhancing the Group effectiveness and corporate governance, and considers that work force diversity, including gender diversity, is a vital asset to the business. A diverse work force will include and make good use of differences in the skills, industry knowledge and professional experience, cultural and education background and other qualities of work force of the Group and does not discriminate on the ground of race, age or gender. Staff appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the work force.

For the purpose of implementation of the gender diversity, the Board aims to comprise at least one female Director and have at least 40% female employees in the workforce. As at the date of this report, (i) the Board consists of two female Directors and five male Directors; (ii) the senior management consists of one female; and (iii) approximately 49% of the Company's workforce is male and approximately 51% is female. The Company has achieved its objectives for gender diversity.

Board Committees (continued)

Diversity (continued)

The Directors have a balanced mix of knowledge and skills, including overall management, project investment, financial Management & banking, strategic planning & risk management, legal & regulatory, and related Industry knowledge & experience. They obtained degrees in various majors including business administration, economic management, legal, construction engineering and computer science. As at 31 December 2025, the Board consisted of two female Directors and five male Directors. It has three INEDs with different industry backgrounds, representing more than one third of the members of the Board. Furthermore, the Directors are of a wide range of age, ranging from 51 years old to 80 years old. Taking into account the Company's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the board diversity policy. The Board Skills Matrix below:

Skills set	
Overall Management	3 Directors
Project Investment	2 Directors
Financial Management & Banking	3 Directors
Strategic Planning & Risk Management	3 Directors
Legal & Regulatory	2 Directors
Related Industry Knowledge & Experience	3 Directors

The Nomination Committee is responsible for ensuring the diversity of the Board members. It will review the board diversity policy from time to time to ensure its continued effectiveness and the Company will disclose in its corporate governance report about the implementation of the board diversity policy on an annual basis. The Company recognises the importance of gender diversity and recruits employees at all levels based on merits and regardless of gender in order to ensure there is a pipeline of male and female potential successors to the Board and the senior management. The board performance review have not been conducted in the year of review and the review will be conduct on early 2029 to fulfil the requirement of corporate governance code and the Listing Rules.

Remuneration of Senior Management

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by bands:

	2025
RMB500,001 to RMB1,000,000	1

Director and Employee Remuneration Policies

The Group's director and employee remuneration policy aims to provide a fair market level of remuneration to retain and motivate high quality directors, senior management and employees, and attract experienced people of high caliber to oversee the business and development of the Group. Their remuneration is reviewed at least annually with reference to companies of comparable business or scale. Details of the director and employee remuneration policy are set out in the sections headed "Directors' Report – Employees and Remuneration Policies" and "Directors' Report – Basis for Determining Emoluments to Directors".

Directors' Responsibilities for Financial Reporting

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2025.

Directors' Responsibilities for Financial Reporting (continued)

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

The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

Accountability and Audit

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2025 which give a true and fair view of the state of affairs of the Company and of the results and cash flow for the relevant period. The Directors consider that the consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The statements of the auditor of the Company about their reporting responsibility on the consolidated financial statements of the Group are set out in the section headed "Independent Auditor's Report" in this annual report.

Disclaimer of Opinion

The Company's independent auditor, McMillan Woods (Hong Kong) CPA Limited, issued a disclaimer of opinion on the consolidated financial statements of the Group, details of which are set out in the section headed "Independent Auditor's Report" in this annual report, and the relevant extract is set out below:

Basis for Disclaimer of Opinion

Multiple Uncertainties Related to Going Concern

The Group incurred a net loss of approximately Renminbi ("**RMB**") 527 million for the year ended 31 December 2025 and, as at that date, the Group's total bank and other borrowings was approximately RMB3,448 million, of which the Group's bank and other borrowings amounted to approximately RMB3,411 million were repayable within twelve months from the end of the reporting period, while its cash and cash equivalents and restricted cash amounted to approximately RMB72 million, in aggregate. As at 31 December 2025, certain borrowings with aggregate carrying amount of approximately RMB989 million and interest payables of approximately RMB132 million, arising from the borrowings with a total principal amount of approximately RMB1,700 million, were overdue. As a result of such default, the principal amount of borrowings of approximately RMB69 million was considered as cross-default. The aggregate principal amount of the aforesaid borrowings of approximately RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of approximately RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025 as a result of the default and cross-default.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregate principal amount of approximately RMB1,490 million. Such overdue amount also form part of the defaulted borrowings mentioned above.

Due to the continued decline of the property market in Chinese Mainland during the year ended 31 December 2025, the Group continued to underperform in the business of property development and sales. The pre-sales and sales volumes and amounts and the collection of pre-sale and sales proceeds continued to be unsatisfactory which give rise to significant pressure on the Group's liquidity.

Disclaimer of Opinion (continued)

Basis for Disclaimer of Opinion (continued)

Multiple Uncertainties Related to Going Concern (continued)

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the Chinese Mainland government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed certain construction cost payable for the projects which have been legally binded by the pre-sale agreements, and are scheduled to delivery to the customers within next twelve months from the end of the reporting period.

These events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the consolidated financial position of the Group, and to remediate the overdue loan repayments, which are set out in note 2 to the consolidated financial statements. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or cross-default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance with the terms and conditions of the bank and other borrowings and, where applicable, successful negotiations with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under development and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that the restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above-mentioned plans and measures and continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

Disclaimer of Opinion (continued)

Directors' Response to Disclaimer of Opinion

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the Chinese Mainland government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed certain construction cost payable for the projects which have legally binded by the pre-sale agreements, and are scheduled to delivery to the customers within next twelve months from the end of the reporting period.

All of the above events or conditions indicated the existence of multiple 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 financial 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.

The following plans and measures have been taken to mitigate the liquidity pressure, to improve its consolidated financial position:

(i) In respect of the Defaulted Borrowings and the Subsequent Defaulted Borrowings, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the Defaulted Borrowings. Out of the Defaulted Borrowings, the Group has successfully extended the repayment terms of loans with principal amount of approximately RMB131 million. The directors of the Company are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements and waiver with such lenders in due course;

(ii) The Group has maintained active communication with other relevant lenders in respect of the Defaulted Borrowings. Based on latest communication, the directors of the Company are confident to convince the relevant lenders not to exercise their rights to demand immediate repayment of these borrowings prior to their scheduled contractual repayment dates;

(iii) In January 2025, the Group successfully exchanged its senior notes with an aggregate principal amount of United States dollars ("**US$**") 159 million due on 9 January 2025 with a newly issued senior note amounted to US$174 million due on 6 January 2026 (the "**New Senior Notes**") and considered to be further exchanged in near future;

(iv) The Group will continue to actively adjust pre-sales and sales activities to better respond to market needs, and make efforts to achieve the latest budgeted pre-sales and sales volumes and amounts. The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of outstanding sales proceeds;

(v) As at 31 December 2025, the Group's restricted cash amounted to approximately RMB52 million, which mainly represented the restricted pre-sale proceeds in designated bank accounts and can be used to settle certain construction payables or project loans subject to the approval of the relevant PRC government authority. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale agreements are completed and delivered to the customers on schedule as planned, so that the Group is able to release restricted cash to meet its other financial obligations; and

(vi) The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. In preparing the Group's cash flow projection, the directors of the Company have taken into account the above plans and measures and the major underlying assumptions of the anticipated cash flows included, among others, (i) the Group will continue to focus on the development and sale of its existing 11 property development projects; (ii) sales of existing properties under development and completed properties held for sale will be gradually realised in the initial years, followed by improved sales performance in later years as market condition recovers; (iii) construction costs, selling and marketing expenses and administrative expenses are controlled at a certain level; and (iv) no acceleration or enforcement of the Defaulted Borrowings and the Subsequent Default Borrowings occurs such that the Group is able to gradually repay the borrowings.

Disclaimer of Opinion (continued)

Directors' Response to Disclaimer of Opinion (continued)

In the opinion of the directors of the Company, taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, multiple uncertainties exist as to whether the Group is able to achieve its plans and measures as described above and the actual outcome of the above major underlying assumptions. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross-default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance with the terms and conditions of the bank and other borrowings and, where applicable, successful negotiations with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

Although the Group is in the process of mitigating the liquidity pressure according to the above plans and measures, the directors of the Company considered that the Group's ability to continue as a going concern are subject to the actual outcome of the above plans and measures and other external factors which are beyond the Group's control, including the pace of the domestic economic recovery and the policy environment. Should the Group be unable to achieve the above-mentioned plans and measures and continue 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.

Information Disclosure

The Company discloses information in compliance with the Listing Rules and other applicable laws, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. In particular, the Company has put in place a robust framework for the disclosure of inside information in compliance with the SFO. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Company. The framework and its effectiveness are subject to review by the Board on a regular basis.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced as soon as reasonably practicable when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts 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 of Hong Kong in June 2012;

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements, circulars and its website;

- the Group has strictly prohibited unauthorised use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Director and the company secretary are authorised to communicate with parties outside the Group.

External Auditor and Auditor Remuneration

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out under the section headed "Independent Auditor's Report" in this annual report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor's independence.

For the year ended 31 December 2025, the amount of fees charged by the Company's ex-external auditor, D & Partners CPA Limited, in respect of their non-audit services amounted to RMB0.14 million. Non-audit services include performing Agreed-Upon Procedures on interim financial statements in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information".

For the year ended 31 December 2025, the amount of fees charged by the Company's external auditor, McMillan Woods (Hong Kong) CPA Limited, in respect of their audit services amounted to approximately RMB0.648 million.

The Company Secretary

The company secretary of the Company plays a role in supporting the Board by ensuring good information flow within the Board and also that Board policy and procedures are followed. The company secretary of the Company is responsible for advising the Board through the chairman, the vice-chairman and/or the president on corporate governance matters and should also facilitate induction and professional development of Directors. Specific enquiry has been made to the company secretary of the Company, Ms. WAI Ching Sum, and she has confirmed that she has complied with the relevant qualifications, experience and training requirements under the Listing Rules.

Directors' and Officers' Liability Insurance

The Company has arranged directors' and officers' liability insurance for its Directors and senior management. The insurance covered the corresponding costs, charges, expenses and liabilities for any legal action against them arising out of the Group's operation.

Directors' Training

According to the CG Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All the Directors are also encouraged to attend relevant training courses at the Company's expenses.

All the Directors are fulfilled the requirement of training and training details in the year 2025 are set out in the below table. The company secretary maintains proper records of training attended by the Directors.

Directors / Topics	Board and directors' duties	Listing Rules and Hong Kong law compliance	Corporate governance and ESG	Risk management and internal controls	Industry and business updates	Total no. of hours
Non-executive Director						
Mr. Shek Lai Him, Abraham, GBS, SBS, JP	2 / 0.5	27.5 / 6	4 / 5.5	1.5	6 / 2	55
Executive Directors						
Mr. Liu Huaxi	0.5	0.5	0.5	0.5	1	3
Ms. Zheng Catherine Wei Hong	0.5	0.5	0.5	0.5	1	3
Ms. Yu Jiafeng	0.5	0.5	0.5	0.5	1	3
Independent non-executive Directors						
Mr. Ma Ching Nam, BBS, CStJ, JP	0.5	0.5	0.5	0.5	1	3
Mr. Leong Chong	0.5	0.5	0.5	0.5	1	3
Mr. Wu William Wai Leung	0.5	0.5	0.5	0.5	1	3

: Self-study, including reading materials

: External seminar/webinar

Dividend Policy

The Company has adopted a dividend policy, pursuant to which, subject to the Companies Act and other applicable laws and regulations, the Company targets to distribute to the Shareholders no less than 30% of the Company's distributable profits for any particular financial year. The declaration of dividends is subject to the discretion of the Board and, where required, the approval of the Shareholders. The Directors may recommend a payment of dividends in the future after taking into account the Group's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, shareholders' interests and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of the dividends will be subject to the Company's constitutional documents and the Companies Act, including, where required, the approval of the Shareholders. Any future declarations of dividends may or may not reflect the Company's historical declarations of dividends and will be at the absolute discretion of the Directors.

Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in the Group's operations.

The Board does not recommend paying a final dividend for the fiscal year ending 31 December 2025, because there were no distributable profits recorded for the fiscal year under review. All dividend decisions made by the Board were made in accordance with the dividend policy of the Company.

Investor Communications

The Company has adopted a shareholders communication policy in relation to communicating with the Shareholders and potential investors and providing regular communications to the Shareholders with effect from the Listing Date. It is available on the Company's website at www.jygrandmark.com. The objective of the policy is to ensure that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are timely provided with complete, equal and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication between Shareholders, the investment community and the Company.

The Company considers timely communication to Shareholders and/or investors and transparent reporting as key components of good corporate governance. The Company aims at maintaining frequent and timely communication with its Shareholders and/or investors through a variety of communication channels, including but not limited to general meetings, annual and interim reports and official announcements. General meetings provide a platform for Shareholders to exchange views with the Board and the Directors are available to answer questions at the Company's annual general meetings. Shareholders will be sent a copy of the annual and interim reports or be notified of the release of such reports. Annual and interim reports are accessible on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.jygrandmark.com, where general information on the Group's business and activities is available for public access. Official announcements will be released from time to time in accordance with the Listing Rules to update our Shareholders and/or investors with the latest developments of the Group. Shareholders and investors may address enquiries directly to the Company's principal place of business in Hong Kong as provided in the section headed "Corporate Information" in this annual report, or to the company secretary of the Company by email at ir@jygrandmark.com.hk.

The Board conducted a review of the implementation and effectiveness of its shareholders communication policy. Having considered the multiple channels of communication available to the Shareholders, the Board is satisfied that its shareholder communication policy has been implemented during the year and is effective.

Shareholders' Rights

(a) Convening Extraordinary General Meeting

Pursuant to Article 58 of the Company's existing Articles, one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings may deposit a written requisition (the "**Written Requisition**") to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in the Written Requisition. Such meeting shall be held within two months after the deposit of the Written Requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner by convening a physical meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Voting of general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be published on both the website of the Stock Exchange and the Company.

(b) Putting Forward Enquiries to the Board and Putting Forward Proposals at General Meetings

Shareholders and investors are also welcome to submit any enquiries to the Board and suggestions or proposals at general meetings directly to the Company's principal place of business in Hong Kong as provided in the section headed "Corporate Information" in this annual report, or to the company secretary of the Company by email at ir@jygrandmark.com.hk. For the procedures for shareholders to put forward proposals to propose a person for election as a director at a general meeting, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" published on the Company's website at www.jygrandmark.com.

The Board also encourages Shareholders to attend general meetings to make enquiries with the Board directly.

Constitutional Documents

During the year ended 31 December 2025 and up to the date of this annual report, there has not been any change in the Memorandum and Articles. An up to date version of the Memorandum and Articles are available on the Company's website at www.jygrandmark.com and on the website of the Stock Exchange at www.hkexnews.hk.

Corporate Culture

The Group aims to deeply integrate corporate culture into strategy, operations, and management to drive long-term value creation.

I. Culture and Strategy Alignment

Guided by its vision of "creating high-quality and affluent living communities for the general public and collectively creating a new and better living environment with cities and regions", the Group has forged a corporate culture rooted in it with "artisan dedication" and anchored by the core values of "Ethics, Thoughtfulness, and Integrity".

"Ethics" drives us to focus on products and services, achieving a balance of efficiency, quality, and cost to ensure long-term operational goals.

"Thoughtfulness" propels us to proactively innovate, adapt to market changes, and support sustained business growth.

Corporate Culture (continued)

I. Culture and Strategy Alignment (continued)

"Integrity" requires us to act with honesty, accountability, professionalism, and dedication, seeking optimal solutions for all actions. This forms the cornerstone of our compliance operation and risk management.

This culture ensures that behaviors, from organizational to individual levels, align with the Group's long-term strategy of becoming the "Eco-friendly and People-oriented Property Leader".

II. Communication and Internalization of Culture

To ensure the culture is understood and practiced, we practice:

1. Leadership Advocacy: Senior management consistently articulates the cultural essence during strategic communications.

2. Institutional Integration: We embed core values into systems like the Employee Code of Conduct.

3. Systematic Training: We deepen understanding through the "Craftsmanship Launch" onboarding program, management workshops, and company-wide case studies.

4. Internal/external Communication: We disseminate cultural stories on internal platforms and convey values externally through brand activities.

III. Implementation and Resource Support of Culture

We allocate key resources to embed our culture:

1. Talent Management: Prioritize cultural alignment in hiring and promotions.

2. Incentive Mechanisms: Integrate "Ethics, Thoughtfulness, and Integrity" into performance evaluations, linking them to bonuses and compensation.

3. Development Support: Provide clear career development paths and training resources for employees who practice our culture.

IV. Assessment and Monitoring of Culture

We measure cultural effectiveness through:

1. Annual Surveys: Conduct anonymous company-wide surveys on cultural alignment and engagement, with the results for improvement.

2. Business Integration: Review cultural behavior implementation during project audits and performance management.

3. Performance Correlation: Track cultural influence on key metrics including customer satisfaction, product quality, operational efficiency, innovation contributions, and core employee retention rates.

4. Oversight of the Board: The Board regularly reviews cultural assessment reports and related performance analyses to ensure cultural development aligns with strategic objectives.

Risk Management and Internal Control

The Board is responsible for the risk management and internal control system and has the responsibility to review the effectiveness of the system. The Group's risk management and internal control system includes a clear organisational structure, defined lines of responsibility and segregation. The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to take in achieving the strategic objectives, also monitors the establishment and maintenances of appropriate and effective risk management and internal control system. The management is responsible for designing and maintaining an effective risk management and internal control system as well as providing confirmations to the Board on the effectiveness of the system. Such risk management and internal control system is designed to manage rather than eliminate the risk of failure in achieving business objectives, and it can only provide reasonable but not absolute assurance that there will be no material misstatements or losses.

Risk Management

1. **Establishment of a risk management system structure:**

   The Group established the risk management system structure at the group level in previous years to determine the risk management procedures and facilitate the enhancement of internal risk management culture, which would sustain year after year according to the strategies of the Company. During the year, the Company continued to improve the risk management system structure to guide the group risk assessment work and ongoing risk monitoring activities through the following measures based on the work accomplished in previous years:

   ✓ **Reaffirm the risk management organisational structure and continue advocating:** The Group has reaffirmed a risk management organisational structure and divided the risk management responsibilities, setting out clear responsibilities of the management and respective department on risk management and the risk information reporting line and frequency. The major features of the risk management organisational structure include clear segregation of responsibilities and specific communication mechanism. The following table illustrates the roles of respective party in the risk management organisation structure:

Role	Major Responsibility
The Board (the highest decision-making party of the risk management)	■ Evaluate and determine the nature and acceptable extent of risks to ensure that the strategic objectives can be achieved ■ Ensure the establishment and maintenance of the effective risk management and internal control system ■ Supervise the management in the designing, implementing and monitoring of the risk management and internal control system

Risk Management and Internal Control (continued)

Risk Management (continued)

1. Establishment of a risk management system structure: (continued)

✓ **Reaffirm the risk management organisational structure and continue advocating: (continued)**

Role	Major Responsibility
The Audit Committee (the highest decision-making party of the risk management)	■ Consider and formulate the risk management framework; identify, analyse, evaluate and determine the risks faced by the Group; systematically organise, mitigate and monitor risks to identify and handle the risks faced by the Group, including but not limited to strategic, financial, operational, legal and regulatory risks
	■ Review and assess the effectiveness of the Group's risk management framework (including the risk management plan, risk management system and the internal audit function in relation to risk management)
	■ Constantly monitor the scope of risk management system and the other providers of assurance
	■ Monitor the frequency of the occurrence of material control default or discovery of material control weakness, and the extent to which they have resulted in unforeseen and emergent outcomes or contingencies that have had, may have or may in the future have, a material impact on the Company's financial performance or condition
	■ Report any significant risk management issues to the Board and suggest solutions
Senior Management (the risk management work leading team)	■ Review policies and mechanism related to risk management of the Group on a regular basis
	■ Supervise the implementation of risk management within the Group, review the evaluation report on risk management work and risk management assessment report regularly
	■ Provide risk management advice for significant decision and review targeted measures proposed by the execution party of the risk management
	■ Responsible for reporting and disclosing significant risk information to the Audit Committee

Risk Management and Internal Control (continued)

Risk Management (continued)

1. Establishment of a risk management system structure: (continued)

✓ **Reaffirm the risk management organisational structure and continue advocating: (continued)**

Role	Major Responsibility
Company Secretarial Department	■ Concurrently follow the disposal of significant risk emergencies, prepare a conclusion report and report to the Audit Committee ■ Deal with other affairs associated with risk management as authorised by the Board or the Audit Committee
Internal Audit Centre	■ Coordinate the commencement of risk identification and assessment work ■ Act as the risk management supervisory body, responsible for overseeing risk management work performed by the Group and the branches in different cities ■ Organise the preparation of regular risk assessment reports and present summary reports to the risk management work leading team ■ Organise and coordinate risk management trainings and guidance
The Group's headquarters/ Management of departments and respective branches in different cities (the execution party of the risk management work)	■ Update the risk exposure list of operations on a regular basis, and conduct relevant works such as risk identification and evaluation ■ Formulate and implement risk response plan for operations ■ Monitor and control various risk exposures in operations, and report risk information to the risk management coordinator and the risk management work leading team in a timely manner

Risk Management and Internal Control (continued)

Risk Management (continued)

1. Establishment of a risk management system structure: (continued)

- ✓ **Update the risk assessment criteria:** During the year, based on changes in the internal and external environment, the risk assessment criteria applicable to the Company have been updated according to the nature, characteristics of business and strategic objectives of the Group and respective business segments and the risk appetite of the management. The risks that are most likely to affect the achievement of the objectives have been assessed using commonly recognised assessment methods and assessment criteria. Risks assessed during the year include, but are not limited to, strategic, operational, market, legal, financial, and environmental, social and governance-related risks.

- ✓ **Determine and regulate the workflow for risk management work:** The risk management procedures (please refer to Figure 1: Risk Management Procedures), with major steps including identification, assessment, investigation and response, supervision and improvement have been established, so as to systematically manage, mitigate and control risk exposures. By mainly considering the operating goals of the Group and different business segments, the Group identifies risk factors affecting the achievement of such operating goals and evaluates possibilities and potential impacts of each specific risk, adopts specific measures in response to risk exposures identified, and constantly supervises and evaluates changes in risk exposure and adjusts the response measures in a timely manner.

Figure 1: Risk Management Procedures

- ✓ **Determine the frequency of risk management review:** The frequency of evaluation and report on risk management of the Group is determined (at least once every year). The aforesaid key elements standardised the format and frequency of reporting through the Risk Management Manual of JY Grandmark Group.

Risk Management and Internal Control (continued)

Risk Management (continued)

2. Risk evaluation conducted by the Group in 2025

During the year under review, the Group's management continued to deepen its risk management efforts and updated the risk assessment criteria for the year based on the underlying principle of "maintaining robust operation and seeking survival through stability" and taking into consideration the external market environment, changes in the internal business environment, business development and risk appetite of the Company, keeping in view the risks and opportunities brought to the Group by macro-control measures of the industry. During the year, the management also adopted a systematic approach to evaluate the nature and extent of other significant risks faced by the Group, as well as updated the assessment and conducted an analysis on the existing control over the top ten risks for 2025. The management has also identified the department that is responsible for addressing the risks, measures to be adopted and the solution for improvement, and has reported the assessment result and implementation of control measures to the Audit Committee. The Audit Committee reviewed and assessed the changes in the nature and extent of significant risks on behalf of the Board, and completed the review of the risk management system and considered the risk management system effective and sufficient.

Internal Audit

JY Grandmark has internal audit functions in place with unrestricted access to corporate information, directors and employees, and report directly to the Audit Committee of the Group on a regular basis. For the year ended 31 December 2025, the internal audit functions have formulated an audit plan that focuses on areas with higher risks. The management has formulated remedial plans for loopholes and inadequacies identified during the internal audit, and the internal audit functions have made regular follow-ups to ensure timely implementation of the remedial measures. The internal audit functions have reported and updated the reviewed results to the Audit Committee.

Anti-corruption Mechanism

JY Grandmark has formulated and implemented the "Anti-corruption System of JY Grandmark", clarifying, inter alia, the standards for identifying anti-corruption violations, penalties for anti-corruption violations, procedures of anti-corruption supervision and administration, management and control over high risk areas of anti-corruption, and incentive measures for anti-corruption work. Anti-corruption whistleblower channels have been released to facilitate employees and other stakeholders with whom we have dealings (such as customers or suppliers) to raise their concerns with the Audit Committee on an anonymous basis about any possible improprieties related to the Company. Meanwhile, the Group continued to promote the culture of integrity through carrying out publicity programmes and training on integrity.

Summary of the Review and Effectiveness on Risk Management and Internal Control Systems

The Board conducts review over the implementation of the risk management and internal control systems over the preceding year annually. During the year under review, the Board conducted a comprehensive review over the effectiveness of the risk management and internal control system of the Group through the Audit Committee. The scope of the review covered the Group and the major business segments, primarily focusing on review of controls over all major aspects, including financial control, operating control and compliance control. Accordingly, the Board is of the view that the Group has complied with the provisions on risk management and internal control as stipulated in the CG Code and considers the risk management and internal control system effective and adequate.

The Audit Committee has reviewed the resources, staff qualifications and experience of the Group as required for accounting, financial reporting and internal audit functions as well as its staff training programs and budget and confirmed the adequacy of the same.

Independent Auditor's Report

To the Shareholders of
JY Grandmark Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of JY Grandmark Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 75 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group as to whether they give a true and fair view in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") because of the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on the consolidated financial statements of the Group as described in the Basis for Disclaimer of Opinion section of our report. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple Uncertainties Related to Going Concern

We draw attention to note 2 to the consolidated financial statements, which states that the Group incurred a net loss of approximately Renminbi ("**RMB**") 527 million for the year ended 31 December 2025 and, as at that date, the Group's total bank and other borrowings was approximately RMB3,448 million, of which the Group's bank and other borrowings amounted to approximately RMB3,411 million were repayable within twelve months from the end of the reporting period, while its cash and cash equivalents and restricted cash amounted to approximately RMB72 million, in aggregate. As at 31 December 2025, certain borrowings with aggregate carrying amount of approximately RMB989 million and interest payables of approximately RMB132 million, arising from the borrowings with a total principal amount of approximately RMB1,700 million, were overdue. As a result of such default, the principal amount of borrowings of approximately RMB69 million was considered as cross-default. The aggregate principal amount of the aforesaid borrowings of approximately RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of approximately RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025 as a result of the default and cross-default.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregate principal amount of approximately RMB1,490 million. Such overdue amount also form part of the defaulted borrowings mentioned above.

Due to the continued decline of the property market in Chinese Mainland during the year ended 31 December 2025, the Group continued to underperform in the business of property development and sales. The pre-sales and sales volumes and amounts and the collection of pre-sale and sales proceeds continued to be unsatisfactory which give rise to significant pressure on the Group's liquidity.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the Chinese Mainland government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed certain construction cost payable for the projects which have been legally binded by the pre-sale agreements, and are scheduled to delivery to the customers within next twelve months from the end of the reporting period.

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

Multiple Uncertainties Related to Going Concern (continued)

These events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the consolidated financial position of the Group, and to remediate the overdue loan repayments, which are set out in note 2 to the consolidated financial statements. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or cross-default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance with the terms and conditions of the bank and other borrowings and, where applicable, successful negotiations with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under development and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that the restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above-mentioned plans and measures and continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed a disclaimer of opinion on those statements on 26 March 2025.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing as 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 the Group's 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.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

Lo Ka Ki
Audit Engagement Director
Practising Certificate Number: P06633
24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

31 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	**559,115**	3,426,674
Cost of sales		**(521,795)**	(2,926,185)
Gross profit before net provision for completed properties held for sale and properties under development		**37,320**	500,489
Net provision for completed properties held for sale and properties under development		**(163,710)**	(154,516)
Gross (loss)/profit after net provision for completed properties held for sale and properties under development		**(126,390)**	345,973
Selling and marketing expenses		**(36,040)**	(135,297)
Administrative expenses		**(71,701)**	(96,270)
Loss allowance for financial instruments		**(99,620)**	(95,588)
Other income	8	**822**	590
Other losses, net	9	**(28,238)**	(42,991)
Operating loss		**(361,167)**	(23,583)
Finance income	10	**245**	1,213
Finance costs	10	**(134,332)**	(32,948)
Finance costs, net		**(134,087)**	(31,735)
Share of results of associates	21	**(14)**	94
		(134,101)	(31,641)
Loss before income tax	11	**(495,268)**	(55,224)
Income tax expenses	12	**(31,492)**	(77,351)
Loss for the year		**(526,760)**	(132,575)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences		**54,982**	(38,358)
Total comprehensive expense for the year		**(471,778)**	(170,933)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(408,897)**	(344,100)
Non-controlling interests		**(117,863)**	211,525
		(526,760)	(132,575)
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(353,915)**	(382,458)
Non-controlling interests		**(117,863)**	211,525
		(471,778)	(170,933)
Loss per share (expressed in RMB)			
– Basic and diluted	15	**(0.25)**	(0.21)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	*17*	**169,314**	216,419
Right-of-use assets	*18*	**75,523**	84,612
Investment properties	*19*	**30,100**	50,200
Intangible assets	*20*	**786**	1,964
Interests in associates	*21*	**585**	739
Interest in a joint venture	*22*	**–**	–
Other receivables	*25*	**5,437**	11,306
Deferred income tax assets	*34*	**260,323**	230,467
		542,068	595,707
Current assets			
Inventories	*26*	**1,029**	515
Contract costs	*7(c)(i)*	**62,950**	64,633
Properties under development	*23*	**2,704,461**	2,805,918
Completed properties held for sale	*24*	**1,839,734**	2,178,066
Trade and other receivables and prepayments	*25*	**778,211**	961,806
Prepaid taxes		**212,650**	199,114
Restricted cash	*27(a)*	**51,646**	133,757
Cash and cash equivalents	*27(b)*	**20,671**	21,175
		5,671,352	6,364,984
Asset classified as held for sale	*28*	**–**	6,049
		5,671,352	6,371,033
Total assets		**6,213,420**	6,966,740

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CAPITAL AND RESERVES			
Share capital	*29*	**14,746**	14,746
Other reserves	*30*	**1,233,639**	1,171,954
Accumulated losses		**(1,916,532)**	(1,500,144)
Equity attributable to owners of the Company		**(668,147)**	(313,444)
Non-controlling interests		**1,310,938**	1,428,801
Total equity		**642,791**	1,115,357
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	*32*	**37,058**	580,000
Lease liabilities	*33*	**56,734**	63,704
Deferred income tax liabilities	*34*	**336,265**	294,883
		430,057	938,587
Current liabilities			
Trade and other payables	*31*	**1,137,779**	1,448,333
Bank and other borrowings	*32*	**3,411,138**	2,672,539
Contract liabilities	*7(c)(ii)*	**197,671**	419,514
Lease liabilities	*33*	**11,407**	9,677
Current income tax liabilities		**382,577**	362,733
		5,140,572	4,912,796
Total liabilities		**5,570,629**	5,851,383
Total equity and liabilities		**6,213,420**	6,966,740
Net current assets		**530,780**	1,458,237
Total assets less current liabilities		**1,072,848**	2,053,944

The consolidated financial statements on pages 75 to 176 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

SHEK Lai Him, Abraham
Director

LIU Huaxi
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company					
	Share capital RMB'000 *(Note 29)*	**Other reserves** RMB'000 *(Note 30)*	**Accumulated losses** RMB'000	**Sub-total** RMB'000	**Non-controlling interests** RMB'000	**Total** RMB'000
At 1 January 2024	14,746	1,528,541	(1,150,873)	392,414	1,163,712	1,556,126
(Loss)/profit for the year	–	–	(344,100)	(344,100)	211,525	(132,575)
Other comprehensive expense	–	(38,358)	–	(38,358)	–	(38,358)
Total comprehensive (expense)/income for the year	–	(38,358)	(344,100)	(382,458)	211,525	(170,933)
Transactions with owners						
Transfer in/(out)	–	5,171	(5,171)	–	–	–
Capital injections from non-controlling interests *(Note 40(a))*	–	–	–	–	53,564	53,564
Release of capital reserve	–	(323,400)	–	(323,400)	–	(323,400)
	–	(318,229)	(5,171)	(323,400)	53,564	(269,836)
At 31 December 2024 and 1 January 2025	14,746	1,171,954	(1,500,144)	(313,444)	1,428,801	1,115,357
Loss for the year	**–**	**–**	**(408,897)**	**(408,897)**	**(117,863)**	**(526,760)**
Other comprehensive income	**–**	**54,982**	**–**	**54,982**	**–**	**54,982**
Total comprehensive income/(expense) for the year	**–**	**54,982**	**(408,897)**	**(353,915)**	**(117,863)**	**(471,778)**
Transactions with owners						
Transfer in/(out)	**–**	**7,491**	**(7,491)**	**–**	**–**	**–**
Release of consolidated reserves upon disposal of a subsidiary	**–**	**(788)**	**–**	**(788)**	**–**	**(788)**
	–	**6,703**	**(7,491)**	**(788)**	**–**	**(788)**
At 31 December 2025	**14,746**	**1,233,639**	**(1,916,532)**	**(668,147)**	**1,310,938**	**642,791**

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Net cash generated from operations	*35(a)*	**44,433**	10,007
Income tax paid		**(10,522)**	(17,494)
Interest paid		**(12,557)**	(97,595)
Net cash generated from/(used in) operating activities		**21,354**	(105,082)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(346)**	(118)
Proceeds from disposal of property, plant and equipment		**8,605**	99,714
Proceeds from disposal of investment properties		**17,187**	43,972
Proceeds form disposal of asset classified as held for sale		**6,049**	–
Cash advanced to related parties and non-controlling interests		**(19,027)**	(41,655)
Net cash flows from disposal of a subsidiary	*40(b)*	**5,970**	–
Net cash flows from disposal of an associate	*21*	**88**	–
Interest received		**245**	1,213
Net cash from investing activities		**18,771**	103,126
Cash flows from financing activities			
Proceeds from borrowings		**100,583**	89,000
Repayments of borrowings		**(98,198)**	(229,324)
Repayments to non-controlling interests and their related parties		**(41,545)**	(17,905)
Capital injections from non-controlling shareholders		**–**	53,564
Decrease in restricted cash for securing bank borrowings		**87**	5,356
Payment for lease liabilities		**(1,485)**	(3,264)
Net cash used in financing activities		**(40,558)**	(102,573)
Net decrease in cash and cash equivalents		**(433)**	(104,529)
Effect of changes in foreign exchange rates		**(71)**	698
Cash and cash equivalents at the beginning of the reporting period		**21,175**	125,006
Cash and cash equivalents at the end of the reporting period	*27(b)*	**20,671**	21,175

1 General information

JY Grandmark Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 2 November 2018 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 shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the directors of the Company, the immediate holding company and ultimate controlling party of the Company are Sze Ming Limited, a company incorporated in the British Virgin Islands (the "**BVI**"), and The Phoenix Trust, respectively. The addresses of the registered office and the principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in property development and sales, property management, hotel operations and commercial property investment in the People's Republic of China (the "**PRC**").

These consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise all individual Hong Kong Financial Reporting Standards ("**HKFRSs**"); Hong Kong Accounting Standards ("**HKASs**"); and Interpretations ("**Ints**"). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed in note 4.

Going concern basis

For the year ended 31 December 2025, the Group incurred a net loss for the year of approximately RMB527 million, and as at 31 December 2025, the Group's total bank and other borrowings was approximately RMB3,448 million, of which the Group's bank and other borrowings amounted to approximately RMB3,411 million were repayable within twelve months from the end of the reporting period, while its cash and cash equivalents and restricted cash amounted to approximately RMB72 million, in aggregate.

As at 31 December 2025, certain borrowings with aggregate carrying amount of approximately RMB989 million and interest payables of approximately RMB132 million, arising from the borrowings with a total principal amount of approximately RMB1,700 million, were overdue (the "**Defaulted Borrowings**"). As a result of such default, the principal amount of borrowings of approximately RMB69 million were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of approximately RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of approximately RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025 as a result of the default and cross-default.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregated principal amount of approximately RMB1,490 million (the "**Subsequent Defaulted Borrowings**"). Such overdue amount also form part of the defaulted borrowings mentioned above.

Due to the continued decline of the property market in Chinese Mainland during the year ended 31 December 2025, the Group continued to underperform in the business of property development and sales. The pre-sales and sales volumes and amounts and collection of pre-sale and sales proceeds continued to be unsatisfactory which give rise to significant pressure on the Group's liquidity.

2 Basis of preparation (continued)

Going concern basis (continued)

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the Chinese Mainland government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed certain construction cost payable for the projects which have been legally binded by the pre-sale agreements, and are scheduled to delivery to the customers within next twelve months from the end of the reporting period.

All of the above events or conditions indicated the existence of multiple 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 financial 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.

The following plans and measures have been taken to mitigate the liquidity pressure, to improve its consolidated financial position:

(i) In respect of the Defaulted Borrowings and the Subsequent Defaulted Borrowings, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the Defaulted Borrowings. Out of the Defaulted Borrowings, the Group has successfully extended the repayment terms of loans with principal amount of approximately RMB131 million. The directors of the Company are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements and waiver with such lenders in due course;

(ii) The Group has maintained active communication with other relevant lenders in respect of the Defaulted Borrowings. Based on latest communication, the directors of the Company are confident to convince the relevant lenders not to exercise their rights to demand immediate repayment of these borrowings prior to their scheduled contractual repayment dates;

(iii) In January 2025, the Group successfully exchanged its senior notes with an aggregate principal amount of United States dollars ("**US$**") 159 million due on 9 January 2025 with a newly issued senior note amounted to US$174 million due on 6 January 2026 (the "**New Senior Notes**") and considered to be further exchanged in near future;

(iv) The Group will continue to actively adjust pre-sales and sales activities to better respond to market needs, and make efforts to achieve the latest budgeted pre-sales and sales volumes and amounts. The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of outstanding sales proceeds;

(v) As at 31 December 2025, the Group's restricted cash amounted to approximately RMB52 million, which mainly represented the restricted pre-sale proceeds in designated bank accounts and can be used to settle certain construction payables or project loans subject to the approval of the relevant PRC government authority. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale agreements are completed and delivered to the customers on schedule as planned, so that the Group is able to release restricted cash to meet its other financial obligations; and

2 Basis of preparation (continued)

Going concern basis (continued)

(vi) The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. In preparing the Group's cash flow projection, the directors of the Company have taken into account the above plans and measures and the major underlying assumptions of the anticipated cash flows included, among others, (i) the Group will continue to focus on the development and sale of its existing 11 property development projects; (ii) sales of existing properties under development and completed properties held for sale will be gradually realised in the initial years, followed by improved sales performance in later years as market condition recovers; (iii) construction costs, selling and marketing expenses and administrative expenses are controlled at a certain level; and (iv) no acceleration or enforcement of the Defaulted Borrowings and the Subsequent Default Borrowings occurs such that the Group is able to gradually repay the borrowings.

In the opinion of the directors of the Company, taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, multiple uncertainties exist as to whether the Group is able to achieve its plans and measures as described above and the actual outcome of the above major underlying assumptions. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross-default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance with the terms and conditions of the bank and other borrowings and, where applicable, successful negotiations with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

2 Basis of preparation (continued)

Going concern basis (continued)

Although the Group is in the process of mitigating the liquidity pressure according to the above plans and measures, the directors of the Company considered that the Group's ability to continue as a going concern are subject to the actual outcome of the above plans and measures and other external factors which are beyond the Group's control, including the pace of the domestic economic recovery and the policy environment. Should the Group be unable to achieve the above-mentioned plans and measures and continue 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.

3 Application of new and amendments to HKFRS Accounting Standards

(a) Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025, for the preparation of these consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The application of above amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and amendments to HKFRS Accounting Standards and the Int that have been issued but are not yet effective for the financial year beginning on 1 January 2025.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Int 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

3 Application of new and amendments to HKFRS Accounting Standards (continued)

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

The directors of the Company anticipate that, except as described below, the application of other amendments to HKFRS Accounting Standards and the Int will not have material impact on these consolidated financial statements in the foreseeable future.

HKFRS 18 – *Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose consolidated financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit/(loss) subtotal. Entities' net profit/(loss) will not change.

- Management-defined performance measures (the "**MPMs**") are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit/(loss) subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's consolidated statement of comprehensive income, consolidated statement of cash flows and additional disclosures required for the MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/(losses)) into the new categories, namely investing and financing categories.

- The Group disclosed certain MPMs and adjusted earnings before interest, taxes, depreciation, and amortisation in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.

- The consolidated statement of cash flows will also be impacted, as the operating profit/(loss) subtotal will be the required starting point for the indirect method.

4 Material accounting policy information

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the material accounting policies below (e.g. investment properties). The preparation of these consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 5.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

4.1 Subsidiaries

4.1.1 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.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

4 Material accounting policy information (continued)

4.1 Subsidiaries (continued)

4.1.1 Consolidation (continued)

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to accumulated losses as specified by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.1.2 Separate financial statements

Investment in subsidiaries is accounted for at cost less accumulated impairment losses. Cost 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 a dividend 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.

4 Material accounting policy information (continued)

4.2 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 after initially being recognised at cost. 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. The Group's interests in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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 the 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 interests. 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.

The Group determines at the end of each reporting period whether there is any objective evidence that the interest 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 in the consolidated statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated 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. Gains or losses on dilution of equity interest in associates are recognised in profit or loss.

4 Material accounting policy information (continued)

4.3 Joint arrangements

Interests in joint arrangements are classified as either joint operations or joint ventures. The classification depend on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. 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. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in joint ventures, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in joint ventures 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 the end of each reporting period whether there is any objective evidence that the interests 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 recognise the amount in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest 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.

4 Material accounting policy information (continued)

4.4 Segment reporting

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

4.5 Foreign currency translation

(a) 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 functional currency of the Company is Hong Kong dollars ("**HK$**") while the functional currency of the subsidiary of the Company established in the PRC is RMB. For the purpose of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency as to better reflect the financial results and performance of the main operation of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates 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 of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss, within "Finance costs, net". All other foreign exchange gains and losses are presented in profit or loss on a net basis within "Other losses, net".

Translation differences on non-monetary financial assets and liabilities are recognised in profit or loss as part of the fair value gain or loss.

4 Material accounting policy information (continued)

4.5 Foreign currency translation (continued)

(c) Group companies

The results and financial positions of foreign operations (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 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 statement of comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions); and

all resulting exchange differences are recognised in other comprehensive income.

4.6 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and any impairment loss. 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 year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Buildings	20-70 years
Vehicles and machinery	3-5 years
Others	3-10 years

Buildings mainly comprise office buildings and hotel buildings.

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

4 Material accounting policy information (continued)

4.6 Property, plant and equipment (continued)

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "other losses, net" in profit or loss.

4.7 Intangible assets

Intangible assets mainly comprised computer software, which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 to 5 years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

4.8 Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Land held under leases are accounted for as investment properties when the rest of the definition of an investment property is met. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value, representing open market value determined at each consolidated statement of financial position date by external valuer. Property that is being constructed or developed for future use as investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flows projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

4 Material accounting policy information (continued)

4.8 Investment properties (continued)

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

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

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including lease liabilities in respect of land, if any, classified as investment property; others, including contingent rent payments, are not recognised in the consolidated financial statements.

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

Changes in fair values of investment property are recognised as "other losses, net" in the consolidated statement of comprehensive income.

4 Material accounting policy information (continued)

4.9 Impairment of non-financial assets

Non-financial assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

4.10 Inventories

Inventories mainly comprise hotel goods, which are stated at the lower of cost and net realisable value. Cost is determined using the weighted average costs method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.11 Properties under development and completed properties held for sale

4.11.1 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 mainly comprises cost of land use rights, construction costs, 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.

If a property under development becomes owner-occupied, it is reclassified as property, plant and equipment. A property under development for future use as investment property is classified as investment property under construction when there is evidence of commencement of an operating lease to another party.

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.

4.11.2 Completed properties held for sale

Completed properties remaining unsold at reporting period 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.

Write-down of properties under development and completed properties held for sale to net realisable value are recorded as "Net provision for completed properties held for sale and properties under development" in the consolidated statement of comprehensive income.

4 Material accounting policy information (continued)

4.12 Financial assets

4.12.1 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, 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 other comprehensive income. 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 fair value through other comprehensive income.

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

4.12.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.12.3 Measurement

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

4 Material accounting policy information (continued)

4.12 Investments and other financial assets (continued)

4.12.3 Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two 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 the consolidated statement of comprehensive income 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 profit or loss: Assets that do not meet the criteria for amortised cost is measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of comprehensive income within "Other losses, net" in the period in which it arises.

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 other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of comprehensive income. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in "Other losses, net" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

4 Material accounting policy information (continued)

4.13 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables, cash and cash equivalents (excluding cash on hand) and restricted cash are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

4.14 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

4 Material accounting policy information (continued)

4.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition. Non-current assets are not depreciated or amortised while they are classified as held for sale.

4.16 Trade and other receivables

Trade receivables are amounts due from customers 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 if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other 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 and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 25 for further information about the Group's accounting for trade and other receivables and Note 6.1 for a description of the Group's impairment policies.

4.17 Contract assets and liabilities and costs for obtaining contracts

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. 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 assets if the measure of the remaining conditional rights to consideration exceeds the satisfied 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 customer within contract costs if the Group expects to recover these costs.

4 Material accounting policy information (continued)

4.18 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits which are restricted to use are included in "Restricted cash". Restricted cash is excluded from cash and cash equivalents in the consolidated statement of cash flows.

4.19 Share capital

Ordinary shares are classified as equity.

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

4.20 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payable are presented 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.

4.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried 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 derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

4 Material accounting policy information (continued)

4.22 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.

Other borrowing costs are expensed 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 an adjustment to interest costs include the interest rate differential 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 on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

4.23 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Group's entities 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.

4 Material accounting policy information (continued)

4.23 Current and deferred income tax (continued)

(b) Deferred income tax

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

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income 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 statement of financial position date 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 only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred income tax liabilities and deferred income tax assets for such investment properties are measured in accordance with the general principles. The directors of the Company reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in investment properties over time, rather than through sale. Therefore, the directors of the Company have determined that the "sale" presumption set out in the amendments to HKAS 12 is rebutted.

4 Material accounting policy information (continued)

4.23 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary 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 and joint ventures. 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 income 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 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.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income 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.

4 Material accounting policy information (continued)

4.24 Employee benefits

(a) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

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

(b) Housing funds, medical insurances and other social insurances

PRC employees of the Group are entitled to participate in various government supervised housing funds, medical insurance and other social insurance plan. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(c) Employee leave entitlements

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

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

(d) Mandatory Provident Fund Scheme (the "MPF Scheme")

The Group has arranged for its Hong Kong employees to join the MPF, a defined contribution scheme managed by independent trustee. Under the MPF Scheme, the group companies in Hong Kong (the employer) and its employee make monthly contributions to the scheme at certain percentage of the employee's earnings as defined under the Mandatory Provident Fund Legislation.

4.25 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.

4 Material accounting policy information (continued)

4.25 Provisions and contingent liabilities (continued)

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.

4.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties in the PRC and 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 specific criteria have been met for each of the Group's activities, as described below.

(a) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the customer. 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 customer; or
- creates and enhances an asset that the customer 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 customer obtains control of the asset.

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 property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the customer 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.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and subsequently amortised when the related revenue is recognised.

4 Material accounting policy information (continued)

4.26 Revenue recognition (continued)

(b) Hotel operations

Revenue from hotel operations is recognised over time in the accounting period in which the services are rendered.

(c) Rental income

Rental income is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

(d) Property management

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

4.27 Leases

The Group leases various land and buildings. Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

4 Material accounting policy information (continued)

4.27 Leases (continued)

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;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee 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.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the 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.

4 Material accounting policy information (continued)

4.27 Leases (continued)

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 incentive received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term 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.

(a) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable upon fulfilment of certain notice period. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise such options. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4 Material accounting policy information (continued)

4.28 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

4.29 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.

4.30 Interest income

Interest income from financial assets at fair value through profit or loss is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

5 Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the proposed plans and measures to improve the Group's liquidity and consolidated financial position, as set forth in note 2.

(b) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Deferred taxation on investment properties

For the purposes of measuring deferred income tax liabilities or deferred income tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised the deferred taxes on changes in fair value of investment properties assuming that the Group consume substantially all of the economic benefits embodied in the investment properties over time through use.

Key sources of estimation uncertainty

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

5 Critical accounting estimates and judgements (continued)

(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 value 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 (including land costs). 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. Based on management's best estimates, the provision for properties under development and completed properties held for sale are disclosed in Notes 23 and 24.

(b) Fair value of investment properties

The Group assesses the fair value of its investment properties based on assessments determined by an independent and professional qualified valuer.

The best evidence of fair value of investment properties is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) discounted cash flows projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The fair value losses from investment properties are disclosed in Note 19.

(c) Income taxes and deferred taxation

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. 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 tax provision in the year 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. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax expenses or other comprehensive income in the periods in which such estimate is changed.

5 Critical accounting estimates and judgements (continued)

(d) PRC Land Appreciation Tax ("LAT")

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures.

The Group is subject to LAT in the PRC. However, the implementation and settlement of LAT varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its LAT calculation and payments with local tax authorities in the PRC for most of its properties projects. Accordingly, judgement is required in determining the amount of the land appreciation taxes. The Group recognised LAT based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authorities.

(e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 6.

(f) Impairment of non-financial assets

The Group's non-financial assets (including property, plant and equipment, right-of-use assets, intangible assets and prepayments) are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has exercised judgements and estimates, particularly in assessing (1) whether an event has occurred or any indicators of possible impairment that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate pre-tax discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Changing the assumptions and estimates, including the revenue growth rate and discount rates in the cash flow projections, could materially affect the net present value used in the impairment test and the recoverable amount based on value in use.

No impairment loss on property, plant and equipment, right-of-use assets, intangible assets and prepayment has been recognised during the years ended 31 December 2025 and 2024.

6 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risks), 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.

6.1 Financial risk factors

6.1.1 Market risk

(a) Foreign exchange risk

The Group's businesses are principally conducted in RMB. The monetary assets and liabilities of the Group's subsidiaries in the PRC are mainly denominated in RMB and the foreign exchange risk is immaterial. The non-PRC subsidiaries' functional currency is HK$. As at 31 December 2025 and 2024, major non-HK$ assets and liabilities of the non-PRC subsidiaries are cash and cash equivalents, restricted cash, other receivables, borrowings and other payables, which are mainly denominated in US$. Since HK$ is pegged with US$, the exposure of foreign exchange risk is minimal and hence, no sensitivity analysis is presented.

The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.1 Market risk (continued)

(b) Cash flow and fair value interest rate risks

The Group's main interest rate risks arise from restricted cash, bank balances, lease liabilities and bank and other borrowings. Borrowings obtained at fixed rates and lease liabilities expose the Group to fair value interest rate risk. Borrowings obtained at floating rates, restricted cash and bank balances expose the Group to cash flow interest rate risk. During the years ended 31 December 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in RMB and HK$.

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arises.

As at 31 December 2025, bank and other borrowings of the Group bearing floating interest rates amounted to approximately RMB1,699,706,000 (2024: RMB1,619,600,000).

The table below summarises the impact of changes in interest rate as at 31 December 2025 and 2024 with all other variables held at constant on the Group's loss before income tax without taking into account interest capitalisation. For analysis purpose, only bank and other borrowings are considered in the sensitivity analysis.

	(Increase)/decrease in loss before income tax for the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest rate of bank and other borrowings at variable rates – increase by 0.5% (2024: 0.5%)	**(8,499)**	(8,098)
Interest rate of bank and other borrowings at variable rates – decrease by 0.5% (2024: 0.5%)	**8,499**	8,098

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk

The Group has no concentrations on credit risk. The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents (excluding cash on hand), restricted cash, trade receivables, deposits and other receivables and financial guarantees shown in the consolidated statement of financial position.

Deposits are only placed with reputable banks with high credit quality institutions. Therefore, the credit risk from restricted cash and cash at bank is minimal.

For the trade receivables arising from sales of properties, the Group closely monitors repayment progress of the customers in accordance with the terms as specified in the enforceable contracts. The Group has set up policies to ensure follow-up action is taken to recover overdue debts. The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 50% to 70% of the total purchase price of the properties. If a purchaser 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 property sales proceeds received from the customers and sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is minimal. Detailed disclosure of these guarantees is made in Note 37. The Group managed the credit risk by fully receiving cash or properly arranging the purchasers' mortgage loans financing procedures before delivery of properties unless strong credit records of the customers could be established. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

For other receivables, the Group assessed the credit quality of the counter parties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables, follows up the disputes or amounts overdue, if any, and ensures that adequate loss allowances are made for these receivables.

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

The Group considers the probability of default upon initial recognition of 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. Especially 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
- 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

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

(a) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties and related parties.

To measure the expected credit losses of trade receivables, trade receivables, except for trade receivables with significant increase in credit risk or credit-impaired, have been grouped based on shared credit risk characteristics and the days of initial recognition. The expected credit losses also incorporate forward-looking information.

Trade receivables with significant increase in credit risk or credit-impaired are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of significant increase in credit risk or credit impairment include, amongst others, the failure of a debtor engage in a repayment plan with the Group, and a failure to make contractual payments. Trade receivables that have not had a significant increase in credit risk since initial recognition or that have low credit risk are assessed on a collective basis based on shared credit risk characteristics.

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(a) *Trade receivables (continued)*

The carrying amount and loss allowance provision for trade receivables are categorised as follows for assessment purpose:

Individual: Trade receivables with significant increase in credit risk or credit-impaired

Collective: Other trade receivables

	2025		2024	
	Gross earning amount RMB'000	Loss allowance RMB'000	Gross earning amount RMB'000	Loss allowance RMB'000
Individual:				
– Trade receivables with significant increase in credit risk or credit-impaired	**19,025**	**19,025**	21,473	21,473
Collective:				
– Other trade receivables	**23,914**	**1,384**	19,502	800
	42,939	**20,409**	40,975	22,273

	2025 RMB'000	2024 RMB'000
At 1 January	**22,273**	13,357
(Reversal of)/loss allowance recognised in profit or loss	**(1,864)**	8,916
At 31 December	**20,409**	22,273

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(b) Deposits and other receivables

Other financial assets at amortised cost include deposits and other receivables from third parties and related parties.

For deposits and other receivables, the Group assessed the credit quality of the counter parties by taking into account their financial position, credit history and other factors. The deposits and other receivables are mainly due from minority interests and related parties, deposits for acquisition of the land use rights and property development projects and others. Management also regularly reviews the recoverability of these receivables, follows up the disputes or amounts overdue, if any, and ensures that adequate loss allowances are made for these receivables. As at 31 December 2025, the Group recognised a loss allowance of approximately RMB242,004,000 (2024: RMB151,083,000) for these receivables.

The Group uses three categories for other receivables which reflect their risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected credit losses (non-credit impaired)
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected credit losses (credit impaired)

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(b) Deposits and other receivables (continued)

As at 31 December 2025 and 2024, the loss allowance was determined as follows for other receivables:

	Other receivables from non-controlling interests RMB'000	Other receivables from related parties RMB'000	Other receivables from third parties RMB'000	Total RMB'000
At 31 December 2025				
Stage one				
Carry amount of other receivables	21,762	–	96,632	118,394
Expected credit loss rate	22.76%	–	5.81%	8.93%
Loss allowance	(4,954)	–	(5,616)	(10,570)
Other receivables, net	16,808	–	91,016	107,824
Stage two				
Carry amount of other receivables	108,116	5,427	196,250	309,793
Expected credit loss rate	35.08%	48.66%	18.92%	25.08%
Loss allowance	(37,931)	(2,641)	(37,137)	(77,709)
Other receivables, net	70,185	2,786	159,113	232,084
Stage three				
Carry amount of other receivables	214,728	48,833	32,756	296,317
Expected credit loss rate	41.16%	82.77%	76.09%	51.88%
Loss allowance	(88,384)	(40,418)	(24,923)	(153,725)
Other receivables, net	126,344	8,415	7,833	142,592

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(b) Deposits and other receivables (continued)

	Other receivables from non-controlling interests RMB'000	Other receivables from related parties RMB'000	Other receivables from third parties RMB'000	Total RMB'000
At 31 December 2024				
Stage one				
Carry amount of other receivables	–	–	434,383	434,383
Expected credit loss rate	–	–	1.63%	1.63%
Loss allowance	–	–	(7,062)	(7,062)
Other receivables, net	–	–	427,321	427,321
Stage two				
Carry amount of other receivables	133,549	4,317	4,003	141,869
Expected credit loss rate	9.48%	35.60%	22.01%	10.63%
Loss allowance	(12,658)	(1,537)	(881)	(15,076)
Other receivables, net	120,891	2,780	3,122	126,793
Stage three				
Carry amount of other receivables	190,030	51,943	9,344	251,317
Expected credit loss rate	35.60%	100%	100%	51.31%
Loss allowance	(67,658)	(51,943)	(9,344)	(128,945)
Other receivables, net	122,372	–	–	122,372

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(b) Deposits and other receivables (continued)

The movement of the loss allowance for other receivables for the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	**151,083**	67,688
Loss allowance recognised in profit or loss	**90,921**	83,395
At 31 December	**242,004**	151,083

As at 31 December 2025 and 2024, the maximum exposure to loss of trade and other receivables were the carrying amounts.

(c) Financial guarantee

As at 31 December 2025 and 2024, the loss allowance on financial guarantees was determined as follows.

	2025		2024	
	Gross carrying amount RMB'000	**Loss allowance RMB'000**	Gross carrying amount RMB'000	Loss allowance RMB'000
Individual:				
– Financial guarantee for a joint venture with credit risk exposure	**349,248**	**35,859**	344,683	25,296

	2025 RMB'000	2024 RMB'000
At 1 January	**25,296**	22,019
Loss allowance recognised in profit or loss	**10,563**	3,277
At 31 December	**35,859**	25,296

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.2 Credit risk (continued)

(d) *Credit risk on other financial assets other than trade receivables, other receivables and financial guarantee*

The Group expects that there is no significant credit risk associated with cash and cash equivalents (excluding cash on hand) and restricted cash, management does not expect that there will be any significant losses from non-performance by these counterparties.

6.1.3 Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through contract liabilities and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders and related parties. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and through having available sources of financing.

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. These include reducing land acquisition, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing and seeking joint venture partners to develop projects. The Group will pursue such options basing on its assessment of relevant future costs and benefits. The directors of the Company consider that the Group will be able to maintain sufficient financial resources to meet its operation needs. Details are set out in note 2.

The table below sets out the Group's financial liabilities by relevant maturity grouping at the end of each reporting period. The Group's bank and other borrowings maturing within one year include principal and interest that accrue until either their repayment date or at 31 December 2025. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
At 31 December 2025					
Bank and other borrowings	3,702,252	39,470	–	–	3,741,722
Trade and other payables, excluding salaries payable, other taxes payable, provision of legal cases and financial guarantees to the joint venture	919,494	–	–	–	919,494
Lease liabilities	14,202	3,462	10,552	119,551	147,767
	4,635,948	42,932	10,552	119,551	4,808,983
Guarantees	1,675,464	–	–	–	1,675,464

6 Financial risk management (continued)

6.1 Financial risk factors (continued)

6.1.3 Liquidity risk (continued)

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
At 31 December 2024					
Bank and other borrowings	2,777,800	607,491	–	–	3,385,291
Trade and other payables, excluding salaries payable, other taxes payable, provision of legal cases and financial guarantees to the joint venture	1,291,276	–	–	–	1,291,276
Lease liabilities	19,889	4,098	9,718	122,451	156,156
	4,088,965	611,589	9,718	122,451	4,832,723
Guarantees	1,926,918	–	–	–	1,826,918

The Group also provides guarantees to secure repayment obligations of certain purchasers of the Group's property units and related parties, which will have contractual cash flows only if the guaranteed purchasers and/or the related parties default on the repayment (note 37).

The long-term borrowings with a repayment on demand clause are included in the earliest time band of the above table regardless of the probability of the banks choosing to exercise their rights.

The amounts included above for financial guarantee contracts are the maximum amounts the Group were required to settle under the arrangement for the full guaranteed amount if that amount was claimed by the counterparties to the guarantee. Based on expectations at the end of the reporting period, the directors of the Company consider that it is more likely than amount of approximately RMB10,563,000 (2024: RMB3,277,000) will be payable under the arrangements and recognised under the trade and other payables (note 31(d)). However, this estimate is subject to changes depending on the probability of the counterparties claiming under the guarantee.

Bank and other borrowings with a repayment on demand clause or in default are included in the "within 1 year or on demand" time band in the above maturity analysis.

6 Financial risk management (continued)

6.2 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 the owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The Group monitors capital on the basis of the net gearing ratio. Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as of the end of the respective year.

	2025	2024
	RMB'000	RMB'000
Total borrowings	**3,448,196**	3,252,539
Less: cash and cash equivalents	**(20,671)**	(21,175)
restricted cash	**(51,646)**	(133,757)
Net debts	**3,375,879**	3,097,607
Total equity	**642,791**	1,115,357
Net gearing ratio	**525.2%**	277.7%

Increase in net gearing ratio as at 31 December 2025 was mainly due to the increase in borrowings and decrease in total equity.

The externally imposed capital requirements of the Group are: (i) in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group has not breached any non-maintenance of public float as above-mentioned during the years ended 31 December 2025 and 2024.

The Group has breached certain financial covenants of the bank and other borrowings due to default on repayment as at 31 December 2025 and 2024. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. Details are set out in note 32.

6 Financial risk management (continued)

6.3 Financial instruments by category

	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	**505,030**	695,188
Restricted cash	**51,646**	133,757
Cash and cash equivalents	**20,671**	21,175
Total	**577,347**	850,120

	2025 RMB'000	2024 RMB'000
Financial liabilities at amortised cost		
Bank and other borrowings	**3,448,196**	3,252,539
Lease liabilities	**68,141**	73,381
Trade and other payables (excluding salaries payable and other taxes payable)	**919,494**	1,291,276
Financial guarantees for a joint venture, included in trade and other payables	**10,563**	3,277
Total	**4,446,394**	4,620,473

6.4 Fair value of financial instruments that are not measured at fair value on a recurring basis

The director of the Company considered that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are not materially differ from their fair value.

7 Revenue and segment information

(a) Description of segments and principal activities

The executive directors of the Company, as the CODM, review the Group's internal reporting in order to assess performance and allocate resources. Management of the Group has determined the operating segments based on these reports.

The Group is organised into four business segments: property development and sales, commercial property investment, hotel operations and property management.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC, and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

7 Revenue and segment information (continued)

(b) Segment performance

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2025 and 2024 are as follows:

	Property development and sales RMB'000	Commercial property investment RMB'000	Hotel operations RMB'000	Property management RMB'000	Total RMB'000
Year ended 31 December 2025					
Revenue from contracts with customers within the scope of HKFRS 15					
Recognised at a point in time	478,358	–	–	–	478,358
Recognised over time	–	–	30,692	49,426	80,118
	478,358	–	30,692	49,426	558,476
Revenue from other sources – rental income	–	4,658	–	–	4,658
Segment revenue	478,358	4,658	30,692	49,426	563,134
Less: inter-segment sales	–	(4,019)	–	–	(4,019)
Revenue from external customers	478,358	639	30,692	49,426	559,115
Gross profit/(loss) before net provision for completed properties held for sale and properties under development	47,591	282	(18,166)	7,613	37,320
Net provision for completed properties held for sale and properties under development	(163,710)	–	–	–	(163,710)
Gross (loss)/profit after net provision for completed properties held for sale and properties under development	(116,119)	282	(18,166)	7,613	(126,390)
Selling and marketing expenses					(36,040)
Administrative expenses					(71,701)
Loss allowance for financial instruments					(99,620)
Other income					822
Other losses, net					(28,238)
Finance costs, net					(134,087)
Share of results of associates					(14)
Loss before income tax					(495,268)
Other segment information					
Depreciation and amortisation recognised as expenses	7,727	–	8,729	404	16,860

7 Revenue and segment information (continued)

(b) Segment performance (continued)

	Property development and sales RMB'000	Commercial property investment RMB'000	Hotel operations RMB'000	Property management RMB'000	Total RMB'000
Year ended 31 December 2024					
Revenue from contracts with customers within the scope of HKFRS 15					
Recognised at a point in time	3,323,347	–	–	–	3,323,347
Recognised over time	–	–	58,938	45,816	104,754
	3,323,347	–	58,938	45,816	3,428,101
Revenue from other sources – rental income	–	5,946	–	–	5,946
Segment revenue	3,323,347	5,946	58,938	45,816	3,434,047
Less: inter-segment sales	–	(3,481)	(329)	(3,563)	(7,373)
Revenue from external customers	3,323,347	2,465	58,609	42,253	3,426,674
Gross profit/(loss) before net provision for completed properties held for sale and properties under development	501,598	560	(982)	(687)	500,489
Net provision for completed properties held for sale and properties under development	(154,516)	–	–	–	(154,516)
Gross profit/(loss) after net provision for completed properties held for sale and properties under development	347,082	560	(982)	(687)	345,973
Selling and marketing expenses					(135,297)
Administrative expenses					(96,270)
Loss allowance for financial instruments					(95,588)
Other income					590
Other losses, net					(42,991)
Finance costs, net					(31,735)
Share of results of associates					94
Loss before income tax					(55,224)
Other segment information					
Depreciation and amortisation recognised as expenses	8,763	–	12,664	216	21,643

7 Revenue and segment information (continued)

(b) Segment performance (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. In presenting the segment profit or loss, the segment gross profit or loss is being presented to the CODM while other items included in the consolidated statement of comprehensive income are considered to be unallocated. As such, no other segment information are considered to be presented in this regard. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

For the years ended 31 December 2025 and 2024, no single external customer generated revenue accounted for 10% or more of the Group's total revenue.

The amounts provided to the CODM with respect to segment assets and liabilities are measured in a manner consistent with that of the Group's consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

The following is an analysis of the Group's assets and liabilities by reporting and operating segments:

As at 31 December 2025

	Property development and sales	Commercial property investment	Hotel operations	Property management	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	5,787,080	43,175	95,625	27,217	5,953,097
Unallocated:					
Deferred income tax assets					260,323
					6,213,420
Segment liabilities	1,281,163	23,313	69,672	29,443	1,403,591
Unallocated:					
Current income tax liabilities					382,577
Bank and other borrowings					3,448,196
Deferred income tax liabilities					336,265
					5,570,629
Segment assets included:					
Interests in associates	585	–	–	–	585
Interest in a joint venture	–	–	–	–	–
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,437	–	20	231	3,688

7 Revenue and segment information (continued)

(b) Segment performance (continued)

As at 31 December 2024

	Property development and sales RMB'000	Commercial property investment RMB'000	Hotel operations RMB'000	Property management RMB'000	Total RMB'000
Segment assets	6,571,329	60,558	81,039	23,347	6,736,273
Unallocated:					
Deferred income tax assets					230,467
					6,966,740
Segment liabilities	1,819,357	14,873	82,700	24,298	1,941,228
Unallocated:					
Current income tax liabilities					362,733
Bank and other borrowings					3,252,539
Deferred income tax liabilities					294,883
					5,851,383
Segment assets included:					
Interests in associates	739	–	–	–	739
Interest in a joint venture	–	–	–	–	–
Additions to non-current assets (other than financial instruments and deferred income tax assets)	15	–	77	26	118

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments except for the deferred income tax assets; and
- all liabilities are allocated to operating segments other than current income tax liabilities, bank and other borrowings and deferred income tax liabilities.

During the years ended 31 December 2025 and 2024, certain items in the consolidated statement of financial position were included in the segment assets and liabilities while the related effects were considered as unallocated in the segment results. In the opinion of the directors of the Company, such asymmetrical allocations to reporting segments were consistent to the internal reports to the CODM for performance assessment and resources allocation, and such effect was not meaningful to be presented.

7 Revenue and segment information (continued)

(c) Assets and liabilities related to contracts with customers

(i) The Group has recognised the following contract costs related to contracts with customers:

	2025 RMB'000	2024 RMB'000
Prepaid sales commissions	**62,950**	64,633

As at 31 December 2025 and 2024, the contract costs represented the prepaid sales commissions for obtaining the property sales contracts. Contract costs are recognised in profit or loss in the period which revenue from the related property sales is recognised.

During the year ended 31 December 2025, contract costs of approximately RMB27,922,000 (2024: RMB115,976,000) is recognised in profit or loss. There was no impairment loss recognised in relation to the contract costs for the years ended 31 December 2025 and 2024.

(ii) The Group has recognised the following liabilities related to contracts with customers:

	2025 RMB'000	2024 RMB'000
Contract liabilities related to sales of properties	**169,697**	402,447
Contract liabilities related to others	**27,974**	17,067
	197,671	419,514

The Group receives payments from customers based on billing schedule as established in sales contracts. Payments are usually received in advance before the satisfaction of performance obligation under the sales contracts during pre-sales activities.

The following table shows the amount of revenue recognised for the years ended 31 December 2025 and 2024 related to contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Sales of properties	**360,068**	3,028,401
Others	**1,071**	12,789
	361,139	3,041,190

The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities, which are expected to be recognised in 1 to 3 years as at 31 December 2025 and 2024 and classified as current liabilities as such contract liabilities are utilised in the normal operating cycle.

8 Other income

	2025	2024
	RMB'000	RMB'000
Income from forfeited customers' deposits	**–**	100
Government grants *(note)*	**21**	319
Others	**801**	171
	822	590

Note: The government grants during the years ended 31 December 2025 and 2024 represented the grants from the Chinese Mainland Government in respect of the staff costs incurred by the Group and there are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

9 Other losses, net

	2025	2024
	RMB'000	RMB'000
Legal expenses related to the compulsory auction of a building	**–**	(32,958)
Exchange (losses)/gains, net	**(5,436)**	3,365
(Loss)/gain on disposal of property, plant and equipment	**(27,341)**	42,606
Gain/(loss) on disposal of investment properties	**3,587**	(43,681)
Loss on disposal of intangible assets	**–**	(74)
Gain on disposal of a subsidiary *(note 40(b))*	**702**	–
Loss on disposal of an associate *(note 21)*	**(52)**	–
Fair value losses on investment properties *(note 19)*	**(1,100)**	(12,249)
Gain on early termination of leases *(note 18)*	**1,402**	–
	(28,238)	(42,991)

10 Finance income/(costs)

	2025 **RMB'000**	2024 RMB'000
Finance income		
– Interest income from bank deposits	**245**	1,213
Finance costs		
– Interest expense on bank and other borrowings	**(236,307)**	(258,783)
– Interest expense on lease liabilities	**(3,077)**	(5,823)
– Net exchange (losses)/gains on foreign currency borrowings	**(3,219)**	2,047
	(242,603)	(262,559)
Less: Interest capitalised *(note)*	**108,271**	229,611
	(134,332)	(32,948)
Finance costs, net	**(134,087)**	(31,735)

Interest capitalised during the year ended 31 December 2025 is calculated by applying a capitalisation rate of 6.03% (2024: 6.14%) per annum to expenditure on qualifying assets.

11 Loss before income tax

Loss before income tax for the year has been arrived at after charging/(crediting):

	2025 **RMB'000**	2024 RMB'000
Auditor's remuneration		
– Audit services	**648**	1,260
– Non-audit services	**–**	140
Staff costs (including directors' emoluments *(note 14)*) *(note 13)*	**54,736**	84,169
Depreciation charge on property, plant and equipment (excluding depreciation capitalised as properties under development)	**11,490**	15,974
Depreciation charge on right-of-use assets	**4,192**	4,933
Amortisation charge on intangible assets	**1,178**	736
Cost of properties recognised as expenses	**449,123**	2,800,650
Expenses related to short-term leases	**201**	–
(Reversal of loss allowance)/loss allowance arising from:		
– trade receivables	**(1,864)**	8,916
– other receivables	**90,921**	83,395
– financial guarantees to a joint venture	**10,563**	3,277
Loss allowance for financial instruments	**99,620**	95,588

12 Income tax expenses

Income tax expenses comprised the following income tax expenses/(credit):

	2025	2024
	RMB'000	RMB'000
Current income tax:		
– PRC Corporate Income Tax ("**CIT**")	**1,211**	2,545
– PRC LAT *(note)*	**15,619**	(14,681)
	16,830	(12,136)
Deferred taxation *(note 34)*	**14,662**	89,487
	31,492	77,351

Note: The amount during the year ended 31 December 2024 represented over-provision of the PRC LAT.

The income tax expenses for the year can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	2025	2024
	RMB'000	RMB'000
Loss before income tax	**(495,268)**	(55,224)
Tax at domestic income tax rate of 25% (2024: 25%)	**(123,817)**	(13,806)
Tax effect of income not taxable for tax purposes	**(4)**	(23)
Tax effect of expenses not deductible for tax purposes	**7,493**	8,727
Tax effect of tax losses not recognised	**127,250**	78,643
PRC LAT	**15,619**	–
Over-provision on the PRC LAT	**–**	(14,681)
Tax credit on the PRC LAT	**(3,904)**	3,670
Effect of different tax rates of subsidiaries operating in other jurisdictions	**8,855**	14,821
	31,492	77,351

PRC CIT

The income tax expense of the Group in respect of subsidiaries established in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The PRC CIT rate applicable is 25% (2024: 25%).

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to the withholding income tax of 10%, a lower 5% withholding tax rate can be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings out of the PRC in the foreseeable future.

12 Income tax expenses (continued)

PRC LAT

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to the PRC LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of the PRC LAT for sales of properties according to the aforementioned progressive rate, except for certain group companies which calculate the PRC LAT based on deemed tax rates in accordance with the approved taxation method obtained from tax authorities.

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made in these consolidated financial statements as the group companies did not have assessable profit in Hong Kong for the years ended 31 December 2025 and 2024.

Overseas income tax

The Group is not subject to tax in other jurisdictions.

13 Employee benefit expenses

	2025 **RMB'000**	2024 RMB'000
Wages, salaries and bonuses and other benefits	**55,626**	81,293
Payment to defined contribution plans	**5,140**	9,802
	60,766	91,095
Less: capitalised in properties under development	**(6,030)**	(6,926)
	54,736	84,169

13 Employee benefit expenses (continued)

(a) Defined contribution plans

Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by independent trustee. Under the MPF Scheme, the group companies in Hong Kong (the employer) and its employees make monthly contributions to the scheme at certain percentage of the employee's earnings as defined under the Mandatory Provident Fund Legislation.

During the years ended 31 December 2025 and 2024, the Group has no forfeited contributions that were able to be utilised by the Group to reduce its contributions.

(b) Five highest paid individuals

Four (2024: four) individuals whose emoluments were the highest in the Group were directors, whose emoluments are reflected in the analysis in note 14. The emoluments payable to the remaining individual during the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	**311**	730
Payment to defined contribution plans	**16**	16
	327	746

The emoluments fell within the following bands:

	Number of employee Year ended 31 December	
	2025	2024
Nil to HK$1,000,000	**1**	1

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to any of the above individual as an inducement to join or upon joining the Group or as compensation for loss of office.

14 Benefits and interests of directors

(a) Directors' emoluments

The directors' emoluments payable by the Group for the years ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other benefits	**2,042**	3,466
Fees	**594**	574
Contribution to retirement scheme	**16**	55
Total	**2,652**	4,095

For the year ended 31 December 2025

Name of Directors	Salaries RMB'000	Discretionary bonuses RMB'000	Contribution to retirement scheme RMB'000	Fees RMB'000	Total RMB'000
Non-executive director					
Mr. Shek Lai Him, Abraham *(Chairman) (Note (i))*	–	–	–	452	452
Executive directors					
Mr. Chan Sze Ming Michael *(Note (ii))*	–	–	–	14	14
Mr. Liu Huaxi *(Vice-Chairman)*	546	–	16	55	617
Ms. Zheng Catherine Wei Hong *(President)*	479	–	16	55	550
Ms. Yu Jiafeng *(Note (iii))*	361	–	8	28	397
Mr. Wu Xinping *(Note (iv))*	204	–	8	27	239
Independent non-executive directors					
Mr. Ma Ching Nam	–	–	–	138	138
Mr. Leong Chong	–	–	–	138	138
Mr. Wu William Wai Leung	–	–	–	138	138
	1,590	–	48	1,045	2,683

14 Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2024

Name of Directors	Salaries RMB'000	Discretionary bonuses RMB'000	Contribution to retirement scheme RMB'000	Fees RMB'000	Total RMB'000
Executive directors					
Mr. Chan Sze Ming Michael *(Chairman) (Note (ii))*	1,314	–	16	55	1,385
Mr. Liu Huaxi *(Vice-Chairman)*	726	–	13	55	794
Ms. Zheng Catherine Wei Hong *(President)*	628	–	13	55	696
Mr. Wu Xinping *(Note (iv))*	586	–	13	55	654
Ms. Wei Miaochang *(Note (v))*	212	–	–	27	239
Independent non-executive directors					
Mr. Ma Ching Nam	–	–	–	109	109
Mr. Leong Chong	–	–	–	109	109
Mr. Wu William Wai Leung	–	–	–	109	109
	3,466	–	55	574	4,095

Notes:

(i) Mr. Shek Lai Him, Abraham was appointed as a non-executive director of the Company on 6 June 2025.

(ii) Mr. Chan Sze Ming Michael resigned as an executive director and the chairman of the Company on 28 March 2025.

(iii) Ms. Yu Jiafeng was appointed as an executive director of the Company on 30 June 2025.

(iv) Mr. Wu Xinping resigned as an executive director of the Company on 30 June 2025.

(v) Ms. Wei Miaochang resigned as an executive director of the Company on 30 June 2024.

The emoluments disclosed above represented the directors' services in connection with the management of the affairs of the Company or its subsidiaries undertaking for the years ended 31 December 2025 and 2024.

No emolument was paid by the Group to any directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

No director of the Company waived or agreed to waive any emoluments for the years ended 31 December 2025 and 2024.

14 Benefits and interests of directors (continued)

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

For the years ended 31 December 2025 and 2024, the Company didn't pay any third party for making available directors' services.

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

For the years ended 31 December 2025 and 2024, there were no loans, quasi-loans or other dealings in favor of directors of the Company, controlled bodies corporate and connected entities with such directors.

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

Save as disclosed in note 38, no significant transactions, arrangements or 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 for the years ended 31 December 2025 and 2024.

15 Loss per share

Basic and diluted loss per share is calculated by dividing the Group's loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2025 and presented as follows:

	2025	2024
The Group's loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share (RMB'000)	**(408,897)**	(344,100)
Weight average number of ordinary shares in issue for the purpose of calculating basic and diluted loss per share ('000)	**1,646,173**	1,646,173
Basic and diluted loss per share (expressed in RMB)	**(0.25)**	(0.21)

Diluted loss per share was the same with the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

16 Dividend

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

17 Property, plant and equipment

	Buildings	Vehicles and machinery	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024				
Cost	379,836	19,584	19,429	418,849
Accumulated depreciation and impairment	(99,773)	(15,263)	(14,365)	(129,401)
Net book amount	280,063	4,321	5,064	289,448
Year ended 31 December 2024				
Opening net book amount	280,063	4,321	5,064	289,448
Additions	–	5	113	118
Disposals	(55,520)	(925)	(663)	(57,108)
Depreciation	(12,743)	(1,602)	(1,713)	(16,058)
Exchange difference	–	19	–	19
Closing net book amount	211,800	1,818	2,801	216,419
At 31 December 2024 and 1 January 2025				
Cost	288,039	16,607	15,431	320,077
Accumulated depreciation and impairment	(76,239)	(14,789)	(12,630)	(103,658)
Net book amount	211,800	1,818	2,801	216,419
Year ended 31 December 2025				
Opening net book amount	**211,800**	**1,818**	**2,801**	**216,419**
Additions	**–**	**310**	**36**	**346**
Disposals	**(35,851)**	**(84)**	**(11)**	**(35,946)**
Depreciation	**(9,148)**	**(1,215)**	**(1,127)**	**(11,490)**
Exchange difference	**–**	**(12)**	**(3)**	**(15)**
Closing net book amount	**166,801**	**817**	**1,696**	**169,314**
At 31 December 2025				
Cost	**233,618**	**16,387**	**15,396**	**265,401**
Accumulated depreciation and impairment	**(66,817)**	**(15,570)**	**(13,700)**	**(96,087)**
Net book amount	**166,801**	**817**	**1,696**	**169,314**

17 Property, plant and equipment (continued)

Depreciation of the property, plant and equipment has been charged to profit or loss or capitalised in properties under development as follows:

	2025 RMB'000	2024 RMB'000
Selling and marketing expenses	**108**	181
Administrative expenses	**1,637**	2,005
Cost of sales	**9,745**	13,788
	11,490	15,974
Capitalised as properties under development	**–**	84
	11,490	16,058

As at 31 December 2025, buildings comprised hotels with net book amount of approximately RMB121,920,000 (2024: RMB129,800,000) which were pledged as collaterals for the Group's bank and other borrowings and are located in the PRC (note 32).

During the year ended 31 December 2025, as a result of the continuing underperformance of the hotel operations segment as indication of possible impairment identified by the management of the Group, the Group carried out a review of the recoverable amount of the buildings for the hotel operations segment with a carrying amount of approximately RMB121,920,000 (2024: RMB129,800,000). The Group estimated the value-in-use calculation of the hotel operations to determine the recoverable amount. Based on the value-in-use calculation, no impairment loss has been recognised for the year ended 31 December 2025 (2024: nil).

For remaining portion of the property, plant and equipment of approximately RMB47,934,000 (2024: RMB86,619,000), no impairment loss has been recognised for the year ended 31 December 2025 (2024: nil) based on the impairment assessment performed by the management of the Group.

18 Right-of-use assets

	2025 RMB'000	2024 RMB'000
Land *(note)*	**72,370**	74,213
Buildings	**3,153**	10,399
	75,523	84,612

Note: The amounts mainly comprise the prepaid land leases on agricultural land and forest land, which are amortised under the lease terms.

18 Right-of-use assets (continued)

The movement of right-of-use assets is shown in the table below for the years ended 31 December 2025 and 2024:

	Land RMB'000	Buildings RMB'000	Total RMB'000
At 1 January 2024			
Cost	268,172	39,040	307,212
Accumulated depreciation and impairment	(192,116)	(25,593)	(217,709)
Net book amount	76,056	13,447	89,503
Year ended 31 December 2024			
Opening net book amount	76,056	13,447	89,503
Depreciation	(1,843)	(3,090)	(4,933)
Exchange difference	–	42	42
Closing net book amount	74,213	10,399	84,612
At 31 December 2024 and 1 January 2025			
Cost	268,172	39,082	307,254
Accumulated depreciation and impairment	(193,959)	(28,683)	(222,642)
Net book amount	74,213	10,399	84,612
Year ended 31 December 2025			
Opening net book amount	**74,213**	**10,399**	**84,612**
Addition	**–**	**3,342**	**3,342**
Depreciation	**(1,843)**	**(2,349)**	**(4,192)**
Early termination	**–**	**(8,224)**	**(8,224)**
Exchange difference	**–**	**(15)**	**(15)**
Closing net book amount	**72,370**	**3,153**	**75,523**
At 31 December 2025			
Cost	**268,172**	**25,920**	**294,092**
Accumulated depreciation and impairment	**(195,802)**	**(22,767)**	**(218,569)**
Net book amount	**72,370**	**3,153**	**75,523**

As at 31 December 2025, land with net book amount of approximately RMB10,547,000 (2024: RMB11,090,000) were pledged as collateral for the Group's bank and other borrowings (note 32).

During the year ended 31 December 2025, the Group has early terminated certain leases of office premises with net carrying amount of approximately RMB8,224,000 (2024: nil) and corresponding lease liabilities of approximately RMB9,626,000 (2024: nil). Gain on early termination of leases of approximately RMB1,402,000 (2024: nil) (note 9) has been recognised in profit or loss for the year ended 31 December 2025.

18 Right-of-use assets (continued)

Amount recognised in the consolidated statement of comprehensive income was presented as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge on right-of-use assets (included in administrative expenses)	**4,192**	4,621
Depreciation charge on right-of-use assets (included in cost of sales)	**–**	312
Interest expense on lease liabilities *(note 10)*	**3,077**	5,823
Expense related to short-term leases (included in administrative expense)	**201**	–
Gain on early termination of leases *(note 9)*	**1,402**	–

During the year ended 31 December 2025, as a result of the continuing underperformance of the property development and sales segment as indication of possible impairment identified by the management of the Group, the Group carried out a review of the recoverable amount of the land and buildings included in right-of-use assets with a carrying amount of approximately RMB75,523,000 (2024: RMB84,612,000). The Group estimated the fair value less cost of disposal to determine the recoverable amount. Based on the recoverable amount as compared to the carrying amount, no impairment loss has been recognised for the year ended 31 December 2025 (2024: nil).

Total cash outflows for leases were approximately RMB2,234,000 (2024: RMB3,264,000) during the year ended 31 December 2025.

19 Investment properties

	Completed investment properties RMB'000	Investment properties under construction RMB'000	Total RMB'000
At 1 January 2024	105,151	51,000	156,151
Disposal	(87,653)	–	(87,653)
Transfer to asset classified as held for sale *(note 28)*	(6,049)	–	(6,049)
Fair value losses *(note 9)*	(10,249)	(2,000)	(12,249)
At 31 December 2024 and 1 January 2025	**1,200**	**49,000**	**50,200**
Disposal	**–**	**(13,600)**	**(13,600)**
Disposal of a subsidiary *(note 40(b))*	**–**	**(5,400)**	**(5,400)**
Fair value losses *(note 9)*	**(100)**	**(1,000)**	**(1,100)**
At 31 December 2025	**1,100**	**29,000**	**30,100**

19 Investment properties (continued)

	2025 RMB'000	2024 RMB'000
Rental income from investment properties	**639**	2,465
Direct operating expenses from investment properties that generate rental income	**(9)**	(1,905)
	630	560

The investment properties are located in the PRC and are held on leases of between 40 to 50 years.

Fair value hierarchy

An independent valuation of the Group's completed investment properties and investment properties under construction were performed by the independent and professionally qualified valuer to determine the fair value of the investment properties as at 31 December 2025 and 2024. The fair value gains or losses are included in "other losses, net" in the consolidated statement of comprehensive income.

As at 31 December 2025 and 2024, as certain of significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of all investment properties of the Group are included in level 3 of the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. No transfers in or out of fair value hierarchy levels for the years ended 31 December 2025 and 2024.

19 Investment properties (continued)

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2025 and 2024 by independent and professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports to the senior management of the Group.

Valuation techniques

Fair value of completed investment properties and investment properties under construction are derived using the term and reversionary method. This method is based on the tenancy agreements as at the respective valuation dates. The rental income derived within the tenancy agreements are discounted by adopting term yields and the potential reversionary income are discounted by adopting appropriate reversionary yields for the period beyond the rental period in the tenancy agreements. Potential reversionary income and the reversionary yields are derived from analysis of prevailing market rents and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Fair values of lands are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

19 Investment properties (continued)

Valuation techniques (continued)

The Group has also used the sale comparison approach by making reference to the sales transactions or asking price evidences of comparable properties as available in the market to cross check the valuation result.

	Property category	Fair value at	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Retail properties	31 December 2025: RMB1,100,000 (31 December 2024: RMB1,200,000)	Term and reversionary method	Market rents (RMB/square metre)	125 (2024: 124)	The higher the market rents, the higher the fair value
				Term and reversionary yields	5.5% (2024: 5.0%)	The higher the term yields, the lower the fair value
Investment properties under construction	Land located in Lianhuashan Town, Panyu District, Guangzhou, the PRC	31 December 2025: RMB29,000,000 (31 December 2024: RMB30,000,000)	Direct comparison	Market price (RMB/square metre)	1,730 (2024: 1,790)	The higher the market price, the higher the fair value
	Land located in Nancun Town, Panyu District, Guangzhou, the PRC	31 December 2025: Nil (31 December 2024: RMB5,400,000)	Direct comparison	Market price (RMB/square metre)	Nil (2024: 2,350)	The higher the market price, the higher the fair value
	Buildings	31 December 2025: Nil (31 December 2024: RMB13,600,000)	Term and reversionary method	Market rents (RMB/square metre)	Nil (2024: 27)	The higher the market rents, the higher the fair value
				Term and reversionary yields	Nil (2024: 5.0%)	The higher the term yields, the lower the fair value

As at 31 December 2025, the period of leases whereby the Group leases out its investment properties held in the PRC were between 1 to 2 years (2024: 1 to 3 years).

20 Intangible assets

	Computer software RMB'000
At 1 January 2024	
Cost	8,520
Accumulated amortisation	(5,746)
Net book amount	2,774
Year ended 31 December 2024	
Opening net book amount	2,774
Amortisation	(736)
Disposal	(74)
Closing net book amount	1,964
At 31 December 2024 and 1 January 2025	
Cost	8,446
Accumulated amortisation	(6,482)
Net book amount	1,964
Year ended 31 December 2025	
Opening net book amount	**1,964**
Amortisation	**(1,178)**
Closing net book amount	**786**
At 31 December 2025	
Cost	**8,446**
Accumulated amortisation	**(7,660)**
Net book amount	**786**

21 Interests in associates

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	**739**	645
Share of results of associates	**(14)**	94
Disposal of an associate	**(140)**	–
At the end of the reporting period	**585**	739

21 Interests in associates (continued)

Details of the associates of the Group, which are accounted for equity method, are as follows:

Name	Place of establishment	Registered capital	Percentage of ownership interest	Principal activity
Guangzhou Jingke Property Service Co., Ltd.* (廣州景科物業服務有限公司) ("**Guangzhou Jingke**")	The PRC	RMB1,000,000	Nil (2024: 49%)	Property management
Nanjing Longguang Jingye Property Service Co., Ltd.* (南京龍光景業物業服務有限公司) ("**Nanjing Longguang**")	The PRC	RMB5,000,000	49% (2024: 49%)	Property management

* The English name is for identification purpose only.

During the year ended 31 December 2025, the Group disposed of its entire 49% equity interest in Guangzhou Jingke to an independent third party for a cash consideration of approximately RMB88,000. The resulted loss recognised in profit or loss is as follows:

	RMB'000
Consideration	88
Carrying amount of the 49% investment on the date of loss of significant influence	(140)
Loss on disposal of an associate	(52)

The directors of the Company considered that the summarised financial information of each associate of the Group is immaterial and no disclosure has been made in these consolidated financial statements.

22 Interest in a joint venture

As at 31 December 2025 and 2024, the carrying amount of the Group's interest in a joint venture was nil.

The Group's interest in a joint venture is accounted for using the equity method. As at 31 December 2025, the Group's shares of loss of a joint venture exceeds its interests in the underlying entity, and the unrecognised share of loss of a joint venture amounted to RMB97,471,000 (2024: RMB79,443,000).

Details of the joint venture of the Group are as follows:

Name	Place of establishment	Registered capital	Percentage of ownership interest	Principal activity
Zhongshan Jingyue Investment Co., Ltd. * (中山市景悦投資有限公司) ("**Zhongshan Jingyue**")	The PRC	RMB50,000,000	50% (2024: 50%)	Property development

* The English name is for identification purpose only.

The summarised financial information in respect of Zhongshan Jingyue accounted for using equity method is set out below:

	2025 RMB'000	2024 RMB'000
Non-current assets	**3,361**	224
Current assets	**872,839**	873,168
Current liabilities	**(967,438)**	(930,569)
Non-current liabilities	**(103,705)**	(101,709)
Net liabilities	**(194,943)**	(158,886)
Revenue	**27,625**	32,070
Cost of sales	**(17,752)**	(26,909)
Other income	**36**	82
Administrative expenses	**(10,136)**	(1,603)
Interest expense	**(35,830)**	(36,511)
Loss and total comprehensive expense for the year	**(36,057)**	(32,871)

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in a joint venture is set out below:

	2025 RMB'000	2024 RMB'000
Net liabilities of the joint venture	**(194,943)**	(158,886)
Proportion of the Group's ownership interest	**50%**	50%
Carrying amount of the Group's interest in Zhongshan Jingyue	**(97,471)**	(79,443)

As at 31 December 2025 and 2024, the Group had provided guarantees for borrowings of the Group's joint venture and provision has been made in for the guarantee. Information about the provision can be found in note 37.

23 Properties under development

	2025 RMB'000	2024 RMB'000
Properties under development comprised:		
– Land use rights	**2,052,554**	2,077,156
– Contractual rights of land *(Note)*	**154,513**	155,963
– Construction costs	**895,619**	857,440
– Interest and depreciation of property, plant and equipment capitalised	**959,442**	912,547
	4,062,128	4,003,106
Less: provision for properties under development	**(1,357,667)**	(1,197,188)
	2,704,461	2,805,918

Note: Contractual rights of land mainly represents the construction land acquired from the collective economic organisations in 2017, which will be transferred to land use rights in near future.

Properties under development are located in the PRC and expected to be completed, and available for sale within normal operating cycle.

As at 31 December 2025, properties under development with net book value of approximately RMB944,128,000 (2024: RMB1,025,241,000) were pledged as collaterals for the Group's bank and other borrowings (note 32).

24 Completed properties held for sale

	2025 RMB'000	2024 RMB'000
Completed properties held for sale comprised:		
– Land use rights	**897,656**	1,187,416
– Construction costs	**1,270,918**	1,575,931
– Interest capitalised	**274,914**	229,496
	2,443,488	2,992,843
Less: provision for completed properties held for sale	**(603,754)**	(814,777)
	1,839,734	2,178,066

The completed properties held for sale are all located in the PRC.

As at 31 December 2025, completed properties held for sale with net book value of approximately RMB990,623,000 (2024: RMB1,199,241,000) were pledged as collaterals for the Group's bank and other borrowings (note 32).

24 Completed properties held for sale (continued)

The movement of the properties under development (note 23) and completed properties held for sale, before provision, is presented as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the period	**6,995,949**	9,669,447
Addition (including interest capitalised)	**170,044**	412,440
Cost of properties recognised as expenses, before utilisation of provision upon sales	**(660,377)**	(3,085,938)
At the end of the reporting period	**6,505,616**	6,995,949

The movement of the provision for properties under development (note 23) and provision for completed properties held for sale is presented as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the period	**2,011,965**	2,142,737
Provision during the year	**163,710**	154,516
Utilised upon sales of properties	**(214,254)**	(285,288)
At the end of the reporting period	**1,961,421**	2,011,965

25 Trade and other receivables and prepayments

	2025 RMB'000	2024 RMB'000
Trade receivables, net *(note (a))*	**22,530**	18,702
Other receivables, net *(note (b))*	**482,500**	676,486
Prepayment for land use rights *(note (c))*	**202,561**	202,561
Other prepayments *(note (d))*	**76,057**	75,363
	783,648	973,112
Less: other receivables classified as non-current portion	**(5,437)**	(11,306)
Total	**778,211**	961,806

25 Trade and other receivables and prepayments (continued)

Notes:

(a) Details of trade receivables, net are as follows:

	2025 RMB'000	2024 RMB'000
Trade receivables – third parties	**42,842**	40,878
Trade receivables – related parties	**97**	97
Trade receivables, gross	**42,939**	40,975
Less: allowance for ECL	**(20,409)**	(22,273)
Trade receivables, net	**22,530**	18,702

Ageing analysis of trade receivables, gross, based on invoice date which approximates to revenue recognition date, are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**23,914**	19,502
Over 1 year	**19,025**	21,473
	42,939	40,975

Trade receivables mainly arise from rental income, provision of property management and hotel operations.

Details of the impairment assessment on trade receivables are set out in note 6.1.2(a).

The Group's trade receivables are denominated in RMB as at 31 December 2025 and 2024.

25 Trade and other receivables and prepayments (continued)

Notes: (continued)

(b) Details of other receivables, net are as follows:

	2025 RMB'000	2024 RMB'000
Deposits for acquisition of land use rights	**82,331**	262,373
Amounts due from non-controlling shareholders *(note)*	**344,606**	323,579
Amounts due from related parties *(note)*	**54,260**	56,260
Others	**243,307**	185,357
Other receivables, gross	**724,504**	827,569
Less: allowance for ECL	**(242,004)**	(151,083)
Other receivables, net	**482,500**	676,486

Note: The amounts due from non-controlling shareholders and related parties are unsecured, interest-free and repayable on demand.

Details of the impairment assessment on other receivables are set out in note 6.1.2(b).

(c) Amounts represent up-front payments for acquiring land use rights for property under development. The amounts will be transferred to properties under development in the consolidated statement of financial position when the Group obtains legal rights of the relevant land.

(d) Details of other prepayments are as follows:

	2025 RMB'000	2024 RMB'000
Prepayments for property development projects	**59,850**	63,149
Prepaid other taxes	**4,726**	5,528
Others	**11,481**	6,686
Other prepayments	**76,057**	75,363

26. Inventories

	2025	2024
	RMB'000	RMB'000
Merchandises for hotel operations	**1,029**	515

27 Restricted cash and cash and cash equivalents

(a) Restricted cash

	2025	2024
	RMB'000	RMB'000
Guarantee deposits for construction of pre-sale properties *(note (i))*	**36,639**	117,138
Guarantee deposits for borrowings *(note (ii))*	**57**	144
Others	**14,950**	16,475
	51,646	133,757

Notes:

(i) In accordance with relevant rules and regulations of the local government authority, certain property development companies of the Group are required to place at designated bank accounts for the pre-sale properties proceeds received as the guarantee deposits for the constructions of related properties. The deposits can be used for payments of construction costs of related property projects upon the approval of the relevant government authority. Such guarantee deposits will be released according to the completion stage of the related properties.

(ii) Pursuant to certain bank loan agreements, the Group is required to place certain cash deposits as securities for borrowings (note 32).

The directors of the Company are of the view that the restricted cash listed above will be released within the normal operating cycle.

(b) Cash and cash equivalents

	2025	2024
	RMB'000	RMB'000
Cash at bank and on hand	**72,317**	154,932
Less: restricted cash *(note 27(a))*	**(51,646)**	(133,757)
Cash and cash equivalents	**20,671**	21,175

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

28. Asset classified as held for sale

During the year ended 31 December 2024, the directors of the Company resolved to dispose of an investment property with carrying amount of approximately RMB6,049,000 to an independent third party. Such investment property has been reclassified to asset classified as held for sale at the date of the directors' resolution.

In January 2025, the disposal of such investment properties was completed at a net cash consideration of approximately RMB6,049,000, and no gain or loss on disposal of asset classified as held for sale has been recognised during the year ended 31 December 2025.

29 Share capital

Authorised share capital

	Number of ordinary shares	Amount
		HK$
Ordinary shares of the nominal value of HK$0.01 each		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	2,500,000,000	25,000,000

Issued and fully paid ordinary shares

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
		HK$'000	RMB'000
Issued and fully paid ordinary shares of the nominal value of HK$0.01 each			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,646,173,000	16,462	14,746

30 Other reserves

	Consolidated reserves RMB'000	Statutory reserve RMB'000 *(Note)*	Exchange reserve RMB'000	Total RMB'000
At 1 January 2024	1,509,313	155,665	(136,437)	1,528,541
Other comprehensive expense	–	–	(38,358)	(38,358)
Transfer in	–	5,171	–	5,171
Release of consolidated reserves	(323,400)	–	–	(323,400)
At 31 December 2024 and 1 January 2025	**1,185,913**	**160,836**	**(174,795)**	**1,171,954**
Other comprehensive income	**–**	**–**	**54,982**	**54,982**
Transfer to statutory reserves	**–**	**7,491**	**–**	**7,491**
Release of consolidated reserve upon disposal of a subsidiary	**(788)**	**–**	**–**	**(788)**
At 31 December 2025	**1,185,125**	**168,327**	**(119,813)**	**1,233,639**

Note: Pursuant to the relevant rules and regulations concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after tax to the statutory reserves fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserves fund may be distributed to equity holders in form of bonus issue.

31 Trade and other payables

	2025 **RMB'000**	2024 RMB'000
Trade payables *(note (a))*	**732,535**	889,690
Amounts due to the non-controlling shareholders and the related parties *(note (b))*	**13,758**	55,303
Outstanding consideration payables for acquisitions	**22,440**	22,440
Deposits payables *(note (c))*	**12,452**	15,784
Factoring of trade payables	**53,476**	56,638
Accrued expenses	**20,611**	34,379
Salaries payable	**13,266**	13,608
Other taxes payable	**134,682**	90,041
Other payables *(note (d))*	**74,785**	220,319
Provision of legal cases	**59,774**	50,131
	1,137,779	1,448,333

Notes:

(a) Ageing analysis of trade payables, based on invoice date, are as follows:

	2025 **RMB'000**	2024 RMB'000
Within 90 days	**31,739**	250,003
Over 90 days and within 365 days	**143,501**	210,757
Over 365 days	**557,295**	428,930
	732,535	889,690

(b) Amounts due to the non-controlling shareholders and the related parties are unsecured, interest free and repayable on demand.

(c) The deposits payables mainly include: (i) the deposits received from property purchasers of the Group but pre-sale agreement has yet to be signed; and (ii) quality guarantee and bidding deposit from constructors. The deposits are unsecured, interest free and repayable according to terms and conditions mutually agreed with the counter parties.

(d) Other payables mainly comprised of (i) financial guarantee for a joint venture (note 37) with carrying amount of approximately RMB35,859,000 (2024: RMB25,296,000); and (ii) earnest money from independent third parties and maintenance funds, which are unsecured, interest free and repayable on demand.

At the end of the reporting period, the directors of the Company assessed the past due status of the debts under the financial guarantee for a joint venture, the financial position of the joint venture as well as the economic outlook of the industries in which the joint venture operates, and concluded that a loss allowance for financial guarantee of approximately RMB10,563,000 (2024: RMB3,277,000) was recognised in profit or loss during the year ended 31 December 2025.

32 Bank and other borrowings

	2025 **RMB'000**	2024 RMB'000
Bank borrowings	**1,934,734**	1,885,880
Senior notes *(Note (a))*	**1,345,627**	1,250,988
Other borrowings *(Note (b))*	**167,835**	115,671
	3,448,196	3,252,539
Included in non-current bank and other borrowings:		
– Secured *(Note (c))*	**1,799,121**	1,851,392
– Unsecured *(Note (d))*	**34,150**	52,000
Less: current portion of non-current bank and other borrowings	**(1,796,213)**	(1,323,392)
	37,058	580,000
Included in current bank and other borrowings:		
– Secured *(Note (c))*	**192,886**	34,488
– Unsecured *(Note (d))*	**1,422,039**	1,314,659
Add: current portion of non-current bank borrowings	**1,796,213**	1,323,392
	3,411,138	2,672,539
Total	**3,448,196**	3,252,539

Notes:

(a) On 11 January 2024, the Company issued senior notes with nominal interest rate of 9.5% due on 9 January 2025 in an aggregate principal amount of approximately US$159,285,000 in Hong Kong (the "**2024 Notes**"). The issue of the 2024 Notes was related to the exchange offer of the senior notes amounting to US$152,100,000 and its related interest expenses which were due on 11 January 2024. The 2024 Notes were listed on the Stock Exchange on 12 January 2024.

On 7 January 2025, the Company issued the new senior notes with nominal interest rate of 9.5% due on 6 January 2026 in an aggregate principal amount of approximately US$174,333,000 (the "**New Senior Notes**") in Hong Kong. The issue of the New Senior Notes was related to the exchange offer of the 2024 Notes amounting to approximately US$159,285,000 and its related interest expenses which was due on 9 January 2025. Up to the date of approval of these consolidated financial statements, the New Senior Notes were subsequently defaulted.

The 2024 Notes and the New Senior Notes are guaranteed by certain subsidiaries of the Group.

(b) As at 31 December 2025, other borrowings represented borrowings with aggregate principal amount of approximately RMB150,277,000 (2024: RMB92,632,000) borrowed from certain independent third parties of the Group. Among the other borrowings, aggregate principal amount of approximately RMB8,000,000 (2024: RMB85,632,000) was in default as at 31 December 2025. Up to date of the approval of these consolidated financial statements, aggregate principal amount of approximately RMB85,632,000 was subsequently defaulted.

32 Bank and other borrowings (continued)

Notes: (continued)

(c) As at 31 December 2025, bank and other borrowings totalling of approximately RMB1,992,007,000 (2024: RMB1,885,880,000) of the Group were secured by the pledge of the following assets together with the Group's shares of certain subsidiaries as collaterals and guaranteed by the Company, certain subsidiaries of the Company, the ultimate controlling party and independent third parties:

	2025	2024
	RMB'000	RMB'000
Land included in right-of-use assets	**10,547**	11,090
Property, plant and equipment	**121,920**	129,800
Properties under development	**944,128**	1,025,241
Completed properties held for sale	**990,623**	1,199,241
Restricted cash	**57**	144
	2,067,275	2,365,516

(d) Among the unsecured borrowings of approximately RMB1,456,189,000 (2024: RMB1,366,659,000), unsecured borrowings of approximately RMB1,391,545,000 (2024: RMB1,359,659,000) as at 31 December 2025 were guaranteed by certain subsidiaries of the Company or the ultimate controlling party.

As at 31 December 2025 and 2024, the Group's borrowings are denominated in following currencies:

	2025	2024
	RMB'000	RMB'000
RMB	**1,560,552**	1,489,004
HK$	**542,017**	512,547
US$	**1,345,627**	1,250,988
	3,448,196	3,252,539

The exposure of borrowings to interest-rate changes and the contractual repricing dates or maturity date whichever is earlier are as follows:

	2025	2024
	RMB'000	RMB'000
Repayable on demand or less then 1 year	**3,411,138**	2,672,539
1-5 years	**37,058**	580,000
	3,448,196	3,252,539

32 Bank and other borrowings (continued)

The repayment terms of the borrowings were as follows:

	Bank borrowings		Senior notes and other borrowings	
	2025 RMB'000	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
Repayment on demand or less than 1 year	**1,934,734**	1,305,880	**1,476,404**	1,366,659
1 to 5 years	**–**	580,000	**37,058**	–
	1,934,734	1,885,880	**1,513,462**	1,366,659

Note: As at 31 December 2025, certain borrowings of approximately RMB989 million and interest payables of approximately RMB132 million, arising from the borrowings with a total principal amount of approximately RMB1,700 million, were overdue (the "**Defaulted Borrowings**"). As a result of such default, the principal amount of borrowings of approximately RMB69 million was considered as cross-default. The aggregate principal amount of the aforesaid borrowings of approximately RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of approximately RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025 as a result of the default and cross-default.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregate principal amount of approximately RMB1,490 million (the "**Subsequent Defaulted Borrowings**"). Such overdue amount also form part of the defaulted borrowings mentioned above.

The weighted average effective interest rates per annum were as follows:

	2025	2024
Bank and other borrowings	**5.58%**	6.51%
Senior notes	**9.68%**	10.13%

33 Lease liabilities

	Minimum lease payments		Present value of Minimum lease payments	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Within 1 year	**14,202**	19,889	**11,407**	9,677
Between 1-2 years	**3,462**	4,098	**699**	1,011
Between 2-5 years	**10,552**	9,718	**2,483**	3,834
Over 5 years	**119,551**	122,451	**53,552**	58,859
	147,767	156,156	**68,141**	73,381
Less: future finance charges	**(79,626)**	(82,775)	**N/A**	N/A
Present value of lease obligations	**68,141**	73,381	**68,141**	73,381
Less: amount due for settlement within 12 months (shown under current liabilities)			**(11,407)**	(9,677)
Amount due for settlement after 12 months			**56,734**	63,704

The weighted average incremental borrowing rates applied to lease liabilities ranged from 4.75% to 4.90% (2024: from 4.75% to 4.90%) as at 31 December 2025.

34 Deferred taxation

The following is the analysis of the deferred income tax assets/(liabilities), after setting off certain deferred income tax assets against deferred income tax liabilities of the same taxable entity, for financial reporting purposes:

	2025	2024
	RMB'000	RMB'000
Deferred income tax assets	**260,323**	230,467
Deferred income tax liabilities	**(336,265)**	(294,883)
	(75,942)	(64,416)

As at 31 December 2025, deferred income tax assets and deferred income tax liabilities amounting to approximately RMB18,570,000 (2024: RMB47,715,000) were offset.

34 Deferred taxation (continued)

The movement in deferred income tax assets and liabilities for the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Tax losses	Impairment/ provision of assets and deductible temporary differences of expenses and cost of sales	Temporary difference in sales recognition and related cost of sales	Elimination of unrealised profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	69,716	111,291	132,537	21,802	335,346
Credited/(charged) in profit or loss	61,316	(32,012)	(84,077)	(2,391)	(57,164)
At 31 December 2024 and 1 January 2025	131,032	79,279	48,460	19,411	278,182
Credited/(charged) in profit or loss	**108,777**	**(79,269)**	**(25,527)**	**(3,270)**	**711**
At 31 December 2025	**239,809**	**10**	**22,933**	**16,141**	**278,893**

Deferred tax assets are recognised for tax losses carried forward and deductible temporary differences to the extent that the realisation of the related tax benefits through future taxable profits is probable.

Deferred income tax liabilities

	Fair value gain on investment properties	Interest capitalisation	Revaluation surplus arising from property development	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	35,284	254,889	22,301	312,474
(Credited)/charged in profit or loss	(3,061)	33,185	–	30,124
At 31 December 2024 and 1 January 2025	32,223	288,074	22,301	342,598
(Credited)/charged in profit or loss	**(275)**	**15,648**	**–**	**15,373**
Less: disposal of a subsidiary *(note 40(b))*	**(3,136)**	**–**	**–**	**(3,136)**
At 31 December 2025	**28,812**	**303,722**	**22,301**	**354,835**

As at 31 December 2025, deferred income tax liabilities of approximately RMB130,008,000 (2024: RMB124,988,000) have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries established in the PRC of approximately RMB1,300,081,000 (2024: RMB1,249,879,000), as the Group does not have a plan to distribute these earnings out of the PRC in the foreseeable future.

35 Notes to the consolidated statement of cash flows

(a) Net cash generated from operations:

	2025 RMB'000	2024 RMB'000
Loss before income tax	**(495,268)**	(55,224)
Adjustments for:		
Finance income	**(245)**	(1,213)
Finance costs	**131,113**	34,995
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	**16,860**	21,643
Share of results of associates	**14**	(94)
Fair value losses on investment properties	**1,100**	12,249
Loss on disposal of an associate	**52**	–
Loss allowance arising from trade and other receivables, net	**89,057**	92,311
Net provision for completed properties held for sale and properties under development	**163,710**	154,516
Loss/(gain) on disposal of property, plant and equipment	**27,341**	(42,606)
(Gain)/loss on disposal of investment properties	**(3,587)**	43,681
Gain on early termination of leases	**(1,402)**	–
Provision for legal case	**9,643**	49,539
Gain on disposal of a subsidiary	**(702)**	–
Loss on disposal of intangible assets	**–**	74
Loss allowance arising from financial guarantees	**10,563**	3,277
Net exchange differences	**3,219**	(5,412)
Operating cash flows before movements in working capital	**(48,532)**	307,736
Changes in working capital:		
Properties under development and completed properties held for sale and inventories	**383,836**	2,618,304
Restricted cash	**82,024**	200,129
Trade and other receivables and prepayments	**116,391**	(162,489)
Contract costs	**1,683**	86,266
Trade and other payables	**(269,126)**	(129,284)
Contract liabilities	**(221,843)**	(2,910,655)
Net cash generated from operations	**44,433**	10,007

35 Notes to the consolidated statement of cash flows (continued)

(b) Reconciliation of liabilities arising from financing activities:

	Bank and other borrowings due within 1 year RMB'000	Lease liabilities RMB'000	Amounts due to non-controlling interests and their related parties RMB'000	Total RMB'000
At 1 January 2024	3,202,236	70,750	73,208	3,346,194
Financing cash (outflows)/inflows	(140,324)	(3,264)	(17,905)	(161,493)
Other changes *(note)*	190,627	5,895	–	196,522
At 31 December 2024 and 1 January 2025	**3,252,539**	**73,381**	**55,303**	**3,381,223**
Financing cash outflows	**(9,624)**	**(1,485)**	**(41,545)**	**(52,654)**
Other changes *(note)*	**205,281**	**(3,755)**	**–**	**201,526**
At 31 December 2025	**3,448,196**	**68,141**	**13,758**	**3,530,095**

Note: Other changes represented non-cash movements including: (i) renewal of borrowings; (ii) accrued interest expense on lease liabilities; (iii) amortisation of issuance costs; accrued interest of bank and other borrowings; and (iv) currency translation differences.

36 Commitments

Capital expenditure committed at 31 December 2025 but not yet incurred is as follows:

	2025	2024
	RMB'000	RMB'000
Property development activities	**19,917**	276,139

37 Guarantee

	2025	2024
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers *(note (a))*	**1,326,216**	1,482,235
Financial guarantees for a joint venture *(note (b))*	**349,248**	344,683

Notes:

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees will be terminated upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The Group considers that in case of default in payments by purchasers, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

(b) As at 31 December 2025, the Group had provided guarantee for borrowings of the Group's joint venture amounting to approximately RMB349,248,000 (2024: RMB344,683,000), with a provision amounting to approximately RMB35,859,000 (2024: RMB25,296,000) being made in the consolidated financial statements for the guarantee (note 31(d)).

38 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
CHAN Sze Ming Michael	Settlor of the ultimate controlling party
Nanjing Longguang	Associate of the Group
Zhongshan Jingyue	Joint venture of the Group
Guangzhou Jinrui Real Estate Development Co., Ltd. (“**Guangzhou Jinrui**”)	Related party of the Group

(b) Transactions with related parties

The Group had the following transactions with related parties for the years ended 31 December 2025 and 2024:

	2025 RMB’000	2024 RMB’000
(i) Guarantee provided by the ultimate controlling shareholder of the Company in respect of the Group’s borrowings outstanding		
– CHAN Sze Ming Michael	**846,121**	885,179
(ii) Property management service fee charged by		
– Nanjing Longguang	**309**	2,727

The prices for the above transactions were determined in accordance with the terms of the underlying agreements.

38 Related party transactions (continued)

(c) Balances with related parties

	2025 RMB'000	2024 RMB'000
Related parties:		
– Zhongshan Jingyue	**49,944**	51,943
– Guangzhou Jinrui	**4,316**	4,317
Total amounts due from related parties, non-trade	**54,260**	56,260

Amounts due from Zhongshan Jingyue and Guangzhou Jinrui mainly represent the cash advances which are unsecured, interest-free and repayable on demand.

(d) As at 31 December 2025 and 2024, the Group provides guarantee for borrowings of a joint venture, details are shown as follows:

	2025 RMB'000	2024 RMB'000
Financial guarantees to related party		
– Zhongshan Jingyue	**349,248**	344,683

(e) Key management compensation

Key management compensation, being the executive directors and non-executive director of the Company and senior management, for the years ended 31 December 2025 and 2024 are set out below:

	2025 RMB'000	2024 RMB'000
– Salaries and other allowance	**2,570**	5,723
– Contribution to retirement scheme	**64**	81
– Fees	**631**	247
	3,265	6,051

39 Statement of financial position and reserves movements of the Company

	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current asset			
Investment in subsidiaries		**–**	1,505,672
Current assets			
Amounts due from subsidiaries		**1,782,872**	1,738,958
Other receivables and prepayments		**214**	–
Cash and cash equivalents		**1,315**	1,220
		1,784,401	1,740,178
Total assets		**1,784,401**	3,245,850
CAPITAL AND RESERVES			
Share capital	*29*	**14,746**	14,746
Other reserves		**2,011,342**	2,014,885
Accumulated losses		**(2,650,197)**	(1,088,011)
(Capital deficiency)/total equity		**(624,109)**	941,620
LIABILITIES			
Current liabilities			
Other payables		**4,427**	1,082
Amounts due to subsidiaries		**584,745**	592,398
Bank and other borrowings		**1,819,338**	1,710,750
		2,408,510	2,304,230
Total liabilities		**2,408,510**	2,304,230
Total equity and liabilities		**1,784,401**	3,245,850
Net current liabilities		**(624,109)**	(564,052)
Total assets and current liabilities		**(624,109)**	941,620

Movements of other reserves and accumulated losses of the Company:

	Other reserves RMB'000	**Accumulated losses** RMB'000
At 1 January 2024	2,014,885	(1,025,784)
Loss and total comprehensive expense for the year	–	(62,227)
At 31 December 2024 and 1 January 2025	**2,014,885**	**(1,088,011)**
Loss and total comprehensive expense for the year	**(3,543)**	**(1,562,186)**
At 31 December 2025	**2,011,342**	**(2,650,197)**

40 Particulars of subsidiaries

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below:

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Ownership interests and voting right held by the Group: Attributable equity interests Indirect	Ownership interests and voting right held by the Group: Equity interests held by non-controlling interests	Principal activities
景業控股有限公司 Jingye Holdings Limited ("**Jingye Holdings (BVI)**")	13/12/2013	Limited liability company	BVI	US$201	US$201	100%	–	–	Investment holding
廣州意濃實業有限公司 Guangzhou Yinong Enterprise Co., Ltd.@	01/07/2002	Limited liability company	The PRC	RMB 1,020,500,000	RMB 1,020,455,000	–	100%	–	Property development
廣州市景業房地產開發有限公司 Guangzhou Jingye Real Estate Development Co., Ltd.	18/06/2008	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
海南景業房地產開發有限公司 Hainan Jingye Real Estate Development Co., Ltd.	25/12/2013	Limited liability company	The PRC	RMB 100,000,000	RMB 100,000,000	–	100%	–	Property development
廣州卓都物業管理有限公司 Guangzhou Zhuodu Property Management Co., Ltd.	30/07/2014	Limited liability company	The PRC	RMB 500,000	RMB 500,000	–	100%	–	Property management
海南卓都物業服務有限公司 Hainan Zhuodu Property Services Co., Ltd.	31/10/2014	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property management
中山市景雅裝飾工程有限公司 Zhongshan Jingya Decoration Engineering Co., Ltd.	25/03/2005	Limited liability company	The PRC	RMB 500,000	RMB 500,000	–	100%	–	Building decoration
廣州廣澤房地產開發有限公司 Guangzhou Guangze Real Estate Development Co., Ltd.	05/11/2010	Limited liability company	The PRC	RMB 360,000,000	RMB 360,000,000	–	100%	–	Property development
廣州市江河水泥製品有限公司 Guangzhou Jianghe Cement Products Co., Ltd.	14/03/2001	Limited liability company	The PRC	RMB 10,500,000	RMB 10,500,000	–	100%	–	Property development

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Attributable equity interests Indirect	Equity interests held by non-controlling interests	Principal activities
景業控股(香港)有限公司 Jingye Holdings (HK) Limited	02/01/2014	Limited liability company	Hong Kong	HK$1	HK$1	–	100%	–	Investment holding
景業健康產業控股有限公司 Jingye Health Industry Holdings Limited	19/11/2015	Limited liability company	BVI	US$1	US$1	–	100%	–	Health management
景業健康產業有限公司 Jingye Health Industry Limited	30/11/2015	Limited liability company	Hong Kong	HK$1	HK$1	–	100%	–	Health management
廣州卓思道酒店管理有限公司 Guangzhou Zhuosidao Hotel Management Co., Ltd.#	22/07/2015	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Hotel management
廣州市舜邦投資有限公司 Guangzhou Shunbang Investment Co., Ltd.	21/08/2015	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property investment
廣東景業健康產業發展有限公司 Guangdong Jingye Health Industry Development Co., Ltd.# *(Note (ii))*	05/12/2016	Limited liability company	The PRC	RMB 10,000,000	RMB 1,016,000	–	100%	–	Business management
廣州市舜安健康產業管理有限公司 Guangzhou Shun'an Health Industry Management Co., Ltd. *(Note (iii))*	05/01/2016	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Health management
廣州崇譽投資有限公司 Guangzhou Chongyu Investment Co., Ltd. ("**Guangzhou Chongyu**")	18/01/2017	Limited liability company	The PRC	RMB 400,000,000	RMB 400,000,000	–	60%	40%	Business management
廣州新芳實業有限公司 Guangzhou Xinfang Enterprise Co., Ltd.	08/06/2000	Limited liability company	The PRC	RMB 399,000,000	RMB 399,000,000	–	60%	40%	Property development
廣州顥邦投資有限公司 Guangzhou Haobang Investment Co., Ltd.	31/05/2010	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	60%	40%	Property development

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Attributable equity interests Indirect	Equity interests held by non-controlling interests	Principal activities
英德景業房地產有限公司 Yingde Jingye Real Estate Co., Ltd.	12/09/2017	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
廣州創藝裝飾工程有限公司 Guangzhou Chuangyi Decoration Engineering Co., Ltd.	24/04/2017	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Building decoration
英德桑緣農業發展有限公司 Yingde Sangyuan Agriculture Development Co., Ltd.	11/04/2014	Limited liability company	The PRC	RMB 52,000,000	RMB 52,000,000	–	80%	20%	Property development
英德市山湖居房地產開發有限公司 Yingde Shanhuju Real Estate Development Co., Ltd.	22/07/2011	Limited liability company	The PRC	RMB 25,000,000	RMB 25,000,000	–	100%	–	Property development
英德景創房地產開發有限公司 Yingde Jingchuang Real Estate Development Co., Ltd.	19/09/2017	Limited liability company	The PRC	RMB 50,000,000	RMB 35,000,000	–	70%	30%	Property development
英德金雄水泥有限公司 Yingde Jinxiong Cement Co., Ltd.	19/05/1994	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property development
廣州市番禺區德誠銅業有限公司 Guangzhou Panyu Decheng Copper Co., Ltd. *(Note (iv))*	08/06/1999	Limited liability company	The PRC	RMB 2,000,000	RMB 2,000,000	–	100%	–	Property development
舜邦投資管理(香港)有限公司 Shunbang Investment Management (HK) Limited	22/11/2017	Limited liability company	Hong Kong	HK$1,000,000	HK$1,000,000	–	100%	–	Investment holding
舜邦投資管理控股有限公司 Shunbang Investment Management Holdings Limited	01/11/2017	Limited liability company	BVI	US$10	US$10	–	100%	–	Investment holding
舜邦商務管理(廣州)有限公司 Shunbang Corporate Management (Guangzhou) Co., Ltd.#	23/04/2018	Limited liability company	The PRC	RMB 100,000,000	RMB 50,000,000	–	100%	–	Business management

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Attributable equity interests Indirect	Equity interests held by non-controlling interests	Principal activities
景業名邦控股(廣州)有限公司 Jingye Mingbang Holdings (Guangzhou) Co., Limited#	27/03/2018	Limited liability company	The PRC	RMB 850,000,000	RMB 850,000,000	–	100%	–	Business management
騰衝景業房地產開發有限公司 Tengchong Jingye Real Estate Development Co., Ltd.	24/01/2018	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
卓思道酒店管理控股有限公司 Zhuosidao Hotel Management Holdings Limited	27/03/2018	Limited liability company	BVI	US$10	US$10	–	100%	–	Investment holding
景業酒店管理(香港)有限公司 Jingye Hotel Management (HK) Limited	30/04/2018	Limited liability company	Hong Kong	HK$10	HK$10	–	100%	–	Investment holding
株洲景業房地產開發有限公司 Zhuzhou Jingye Real Estate Development Co., Ltd.	25/07/2018	Limited liability company	The PRC	RMB 1,485,000,000	RMB 1,485,000,000	–	100%	–	Property development
廣州市景悦房地產有限公司 Guangzhou Jingyue Real Estate Co., Ltd.	20/08/2018	Limited liability company	The PRC	RMB 1,000,000	RMB –	–	100%	–	Property development
肇慶市景悦科技發展有限公司 Zhaoqing Jingyue Technology Development Co., Ltd.	28/08/2018	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
廣州市普盛房地產開發有限公司 Guangzhou Pusheng Real Estate Development Co., Ltd.	22/12/2015	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property development
海南烜煜房地產開發有限公司 Hainan Xuanyu Real Estate Development Co., Ltd.	16/10/2017	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
英德市錦坤實業投資有限公司 Yingde Jinkun Enterprise Investment Co., Ltd.	11/09/2014	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property development

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Attributable equity interests Indirect	Equity interests held by non-controlling interests	Principal activities
英德市卓都物業管理有限公司 Yingde Zhuodu Property Management Co., Ltd.	24/08/2018	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property management
雲南卓都物業管理有限公司 Yunnan Zhuodu Property Management Co., Ltd.	20/09/2018	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Property management
創藝控股有限公司 Chuangyi Holdings Limited	05/07/2018	Limited liability company	BVI	US$10	US$10	–	100%	–	Investment holding
創藝控股(香港)有限公司 Chuangyi Holdings (HK) Limited	30/08/2018	Limited liability company	Hong Kong	HK$10	HK$10	–	100%	–	Investment holding
泓創控股(廣州)有限公司 Hongchuang Holdings (Guangzhou) Co., Ltd.#	25/10/2018	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Investment holding
廣州市泓創建設有限公司 Guangzhou Hongchuang Construction Co., Ltd.	07/11/2018	Limited liability company	The PRC	RMB 150,000,000	RMB 150,000,000	–	100%	–	Construction Development
株洲卓都物業服務有限公司 Zhuzhou Zhuodu Property Services Co., Ltd. *(Note (i))*	08/01/2019	Limited liability company	The PRC	RMB 100,000	RMB 100,000	–	100%	–	Property management
景業名邦投資(威海)有限公司 Jingye Mingbang Investment (Weihai) Co., Ltd.#	24/06/2019	Limited liability company	The PRC	RMB 350,000,000	RMB 130,000,000	–	100%	–	Investment holding
威海景隆投資發展有限公司 Weihai Jinglong Investment Development Co., Ltd.	04/07/2019	Limited liability company	The PRC	RMB 130,000,000	RMB 130,000,000	–	100%	–	Investment holding
廣州景隆投資發展有限公司 Guangzhou Jinglong Investment Development Co., Ltd.	15/07/2019	Limited liability company	The PRC	RMB 1,000,000	RMB 1,000,000	–	100%	–	Investment holding

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Indirect	Equity interests held by non-controlling interests	Principal activities
肇慶卓都物業管理有限公司 Zhaoqing Zhuodu Property Management Co., Ltd.	16/08/2019	Limited liability company	The PRC	RMB 100,000	RMB –	–	100%	–	Property management
騰衝景盛房地產開發有限公司 Tengchong Jingsheng Real Estate Co., Ltd.	16/03/2020	Limited liability company	The PRC	RMB 608,000,000	RMB 608,000,000	–	100%	–	Property management
騰衝景隆置業有限公司 Tengchong Jinglong Real Estate Co., Ltd.	09/04/2020	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property management
騰衝卓思道酒店有限公司 Tengchong Zhuosidao Hotel Co., Ltd. *(Note (v))*	09/03/2020	Limited liability company	The PRC	RMB 3,000,000	RMB 3,000,000	–	100%	–	Hotel management
景星控股（香港）有限公司 Jingxing Holdings (HK) Limited	20/04/2020	Limited liability company	Hong Kong	HK$1	HK$1	–	100%	–	Investment holding
幸領環球有限公司 Lucky Lead Global Limited ("**Lucky Lead (BVI)**")	05/02/2020	Limited liability company	BVI	US$ 310,000,000	US$ 184,010,000	–	51%	49%	Investment holding
幸領環球（香港）有限公司 Lucky Lead Global (HK) Limited	20/04/2020	Limited liability company	Hong Kong	HK$1	HK$1	–	51%	49%	Investment holding
景茂控股（香港）有限公司 Jingmao Holdings (HK) Limited	19/10/2020	Limited liability company	Hong Kong	HK$1	HK$1	–	51%	49%	Investment holding
廣州幸領投資發展有限公司 Guangzhou Lucky Lead Investment Development Limited	20/11/2020	Limited liability company	The PRC	RMB 1,000,000,000	RMB 1,000,000,000	–	51%	49%	Investment holding
幸領環球投資（南京）有限公司 Lucky Lead Global Investment (Nanjing) Limited#	19/11/2020	Limited liability company	The PRC	RMB 1,000,000,000	RMB 1,000,000,000	–	51%	49%	Investment holding

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests — Direct	Ownership interests and voting right held by the Group: Attributable equity interests — Indirect	Equity interests held by non-controlling interests	Principal activities
南京景瓏尚御實業發展有限公司 Nanjing Jinglong Shangyu Enterprise Investment Limited® ("**Nanjing Jinglong Shangyu**")	24/12/2020	Limited liability company	The PRC	RMB 400,000,000	RMB 400,000,000	–	26%	74%	Property development
南京萬華通控股有限公司 Nanjing Wanhuatong Holdings Limited	19/11/2020	Limited liability company	The PRC	RMB 1,200,000,000	RMB 1,200,000,000	–	100%	–	Property development
廣州卓思道民宿管理有限公司 Guangzhou Zhuo Si Dao B&B Management Co., Ltd.	22/04/2021	Limited liability company	The PRC	RMB 500,000	RMB 500,000	–	100%	–	Hotel management
廣州卓思道公寓管理有限公司 Guangzhou Zhuo Sidao Apartment Management Co., Ltd. *(Note (vi))*	27/04/2021	Limited liability company	The PRC	RMB 2,000,000	RMB –	–	100%	–	Hotel management
廣州景盛房地產發展有限公司 Guangzhou Jingsheng Real Estate Development Co., Ltd.	18/12/2020	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	100%	–	Property development
廣州鑫澤集永房地產開發有限公司 Guangzhou Xinze Jiyong Real Estate Development Co., Ltd	12/10/2020	Limited liability company	The PRC	RMB 166,666,700	RMB 166,666,700	–	51%	49%	Property development
廣州卓行物業管理有限責任公司 Guangzhou Zhuoxing Property Management Co., Ltd.	05/07/2021	Limited liability company	The PRC	RMB 100,000	RMB 100,000	–	100%	–	Property management
廣州景譽房地產開發有限公司 Guangzhou Jingyu Real Estate Development Co., Ltd.	22/07/2020	Limited liability company	The PRC	RMB 50,000,000	RMB 50,000,000	–	51%	49%	Property development
愉庭集團(香港)有限公司 Jovial Garden Group (HK) Limited	04/01/2021	Limited liability company	Hong Kong	HK$1	HK$1	–	100%	–	Investment holding
景業名邦集團控股有限公司 JY Grandmark Holdings Limited	20/08/2014	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding
雄衛控股有限公司 Hero Guard Holdings Limited	16/04/2022	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding
愉庭集團有限公司 Jovial Garden Group Limited	25/09/2020	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding

40 Particulars of subsidiaries (continued)

(a) Particulars of the subsidiaries of the Group as at 31 December 2025 are set out as below: (continued)

Name of companies	Date of incorporation/ establishment	Type of legal status	Place of operation/ incorporation/ establishment	Registered/ Issued capital	Paid-up capital	Ownership interests and voting right held by the Group: Attributable equity interests Direct	Indirect	Equity interests held by non-controlling interests	Principal activities
榮聲環球有限公司 Prestige Voice Global Limited	28/08/2020	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding
益堡環球有限公司 Profit Castle Global Limited	18/08/2020	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding
盛貿環球有限公司 Abundant Trade Global Limited	05/02/2020	Limited liability company	BVI	US$1	US$1	–	100%	–	Investment holding
廣州市愉尚投資有限公司 Guangzhou Yushang Investment Co., Ltd.	13/05/2022	Limited liability company	The PRC	RMB 1,000,000	RMB –	–	100%	–	Property investment
廣州愉昇商業管理有限公司 Guangzhou Yusheng Business Management Co., Ltd.	17/05/2022	Limited liability company	The PRC	RMB 1,000,000	RMB –	–	100%	–	Property investment
南京市悦弘信商務服務有限公司 Nanjing Yuehongxin Business Service Co., Ltd.	31/07/2024	Limited liability company	The PRC	RMB 500,000	RMB –	–	100%	–	Business management
廣州眾合酒店管理有限公司 Guangzhou Zhonghe Hotel Management Co., Ltd.	19/09/2025	Limited liability company	The PRC	RMB 500,000	RMB 500,000	–	51%	49%	Hotel operations

Notes:

(i) Formerly known as "Hunan Zhuodu Property Services Co., Ltd."
(ii) Deregistered under the PRC law on 25 August 2025.
(iii) Deregistered under the PRC law on 25 July 2025.
(iv) Disposed on 10 June 2025.
(v) Deregistered under the PRC law on 21 January 2026.
(vi) Deregistered under the PRC law on 3 July 2025.
\# Registered as wholly foreign owned enterprises under the PRC law
@ Registered as sino-foreign equity joint venture under the PRC law

The English names of the companies in the PRC 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.

During the year ended 31 December 2024, the non-controlling shareholders of Guangzhou Chongyu made capital contribution of approximately RMB53,564,000 (2025: nil). There was an increase in the same amount of non-controlling interests without any equity movement as the non-controlling shareholder obtained same amount of the share of net assets with the capital injection.

The accumulated non-controlling interests as at 31 December 2025 was approximately RMB1,310,938,000 (2024: RMB1,428,801,000).

40 Particulars of subsidiaries (continued)

(b) Disposal of a subsidiary

On 10 June 2025, the Group and an independent third party not connected with the Group signed a sale and purchase agreement in which the Group disposed of its entire 100% equity interest in Guangzhou Panyu Decheng Copper Co., Ltd. (廣州市番禺區德誠銅業有限公司) ("Decheng Copper"), an indirectly wholly-owned subsidiary of the Company, to an independent third party not connected with the Group at a consideration of RMB6,000,000. The principal activity of Decheng Copper was property development in the PRC. The disposal was completed on 11 June 2025. Immediately after the disposal, the Group lost control over Decheng Copper and Decheng Copper ceased to be a subsidiary of the Company.

Consideration received:

	As at 11 June 2025 RMB'000
Total consideration received	6,000

Analysis of assets and liabilities over which control was lost:

	As at 11 June 2025 RMB'000
Investment properties	5,400
Other receivables	3,043
Cash and cash equivalents	30
Trade and other payables	(39)
Deferred income tax liabilities	(3,136)
Net assets disposed of	5,298

Gain on disposal of Decheng Copper:

	As at 11 June 2025 RMB'000
Consideration received	6,000
Net assets disposed of	(5,298)
Gain on disposal of Decheng Copper	702

Cash inflows on disposal of Decheng Copper:

	As at 11 June 2025 RMB'000
Consideration received	6,000
Less: cash and cash equivalents disposed of	(30)
	5,970

40 Particulars of subsidiaries (continued)

(c) Non-controlling interests

Set out below is summarised financial information for the subsidiaries that have non-controlling interests material to the Group. The amounts disclosed for the following subsidiaries are before inter-company eliminations.

Summarised consolidated statement of financial position

	Lucky Lead (BVI) and its subsidiaries	
	2025 **RMB'000**	2024 RMB'000
% of shareholding held by non-controlling shareholders	**49%**	49%
Current assets	**4,897,725**	5,036,629
Current liabilities	**(3,766,187)**	(3,929,036)
Non-current assets	**24,108**	17,284
Non-current liabilities	**–**	–
Equity attributable to owners of the Company	**807,955**	792,308
Non-controlling interest of Lucky Lead (BVI)	**347,691**	332,569
Net assets of Lucky Lead (BVI) and its subsidiaries	**1,155,646**	1,124,877
Net assets attributable to non-controlling interests	**743,589**	720,801

Summarised consolidated statement of comprehensive income

	Lucky Lead (BVI) and its subsidiaries	
	2025 **RMB'000**	2024 RMB'000
% of shareholding held by non-controlling shareholders	**49%**	49%
Revenue	**85,816**	1,702,965
Profit for the year	**30,769**	113,015
Profit and total comprehensive income for the year	**30,769**	113,015
– attributable to owners of the Company	**7,981**	29,290
– attributable to non-controlling interests	**22,788**	83,725

Note: Included in Lucky Lead (BVI) and its subsidiaries was 49% non-controlling interest in Nanjing Jinglong Shangyu as at 31 December 2025 and 2024.

40 Particulars of subsidiaries (continued)

(c) Non-controlling interests (continued)

Summarised consolidated statement of cash flows

	Lucky Lead (BVI) and its subsidiaries	
	2025 RMB'000	2024 RMB'000
Net cash flows generated from/(used in) operating activities	**20,613**	(296,036)
Net cash flows (used in)/from investing activities	**(20,972)**	281,750
Net cash flows from/(used in) financing activities	**3,009**	(358)
Net increase/(decrease) in cash and cash equivalents	**2,650**	(14,644)

41 Event after the reporting period

Subsequent to the end of the reporting period, given that the Group continued to negotiate with the lenders for renewal and extension of those bank and other borrowings, the Group continued to fail to settle certain bank and other borrowings and breach certain financial covenants of the bank and other borrowings, and such breaches constituted the default and cross-default on the other borrowings.

As disclosed in note 32, the hotel held by the Group with carrying amount of approximately RMB121,920,000 as at 31 December 2025 was pledged as collateral of the Group's Subsequent Defaulted Borrowings, and it was still subject to forced auction by the Court commencing from 15 January 2025 (the "**Forced Auction**"). The Forced Auction continued during the year ended 31 December 2025 and up to the date of approving these consolidated financial statements with no significant progress.

Given that the uncertainties arising from the results and the auction price of the Forced Auction, the financial impact and results arising from the loss of control over the hotel and the Forced Auction could not be estimated by the directors of the Company up to the date of the approving these consolidated financial statements.

42. Comparative figures

Certain financial figures in the consolidated financial statements have been reclassified to conform to current year's presentation.

Five-Year Financial Summary

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**559,115**	3,426,674	513,462	513,310	2,043,126
Cost of sales	**(521,795)**	(2,926,185)	(467,403)	(439,704)	(1,459,901)
Gross profit before net provision for completed properties held for sale and properties under development	**37,320**	500,489	46,059	73,606	583,225
Net provision for completed properties held for sale and properties under development	**(163,710)**	(154,516)	(1,666,138)	(679,553)	–
Gross (loss)/profit after net provision for completed properties held for sale and properties under development	**(126,390)**	345,973	(1,620,079)	(605,947)	583,225
Selling and marketing expenses	**(36,040)**	(135,297)	(56,034)	(66,331)	(153,328)
Administrative expenses	**(71,701)**	(96,270)	(89,234)	(118,381)	(139,311)
Loss allowance for financial instruments	**(99,620)**	(95,588)	(60,051)	(36,869)	(5,837)
Other income	**822**	590	10,869	14,326	21,567
Other (losses)/gains, net	**(28,238)**	(42,991)	(162,970)	(200,513)	33,430
Operating (loss)/profit	**(361,167)**	(23,583)	(1,977,499)	(1,013,715)	339,746
Finance (costs)/income, net	**(134,087)**	(31,735)	(9,889)	(21,971)	359
Share of results of associates	**(14)**	94	(9,167)	3,037	23,634
(Loss)/profit before income tax	**(495,268)**	(55,224)	(1,996,555)	(1,032,649)	363,739
Income tax (expenses)/credit	**(31,492)**	(77,351)	(146,053)	144,824	(164,916)
(Loss)/profit for the year	**(526,760)**	(132,575)	(2,142,608)	(887,825)	198,823
(Loss)/profit for the year attributable to:					
Owners of the Company	**(408,897)**	(344,100)	(1,835,407)	(721,859)	216,446
Non-controlling interests	**(117,863)**	211,525	(307,201)	(165,966)	(17,623)
	(526,760)	(132,575)	(2,142,608)	(887,825)	198,823

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	**542,068**	595,707	812,016	1,172,564	1,148,954
Current assets	**5,671,352**	6,371,033	9,492,087	11,314,690	12,777,420
Total assets	**6,213,420**	6,966,740	10,304,103	12,487,254	13,926,374
Non-current liabilities	**430,057**	938,587	334,156	2,089,773	2,515,248
Current liabilities	**5,140,572**	4,912,796	8,413,821	6,679,458	6,632,287
Total liabilities	**5,570,629**	5,851,383	8,747,977	8,769,231	9,147,535
Net assets	**642,791**	1,115,357	1,556,126	3,718,023	4,778,839
Equity attributable to owners of the Company	**(668,147)**	(313,444)	392,414	2,247,110	3,109,827
Non-controlling interests	**1,310,938**	1,428,801	1,163,712	1,470,913	1,669,012
Total equity	**642,791**	1,115,357	1,556,126	3,718,023	4,778,839

Glossary

In this Annual Report, the following expressions have the following meanings unless the context requires otherwise:

"Adoption Date"	13 November 2019, the date on which the Share Option Scheme is conditionally adopted by the Shareholders by way of written resolutions
"AGM" or "Annual General Meeting"	the annual general meeting of the Company to be held at Unit No. 1101, 11th Floor, The Bay Hub, 17 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 28 May 2026 at 2:30 p.m.
"AGM Notice"	the notice convening the AGM set out on pages 20 to 25 of the circular of the Company dated 30 April 2026
"Articles"	the amended and restated articles of association of the Company currently in force, as amended from time to time
"ASP"	average selling price
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Business Day"	any day on which the Stock Exchange is open for the business of dealings in securities
"BVI"	the British Virgin Islands
"CG Code"	the principles of the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"close associates"	has the meaning ascribed thereto in the Listing Rules
"Companies Act"	the Companies Act, Cap. 22 (Act 3 of 1961, as amended and revised) of the Cayman Islands
"Company" or "JY Grandmark"	JY Grandmark Holdings Limited (景業名邦集團控股有限公司), a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange
"Controlling Shareholder(s)"	has the meaning ascribed thereto in Listing Rules and for the purposes of this annual report, means each of Sze Ming Limited and Mr. CHAN Sze Ming Michael
"core connected person"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Date"	Thursday, 5 December 2019, on which the Shares were first listed and from which dealings in the Shares were permitted to take place on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Memorandum"	the amended and restated memorandum of association of the Company currently in force, as amended from time to time
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"PRC" or "China"	the People's Republic of China, which for the purposes of this annual report excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
"Prospectus"	the prospectus of the Company dated 25 November 2019
"Remuneration Committee"	the remuneration committee of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the nominal value of HK$0.01 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Share Option Scheme"	a share option scheme approved and adopted by the Company on 13 November 2019
"sq.m."	square meter
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs
"U.S." or "United States"	the United States of America, its territories and possessions, any states of the United States and the District of Columbia
"US$" or "U.S. dollars" or "US dollars"	United States dollars, the lawful currency of the United States
"%"	per cent

* For ease of reference, the names of companies and entities established in China have been included in this annual report in English by way of translation if such Chinese entities do not have an English name as part of their legal name, and if there is any inconsistency between the Chinese names of the Chinese entities mentioned in this annual report and their English translations, the Chinese version shall prevail.

JY GRANDMARK HOLDINGS LIMITED