



China New Town Development Company Limited
中國新城鎮發展有限公司

Stock Code: 1278



推進新經濟產業投資及資產運營

創變求新 聚力致勝



2025
ANNUAL REPORT

Corporate Profile

OVERVIEW

China New Town Development Company Limited (SEHK stock code: 1278) (the "Company" or "CNTD") has been listed by introduction on the main board of The Stock Exchange of Hong Kong Limited since 22 October 2010.

In March 2014, China Development Bank International Holdings Limited ("CDBIH"), a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("CDBC" or "CDB Capital") completed its subscription for CNTD's 5,347,921,071 issued shares, and became CNTD's controlling shareholder. CDB Capital is a wholly-owned subsidiary of China Development Bank ("CDB") and based on CDB's resources and brand advantage, CDB Capital has a national network layout in the business segment of new town development. On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% shares of the Company with Wuxi Communications Industry Group Co., Ltd. ("Wuxi Communications") and Xitong International Holdings (HK) Limited ("Xitong International"), a wholly-owned subsidiary of Wuxi Communications. CDBIH agreed to transfer 29.99% shares of the Company held by it to Xitong International by agreement ("Share Transfer"). On 28 September 2021, upon the completion of this Share Transfer, Xitong International held approximately 29.99% shares of the Company and CDBIH held approximately 24.99% shares of the Company. Till then, the Company has held a composite shareholder structure of "local state-owned enterprise + central enterprise financial institution", combining the industrial advantages and financial advantages of the two substantial shareholders.

Since 2014, with the trend of new urbanization in China and the Company's advantage in resources, the Company has optimised its business strategy and layout, forming a basic business structure comprising fixed income investments and high-quality asset operations. Furthermore, following the shareholding restructuring in 2021, with the support of two substantial shareholders, Xitong International and CDBIH, and by leveraging their resources and advantages, and based on an analysis of domestic economic and industrial development as well as the Company's own resource advantages, the Company initiated the business transformation plan. By actively increasing appropriate investments in industries that are in line with the development prospects of the new economy, such as integrated circuits, high-end manufacturing, new energy, new materials and artificial intelligence, we have cultivated new businesses and principal business goals.

Currently, in terms of fixed income investments, our projects are located in areas with good economic development nationwide and can provide stable revenue and cash flow, thereby serving as the stabilizer, cornerstone and foundation for the business. At the same time, the Optical Valley New Development International Center Property Project in Wuhan held by the Company remains in robust operation, with rental and management fee income remaining steady. For new business expansion segment, after the past few years of market research, collaboration with cooperation agency and project inspection, we have explored the direction of principal business transformation through minority equity investment, and successfully completed the funding of certain minority equity projects in semi-conductors, new materials, artificial intelligence and other industries, accumulating experience in the industry and projects. Currently, some of the minority equity projects invested by the Company have successfully completed their listings. The direction of future business transformation is gradually becoming more focused, and the Company is conducting in-depth research, analysis and negotiations on key potential targets.

Under the background of the national policy which supports the development of new quality productivity industries, we have confidence to launch a new development track and achieve a steady increase in the Company's scale of assets and operating results during the 15th Five-Year Plan period by fully leveraging the resource advantages of shareholders and the rich experience of project teams.

GOAL

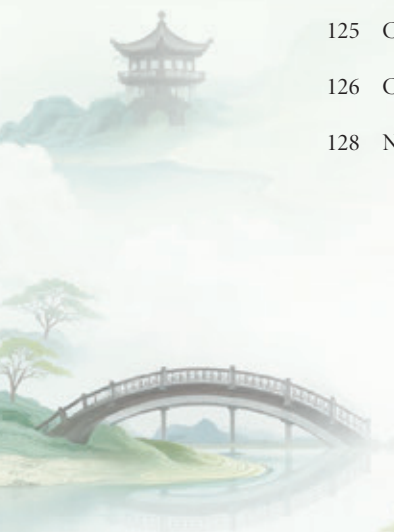
China New Town is an investment and asset operation platform under the shareholding background of "local state-owned enterprise + central financial institution". The Company will rely on high-quality shareholder resources to achieve complementary advantages and synergistic development, actively explore the direction of strategic business transformation in the new economy, and continuously create value for shareholders, society, and the community.

MISSION

Our mission is to become a leading comprehensive platform for investment and high-quality asset operations. Through investing in and holding different types of assets, we aim to enhance the scale of returns and income, thereby creating more long-term and sustainable value for our shareholders.

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Our Business

OUR BUSINESS

Introduction

We started to enter the new town development industry in 2002. In the previous project development, we accumulated a complete operational experience in the industry chain of new town development, including preliminary planning, land consolidation and supporting construction of infrastructure facilities, resources introduction to the region, which has improved the region's urbanization level.

Upon becoming a subsidiary of CDB Capital, we have made good use of these operating experience, together with the national resources advantage of the CDB Capital, to actively make an optimization of project operation model. We have established the business model of "investment + production operation", rapidly expanded the business scale, and achieved a good scale effect and financial basis and brand advantages. On top of fixed income investment in urbanization projects, and with the opportunity and business network of in-depth cooperation with various regional governments, we introduce brands of urbanization to the region in the field of people's livelihood improvement at the same time, such as tourism, healthcare, medical care and etc.

In the sector of fixed income investments, the Company has participated in various kinds of investing urbanization projects through diversified investment. In these investments, the Company shall receive a stable investment gain based on the amount we have invested, according to the agreement. In the sector of livelihood improvement investments, we have chosen tourism, healthcare and medical care, etc. as our main downstream strategies, and fully leveraged the advantage of resources of shareholders to make successive investments in the Tourism and Wellness Comprehensive Project in Junzhuang Town, Mentougou District, Beijing and the Optical Valley New Development International Center Project in Wuhan respectively.

In 2021, CDB Capital transferred its 29.99% equity in the Company to Wuxi Communications, realizing the diversity of the Company's shareholding structure. Since 2022, we have been actively exploring new direction for business strategy transition through combining new shareholders' background and resource advantage and on the basis of stabilising the development of our existing principal business. We intend to cultivate new business for the segments of new materials, new energy, high-end manufacturing, artificial intelligence and semi-conductor that are in line with the development prospects of the new economy, so as to realise an external growth of the Company's business and generate sustained and stable revenue. Currently, we have already completed the investment in certain equity projects in the fields of high-end manufacturing, semi-conductors, new materials and new technologies, with some projects having successfully exited after listing. As part of this process, the Company has been giving full play to the diversified shareholder advantages of "local state-owned enterprise platform + central enterprise financial institution" to combine the industrial and economic advantages of the Wuxi area with the industrial investment advantages of CDB Capital and actively explore ways to expand the depth and breadth of our reach in our targeted industry segments through sharing resources with our partners and initiating the establishment of funds for investments. Through the accumulation of experience over the past few years, we have gradually focused on the direction of transformation tracks, and plan to implement new business tracks during the 15th Five-Year Plan period.

In the future, the Company will, based on maintaining stable operations in fixed-income investments and property assets, promote the implementation of new business tracks to achieve new long-term sustainable growth points for the business. Combining with inbound and outbound financing channels, the Company will integrate a wide range of resources and optimize investments and structures to promote sustained growth in the Company's assets and results.

Our Major Projects

Shanghai Luodian New Town Project (72.63% — owned)

- Total site area of 6.80 square kilometres (“sq.km”).
- Located at Baoshan District, connected to downtown Shanghai by metroline #7 (with two stops at Luodian), around 30 minutes drive to downtown Shanghai.
- At the end of 2018, the Group signed a new cooperation agreement with the Baoshan District Government of Shanghai in respect to a new follow-up cooperation model, with the follow-up cooperation mainly focusing on agent construction.
- In 2021, Plot H-06 in the eastern part of Luodian has successfully closed in February and we collected the collection of construction rebate in June. At present, we are promoting the agent construction of school in the eastern part, and realised construction income of over RMB57 million in 2025, and realised construction income of over RMB57 million in 2025.

Optical Valley New Development International Center Project in Wuhan (66.4% — owned)

- The total floor area of the project is 172,496 square metres (“sq.m.”), of which 116,978 sq.m. are above-ground building area.
- Wuhan Optical Valley High-tech Development Zone is a nationwide renowned optoelectronic and semi-conductor industry base, which aligns with the strategic direction of the Company of developing integrated circuit industry property.
- The project company is running a robust operation with stable office and commercial occupancy rates.

Beijing Junzhuang Project in Mentougou District

- The Mentougou District is located in the western part of Beijing. The mountains in the district are connected to Xiangshan (香山), a renowned national tourism destination, comprising an integral part of the Western Beijing ecological conservation area. Located in the northeast of Mentougou and western part of Xiangshan Mountain, Junzhuang Town has formed the industrial pattern of “one town and four villages”.
- The Group and Beijing Vanke Enterprises Co. Ltd. have jointly established a project company (we are entitled to a 50% equity interest), which was granted an exclusive right to develop and operate the Eastern Zone of the project. In addition, using a model known as the “Village-Corporate Collaboration” with the co-ops, the project company shall also develop and operate the construction land collectively owned (集體建設用地) by the relevant village community economic cooperatives.
- In March 2025, the territorial spatial planning of Junzhuang Town in Mentougou District and the detailed control planning of the centralized construction area were approved by the Beijing Municipal Government. In light of the new planning, the Group worked on the ideas of project advancement together with the partners.



Our Strategies and Values

STRATEGIES

The Company combines the shareholders' network and resources of "local state-owned enterprise platform + central enterprise financial institution", and takes various measures to build a leading national investment operation brand with the integration of financing, investment, development, and operation.

BUSINESS STRATEGY

- It's the right time for the Company to be ready to set sail and for its development. The Company will give full play to the industrial resources and business network advantages of substantial shareholders, and continue to improve the quality of the Company's assets and profitability.
- The Company strengthens the internal control risk management, controls the investment risks, and realizes stable income and cash flow.
- Only the braver can win in the market. The Company focuses on the new economy field, pays attention to the reserve for the layout of a new range, continues to explore and innovate in the new field, and cultivates the momentum for sustainable rapid growth in the future.

FINANCING STRATEGY

- The Company gives full play to the credit background advantages of the shareholders, and builds the domestic and foreign financing channels.
- The Company utilizes diversified and innovative financing at the project level to increase funds and explores the high potential for consolidation and growth. Through the rich capital market transaction of the listed company, we will overcome the difficulties and forge ahead, so as to improve the return and income for Shareholders.

VALUES

- **Innovation**
Innovation is the soul of our continuous development. We keep abreast of the times, have adhered to the innovation spirit, adapt to changing circumstances, inspire the staff's innovative inspiration, realize the enterprise's continuous and quality development, and remain vital.
- **Hard work**
Working hard is our normality. We work together, are committed to the struggle, adapt to changes, overcome the setback and difficulties, remain easy in trouble, leverage on our strengths in the market, consolidate in the industry, are progressive under the pressure, make a breakthrough in the adverse situation, and jointly build a promising future for new urbanization construction in China.
- **Collaboration**
We attach greater importance to forming team spirit. The Company's culture is that we treat each other sincerely, coordinate with complementary advantages, and share weal or woe, complement and help each other with win-win cooperation.
- **Dedication**
Dedication to work represents our style of work. As time goes by, we uphold the practical work, are practical and realistic, make efforts step by step, and will make achievements thereafter. We treat the work in an objective and rational manner and deal with the problem with effectiveness. Although the journey may be long, one can achieve its goal by practice; the matter may be difficult, but one can deal with it by doing so.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Yang Meiyu (*President*)
Mr. Shi Janson Bing

Non-executive Directors

Ms. Liu Yanhong (*Chairman*)
Mr. Wang Yi
Mr. Xie Zhen
Ms. Qin Yangfan

Independent Non-executive Directors

Mr. Lo Wai Hung
(*Lead Independent Non-executive Director*)
Mr. Ji Jiaming
Mr. Yuan Kejian

AUDIT COMMITTEE

Mr. Lo Wai Hung (*Chairman*)
Mr. Ji Jiaming
Mr. Yuan Kejian

NOMINATION COMMITTEE

Mr. Ji Jiaming (*Chairman*)
Mr. Lo Wai Hung
Ms. Liu Yanhong

REMUNERATION COMMITTEE

Mr. Yuan Kejian (*Chairman*)
Mr. Lo Wai Hung
Mr. Ji Jiaming

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Yuan Kejian (*Chairman*)
Mr. Lo Wai Hung
Mr. Ji Jiaming

COMPANY SECRETARY

Ms. Mei Zhe

BUSINESS ADDRESS

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Facsimile: (852) 3144 9663
Website: www.china-newtown.com

REGISTERED OFFICE

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BVI PRINCIPAL SHARE REGISTRAR

Vistra (BVI) Limited
Vistra Corporate Services Centre
Wickhams Cay II
Road Town, Tortola
British Virgin Islands VG 1110

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISORS

HAIWEN & PARTNERS LLP
Bird & Bird LLP
Global Law Office
Zhong Lun Law Firm

INDEPENDENT AUDITOR

Rongcheng (Hong Kong) CPA Limited
(Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance)
Unit 4301-7, 43/F
Cosco Tower
183 Queen's Road Central
Hong Kong
Auditor's Date of Appointment: 19 June 2025
Partner-in-charge: Ms. Wang Jun Ying since 1 July 2025

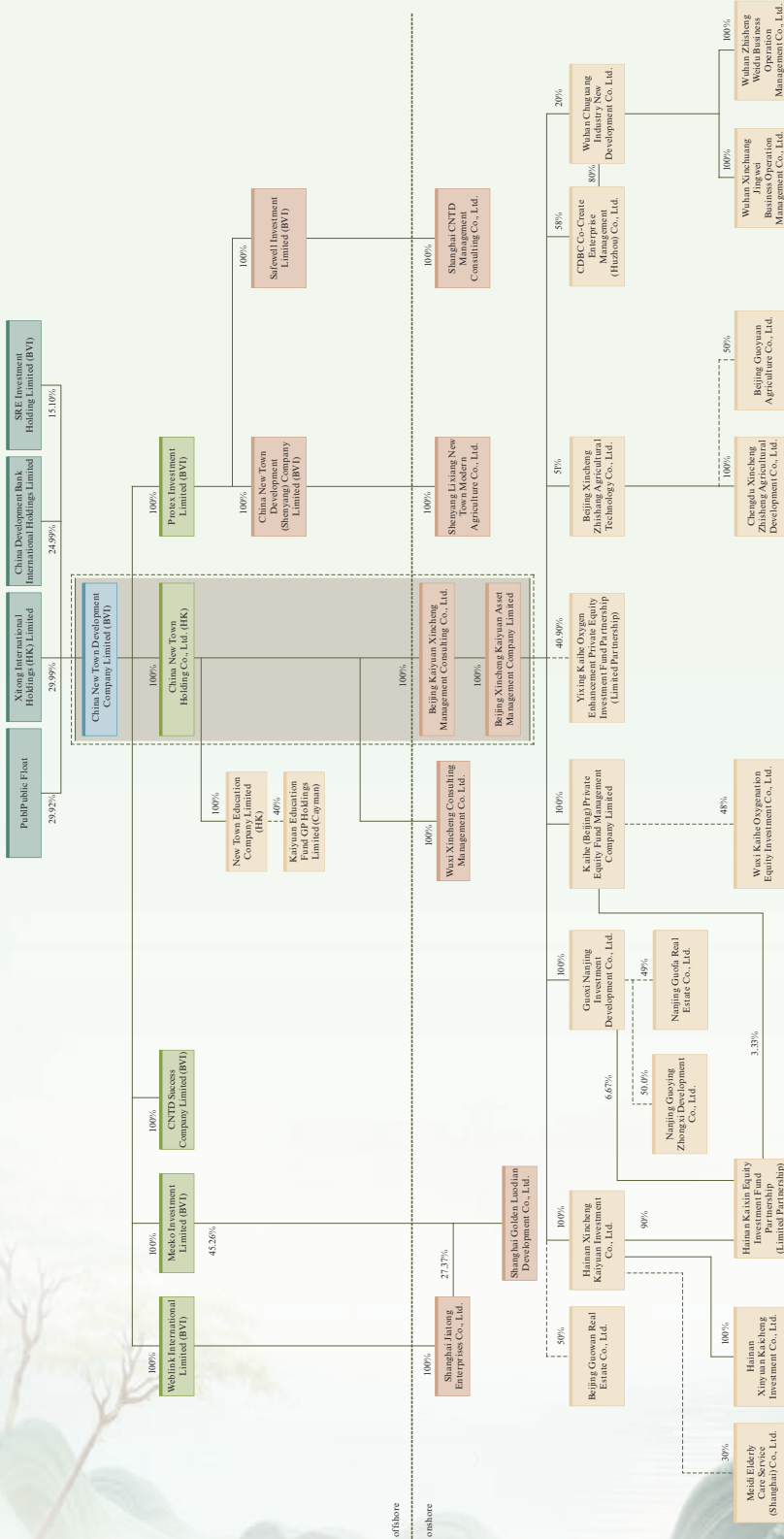
STOCK EXCHANGE LISTED

The Stock Exchange of Hong Kong Limited
Stock Name: ChinaNewTown
Stock Code: 1278
Board Lot: 2,500 shares

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Bank of Shanghai Co., Ltd.
Cathay United Bank Company, Limited, Hong Kong Branch

Group Structure



Notes: 1. CNTD Success Company Limited (BVI) was established on 23 March 2022.

2. CDBC New Town (Changchun) Construction and Development Co., Ltd. was renamed Changchun Xincheng Construction Development Company Limited on 22 April 2022.

3. CDBC New Town (Beijing) Investment Fund Management Company Limited was renamed Kaihe (Beijing) Private Equity Fund Management Company Limited on 27 June 2022.

4. Wuxi Xincheng Consulting Management Co. Ltd. was established on 17 June 2022.

5. Hainan Kaixin Equity Investment Fund Partnership (Limited Partnership) was established on 25 July 2022.

6. Hainan Xincheng Kaiyuan Investment Co., Ltd. made a capital contribution of 30% to Meidi Elderly Care Service (Shanghai) Co., Ltd. on 8 May 2024.

7. Beijing Xincheng Kaiyuan Asset Management Company Limited made a capital contribution to Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership) on 15 July 2024.

8. Kaihe (Beijing) Private Equity Fund Management Company Limited made a capital contribution to establish Wuxi Kaihe Oxygen Enhancement Equity Investment Co., Ltd. on 15 July 2024.

9. Hainan Xincheng Kaiyuan Investment Co., Ltd. made a capital contribution to establish Hainan Xinyuan Kaicheng Investment Co., Ltd. on 20 December 2024.

10. China New Town Development (Changchun) Co., Ltd. was cancelled on 2 April 2025.

11. Changchun Xincheng Construction Development Company Limited was cancelled on 11 July 2025.

12. Wuhan Xinchuang Jingwei Business Operation Management Co., Ltd. and Wuhan Zhisheng Weidu Business Operation Management Co., Ltd. were established on 11 December 2025.

Chairman's Statement

DEAR SHAREHOLDERS,

I hereby present the Chairman's Statement for 2025 on behalf of the board of directors of China New Town Development Company Limited (hereinafter referred to as the "Company" or "China New Town", together with its subsidiaries, the "Group").

MACROECONOMIC PROGRESS STEADILY FORWARD IN 2025, WITH INNOVATION IN THE NEW ECONOMY TAKING THE LEAD

The year 2025 marks the concluding year of the "14th Five-Year" Plan. Amid the profound and complex changes in both domestic and international landscapes, China's economy has adhered to the overarching principle of pursuing progress while ensuring stability, fully implemented the new development philosophy, accelerated the creation of a new pattern of development, and achieved stable growth, as well as development momentum towards innovation and excellence. According to preliminary calculations, the annual gross domestic product (GDP) exceeded RMB140 trillion, representing a year-on-year increase of 5.0%. The overall growth rate ranked among the fastest of the world's major economies, reflecting the strong resilience of economic development. On the basis of steadily expanding economic aggregate, with continuous optimisation of industrial structure, accelerated growth of new quality productive forces, and solid and effective livelihood security, China has drawn a solid conclusion to the successful completion of the "14th Five-Year Plan".



“On behalf of the Board of China New Town Development Company Limited, I present the Chairman's Statement of 2025.”



Chairman's Statement

In terms of industries, the tertiary industry accounted for 57.7%, continuing to serve as the main engine of economic growth. The added value of equipment manufacturing and high-tech manufacturing increased by 9.2% and 9.4% respectively, with their shares in the added value of industrial enterprises above designated size rising to 36.8% and 17.1% respectively. The transformation of industries towards high-end, intelligent, and green development has achieved remarkable results.

The development of China's new economy in 2025 was defined by three core pillars of policy underpinnings, innovation-driven breakthroughs and integration-enabled empowerment, successfully achieving multiple breakthroughs in scale expansion, structural upgrading and ecological improvement within a complex internal and external environment. Throughout the year, industries related to the new economy drove a 2.0 percentage point increase in GDP, contributing over 40% to the growth.

GROUP'S 2025 OPERATING PROFIT RECORDED SIGNIFICANT GROWTH, MAINTAINING A STABLE DIVIDEND POLICY

Under the leadership of the Board, guided by the management team, and with the concerted efforts of all colleagues across the Group, the Group adopted the action agenda of "consolidating foundations to enhance efficiency, securing financing to maintain credit facilities and building momentum for M&A to expand assets" in 2025, gradually narrowed the scope of M&A targets within the industry and target project, maintained prudent operations, kept main business income stable, enhanced asset quality and delivered a notable rise in operating profit.

As of 31 December 2025, the Company recorded an operating income of RMB417 million, remaining stable compared to 2024; operating profit reached RMB118 million, representing a year-on-year increase of approximately 18%; net profit attributable to shareholders of the parent amounted to approximately RMB73.29 million, representing a year-on-year increase of 65%, indicating a significant improvement in profitability. By segment, the fixed income investment segment achieved income of RMB230 million, representing a year-on-year increase of approximately 25%; the office and commercial property assets located in Wuhan Optical Valley collectively achieved income of RMB100 million, and the income from engineering construction agency for existing projects was over RMB57 million.

While maintaining stable income, the Group further strengthened the management and operation of its held assets in 2025, enhancing asset quality and the efficiency of their contribution to earnings. The occupancy rate of Wuhan Optical Valley property assets rebounded to 75% by year-end, representing a favorable level within the local region. The Group's associates and joint ventures also overcame numerous challenges in business development and the operating environment in 2025, achieving stable operations while effectively reducing risks and mitigating their impact on the Group's financial statements.

To continue rewarding our shareholders, the Group proposed to distribute a final dividend of HK\$0.0025 per share for 2025, and together with the interim dividend already distributed, the total proposed dividend distribution for 2025 amounted to approximately RMB35 million, representing 46% of the net profit for 2025. Since the resumption of dividend distribution in the interim period of 2023, the Group has distributed and proposed to distribute dividends of approximately RMB120 million, demonstrating its commitment and willingness to reward shareholders over the long term.

FIXED-INCOME SEGMENT SERVES AS CORNERSTONE, UNLEASHING NEW MOMENTUM, WHILE PROPERTY ASSETS MAINTAIN STEADY AND ROBUST OPERATIONS

Income from the fixed-income investments segment has consistently served as a key source of stable income and cash flow for the Group, acting as a profit cornerstone. In 2025, facing the dual challenges of a downward trend in domestic interest rates and a corresponding fall in investment yields, the fixed-income investment adhered to the principle of balancing the “security, liquidity, and profitability of funds”. The Group formulated a systematic investment operational strategy, made proactive allocations at the turn of the year, and raised the efficiency of rolling capital investments. In 2025, cumulative fixed-income investments reached approximately RMB2.8 billion, marking the largest investment scale in the past five years. As of the end of February 2026, the balance of the Group's fixed-income investment portfolio exceeded RMB4 billion, with an average portfolio yield of over 7%, maintaining relative stability in the current environment of generally declining market investment yields.

Amid fierce competition in the commercial and office property market and a challenging environment of sustained pressure on the rental market within the Wuhan property project region, the business team has turned pressure into motivation, launching a concerted effort to secure tenants, and adopting diversified approaches to expand client resources and promote office buildings and business districts. By year-end, the office building's occupancy rate rebounded to 75%, significantly outperforming the industry average. It contributed approximately RMB100 million in annual revenue and over RMB32 million in net profit, safeguarding the fundamental stability of our prudent operational model.

REFINING THE DIRECTION OF STRATEGIC TRANSFORMATION

The year 2025 marks both the conclusion of the “14th Five-Year Plan” and the planning phase for the “15th Five-Year Plan”. For China New Town, it is also a pivotal year for strategizing business transformation. The Group currently has a solid base of fixed-income investments and property leasing operations, which have consistently delivered stable income and cash flow in the past. However, under the current domestic environment of declining investment returns and pressure on the property market, business growth is relatively limited. Therefore, the Group needs to cultivate new development momentum and revenue growth curves, achieve the integration of industrial resources and leapfrog development in financial indicators, thereby facilitating a reassessment of the Group's value by the capital markets.

Since 2022, leveraging the development trends in China's new economy sectors and the resource and network advantages of its shareholders, the Group has begun exploring investment and business transformation opportunities in strategic emerging industries such as new energy and new materials, environmental protection, semiconductors, and high-end manufacturing, and has also completed several minority equity investments, accumulating sector-specific knowledge and experience. In 2025, the Group further accelerated the pipeline development and project initiation of its transformation initiatives. Key projects have entered corresponding stages of commercial negotiation and due diligence. Concurrently, by further leveraging the industrial cluster resources and footprint in the Wuxi region, as well as the industrial investment expertise of CDIBC, the Group continuously identified and expanded potential project opportunities. We believe that the project accumulation and experience gained in 2025 will enable China New Town to successfully launch the “second growth curve” for its corporate development in the first half of the “15th Five-Year Plan”.



Chairman's Statement

STRENGTHENING THE MANAGEMENT OF ASSOCIATES AND JOINT VENTURES, PROMOTING ASSET REVITALIZATION, TO EFFECTIVELY CONTROL INVESTMENT RISKS

In 2025, the Group actively advanced the revitalization of existing assets and strengthened the management and control of its associates and joint ventures to enhance operational asset quality. The loan for the joint venture, Nanjing Guoying Company, was successfully extended, alleviating short-term debt pressure. The international school (a lessee of school premises under the Group's portfolio) overcame enrollment challenges, continuously enhancing its influence and educational progress, with operations advancing steadily. Student enrollment in 2025 increased by approximately 28% compared to the same period of the previous year, thereby securing the rental income source for Nanjing Guoying Company. A new plan for the Beijing Junzhuang project was approved, and in line with the new plan, the Group renegotiated a lease proposal for the construction land collectively owned with the village collective to lower current operational costs and enhance the effectiveness of subsequent project development.

SUCCESSFULLY COMPLETING OFFSHORE BOND FINANCING TO SECURE SUFFICIENT FUNDS FOR SUBSEQUENT BUSINESS DEVELOPMENT

In November 2025, the Company successfully completed the issuance of RMB1.5 billion in offshore RMB-denominated bonds with a term of three years and a coupon rate of 2.95%. The issuance was supported by a keepwell and liquidity support as well as an equity purchase commitment from Wuxi Communications. The proceeds from this bond issuance were used to repay the offshore RMB-denominated bonds maturing in 2026, achieving a seamless rollover of the bond financing, optimizing the debt maturity profile, and providing sustained financial support for subsequent business development. Concurrently, the interest cost decreased significantly compared to 2023, substantially reducing the Group's financial cost burden.

OUTLOOK FOR 2026

The "15th Five-Year" Plan period represents a crucial stage for the PRC in its efforts to build a modern socialist country in all respects. It is also a period of strategic opportunity featuring profound economic structural adjustment and accelerated reshaping of the industrial landscape. More importantly, it marks an initial breakthrough phase for the Company to consolidate its development foundation and achieve a strategic leap forward. Standing at a new historical starting point, the Company will closely follow the central economic policies and guidelines, anchor high-quality development as its top priority, and build on the accumulated experience of its existing business. Leveraging the resource strengths of its shareholders and supported by the professional capabilities of its management team, the Company will clarify its development positioning and calibrate its strategic direction. It will successfully complete the strategic transition from a "financial investor" to an "industrial value creator", laying a solid foundation for the Company's long-term and sustainable development.

DEVELOPING A TOP-TIER STRATEGIC PLAN — DEFINING CORE GOALS AND A CLEAR BLUEPRINT

As the inaugural year of the “15th Five-Year” Plan, 2026 also represents a critical initial phase for the Company's strategic transformation. Our foremost task is to clarify the fundamental proposition of “who we are and where we are heading”. Based on our actual development conditions and in line with industry trends, we will position ourselves as a holder and operator of stable assets across various sectors. This positioning is rooted in the Company's mature business experience accumulated in fixed income investment, property management and other fields. It draws on the core strengths of our shareholders in resource integration and industrial layout, and relies on the management team's professional expertise in investment, risk control and asset operation. This represents a systematic integration of the Company's competitive advantages and, more importantly, a firm grasp of its future development direction.

In terms of asset allocation strategy, the Group will establish an asset portfolio structure comprising “stable+ high growth” assets, achieving a scientific mix and coordinated development of different asset types. For stable assets, on the basis of further refining the operation of fixed income projects and professionalising property management, we will explore expanding the range of stable assets held, further strengthening the Company's revenue and consolidating its cash flow base. For high growth assets, we will focus on high quality sectors with strong development potential and alignment with industrial trends. Through strategic positioning, resource input and professional operation, we will foster new business growth drivers and build differentiated competitive advantages. The synergy between the two types of assets will not only ensure the stability of the Group's current operations but also reserve momentum for long-term development, thereby achieving a development framework where “current returns are secured and future growth is supported”.

ENSURING THE STABILITY OF THE FOUNDATIONAL BUSINESS TO CONSOLIDATE THE GROUNDWORK FOR A STEADY START TO THE “15TH FIVE-YEAR” PERIOD

At this critical stage of vigorously planning the strategic business transformation and fostering new drivers for future development, we will continue to uphold the bottom line of stable operation for our core businesses. This will consolidate a solid foundation for sound financial performance during the transition period and provide sustained and reliable financial and operational support for the orderly progress of strategic transformation. In the fixed income investment segment, we will always adhere to the three fundamental principles of “security, liquidity and profitability”. Risk prevention and control will be embedded throughout the entire investment process, with strict compliance with regulatory requirements and risk boundaries, resolutely ensuring the safety of investment assets and stable returns. At the same time, we will continue to intensify the sourcing and pipeline development of high quality projects, adhering to an investment strategy of selecting only the best assets and prioritising quality over quantity. We will conduct scientific analysis of market trends, precisely control the pace of investment, implement full cycle investment planning and fund coordination, and steadily enhance the quality and efficiency of the fixed income business. In the Wuhan property operation segment, we will further pursue a market-oriented and refined operational approach, maintaining and optimising flexible and adaptive leasing strategies. We will adopt a combination of measures to revitalise asset operation, steadily improve property occupancy rates and revenue per available square meter, and continuously enhance the stability and risk resilience of asset income. We will give full play to the role of high quality property assets as a cornerstone of cash flow stability.



Chairman's Statement

ACHIEVING A BREAKTHROUGH IN BUSINESS TRANSFORMATION

Building on the achievements accumulated from previous minority equity investments, commercial negotiations and related work, we will focus on our core development directions in 2026. We will systematically review and refine the core characteristics of assets across various industries, and precisely target high quality asset sectors that are highly aligned with the Group's strategic positioning. For potential projects already in the negotiation stage, we will strengthen overall coordination, clarify responsibilities, accelerate the pace of discussions and refine transaction structures. We will make every effort to resolve difficulties and bottlenecks encountered during negotiations, promote the realisation of high quality project transactions, and achieve substantive breakthroughs in building the target "stable + high growth" asset allocation portfolio.

CONTINUING TO DRIVE DOMESTIC AND OVERSEAS FINANCING — PROVIDING CAPITAL SUPPORT FOR BUSINESS DEVELOPMENT

In 2026, building on the progress made in financing during 2025, the Company will align its financing arrangements with the pace of business development and the needs of strategic transformation, and conduct overall planning for diversified domestic and overseas financing solutions. Through the flexible use of multiple financing instruments such as credit facilities and bonds, we will optimise and coordinate the maturity structure, interest rate levels and funding application of our financing. We will continue to improve a market-oriented, diversified and sustainable financing system, and strive to build long term financing capacity that matches the Company's business development and supports its strategic transformation. This will provide stable, sufficient and low cost funding support for the implementation of various operational initiatives and the delivery of core strategies.

Embracing the momentum of progress while acknowledging the magnitude of our responsibilities, we maintain our forward trajectory with determined resolve. Looking forward to 2026, the Company is in a critical period of deepening its business transformation and reshaping its development momentum. This new journey is a grand expedition filled with glory and dreams, and only solid effort leads to lasting success. Bearing in mind with a sense of urgency that time and tide wait for no man, let us anchor our goals, overcoming difficulties and challenges to reward our shareholders, give back to society, and thank every colleague striving alongside us with even stronger performance.

Finally, on behalf of the Board, I express my sincere gratitude to all shareholders, investors and partners for your trust and support for the Company in the past year. I also express heartfelt respects to the directors, management team and all staff for their diligent efforts.



President's Statement

Dear Shareholders,

The year 2025 marked the final year of the "14th Five-Year Plan" and served as a pivotal period for the Company as it confronted challenges, pursued transformative breakthroughs, and solidified its foundation for development. Against a backdrop of complex and volatile domestic and international economic conditions and industry dynamics, the Company, under the strong leadership of the Board, the steadfast support from our shareholders, and the concerted efforts of all employees, responded with composure. Upholding a strategic vision centered on reform, innovation, and pursuing progress while ensuring stability, we comprehensively advanced the optimization of existing operations and the pursuit of incremental breakthroughs. Throughout the year, our business performance remained stable with moderate growth, key targets were successfully attained, and a robust foundation was laid for a high-quality start to the "15th Five-Year Plan".

On behalf of the Company's executive management team, I would like to present to all shareholders a comprehensive overview of our operating results for 2025, progress in our strategic transformation, and our development objectives and key priorities for 2026.

I REVIEW OF 2025 OPERATING PERFORMANCE: STEADY IMPROVEMENT WITH ENHANCED QUALITY AND THE SUCCESSFUL CONCLUSION OF THE "14TH FIVE-YEAR PLAN"

In 2025, global economic recovery remained tepid, while the domestic economy experienced a divergent, low-level stabilization. The pace of industrial upgrading accelerated, with new quality productive forces being steadily cultivated. Concurrently, traditional energy-intensive industries, real estate, and related sectors remained in a period of deep adjustment. Although monetary policy maintained a moderately accommodative stance, credit expansion faced constraints, interest spreads continued to narrow, and asset allocation became increasingly challenging. Against this backdrop, the Company's investment and property asset management operations encountered considerable difficulties.

In the face of these pressures, the Company united as one, confronted challenges head-on, and achieved breakthrough progress across all operations through task-force initiatives, institutional innovation and targeted policy measures. Our fundamental operating performance remained stable with moderate improvement; the business structure was optimized, asset quality steadily improved, core competencies were continuously strengthened, and we delivered a commendable and solid set of results.

(I) Solid Execution of Core Operational Achievements with Annual Targets Basically Met

In 2025, adhering to the principle of prioritizing stability and pursuing progress while maintaining stability, the Company took fixed-income investments and property operations as its core drivers and steadily advanced business operations. A series of core operational achievements were solidly realized and annual targets were successfully met. In the domain of fixed-income investments, the Company remained committed to the core principle of integrating safety, liquidity, and returns. We accurately assessed market conditions, seized special opportunistic investment windows, continuously strengthened post-investment dynamic monitoring and end-to-end risk control, and progressively optimized the geographical allocation of our investment portfolio. These efforts enabled us to successfully expand our project footprint into key developed coastal regions, including Zhejiang and Fujian provinces, thereby effectively enhancing the efficiency of capital deployment and the quality of investment returns. For the full year, investment income reached RMB230 million, and all matured projects recovered principal and interest in full and on schedule.



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In the Wuhan property operations segment, confronted with challenges arising from market fluctuations, the Company proactively perceived, adapted to, and responded to changes. Taking into account the distinctive characteristics of the regional market and the realities of our business operations, we formulated flexible and targeted leasing and pricing strategies. Through multiple pragmatic measures, including targeted building canvassing, channel incentives, and renewal concessions, we made concerted efforts to stabilize the occupancy rate. By year-end, the property occupancy rate had steadily recovered to 75%, achieving stable and controllable operating revenue. Concurrently, we actively explored innovative development models, proactively expanded third-party service outsourcing businesses, continuously refined service standards, and elevated service quality. These efforts consistently strengthened the Company's brand influence in property operations and its comprehensive service competitiveness, thereby charting a new path for the high-quality development of the property operations segment.

(II) Orderly Progress in Strategic M&A with Increasingly Focused Direction

In 2025, the Company positioned strategic mergers and acquisitions as the core lever for its transformational development. Closely aligned with national industrial development guidelines, we propelled the evolution of our M&A approach from broad-based sourcing to precision targeting, achieving phased results. A dedicated strategic transformation task force was established to integrate core front-, middle-, and back-office resources, reinforce collaborative synergies, and elevate the professional caliber of our M&A endeavors. Concentrating on high-growth sectors supported by national strategies, including new energy, new materials, high-end equipment manufacturing, and semiconductor, we continuously optimized the structural composition of our project pipeline. As a result, our M&A direction has become clearer and more focused, and the first batch of M&A targets has been identified for inclusion in the Company's portfolio, laying a solid foundation for achieving a landmark breakthrough in M&A "from zero to one" in 2026.

(III) Notable Results in Capital Operations with Comprehensive Expansion of Financing Channels

In 2025, adhering to the working philosophy of "leveraging financing to drive development and optimize structure," the Company actively expanded both domestic and international financing channels, optimized maturity profiles, and achieved remarkable success in reducing financing costs, thereby providing robust support for long-term business growth. A breakthrough was attained in our issuer credit rating. In May 2025, the Company was successfully granted an AA+ issuer rating by China Lianhe Credit Rating Co., Ltd., marking recognition of our credit strength, operational capability, and development potential, and laying a solid foundation for subsequent financing endeavors.

Significant progress was achieved in offshore financing. In November, the Company successfully completed the issuance of RMB1.5 billion offshore RMB bonds with a three-year maturity and a coupon rate of 2.95%, representing a reduction of over 100 basis points compared to the interest rates on existing debt. This substantially lowered the Company's financing costs and optimized its offshore financing structure. Bank credit facilities and treasury management were continuously strengthened. The Company secured credit approvals from financial institutions including Bank of Shanghai and China Zheshang Bank. The establishment of cross-border treasury pools yielded initial results, effectively enhancing the efficiency of fund deployment and utilization. Consequently, the Company's financial flexibility and resilience against risks were markedly reinforced.

(IV) Comprehensive Upgrading of Management Enhancement and Internal Control Systems with Significantly Strengthened Organizational Effectiveness

In 2025, with the objectives of standardized governance and efficient operations, the Company persistently deepened management enhancements, comprehensively upgraded its internal control systems, and continuously optimized organizational structure and talent team development. Full coverage of our institutional framework was achieved, as we revised and updated company-wide policies and procedures across all processes, functions, and positions. This further clarified authority and responsibility boundaries, standardized decision-making processes, and elevated the Company's governance standardization and refinement to a new level. Talent team development was consistently reinforced through the rigorous implementation of annual talent reviews, optimization of staffing levels and role definitions, and accelerated cultivation of young cadres. The performance appraisal mechanism was continuously refined, strictly adhering to the principle of "rewarding excellence, penalizing underperformance, and evaluating based on tangible results," thereby fully mobilizing the initiative, proactivity, and creativity of all employees.

(V) Robust Performance of Key Financial Indicators with Provision of Stable Dividends

In 2025, the Company's principal financial metrics exhibited solid performance, achieving a simultaneous enhancement of economic benefits and shareholder returns. Full-year operating revenue reached RMB417 million, remaining essentially flat compared to the prior year. Total profit amounted to RMB110 million, representing a year-on-year increase of 60%. Net profit attributable to the parent company stood at RMB73.29 million, a year-on-year increase of 65%. This substantial improvement in profitability fully reflects the favorable trajectory of the Company's high-quality development. Concurrently, the Company has consistently remained true to its original aspiration of returning to shareholders, providing stable dividend returns on the basis of its own sound development.

Looking back on 2025, every achievement would not have been possible without the trust and support of all shareholders and the dedication of all employees. These accomplishments and the experience accumulated have laid a solid foundation for the commencement of the "15th Five-Year Plan" in 2026, the breakthrough of our strategic transformation, and the successful execution of M&A initiatives. Standing at a new starting point for development, the Company will comprehensively review its performance, candidly address its shortcomings, capitalize on the momentum, and strive for excellence. With greater resolve and more pragmatic measures, we will advance the implementation of all 2026 initiatives to ensure tangible results.

II. DEFINING OUR POSITION, CHARTING THE COURSE, AND FORGING CONSENSUS

At present, the Company's business foundation rests on "investment operations plus high-quality asset management." Our fixed-income investments and Wuhan property operations are deeply rooted and operate steadily, consistently providing reliable and stable income support for the Company's development. However, we must also clearly recognize that, amid profound shifts in the external economic environment and intensifying industry competition, traditional businesses face mounting pressures and encounter phased bottlenecks in growth potential. Only by proactively perceiving, adapting to, and responding to changes, accelerating the deployment of new growth trajectories, cultivating new drivers, and striving to build diversified revenue growth poles, can we continuously enhance our development resilience and core competitiveness, propelling the Company toward higher-level, more sustainable leapfrog development. Consequently, the Company urgently needs to integrate industrial resources through strategic M&A, reshape its growth engines, and construct a clear growth logic and industrial ecosystem.

As the inaugural year of the "15th Five-Year Plan", 2026 represents a critical juncture bridging the past and the future for the Company. While confronting the growing pains of strategic transformation, we are also presented with a window of opportunity where multiple strategic advantages converge. Only by taking a holistic view, comprehensively reviewing our current development status, and accurately assessing our position, core strengths and weaknesses, can we scientifically define our strategic development direction and chart a clear development path.

(I) Where Do We Stand in Our Business Development

After over two decades of operational accumulation and equity structure evolution, the Company is transitioning from a financial investor to an industrial value creator, possessing unique advantages for leapfrog development:

First, the advantage of synergistic shareholder composition. Our shareholder structure comprising "local state-owned assets and centrally-administered financial institutions" generates exceptional synergies. Wuxi Communications Group provides holistic empowerment across industrial economic development, resource channeling, regional market expansion, and financing support, thereby furnishing a solid foundation for the Company to navigate into new economic trajectories. Concurrently, China Development Bank Capital possesses distinctive prowess in industrial investment research & judgment and nationwide network resource allocation. Together, they foster a favorable configuration of internal-external linkage and complementary resource endowments.



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Second, the advantage of a professionally adept team. Nearly forty percent of our workforce holds a master's degree or higher. Our core team has dedicated over a decade to the domains of financial investment, project operations, and capital deployment, with aggregate investment exposure surpassing RMB10 billion. They have successfully orchestrated and exited multiple high-caliber equity investment projects. Their competencies in emerging industry research & judgment, value identification, and value creation have consistently withstood the rigors of market validation, while also demonstrating strong financing capabilities.

Third, the advantage of a resilient financial standing. In recent years, the Company has registered steady expansion in total assets, maintained a consistently low interest-bearing leverage ratio, and preserved ample high-liquidity asset reserves. In 2025, we were accorded an AA+ issuer credit rating by China Lianhe Credit Rating Co., Ltd. Our diverse and accessible domestic and international financing channels confer substantial financial flexibility and operational latitude to advance our strategic transformation.

Fourth, the advantage of market-oriented operation mechanisms. The Company has established robust, market-based incentive and constraint frameworks, alongside a comprehensive talent development system. These mechanisms effectively attract and retain interdisciplinary professionals, fully galvanize intrinsic team motivation, and provide a solid institutional underpinning for the continuous enhancement of core competitiveness and the pursuit of high-caliber value creation.

Turning to external opportunities, during the "15th Five-Year Plan" period, the nation is prioritizing high-quality development and the cultivation of new quality productive forces. Hundreds of billions of resources are being channeled into critical "bottleneck" sectors such as semiconductors and biomedicine. Investment paradigms are evolving toward hard technology, industrial consolidation, and long-term value accretion. The integration of the Yangtze River Delta and the development of regional modern industrial systems are highly congruent with the Company's transformation direction, affording vast growth horizons.

(II) Strategic Development Direction: Two Prongs, Three Steps to Accelerate the Rebuilding of Core Competitiveness

During the "15th Five-Year Plan" period, the Company intends to be guided by national strategies, anchored in local industrial development, and supported by shareholder enablement. We will adhere to a dual-pronged strategy of simultaneously pursuing incremental breakthroughs and optimizing existing operations. Specifically:

Incremental Breakthroughs: We will concentrate our efforts on premium new economy sectors such as advanced manufacturing, new material, and high technology. Adopting "precision industrial M&A plus deep cultivation" as our operational agenda, we will swiftly establish a new primary business and growth pole.

Optimization of Existing Operations: Amid the challenge of a declining trajectory in domestic investment yield benchmarks, we will strive to maintain relative stability in the returns of our existing investment portfolio, ensuring alignment among liquidity, security and yield. We will explore allocations to innovative, quasi-fixed-income quality assets. Concurrently, we will actively revitalize underperforming assets, mitigate legacy risks, and stabilize the fundamentals of cash flow, thereby securing the requisite time and space for transformation.

From an execution pathway perspective, the Company will operate under the overarching framework of "stabilizing the foundation in the short term, pursuing integration in the medium term, and expanding the ecosystem in the long term," implementing a three-step roadmap. Our short-term priority is to stabilize our core business and financial metrics while simultaneously launching strategic M&A initiatives to inaugurate a "second curve" of business growth. In the medium-term, we will progressively deepen post-M&A integration and enhance industrial synergies and management efficiency. In the long run, through the cultivation and integration of new growth drivers, we aim to achieve exogenous expansion in asset scale and operating indicators, establish a new second core business, and contemplate extension along the industrial chain to cultivate industry competitiveness and capital market influence.

IV. GENERAL WORK APPROACH AND KEY INITIATIVES FOR 2026

The year 2026 marks the inaugural year of the nation's "15th Five-Year Plan" and represents a pivotal milestone in the Company's development trajectory, a year of achieving breakthroughs in strategic transformation and comprehensive elevation of management effectiveness. Throughout the year, we will remain steadfast in pursuing the dual core objectives of maximizing shareholder value and preserving and enhancing the value of state-owned capital. Anchored in the direction of high-quality development, we will comprehensively advance five major priorities: "Stabilize, Resolve, Attack, Strengthen, and Optimize." Specifically, we will firmly stabilize the foundational business to solidify our development base; orderly revitalize existing project resources; commit all resources to securing a decisive breakthrough in industrial M&A and achieve a substantive breakthrough "from zero to one"; continuously strengthen capital operations to enhance resource allocation efficiency; and persistently optimize corporate governance to improve the modern enterprise system.

All colleagues of the Company will unite with unwavering focus and take concrete and results-oriented actions. We will address development challenges with pragmatic measures, drive transformation and upgrading through innovative thinking, and spare no effort to propel the Company toward a new development stage characterized by higher quality, greater sustainability and enhanced value creation, thereby laying a solid foundation for a successful start to the "15th Five-Year Plan" period.

(I) Safeguard the Core Business with Stability and Quality Enhancement to Reinforce the Safety Cushion for Transformation

In 2026, the Company will consistently prioritize steady growth and risk containment as its foremost mission. Leveraging fixed-income investments and property operations as core drivers, we will continue to solidify our development foundation. In the realm of fixed-income investments, we will adhere to a development orientation of prudent deployment, quality improvement, and efficiency enhancement, always placing security and liquidity at the forefront while balancing investment returns with risk prevention and control. First, rigorously manage existing projects. We will establish a dynamic risk prevention and control baseline, improve a post-investment management system that covers the entire investment life cycle and all processes, refine control measures, strengthen process supervision, and enhance early warning mechanisms. These efforts will effectively safeguard investment principal and ensure the full and timely recovery of returns, resolutely preventing systemic risks. Second, expand the pipeline of high-quality projects. We will continuously increase the depth and breadth of our project reserves, strictly adhere to investment criteria that favor the best of the best, and strive to enhance investment quality and return stability. Third, strengthen integrated capital management. We will dynamically match capital supply with project reserve progress and investment pacing, scientifically plan the timing of capital deployment, and make every effort to achieve early deployment and timely capital deployment and prompt realization of investment returns in our investment operations.

In the property operations domain, we will remain committed to intensive cultivation, quality enhancement, and efficiency improvement. We aim to sustain steady growth in operating income and strengthen the resilience of asset returns. Through in-depth customer profiling, we will precisely identify existing clients' needs for expansion and lease renewal, thereby reinforcing customer stickiness and loyalty. By leveraging high-quality resources including chambers of commerce, industry associations, higher education institutions, and professional intermediaries, we will broaden channels for customer acquisition and optimize the customer structure. Concurrently, grounded in core customer needs, we will innovate operational service models, refine service standards, and elevate service quality. Through high-caliber, professional operating services, we will build core competitive advantages and continue to unlock the full value of our property assets.



President's Statement

(II) Drive the Implementation of Strategic M&A to Achieve a Landmark “From Zero to One” Breakthrough

Strategic M&A serves as the core engine for executing the Company's “15th Five-Year” strategic plan and achieving transformational breakthroughs. It is also the most critical and emblematic task of the inaugural year 2026. In 2026, the Company will adopt “promising prospects, industrial maturity, and strong synergies” as our core screening criteria. Closely aligned with national industrial development trends, and fully leveraging the professional experience, risk management capabilities, and resource reservoirs accumulated through our historical minority equity project investments, we will continue to expand the pipeline of high-quality projects. Our focus will remain on core, premium targets that are highly compatible with our primary business, capable of generating strategic synergies, and possessing long-term value appreciation potential. Adhering to the core principle of “precision breakthrough and selecting the best of the best,” we will fully capitalize on the industrial, network and capital advantages of our shareholders, strengthen the small-team collaborative mechanism of the M&A task force, clarify roles and responsibilities, enhance collaboration and coordination, and elevate professional competencies. We will accelerate the advancement of critical stages including project due diligence and negotiation, strive to achieve substantive M&A transaction execution in 2026 and successfully inaugurate the Company's second growth curve.

Concurrently, we will establish a comprehensive end-to-end M&A management system, enhance the rigor and foresight of pre-investment analysis, and strictly control target quality and associated risks. We will strengthen the robustness of execution-phase controls, standardize transaction processes and mitigate deal-related risks. We will reinforce the effectiveness of post-investment integration, drive deep fusion and coordinated synergy between acquired projects and the Company's existing operations and management systems. Through these measures, we will fully realize M&A synergies, ensure that acquired projects generate long-term value and enhance the Company's core competitiveness, thereby providing solid support for our strategic transformation.

(III) Innovate Mechanisms for Revitalizing Existing Assets to Unlock Asset Liquidity and Value

The revitalization of existing assets represents a critical initiative for optimizing resource allocation and enhancing asset efficiency. In 2026, the Company will maintain a persistent focus on unlocking the value of its existing project portfolio. Adhering to a problem-oriented approach with targeted interventions, we will conduct comprehensive and in-depth analyses of the background, current status, and pain points of each existing project. We will implement a “one-project, one-strategy” revitalization approach, applying tailored measures and advancing initiatives in a phased manner. We will strengthen engagement and communication with relevant government agencies, proactively seek policy support, and resolve historical bottlenecks such as planning approvals and asset exits. We will deepen collaboration with our partners, integrate complementary strengths, and pool collective efforts to enhance the efficiency of existing asset revitalization. Through diversified revitalization methods, we aim to effectively unlock the liquidity embedded in existing assets, tap into their latent value, and realize the monetization of previously invested assets.

(IV) Deepen Organizational Restructuring and Capability Building to Enhance Corporate Governance Effectiveness and Core Competitiveness

High-quality development is inseparable from efficient organizational support and robust talent empowerment. In 2026, the Company will focus on deepening organizational restructuring and strengthening capability building as key levers to continuously enhance corporate governance effectiveness and core competitiveness. First, we will optimize the group management control system, further clarify authority and responsibility boundaries across all levels, refine decision-making mechanisms, and improve management synergy and decision-making soundness, thereby providing organizational support for the efficient execution of core initiatives including M&A execution and financing expansion. Second, we will iterate internal control and process systems. We will strengthen risk prevention and control mechanisms, enhance capabilities in risk identification, early warning, and mitigation, and address management vulnerabilities. Concurrently, we will streamline redundant processes and improve operational efficiency. Third, we will strengthen talent pipeline development. Focusing on core business domains such as capital operations and industrial M&A, we will precisely recruit and deploy key backbone and outstanding talent, improve mechanisms for talent development, attraction, utilization, and motivation, and build a talent team characterized by professional excellence, exemplary conduct, and a strong sense of accountability. Fourth, we will establish market-oriented incentive and constraint mechanisms. We will refine a performance-driven compensation incentive system linked to value creation, thereby fostering collective synergy.



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(V) Expand Diversified Financing Channels to Strengthen Capital Support

Continuing to expand diversified financing channels, optimize the financing structure, and reduce financing costs represents one of the Company's core priorities for 2026, and serves as a critical pillar supporting both M&A execution and the consolidation of our foundational business. Grounded in our strategic development needs, the Company will adhere to a financing philosophy of "integrated domestic and international deployment, diversified allocation, low-cost efficiency, and manageable risk exposure." We will further consolidate our existing advantages in offshore bond financing, actively explore and secure diverse financing instruments including offshore bank credit facilities and syndicated loans, enrich the variety of financing products, optimize the maturity profile of our offshore liabilities, and ensure a stable supply of offshore capital.

On the domestic front, leveraging the advantages of a robust domestic financing market characterized by abundant product offerings, longer tenors, more favorable interest rate conditions, and strong policy support, we will re-plan and establish a professionalized and regulated domestic financing platform. We will deepen strategic partnerships with financial institutions, actively expand diversified financing channels including domestic corporate bonds, bank loans, and structured financing. By appropriately allocating financing products and optimizing our domestic financing structure, we will provide ample capital funds to support the Company's high-quality development and fortify our capital defense line.

Dear shareholders, amidst a complex and volatile market environment and formidable development challenges in 2025, we forged ahead under pressure, overcame numerous difficulties, and achieved substantial results across our operations, most notably securing a significant breakthrough in offshore financing. Now, in 2026, standing at the new starting point of the "15th Five-Year Plan," we are poised to build on this momentum and strive for excellence. With a profound sense of mission and a commitment to pragmatic, results-driven action, we will steadily advance the execution of core initiatives including M&A delivery, financing expansion, and the revitalization of existing assets, to ensure that all strategic plans are implemented effectively and yield tangible outcomes. Every step forward in the Company's development has been made possible by the trust and support of our shareholders. Every achievement embodies the dedication and wisdom of every employee.

On the journey ahead, the Company will remain steadfast in its founding mission: to serve national strategies, empower regional development, and honor the trust of our shareholders. We will coordinate and advance our priorities of consolidating our foundational business, executing M&A, revitalizing existing assets, upgrading our organizational capabilities, and expanding financing channels. Through steady and determined efforts, we will tackle challenges head-on, enhance the quality of existing operations, achieve incremental breakthroughs, deliver on M&A, and drive value accretion. We are fully committed to securing a strong start to the "15th Five-Year Plan" and accelerating the development of a first-class industrial investment and capital operation platform defined by clear core businesses, sound governance, superior performance, and robust competitiveness, so as to reward the trust and confidence of our shareholders with outstanding results.

In closing, I wish to express our sincere gratitude to all shareholders for your longstanding care, support and trust in the Company.

Profiles of Directors and Senior Management

DIRECTORS



Ms. Liu Yanhong,

aged 51, was appointed as a Non-executive Director and the chairman of the Board (the “Chairman”) on 28 October 2024. Ms. Liu was appointed as a member of the Nomination Committee on 19 June 2025. She graduated from the department of law of Hohai University in 1999 with a bachelor’s degree in law, majoring in Economic Law, and then obtained a master’s degree in business administration, majoring in Business Administration, from Southeast University in 2011. From August 1999 to December 2002, Ms. Liu worked in the Policy and Regulations Department and the Bureau Office of Wuxi Transportation Bureau. From December 2002 to July 2003, she served as the deputy secretary of the Youth League Committee at Wuxi Transportation Asset Management Co., Ltd. From July 2003 to March 2008, she successively held various positions at Wuxi Communications Industry Group Co., Ltd.* (無錫市交通產業集團有限公司) (“Wuxi Communications”, a substantial shareholder of the Company), including the deputy manager of the human resources department and the deputy director of the party and mass work department, as well as the deputy secretary of the Youth League Committee and a member of the Commission for Discipline Inspection. From March 2008 to March 2020, she worked at Wuxi Passenger Transport Group Co., Ltd., successively serving as the deputy secretary of the Party Committee, the secretary of the Commission for Discipline Inspection, the chairman of the labour union and the secretary of the Party Committee. Since December 2019, she has been a director at Xitong International Holdings (HK) Limited (“Xitong International”, a substantial shareholder of the Company), and from March 2020, she has served as the deputy secretary of the Party Committee and the chairman of the labour union at Wuxi Communications. Ms. Liu has extensive experience in corporate governance and human resources.

Profiles of Directors and Senior Management



Ms. Yang Meiyu,

aged 43, was appointed as an Executive Director on 28 March 2014 and the President on 28 October 2024. She served as a vice president of the Company from 28 March 2014 to 31 March 2023 and was appointed as the Chief Executive Officer from 31 March 2023 to 28 October 2024, with responsibilities in various aspects of business activities, including capital market, operation management, as well as strategic emerging industries equity investment and fund management. Ms. Yang graduated from Peking University with a master's degree in finance and obtained Chartered Financial Analyst certification. Ms. Yang joined China Development Bank Capital Corporation Limited ("CDB Capital") in December 2009, where she was responsible for equity investment as she served as the manager, senior manager and assistant to general manager of the Direct Investment Division II of CDB Capital, respectively, and the vice general manager of the Management Department of a subsidiary from April 2015 to August 2016. Prior to joining CDB Capital, Ms. Yang worked as an investment manager at China Reits Investment, where she was involved in various fund raising and development projects. Ms. Yang also serves as director for several subsidiaries of the Company, such as China New Town Holding Company Limited, Beijing Xincheng Kaiyuan Asset Management Company Limited, Beijing Kaiyuan Xincheng Management Consulting Co., Ltd.



Mr. Shi Janson Bing,

aged 43, graduated from the University of Southern California and obtained a bachelor's degree in accounting in May 2007, joined the Group in December 2007 and was an Executive Director from 12 December 2007 to 28 March 2014. Mr. Shi was appointed as an Executive Director on 12 August 2016 and is responsible for strategic cooperation of the Group. He was an executive director of SRE Group Limited (delisted on 20 February 2025, previous stock code: 1207) from 17 July 2015 to 12 July 2018.

Profiles of Directors and Senior Management



Mr. Wang Yi,

aged 51, was appointed as a Non-executive Director on 19 June 2025. He graduated from School of Manufacturing and Engineering at Beihang University (北京航空航天大學) with a bachelor's degree in engineering and obtained a master's degree in business administration from the Guanghua School of Management at Peking University (北京大學光華管理學院). Mr. Wang Yi currently serves as the deputy general manager of the Investment Department I of CDB Capital, a substantial shareholder of the Company; and he joined CDB Capital in 2014 and successively worked at the Business Development Department, Equity Division V and the Asset Management Department of CDB Capital. From 2001 to 2014, he successively worked in Barings Private Equity Asia (China) Fund Management Co., Ltd.* (香港霸菱投資(中國)基金管理有限公司), ING Real Estate Investment Management (China) Co., Ltd.* (ING 房地產投資管理(中國)有限公司), China Property Development (Holdings) Ltd., New Capital International Investment Limited (新資本國際投資有限公司), and China Development Bank International Investment Limited (國開國際投資有限公司).



Mr. Xie Zhen,

aged 52, was appointed as a Non-executive Director on 19 June 2025. He obtained a bachelor's degree from Tsinghua University (清華大學) and a master's degree from the Institute of Engineering Thermophysics of the Chinese Academy of Sciences (中國科學院工程熱物理研究所). Mr. Xie has extensive experience in the banking and investment industry. Mr. Xie currently serves as the general manager of the Post-Investment Management Department of CDB Capital. He previously worked at the Human Resources Department and also served as the general manager of the Legal Affairs Department and the International Business Department after joining CDB Capital in 2014. From 2003 to 2010, Mr. Xie worked at the Appraisal Board of the Head Office of China Development Bank (國家開發銀行總行評審管理局). From 2011 to 2014, Mr. Xie worked at the Hong Kong Branch of the China Development Bank (國家開發銀行香港分行). From December 2015 to March 2019, Mr. Xie served as a Non-executive Director.

Profiles of Directors and Senior Management



Ms. Qin Yangfan,

aged 29, was appointed as a Non-executive Director on 26 September 2025. She graduated from China University of Political (中國政法大學商學院) with bachelor's degrees in Economics and Science. She currently serves as the Deputy Head of Corporate Management Department of Wuxi Communications. She joined Wuxi Communications in August 2019 and has served as Corporate Management Officer in the Corporate Management Department from August 2019 to October 2022 and from September 2023 to March 2024, and in the Safety Development Department from October 2022 to September 2023. Prior to joining Wuxi Communications, Ms. Qin worked in the Business Finance Department at iFLYTEK Co., Ltd.* (科大訊飛股份有限公司) from July 2018 to July 2019.



Mr. Lo Wai Hung,

aged 66, was appointed as the Lead Independent Non-executive Director and the Chairman of the Audit Committee on 28 October 2024 and a member of the Environmental, Social and Governance Committee on 12 December 2025. He was appointed as an Independent Non-executive Director and a member of each of the Nomination Committee, the Audit Committee and the Remuneration Committee on 30 December 2021. Mr. Lo was the Chairman of the Nomination Committee from 30 December 2021 to 28 October 2024. He obtained a bachelor's degree in Commerce from James Cook University of North Queensland, Australia in 1985. Mr. Lo is an associate member of Chartered Accountants in Australia and New Zealand and a fellow member of Hong Kong Institute of Certified Public Accountants. Mr. Lo has over 25 years of experience in auditing, finance and management.

Mr. Lo is an independent non-executive director of Talent Property Group Limited (stock code: 760), 5100 Xizang Glacier Company Limited (formerly known as Tibet Water Resources Ltd.) (stock code: 1115), and is a non-executive director of SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited) (stock code: 6069). Mr. Lo was an independent non-executive director of Shandong Weigao Group Medical Polymer Company Limited (stock code: 1066) during August 2009 to June 2022 and C Cheng Holdings Limited (stock code: 1486) during December 2013 to April 2023. All the aforementioned companies are listed on the Main Board of the Stock Exchange.

Profiles of Directors and Senior Management



Mr. Ji Jiaming,

aged 65, was appointed as an Independent Non-executive Director and the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 28 October 2024. He was appointed as a member of the Environmental, Social and Governance Committee on 12 December 2025. He holds a master's degree in business administration from Capital University of Economics and Business and is a senior economist. Mr. Ji has worked in construction, property and infrastructure construction industries for many years and has extensive experience in enterprise management, strategy formulation and engineering management. Mr. Ji served as the board chairman of China Construction First Building Development Corporation* (中建一局建設發展公司), the general manager of China Architecture First Building (Group) Corporation Limited* (中國建築一局(集團)有限公司), the board chairman of China Construction Municipal Construction Corporation Limited* (中建市政工程有限公司) before May 2012. From June 2012 until December 2014, Mr. Ji was an executive director and vice-chairman of Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司) (stock code: 1638), the issued shares of which are listed on the Stock Exchange. Since 21 July 2017, Mr. Ji has been appointed as an executive director of China City Infrastructure Group Limited (中國城市基礎設施集團有限公司) (stock code: 2349), the issued shares of which are listed on the Stock Exchange.



Mr. Yuan Kejian,

aged 73, was appointed as an Independent Non-executive Director and the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 28 October 2024. He was appointed as the Chairman of the Environmental, Social and Governance Committee on 12 December 2025. He resigned as a member of the Nomination Committee on 19 June 2025. He graduated from the medical department of Shanghai Second Medical University in 1976, and joined the burn department of Ruijin Hospital affiliated with Shanghai Second Medical University in the same year. He graduated from the Shanghai postgraduate pilot program in 1978, specializing in burn surgery. He served successively as resident physician, chief physician, deputy chief physician in the burn department of Ruijin Hospital affiliated with Shanghai Second Medical University. He was promoted to chief physician, professor III, and master tutor in 2000. He served as the deputy director and director of medical services department of Ruijin Hospital affiliated with Shanghai Jiaotong University School of Medicine from 1996 to 2001, the director of the hospital management department of Shanghai Jiaotong University School of Medicine from 2001 to 2003, and the vice president of the medical department of Ruijin Hospital affiliated with Shanghai Jiaotong University School of Medicine from 2003 to 2013. He has published more than 50 papers, participated in the editing of eight books, and was the chief editor and deputy editor of five books. Mr. Yuan has been engaged in clinical work of burns for a long term and has extensive experience in research and hospital management of burns. Currently, he serves as a member of technical appraisal expert team of medical related matters of the Chinese Medical Association, a member of technical appraisal expert team of medical accident of the Shanghai Medical Association, a member of expert team of Shanghai Judicial Authentication Center and the first, second and third chairman of Shanghai Huangpu District Clinical Pharmacists Association, etc.

Profiles of Directors and Senior Management

SENIOR MANAGEMENT



Mr. Wang Kang,

aged 45, was appointed as a vice president of the Company on 31 March 2023. He graduated from Loughborough University in the United Kingdom with a master's degree in construction management in 2004. Mr. Wang has extensive working experience in the fields of real estate investment, equity investment and fund investment, and is qualified to practice in private equity funds. Currently, Mr. Wang is mainly responsible for the Company's certain fixed income investment operations, the management of existing projects and the Alternative Investment Department and other duties. He is also responsible for the management of several subsidiaries of the Company, whilst serving as an executive director of China New Town Holding Co., Ltd., as well as the director and supervisor of several subsidiaries of the Company.

Mr. Wang joined the Group in April 2014 and currently serves as a vice president of the Group. He joined CDB Capital in May 2010 and served, successively, as manager and senior manager of its Direct Investment Division III. Prior to joining CDB Capital, he held the position of valuer in Cushman & Wakefield's evaluation and advisory department from 2005 to 2010.



Mr. Hui Yipeng,

aged 48, was appointed as a vice president of the Company on 28 October 2024. He graduated from the School of Economics and Management, Tsinghua University in 2004 with a master's degree in business administration. Mr. Hui has extensive working experience in real estate investment, equity investment, fund investment, risk management and business operation management, and is qualified to practice in private equity funds. Currently, Mr. Hui is mainly responsible for the Company's certain fixed income investment operations, existing project management and the compliance, legal and risk management work, and serves as the chairman of Guoxi Nanjing Investment Development Co., Ltd.* (國錫南京投資發展有限公司) and Shanghai Golden Luodian Development Co., Ltd., as well as the director and supervisor of several subsidiaries of the Company.

Profiles of Directors and Senior Management



Mr. Meng Hongzhong,

aged 47, was appointed as the chief financial officer of the Company on 30 May 2025. He holds a bachelor's degree in economics and a master's degree in management from the University of International Business and Economics (對外經濟貿易大學). He is a Certified Public Accountant ("CPA") in the People's Republic of China (PRC), qualified as a legal professional in the PRC, and admitted as an International Accountant of the Association of International Accountants ("AIA" or 國際會計師公會). Currently, Mr. Meng is mainly responsible for the Company's capital markets, investor relations, finance and business management, among other duties.

Mr. Meng has over 20 years of extensive experience in accounting and financial management. Prior to joining the Company, he served as Chief Financial Officer of Hop Hing Group Holdings Limited (合興集團控股有限公司) from July 2023 to September 2024. Before that, he was Vice President and Head of Finance at We Doctor Holdings Limited (微醫控股有限公司) from December 2022 to July 2023. From July 2018 to November 2022, he served as Financial Controller of Meituan (美團) in charge of overall financial operations. He also held roles as Senior Finance Manager and Financial Controller at Siemens (China) Co., Ltd (西門子(中國)有限公司) from May 2011 to July 2018, Consulting Manager at KPMG Advisory (China) Limited (畢馬威企業諮詢(中國)有限公司) from October 2008 to May 2011, Senior Consultant at PricewaterhouseCoopers Consultants (Shenzhen) Co., Ltd. (普華永道諮詢(深圳)有限公司) from September 2007 to April 2008, and Assistant Audit Manager at KPMG Huazhen (畢馬威華振會計師事務所) from July 2004 to August 2007.

* For identification purposes only

Five-Year Financial Summary

As at 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

A summary of the consolidated results and assets and liabilities of the Company and its subsidiaries (the "Group") of the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

RMB'000	For the year ended 31 December				
	2025	2024	2023	2022	2021
Operating income	416,871	412,194	427,389	405,668	367,776
Revenue	388,917	337,369	337,482	305,029	273,038
Other income	27,954	74,825	89,907	100,639	94,738
Operating expenses	(298,763)	(311,780)	(213,955)	(339,888)	(218,562)
Cost of sales	(80,559)	(56,249)	(38,441)	(43,267)	(63,399)
Selling and administrative expenses	(114,320)	(112,713)	(113,393)	(116,673)	(115,755)
Finance costs	(94,399)	(94,401)	(91,192)	(44,615)	(50,961)
Other expenses	(18,931)	(49,570)	(15,483)	(110,219)	(24,425)
Reversal of impairment/(impairment losses) on financial assets	9,446	1,153	44,554	(25,114)	35,978
Operating profit	118,108	100,414	213,434	65,780	149,214
Share of losses of joint ventures and associates	(8,075)	(31,772)	(12,351)	(9,292)	(7,764)
Profit before tax	110,033	68,642	201,083	56,488	141,450
Income tax	(34,325)	(12,768)	(49,827)	(49,018)	(10,500)
Profit for the year	75,708	55,874	151,256	7,470	130,950
Non-controlling interests	2,413	11,557	10,398	4,752	22,367
Profit attributable to equity owners of the parent	73,295	44,317	140,858	2,718	108,583
Assets and liabilities					
Total assets	9,265,370	7,895,754	7,879,365	6,583,552	6,678,036
Total liabilities	4,543,980	3,197,344	3,209,241	2,047,615	2,163,517
Total equity	4,721,390	4,698,410	4,670,124	4,535,937	4,514,519
Equity attributable to equity owners of the parent	4,226,791	4,206,224	4,189,495	4,065,706	4,049,040
Non-controlling interests	494,599	492,186	480,629	470,231	465,479
Total equity	4,721,390	4,698,410	4,670,124	4,535,937	4,514,519



Management Discussion And Analysis

- a) Fair review of development of business of the Group during the financial year and of their financial position at the end of the year:

Operating Results

Revenue

During the year ended 31 December 2025 (the "Year 2025"), the Group recorded revenue of RMB388.9 million, representing a 15.3% increase compared to the same period of last year. By business segment, for the Year 2025, urbanization investment revenue and other income increased by 25% on a combined basis to RMB231.0 million, mainly attributable to an increase in the investment balance of urbanization projects compared to the same period of last year, which led to higher project investment income. For the Year 2025, the property leasing segment recorded revenue of RMB100.0 million, comprising property lease income of RMB76.0 million and property management fee income of RMB24.0 million, representing a decrease of RMB33.0 million over the last year, mainly due to a decline in occupancy rates. Revenue from building construction amounted to RMB57,175 thousand, representing an increase of 202% over the same period of last year, mainly due to the rapid construction progress of two school projects in the eastern part of Shanghai Golden Luodian Development Co., Ltd. ("SGLD"), which resulted in an increase in building construction revenue carried forward.

Other income

For Year 2025, other income amounted to RMB27,954 thousand, representing a decrease of 62.6% compared to the same period of Year 2024. It was mainly because the interest income from bank deposits decreased by RMB15,612 thousand compared to the same period of Year 2024; net fair value gain on financial instruments at fair value through profit or loss decreased by RMB24,336 thousand compared to the same period of Year 2024; and net foreign exchange gain decreased by RMB823 thousand.

Cost of sales, selling and administrative expenses

For Year 2025, costs and expenses increased by RMB25,917 thousand compared to the same period in Year 2024. This was primarily attributable to an increase of RMB34,586 thousand in building construction costs carried forward for the two school projects in the eastern part of SGLD. Meanwhile, property management service fees decreased by RMB3,338 thousand, energy costs decreased by RMB2,234 thousand, and depreciation of right-of-use assets decreased by RMB1,007 thousand.

Other expenses

For Year 2025, other expenses amounted to RMB18,931 thousand, representing a decrease of 61.8% compared to the same period of Year 2024, mainly due to a decrease in bank charges of RMB1,088 thousand compared to the same period in Year 2024; a decrease in net fair value loss on financial instruments at fair value through profit or loss of RMB11,459 thousand compared to the same period in Year 2024; a decrease in loss from fair value changes of investment properties of RMB19,631 thousand compared to the same period in Year 2024; and an increase in other project costs of RMB834 thousand compared to the same period in Year 2024.

Reversal of impairment losses on financial assets

For Year 2025, the Group recorded a reversal of impairment losses on financial assets of RMB9,446 thousand, which was mainly due to the adjustment of the ECLs provision rate from 1% to 0.5% based on the risk profile of the investment projects. A reversal of impairment losses on financial assets of RMB1,153 thousand was recorded for Year 2024.

Finance costs

For Year 2025, total net finance costs amounted to RMB94,399 thousand, remaining largely unchanged from the same period of Year 2024, mainly due to an increase in interest expenses of RMB309 thousand for the bonds payable and a decrease of RMB311 thousand in interest on lease liabilities. No interest capitalisation was accrued for Years 2025 and 2024.

Management Discussion And Analysis

Share of losses from joint ventures and associates

For the Year 2025, the Group's share of losses from joint ventures and associates was RMB8,075 thousand, including a share of loss of RMB3,674 thousand from Nanjing Guoying Zhongxi Development Company Limited ("Nanjing Guoying"), a share of loss of RMB3,489 thousand from Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) and a share of loss of RMB2,010 thousand from Kaiyuan Education Fund LP ("Kaiyuan Fund"). As most of the other joint ventures and associates were under construction, no stable income was derived at this stage.

Taxation

For the Year 2025, the Group recorded income tax expense of RMB34,325 thousand, such income tax was mainly attributable to (i) current income tax expense of RMB4,804 thousand; (ii) deferred income tax expense of RMB11,201 thousand; and (iii) withholding tax of RMB18,320 thousand.

Financial Position

Investment in joint ventures

The balance as at 31 December 2025 decreased by RMB4,841 thousand from that at the end of Year 2024, mainly due to the share of losses of RMB4,841 thousand from joint ventures.

Investment in associates

The balance as at 31 December 2025 decreased by RMB4,161 thousand from that at the end of Year 2024, mainly due to the new capital contribution of RMB2,975 thousand to Kaiyuan Fund, the increase in the share of loss of RMB3,234 thousand from associates and the decrease in share of other comprehensive income arising from associates of RMB3,902 thousand due to foreign currency translation.

Debt instruments at amortised cost (non-current assets)

The balance of debt instruments at amortised cost (non-current assets) for Year 2025 amounted to RMB199.0 million, representing a decrease of RMB1,237.5 million from that at the end of Year 2024. Such decrease was mainly due to (i) the reclassification of Wuxi Gaoxin District Industrial Park Project (無錫高新區產業園項目) of RMB500.0 million, Liyang High-tech District Intelligent Internet Vehicle Test Center Project (溧陽高新區智慧網聯汽車測試場項目) of RMB400.0 million, Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project (無錫梁溪區醫藥流通供應鏈產業項目) of RMB351.0 million and Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project (無錫市新吳區運河文化科技產業園建設項目) of RMB200.0 million from non-current assets to current assets; and (ii) the additions of Taizhou Xinghua Leisure Food Industrial Park Fixed-income Project (泰州興化休閒食品產業園固定收益項目) of RMB200.0 million.

Financial assets at fair value through profit or loss (non-current assets)

The balance as at 31 December 2025 amounted to RMB107 million, representing a decrease of RMB13,111 thousand from that at the end of Year 2024. It was mainly due to the capital reduction of RMB11,111 thousand in the Jiangsu Hongruan Project in Year 2025, and a decrease in fair value of RMB2,000 thousand.

Right-of-use assets

The balance as at 31 December 2025 decreased by RMB1,919 thousand from that at the end of Year 2024, which was mainly due to the depreciation in right-of-use assets of RMB10,622 thousand and the increase in right-of-use assets of RMB8,703 thousand in Year 2025.

Other receivables

The balance as at 31 December 2025 increased by RMB43,810 thousand over that at the end of Year 2024. This was mainly due to the increase in amounts due from the joint venture, Beijing Guowan Real Estate Co., Ltd.

Trade receivables

The balance as at 31 December 2025 decreased by RMB7,477 thousand from that at the end of Year 2024, which was mainly due to a decrease of rental receivables of Wuhan Chuguang Industry New Development Co. Ltd.

Management Discussion And Analysis

Debt instruments at amortised cost (current assets)

As at 31 December 2025, the balance amounted to RMB3.341 billion, representing an increase of RMB1.462 billion compared to the balance as at the end of 2024. This was primarily due to the repayment upon maturity of debt instruments amounting to RMB1.701 billion; the addition of new fixed-income projects, including the Yangzhou Hanjiang Industry Upgrading Project of RMB490 million, the Wuxi Huishan IDTI Oral Innovative Medical Device Center Fixed-income Project of RMB300 million, the Liyang Economic Development Zone Aerodynamics Research Institute Project of RMB200 million, the Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project of RMB200 million, the Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project of RMB200 million, the Wuxi Huishan State-owned Holding Fixed-income Project of RMB134 million, and the Yangzhou Guangling Food Industrial Park Fixed-income Project of RMB100 million; and the reclassification of several projects from non-current assets to current assets, including the Wuxi Gaoxin District Industrial Park Project of RMB500 million, the Liyang High-tech District Intelligent Internet Vehicle Test Center Project of RMB400 million, the Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project of RMB351 million, and the Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project of RMB200 million.

Financial assets at fair value through profit or loss (current assets)

The balance as at 31 December 2025 was RMB31.98 million, which primarily represents wealth management products of RMB11.90 million purchased by the Group from China Merchants Bank Co., Ltd ("China Merchants Bank") and Ping An Bank Co., Ltd ("Ping An Bank"), and an investment of RMB20.08 million in the WeRide Project.

Other current assets

The balance as at 31 December 2025 was RMB8.21 million, which was primarily attributable to the input value-added tax (VAT) to be deducted in Chinese Mainland.

Interest-bearing loans and borrowings

As at 31 December 2025, the balance increased by RMB1.456 billion as compared with the balance as at the end of 2024. This was primarily attributable to the completion of a bond payable issuance of RMB1.50 billion by CNTD Success Company Limited ("Success") during the Year 2025; concurrently, a loan of RMB55.17 million borrowed from China Merchants Bank was repaid by Wuhan Chuguang Industry New Development Co. Ltd.; lease liabilities increased by RMB3.00 million and an increase of RMB6.89 million in the accrued interest of other borrowings due to shareholder loans obtained from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)). The borrowings were denominated in RMB. Details of the bank borrowings are set out in Note 24 to the financial statements.

Bonds payable

Please refer to Note 24 for the details of the bonds payable.

Trade payables

The balance as at 31 December 2025 increased by RMB5.62 million as compared with the balance as at the end of 2024, which was mainly due to the commencement of construction work by SGLD for the two schools in the eastern part of Luodian New Town.

Other payables and accruals

The balance as at 31 December 2025 decreased by RMB56.60 million as compared with the balance as at the end of 2024, which was mainly due to the refund of a deposit of RMB70.00 million for the Jingjiang Furuite Aluminum New Material Project in 2025.

* For identification purposes only

Management Discussion And Analysis

Contract liabilities

The balance as at 31 December 2025 decreased by RMB62.41 million as compared with the balance as at the end of Year 2024, which was mainly due to the release of contract liabilities carried forward amounting to RMB62.18 million, which included SGLD's recognition of RMB5.0 million management fee for the construction of the eastern part of Luodian New Town in 2025 and construction income of RMB57.18 million for the two schools in the eastern area.

Cash and bank balances

Overall, cash and bank balances for the Year 2025 increased by RMB1.151 billion as compared with the balance as at the end of Year 2024, with a balance of RMB2.196 billion as at 31 December 2025, which was mainly due to net cash outflow from operating activities of RMB177 million, net cash inflow from investing activities of RMB24 million, and net cash inflow from financing activities of RMB1.304 billion during the Year 2025. Cash and bank balances were denominated in Renminbi ("RMB"), Hong Kong dollar and United States dollar.

Gearing ratio (defined as net debt/the sum of shareholders' equity and net debt) as at 31 December 2025 was 25%, which increased as compared with 21% as at 31 December 2024. This was mainly due to an increase in net debt as a result of the completion of the issuance of bonds payable amounting to RMB1.50 billion by Success during the Year 2025.

Market Overview

As the final year of the "14th Five-Year Plan", 2025 saw China's economy demonstrate strong resilience amidst an increasingly complex domestic and international environment. Through a more proactive and impactful combination of macro policies, the country successfully achieved its annual targets and tasks, with its economic aggregate surpassing the RMB140 trillion mark for the first time and high-quality development making solid progress. The full-year Gross Domestic Product (GDP) reached RMB140.19 trillion, representing a year-on-year growth of 5.0%. By industry, the value added of the primary, secondary and tertiary industries grew by 3.9%, 4.5% and 5.4%, respectively. In terms of growth drivers, final consumption expenditure, gross capital formation, and net exports contributed 2.6, 0.8, and 1.6 percentage points to economic growth, respectively. New quality productive forces accelerated their growth, with the value added of the equipment manufacturing industry and high-technology manufacturing industry above designated size increasing by 9.2% and 9.4%, respectively. The per capita disposable income of residents reached RMB43,377, a real increase of 5.0%.

On the policy front, the state implemented a macro policy combination of a "more proactive fiscal policy" and a "moderately loose monetary policy", playing a counter-cyclical adjustment role. On the fiscal front, efforts were intensified to enhance efficiency. By appropriately raising the deficit ratio and expanding the scale of new government debt, priority was given to ensuring funding for major national strategies and security capacity building projects. Simultaneously, domestic demand potential was stimulated through large-scale equipment upgrades and consumer goods trade-in policies. The issuance scale of special-purpose government bonds also reached a record high. On the monetary front, policies were targeted, flexible, moderate, precise, and effective. Tools such as reserve requirement ratio (RRR) cuts and interest rate cuts were comprehensively utilized to maintain ample liquidity. New re-lending facilities for services consumption and elderly care were established to guide financial institutions in channeling credit resources downwards, focusing on reducing real economy financing costs and promoting a reasonable recovery in prices, thereby creating a suitable financial environment for economic recovery and improvement.

In 2025, global economic divergence intensified, with developed economies experiencing a slowdown while emerging economies grew relatively faster. However, unilateral tariffs and geopolitical conflicts continued to pressure global trade. Facing external uncertainties, China deepened its economic and trade cooperation with countries along the "Belt and Road". The share of imports and exports with these countries steadily increased, exports of high-technology products showed good momentum, and foreign trade demonstrated strong resilience. These factors provided robust support for China's economy to achieve stable quantitative growth and effective qualitative improvement in a complex environment in 2025, laying a solid foundation for a good start to the "15th Five-Year Plan".



Management Discussion And Analysis

Business Review

In 2025, the Group continued to deepen its reform and transformation path, delivering a high-quality performance amid challenges. Facing the complex economic environment both domestically and internationally, the Group leveraged the resource advantages of its shareholders, Wuxi Communications and CDB Capital, and fully utilised the business network effect of “local state-owned assets + central enterprise financial institutions”. Its main businesses maintained steady growth, while its strategic transformation gradually narrowed and focused its direction. Alongside achieving steady growth in operational performance, the Group made significant breakthroughs in financing, successfully issuing RMB1.5 billion in offshore RMB bonds for the refinancing of existing debts. This further reduced debt costs and optimised the maturity structure, providing sustainable financial support for subsequent business development.

The fixed-income business achieved steady progress, generating annual revenue of approximately RMB231 million, a year-on-year increase of 26%, and continued to contribute stable cash flow. As of 31 December 2025, the total fixed-income investment portfolio amounted to RMB3.366 billion. The operation of high-quality assets improved in quality amid stability. Despite market pressures, the Wuhan Optical Valley property project achieved a “stabilisation and rebound”. Through targeted leasing and service upgrades, the average occupancy rate rebounded to 75% by year-end, ensuring the stability of the investment property valuation.

In business transformation, in 2025, the Group seized the policy opportunities of China’s vigorous development of new quality productivity, leveraging the resources and network advantages of its shareholders, and reserved high-quality equity projects in new economy areas such as integrated circuits, new energy, new materials, high-end equipment manufacturing, and environmental protection. The path for strategic mergers and acquisitions is gradually narrowing and becoming clearer, aiming to create steady income and cash flow as well as expand the growth potential in subsequent new business areas through holding high-quality assets in different industries.

In 2025, the joint ventures and associates operated in a stable manner, with their loss reduced as compared with the previous year. On one hand, strengthened corporate management, together with the optimisation and extension of loans for the Nanjing Guoying project, has effectively eased the Group’s temporary debt pressure. On the other hand, the new plan for the Junzhuang project has been approved. The Group is renegotiating the lease of construction land with the village collective in line with the new plan, so as to reduce ongoing operating costs and enhance the efficiency of future project development.

Save as disclosed above, there has been no material updated in relation to the Nanjing Guoying project and Junzhuang project.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed in the “financial position” section and “details of important events affecting the Group which have occurred since the end of the financial year” section in the management discussion and analysis, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year 2025.

Significant investments

Save as disclosed in the financial position section of the financial review/abstracts, the Group did not hold any significant investments or capital assets during the Year 2025.

Employee and remuneration policy

As at 31 December 2025, there were 90 (2024: 92) employees in the Group. During the Year 2025, the total staff cost including Directors’ remuneration amounted to approximately RMB59.96 million (2024: RMB55.64 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for its employees.



Management Discussion And Analysis

Foreign exchange exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interest-bearing bank borrowings. The Group will continue to monitor closely the foreign exchange exposure and will implement the necessary hedging arrangements to mitigate any significant foreign exchange risk when and if appropriate.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year 2025. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Year 2025, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities.

- b)** Details of important events affecting the Group which have occurred since the end of the financial year:

Nil

- c)** Potential business development of the Group in future:

Looking forward to the year 2026, as the first year of the 15th Five-Year Plan, the Group will closely align with the country's new quality productive forces direction, focus on strategic emerging industries and the high-tech sector, and accelerate business transformation. The fixed-income business will maintain steady improvement to ensure cash flow; core assets such as Wuhan Optical Valley project will be optimized to enhance efficiency; existing assets will be tackled with a 'one policy for each item' approach to accelerate asset revitalization. At the same time, high-quality equity projects will be actively reserved, aiming for substantial breakthroughs in strategic mergers and acquisitions, and consistently create core value for shareholders in the long term.



Corporate Governance Report

The board of directors and management of China New Town Development Company Limited (the “Company” and the “Board”, respectively) are committed to maintaining a high standard of corporate governance principles and practices so as to promote corporate transparency and accountability. Good corporate governance is an integral element of a sound corporation to protect and enhance shareholders’ value.

The Board has reviewed its corporate governance practices and confirmed that the Company had complied with all the principles and code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively) throughout the financial year ended 31 December 2025 (the “Financial Year”).

CORPORATE STRATEGY

Under code provision A.1.1 of the CG Code, the Board is required to establish the Company’s purpose, values and strategy, and ensure that these and the Company’s culture are aligned. The Group has adopted the following principle statement as the mission of the Group (the “Mission”):

The Company is an urbanization investment and operation platform with shareholders’ background of “local state-owned enterprise + central financial institution”. The Company’s mission is to provide urbanization and livelihood investment products which are consistent with the demand of regional economic development and city life, to enhance the region’s urbanization level and citizens’ living quality. The Company’s goal is to become leading urbanization investor and livelihood investment and operation platform in China achieving long-term sustainable growth whilst we continue to strive for short to medium term profitability in order to deliver the greatest value to the shareholders of the Company (the “Shareholders”).

From strategic decision-making to daily operations, the values of the Company run through, providing guidance for the Company and achieving the Mission. These values include:

- Innovation;
- Hard work;
- Collaboration; and
- Dedication

Since 2014, with the trend of new urbanization in China and the Company’s advantage in resources, the Company is gradually shaping development concepts and specifying business strategies. By leveraging shareholders resources advantage of “local state-owned enterprise + central financial institution”, the Company shall take various measures to build a leading national investment and operation brand by integrating financing, investment, development and operation.

The directors of the Company (the “Directors”), management and staff are required to act lawfully, ethically and responsibly. The daily operations are delegated to the executive management and carried out under the supervision of the chief executives. All management and staff have defined roles and responsibilities and are subject to the Code of Conduct as set out in the Employee Manual which imposes on them specific obligations to our business, the anti-fraud and anti-corruption policy and the whistleblowing policy of the Group.

BOARD MATTERS

The Board

The Board has the overall responsibility for the proper conduct of the Company's businesses. The Board's primary role is to provide entrepreneurial leadership, set strategic goal and ensure that the necessary financial and human resources are in place for the Company and its subsidiaries (collectively the "Group") to meet its objectives as well as to protect and enhance long-term values for the Shareholders. It sets the overall strategy for the Group and reviews management performance. To fulfill this role, the Board is responsible for the overall corporate governance of the Group including establishing a framework of prudent and effective controls, setting its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Four (4) board committees established by the Board include the audit committee (the "AC"), the nomination committee (the "NC"), the remuneration committee (the "RC") and the environmental, social and governance committee (the "ESGC" and the "ESG") (collectively the "Board Committees") and they assist the Board in discharging its duties. The effectiveness of each Board Committee is also constantly monitored.

The Board meets at least four times a year at approximately quarterly intervals for review of the financial performance and results of each period, material investments and other significant matters of the Group. The articles of association of the Company (the "AoA") provides for the convening of the Board or Board Committee meetings by way of telephonic or similar communications.

The attendance records of the Directors at the meetings of the Board, the Board Committees and annual general meeting (the "AGM") during the Financial Year are set out below:

Name of Directors	Attendance/Number of Meetings (during Director's tenure)				AGM
	Board Meeting	AC Meeting	NC Meeting	RC Meeting	
Executive Directors (the "EDs")					
Hu Zhiwei (Vice Chairman) ¹	4/6	—	—	—	1/1
Yang Meiyu (President)	9/9	—	—	—	1/1
Shi Janson Bing	7/9	—	—	—	1/1
Non-executive Directors (the "NEDs")					
Liu Yanhong (Chairman) ²	8/9	—	1/1	—	1/1
Wang Hongxu ³	2/5	—	—	—	0/1
Feng Xiaoliang ⁴	2/4	—	—	—	0/1
Wang Yi ⁵	4/4	—	—	—	—
Xie Zhen ⁵	4/4	—	—	—	—
Qin Yangfan ⁶	1/1	—	—	—	—
Independent Non-executive Directors (the "INEDs")					
Lo Wai Hung (Lead)	9/9	4/4	4/4	4/4	1/1
Ji Jiaming	7/9	4/4	4/4	4/4	1/1
Yuan Kejian ²	9/9	4/4	3/3	4/4	1/1



Corporate Governance Report

Notes:

All of the meetings of the Board and respective Board Committees were held via teleconferencing.

- 1 Resigned as a Director and ceased to be the Vice Chairman with effect from the conclusion of the Board meeting held on 2 July 2025.
- 2 Appointed/resigned as a member of the NC (as the case may be) with effect from the voting and passing of the resolution at the Board meeting held on 19 June 2025.
- 3 Resigned as a Director with effect from the voting and passing of the resolution at the Board meeting held on 19 June 2025.
- 4 Retired as a Director with effect from the conclusion of the AGM held on 19 June 2025.
- 5 Appointed as a Director with effect from the voting and passing of the resolution at the Board meeting held on 19 June 2025.
- 6 Appointed as a Director with effect from the voting and passing of the resolutions at the Board meeting held on 26 September 2025.
- 7 The ESGC has been established on 12 December 2025, no meeting was held during the Financial Year.

Delegation by the Board

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, material investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, disclosure of the Group's interim and annual results, related transactions of a material nature, declaration of interim dividends and recommendation of final dividends.

All other matters are delegated to the Board Committees whose actions are reported to and monitored by the Board while the daily operations are delegated to the executive management and carried out under the supervision of the chief executives. All management and staff have defined roles and responsibilities and are subject to the Code of Conduct as set out in the Employee Manual which imposes on them specific obligations to our business.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") and written guidelines with more onerous requirements than the Model Code for securities transactions by employees of the Company (the "Securities Code"), and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Chairman and President

Ms. Liu Yanhong is the Chairman and is responsible for ensuring the effectiveness of Board matters, including the formulation, development and reassessment of the Group's strategies and policies. Ms. Yang Meiyu is the President and is responsible for the overall planning of the Group's business transformation and operational management and managing the development of projects invested by the Group as well as the execution of the Group's business strategies and plans and the operations of the Company as a whole.



Corporate Governance Report

All major decisions made by the Chairman and the President are reviewed by the Board. As the Chairman is not an INED, Mr. Lo Wai Hung was appointed as the Lead INED who will be available to Shareholders when they have concerns and when the contact through normal channels has failed to resolve or for which such contact is inappropriate.

Board Composition and Balance

As at 31 December 2025, the Board comprised nine (9) members: two (2) EDs, four (4) NEDs and three (3) INEDs. The Board is able to exercise an independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues and no individual or small group could dominate the Board's decision making. There is no alternate Director appointed in the Board.

Mr. Wang Yi and Mr. Xie Zhen were appointed as NEDs on 19 June 2025 and have obtained legal advice on 11 June 2025 as well as Ms. Qin Yangfan was appointed as a NED on 26 September 2025 and has obtained legal advice on 15 September 2025 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and each of Mr. Wang Yi, Mr. Xie Zhen and Ms. Qin Yangfan has confirmed he/she understood his/her obligations as a director of a listed issuer under the Listing Rules.

A list of the Directors and the positions held by each Director is set out in the Profiles of Directors and Senior Management on pages 20 to 26 of this Annual Report. The INEDs are expressly identified in all corporate communications pursuant to the Listing Rules.

There was no financial, business, family or other material relationship among the Directors.

During the Financial Year, the Board met the requirements of having INEDs representing at least one-third of the Board, i.e. three INEDs and met the requirement of having at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise being appointed under the CG Code.

The criterion of independence is based on Rule 3.13 of the Listing Rules. The Board considers an "independent" director as one who has no relationship with the Company, its related companies, its substantial shareholders (as defined under the Listing Rules) or its officers who can interfere, or be reasonably perceived to interfere, with the exercise of independent judgment of the conduct of the Group's affairs by the Director.

The composition of the Board is determined in accordance with the following principles:

- the Board should comprise a sufficient number of Directors to fulfill its responsibilities and act as a group to provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (the number of Directors may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified); and
- the Board should have enough Directors to serve on various committees of the Board without over-burdening the Directors or making them difficult to fully discharge their duties.

The INEDs exercise no management functions in the Company or any of its subsidiaries. Although every Director has equal responsibility for the performance of the Group, the role of the INEDs is particularly important in reviewing and monitoring the performance of executive management in meeting the Group's agreed goals and objectives and ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined taking into account the long-term interests, not only of the Shareholders but also of the employees, customers, suppliers and many communities in which the Group conducts businesses. The INEDs also meet regularly without management present. The Board considers its INEDs to be of sufficient caliber and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The INEDs have no financial or contractual interests in the Group other than by way of their fees and shareholdings as set out in the Report of Directors.



Corporate Governance Report

The Board is of the view that its current composition of nine (9) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group.

Insurance cover in respect of legal proceedings and other claims against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged. During the Financial Year, no legal action was made against any of the Directors in relation to their duties performed for the Company.

Mechanism(s) Ensuring Independent Views Available to the Board

The Board has adopted a board independent evaluation mechanisms during the Financial Year for Directors to seek independent professional advice for them to discharge their duties and responsibilities, and to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests. The Board has reviewed the implementation and effectiveness of the mechanisms annually and considered the same remain effective to ensure independent view and input are available to the Board for the Financial Year.

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Directors may, in making decisions to perform their duties as Directors, seek such independent professional advice and opinions as they considered necessary to fulfil their responsibilities and in exercising independent judgement at the Company's expense (the "Policy"). Independent professional advice shall include advice of lawyers, auditors, accountants, financial advisers and other professional on matters of law, accounting, tax and other regulatory and professional matters. If the Directors consider that independent professional advice and views are necessary, the Directors should communicate with the ED or the Company Secretary and to provide background and details of the events and/or transactions and/or the issues involved and/or their problems, questions, concerns or specific advice to be sought. Subject to the approval of the Board, the Company or the Directors shall contact a professional adviser within a reasonable period of time to seek independent professional advice. Any advice obtained through the Policy shall be duly documented and made available to other members of the Board.

Corporate Governance Report

Induction and Continuous Professional Development of Directors

Upon appointment, each Director receives appropriate induction training and coaching to develop individual skills as required. The Directors are also provided with updates on the relevant new laws, regulations and changing commercial risks in the Group's operating environment through regular presentations and meetings. They also have the opportunity to visit the Group's operational facilities and meet with management to gain a better understanding of business operations and governance practices.

The current Directors have confirmed that they had complied with the CG Code on continuous professional training. During the Financial Year, all the current Directors have participated in continuous professional development by attending training organized by the Company, seminars or workshop, in-house briefing or reading materials to develop and refresh their knowledge and skills and provided their records of training to the Company. The continuous professional development programmes received by each of the Directors during the Financial Year is summarised as follows:

Name of Directors	Topics of training covered ^{Note}
Ms. Liu Yanhong (Chairman and NED)	A, B, C
Mr. Hu Zhiwei (Vice Chairman and ED) ¹	A, B, C
Ms. Yang Meiyu (President and ED)	A, B, C
Mr. Shi Janson Bing (ED)	A, B, C
Mr. Wang Hongxu (NED) ²	A, B, C
Mr. Feng Xiaoliang (NED) ³	A, B, C
Mr. Wang Yi (NED) ⁴	A, B, C
Mr. Xie Zhen (NED) ⁴	A, B, C
Ms. Qin Yangfan (NED) ⁵	A, B, C
Mr. Lo Wai Hung (Lead INED)	A, B, C
Mr. Ji Jiaming (INED)	A, B, C
Mr. Yuan Kejian (INED)	A, B, C

Notes:

A attending seminar(s) and/or conference on regulations and updates.

B reading materials relating to business and operations of the Company, and legal and regulatory updates.

C in-house briefing or training of the Company.

1 Resigned as a Director and ceased to be the Vice Chairman with effect from the conclusion of the Board meeting held on 2 July 2025.

2 Resigned as a Director with effect from the voting and passing of the resolution at the Board meeting held on 19 June 2025.

3 Retired as a Director with effect from the conclusion of the AGM held on 19 June 2025.

4 Appointed as a Director with effect from the voting and passing of the resolution at the Board meeting held on 19 June 2025.

5 Appointed as a Director with effect from the voting and passing of the resolutions at the Board meeting held on 26 September 2025.



Corporate Governance Report

NOMINATION MATTERS

Board Membership and NC

As at 31 December 2025, the NC comprised three (3) members, two-third of whom including the chairman were INEDs. The chairman and members of the NC during the Financial Year were as follows:

Mr. Ji Jiaming — Chairman

Mr. Lo Wai Hung — Member

Mr. Yuan Kejian — Member (ceased on 19 June 2025)

Ms. Liu Yanhong — Member (appointed on 19 June 2025)

The NC adopted the terms of reference on 31 March 2017 and amended on 16 April 2021 and 19 June 2025. Its principle functions are to:

1. review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations to the Board regarding any proposed changes to complement the Company's strategy;
2. identify, review and assess individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of INEDs on an annual basis;
4. make recommendations to the Board on the appointment or re-appointment of Directors (including the INEDs) in accordance with the AoA and succession planning for the Directors in particular the Chairman and the President; and
5. review the Board diversity policy (the "Board Diversity Policy") on a regular basis and recommend revisions, if any, to the Board for consideration and approval.

The Company has received written annual confirmation of independence from each of the INEDs and reviewed the independence of each INED pursuant to Rule 3.13 of the Listing Rules and is of the view that Mr. Lo Wai Hung, Mr. Ji Jiaming and Mr. Yuan Kejian are independent.

There was no INED served for more than nine years from their respective dates of first appointment to the Board as at the date of this Annual Report.

During the Financial Year, NC held four (4) meetings.

The NC has reviewed the training and professional development programs participated by the Directors. The NC has assessed the independence of the INEDs and reviewed and made the recommendation on the appointment of Directors and re-appointment of retiring Directors. The NC has reviewed the Board Diversity Policy which was adopted by the Board at the Board meeting held on 13 August 2013 for assessing the structure, size and Board composition before publication of this Annual Report. The NC would take into account various aspects for nominating the directors as set out in the Board Diversity Policy and nomination policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The NC would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the NC would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. External recruitment professionals might be engaged to carry out selection process when necessary. The Board, at the Board meeting held on 26 February 2015, accepted the recommendation by the NC that the maximum number of listed company board representations which any Director may hold be eight and all Directors have complied with the Board's resolution.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “Board Diversity Policy”) on 13 August 2013 and revised on 20 March 2026.

In determining the composition of the Board, the Company considers diversity from various perspectives, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and tenure, as well as any other factors that the Board deems relevant and applicable from time to time. The Company places great emphasis on ensuring a balance of skills and experience among its Board members to provide diverse perspectives, insights, and questions, enabling the Board to effectively perform its duties, formulate sound strategies for the core business and strategies of the Group, and support the Board’s succession planning and development.

For the Financial Year and as at the date of this annual report, the Board consists of six (6) male members and three (3) female members. The NC considered that the Board was sufficiently diverse in terms of gender, background and experience, thus the Board had not set any measurable objectives. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

Diversity in Workforce

During the Financial Year, among all the employees (including senior management) of the Group, male employees accounted for 68% and female employees accounted for 32%. The Group believes that the gender ratio of employees is within the reasonable range.

Appointment, Re-election and Removal of Directors

The procedures and processes of appointment, re-election and removal of Directors are laid down in the AoA. Recommendations for the appointments and re-appointments of Directors and appointments of the members of Board Committees are made by the NC and considered by the Board as a whole. The AoA provides that one-third of the Directors (including NEDs) for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third), who have been longest in office since their last re-election or appointment, shall retire from office by rotation at each AGM. Each Director should retire at least once every three years. A retiring Director is eligible for re-election by the Shareholders at the AGM. In addition, any Director appointed by the Shareholders or the Board, as the case may be, either to fill a vacancy or as an additional director, shall retire at the next AGM and shall then be eligible for re-election at that meeting.

The dates of initial appointment, last re-election/re-appointment and other board representations of each of the Directors of the current Board members are set out below:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/chairmanship both present and those held over the preceding three years in other listed company
Liu Yanhong	28 October 2024	19 June 2025	NED and Chairman	A member of NC	None
Yang Meiyu	28 March 2014	19 June 2025	ED and President	None	None
Shi Janson Bing	12 August 2016	21 June 2024	ED	None	None
Wang Yi	19 June 2025	—	NED	None	None
Xie Zhen	19 June 2025	—	NED	None	None
Qin Yangfan	26 September 2025	—	NED	None	None

Corporate Governance Report

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/chairmanship both present and those held over the preceding three years in other listed company
Lo Wai Hung	30 December 2021	21 June 2024	Lead INED	Chairman of AC, a member of each of NC, RC and ESGC	<p>Independent non-executive director of the following companies:</p> <ul style="list-style-type: none"> • Talent Property Group Limited; • 5100 Xizang Glacier Company Limited (formerly known as Tibet Water Resources Ltd.); • C Cheng Holdings Limited until 2 April 2023; and • Shangdong Weigao Group medical Polymer Company Limited until 6 June 2022 <p>Non-executive director of the following company:</p> <ul style="list-style-type: none"> • SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited)
Ji Jiaming	28 October 2024	19 June 2025	INED	Chairman of NC, a member of each of AC, RC and ESGC	<p>Executive director of the following company:</p> <ul style="list-style-type: none"> • China City Infrastructure Group Limited
Yuan Kejian	28 October 2024	19 June 2025	INED	Chairman of each of RC and ESGC and a member of AC	None

Each of the NEDs and INEDs is appointed for a specific term ranging from 1 to 3 years and subject to retirement by rotation once every three years. An appointment letter has been issued to each of the NEDs and INEDs respectively.

Pursuant to Articles 86(1) and 86(2) of the AoA, Mr. Shi Janson Bing and Mr. Lo Wai Hung will retire by rotation at the forthcoming AGM shall eligible for re-election thereat.

Pursuant to Article 85(7) of the AoA, Mr. Wang Yi, Mr. Xie Zhen and Ms. Qin Yangfan will retire at the forthcoming AGM and shall then be eligible for re-election thereat.

The NC recommends the re-election of the retiring Directors after assessing their contribution, performance and, where applicable, independence.



Corporate Governance Report

Board Performance

The Company believes that the Board's performance is ultimately reflected in the performance of the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care and in the best interests of the Company and its Shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led. The measure of the Board's performance is also tested through its ability to give support to management especially in the times of crisis and to steer the Company in the right direction.

The Board through the delegation of its authority to the NC, has used its best efforts to ensure that the Directors appointed to the Board possess the integrity, background, experience, knowledge and skills relevant to the Company's business and that each Director with his/her special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has an annual Board performance evaluation to assess the effectiveness of the Board as a whole. The processes identify weaker areas where improvements can be made. The Board can thus direct more effort in those areas to further enhance the effectiveness of the Board.

Access to Information

Annual meeting schedules and agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least fourteen (14) days before the meetings. For ad-hoc Board and Board Committee meetings, reasonable notice period is provided.

Meeting materials together with all appropriate, complete, relevant and reliable information are sent to all Directors at least three (3) days before each Board meeting or Board Committee meeting to keep the Directors apprised of the latest developments and financial position of the Company as well as ongoing reports and to enable them to make informed decisions.

All Directors have unrestricted access to the Company's records and information and received detailed financial and operational reports from senior management during the Financial Year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult other employees and seek additional information on request.

All Directors have separate and independent access to the company secretary of the Company (the "Company Secretary"). The duly appointed secretaries administer, attend, prepare and keep minutes of the Board and Board Committee meetings. The Company Secretary also assist the Chairman in ensuring that the Board procedures are followed and reviewed so that the Board functions effectively, and in compliance with the AoA and relevant rules and regulations including requirements of the Stock Exchange. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting and the final versions thereof are open for the Directors' inspection.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole and are considered at a Board meeting.

The AoA contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving the transactions in which such Directors or any of their associates have a material interest.

Should Directors, whether as a group or individually, need independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.



Corporate Governance Report

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

As at 31 December 2025, the RC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the RC during the Financial Year were as follows:

Mr. Yuan Kejian — Chairman
Mr. Lo Wai Hung — Member
Mr. Ji Jiaming — Member

The RC adopted the terms of reference on 31 March 2017 and amended on 16 April 2021. Its principle functions are to:

1. make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing a policy on such remuneration;
2. review and determine the specific remuneration packages for all EDs and senior management;
3. make recommendations to the Board on the remuneration of non-executive Directors; and
4. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

In carrying out their duties, the RC may obtain independent external legal and other professional advice as mentioned above, as it deems necessary, relating to the remuneration policy and in determining the level and mix of remuneration for the Directors and senior management. The expenses of such advice will be borne by the Company.

Level and Mix of Remuneration

The RC makes recommendations to the Board on remuneration packages of the EDs and senior management taking into account the performance of the Group, as well as the pay and employment conditions in the same industry and comparable companies, while aligning the EDs' interests with those of Shareholders and linking rewards to corporate and individual performance.

The INEDs receive directors' fees in accordance with their contributions and taking into account factors such as efforts, time involvement and responsibilities of the INEDs. Directors' fees are subject to approval of the Shareholders at the AGM.

The remuneration of the EDs and senior management comprises a basic salary component and a variable component. The variable component comprises a variable bonus linking to the Company's and individual performance and other variable components including the grant of share options. Details of the remuneration of Directors are set out in the Report of Directors.

The annual review of the remuneration packages of the Directors is carried out by the RC and recommendation if any is made to the Board with an aim to ensure the remuneration of the EDs and senior management is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. No Director should involve in deciding his/her own remuneration.

During the Financial Year, the RC held four (4) meetings to review and recommend the remuneration of the EDs and the senior management, the fees payable to the INEDs, the fee payable to the newly appointed NEDs.

Corporate Governance Report

Disclosure on Remuneration

Details of the remuneration of the Directors and top five (5) key executives' of the Group paid or payable for the Financial Year are set out in Note 29 to the financial statements.

The remuneration of senior management (other than the Directors) whose remuneration fell within the following band during the Financial Year are as follows:

	2025
RMB500,001—RMB1,000,000	1
RMB1,000,001—RMB1,500,000	2
	3

ACCOUNTABILITY AND AUDIT

Accountability

The Board aims to ensure that the interim and annual financial statements and results announcements of the Company are presented in a manner which provides a balanced and understandable assessment of the Group's performance, position and prospects. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Financial Year.

The financial statements for the Financial Year have been prepared in accordance with the International Financial Reporting Standards and give a true and fair view of the state of affairs including the operations and finances of the Group and of the Company and effective risk management and sound internal control systems are in place. The Board has received assurance confirming the same from the President and a vice president (the "Vice President"). It seeks to present a balanced and informed assessment of the Company's performance, position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Risk Management and Internal Control

The Board is responsible for the effectiveness of the Group's comprehensive risk management and internal control systems, and recognises that effective risk management and internal control are critical to the sound operation of the enterprise. The Board is also responsible for assessing the nature and extent of risks the Group is willing to accept in achieving its strategic objectives, and is committed to the implementation of risk management procedures and the enhancement of the risk assessment framework.

Under the supervision and leadership of the Board, management regularly reviews the Group's business and operations to identify potential risks, assesses the impact of individual risks having regard to their respective risk characteristics, and takes timely and appropriate measures to control and mitigate such risks, so as to ensure the effective design and operation of the risk management and internal control systems. Management and the internal auditors have reviewed all material control policies and procedures and will report all material potential risk issues to the Board and the AC.

The Board exercises ongoing oversight over the design, implementation and monitoring of the Group's risk management and internal control systems, and bears ultimate responsibility for the Group's overall risk management and internal control systems. The Board also conducts an annual review of the adequacy and completeness of the risk management and internal control systems of the Group, covering all material aspects of control including financial, operational and compliance controls. Besides, the Board conducts an annual review of the adequacy of the Group's resources, staff qualifications and experience, training programmes and related budgets in respect of accounting, internal audit and financial reporting functions, as well as in relation to the Group's ESG performance and reporting. In addition, the Board conducts an annual review of changes in the nature and severity of material risks (including ESG risks), the scope of management's ongoing monitoring of risks (including ESG risks) and the internal control systems, and any material control deficiencies or material control weaknesses identified during the Financial Year.



Corporate Governance Report

The AC, a Board Committee, reviews the Group's risk management and internal control systems to ensure they are robust and adequate, providing assurance for the Company to safeguard Shareholders' investments and the integrity, effectiveness and efficiency of the Company's assets. Internal audit is an essential component of internal control and plays a key role in enhancing risk management and corporate value. The Group has established an internal audit function under management, responsible for directing, coordinating and overseeing internal control and compliance activities of the Company and its subsidiaries. The internal audit function is responsible for the preventive control, ongoing coordination and post-event monitoring of risk management, internal control and compliance. The Board also engages external institutions to conduct the annual internal control review of the Group, with a focus on the internal control requirements of the Stock Exchange, to refine the risk management and internal control systems, issue internal control review reports, and supervise and assist management in timely rectification of identified issues. Furthermore, external institutions conduct annual updates to the comprehensive risk management manual to ensure the standardisation and compliance of the Company's comprehensive risk management framework.

The risk management and internal control systems provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any reasonably foreseeable events in pursuing its business objectives. However, the Board notes that internal control has inherent limitations, and no internal control system can provide absolute assurance in this regard or absolute assurance against material misstatement, errors in judgment, human error, loss, fraud or other non-compliance. The Board considers that there remains room for further improvement in the existing risk management and internal control systems. With the primary objectives of promoting development and controlling risks, management will continue to strengthen the appropriateness, effectiveness and completeness of the risk management and internal control systems taking into account internal and external changes, so as to protect Shareholders' interests, safeguard the Company's assets and achieve its strategic objectives.

As at 31 December 2025, based on the internal control systems and enterprise risk management framework established and maintained by the Group, the work performed by the internal auditors and the review by management, the Board and the AC are of the view that the Group's internal control systems, together with the risk management systems, are sufficiently effective in addressing financial, treasury, operational, compliance and information technology risks. The Board has received written confirmation from the President and the Chief Financial Officer that proper financial records have been maintained and that the financial statements of the Company give a true and fair view of the Group's results of operations and financial position. The confirmation from the President and the Chief Financial Officer also covers the effectiveness of the Company's risk management and internal control systems.

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 immediately 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 and non-exclusive distribution of information to the public through channels such as financial reporting, public announcements 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 EDs, the Company Secretary and investor relations officers are authorised to communicate with parties outside the Group.

Audit Committee

As at 31 December 2025, the AC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the AC during the Financial Year were as follows:

Mr. Lo Wai Hung — Chairman
Mr. Ji Jiaming — Member
Mr. Yuan Kejian — Member

Mr. Lo Wai Hung possesses accounting and related financial management expertise and experience. The Board considers that Mr. Ji Jiaming and Mr. Yuan Kejian have sufficient financial knowledge and experience to discharge their responsibilities as members of the AC.

The AC adopted the new terms of reference on 31 March 2017 and amended on 16 April 2021. Its principal functions are to:

1. review the financial reporting process, management of financial risks and the audit process;
2. review the audit plans and results of the external auditors’ examination and evaluation of the Group’s systems of internal accounting control and any matters which the external auditors wish to discuss (in the absence of management, where necessary);
3. review the scope and results of the internal audit procedures;
4. review the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board and the external auditors’ report on those financial statements;
5. review the interim and annual announcements on the results and financial position of the Company and of the Group;
6. review the co-operation and assistance given by the management to the Group’s external auditors;
7. evaluate the cost effectiveness, independence and objectivity of the external auditors of the Company and the nature and extent of the non-audit services provided by them;

Corporate Governance Report

8. make recommendations to the Board on the appointment, re-appointment and remuneration of the external auditors of the Company;
9. evaluate the adequacy and adherence of the risk management and internal control systems including administrative, operating and internal accounting control of the Group; and
10. review connected transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its Shareholders.

The AC is authorised to investigate any matter within its terms of reference, and has full access to the management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Director or executive management to attend its meetings. The AC meets with the internal auditors and the external auditors separately, at least twice a year, without the presence of management, to discuss the reasonableness of the financial reporting process, to monitor and review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the external auditors.

During the Financial Year, the AC held four (4) meetings to, among others, (i) review the scope and quality of audit by the Company's independent auditor, Ernst & Young ("EY"), the independence and objectivity of EY, the cost effectiveness of its audit and the risk management and internal control systems of the Group, the annual results for the year ended 31 December 2024 and interim results for the six months ended 30 June 2025 as well as the anti-fraud and anti-corruption policy and the whistle blowing policy; and (ii) consider and made recommendations to the Board for the proposed appointment of CL Partners CPA Limited (now known as Rongcheng (Hong Kong) CPA Limited ("Rongcheng")) as the independent auditor following the retirement of EY at the AGM held on 19 June 2025. The AC also reviewed the service fees to EY and Rongcheng. The details of annual audit fee and other assurance service fees to EY for the financial year ended 31 December 2024 and Rongcheng for the financial year ended 31 December 2025 are set out below:

	2025	2024
	RMB'000	RMB'000
Annual audit fee	2,040	2,700
Other assurance service fee	370	—
Total	2,410	2,700

Through the AC, the Company has appropriate and transparent relationship with EY (former independent auditor) and Rongcheng. In the course of audit of the Group's financial statements, EY and Rongcheng have highlighted to the AC matters that require the AC's attention. Each of EY and Rongcheng is invited to attend meetings of the AC for the purposes of presenting their audit plan and report as well as their comments on the audited financial statements.

The Company's annual results for the Financial Year have been reviewed by the AC.

Rongcheng's audit opinion on the consolidated financial statements of the Group for the Financial Year is set out in the "Independent Auditor's Report" on pages 116 to 120 of this Annual Report.

The AC is satisfied that Rongcheng is able to meet the audit obligations of the Company and has recommended to the Board the re-appointment of Rongcheng as the Company's independent auditor for the year ending 31 December 2026 subject to the approval of the Shareholders at the forthcoming AGM.

Corporate Governance Report

The Group has appointed different independent auditors for its subsidiaries in the People's Republic of China (the "PRC") in order to meet its local statutory regulations. The Board and the AC are satisfied that the appointment does not compromise the standard and effectiveness of the audit of the Company. The AC members takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on the financial statements through attendance at training and update on recent developments to accounting standards provided by professionals.

Whistle Blowing Policy

The Company has adopted a whistle blowing policy which provides a channel for employees to report serious concerns relating to financial reporting and unethical or illegal conduct.

Throughout the Financial Year, no whistle blowing report was received.

Anti-fraud and Anti-corruption Policy

The Company has established an anti-fraud and anti-corruption policy to promote and support anti-corruption laws and regulations. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business.

Internal Audit

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding Shareholders' investment and the Group's assets, the AC has also appointed an internal audit function team to enhance the internal controls of the Group. The internal audit function team reports to the chairman of the AC on any material weakness and risks identified in the course of the internal audit are also communicated to the management. The management will accordingly update the AC the status of the remedial action plans.

The AC reviews and approves the annual internal audit plans and reviews the scope and the results of the internal audit according to the procedures issued by the internal audit function team.

Environmental, Social and Governance Committee

The ESGC has been established on 12 December 2025. As at 31 December 2025, the ESGC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the ESGC during the Financial Year were as follows:

Mr. Yuan Kejian — Chairman
Mr. Lo Wai Hung — Member
Mr. Ji Jiaming — Member

The ESGC adopted the terms of reference on 12 December 2025. Its principal functions are to:

1. assist the Board in maintaining the effectiveness of the ESG management (including the management of climate-related matters) and review and confirm applicable ESG standards or principles, priorities and objectives;
2. oversee the implementation of the Company's ESG and climate-related goals, strategies and policies and supervise the identification of climate-related risks and opportunities, as well as the development and execution of corresponding response strategies;
3. monitor the achievement of the Company's key ESG performance indicators and targets set, regularly evaluate the Company's relevant performance and the effectiveness of action plans and propose recommendations to the Board on actions required to enhance such performance;



Corporate Governance Report

4. review major ESG trends and ESG-related risks and opportunities (including climate-related risks and opportunities) that may have a material impact on the Company's operations, such as legislation, regulation, litigation and public opinion; and examine, assess and review the reasonableness, timeliness and effectiveness of the Company's existing ESG-related management structure and approaches;
5. focus on the current state of the industry sector, pay attention to peer analysis of ESG-related risks and opportunities and through industry comparisons, examine, review and improve ESG work arrangements to explore industry opportunities; and
6. monitor and evaluate the impact of the Company's ESG performance on stakeholders and propose corrective action plans when necessary.

During the Financial Year, no meeting of the ESGC was held.

JOINT COMPANY SECRETARIES

Pursuant to the code provision C.6.1 of the CG Code, Ms. Cheng Lucy ("Ms. Cheng") of Boardroom Corporate Services (HK) Limited, the external service provider, was appointed as the Company Secretary with effect from 30 March 2020. During her engagement period, she reports to the Board and maintains contact with the President, Ms. Yang Meiyu or her delegates.

On 28 March 2024, Ms. Mei Zhe ("Ms. Mei") was appointed as a joint Company Secretary, while Ms. Cheng continue to act as the other joint Company Secretary.

Ms. Cheng has resigned as a joint Company Secretary with effect from 28 March 2025. Immediately following the resignation of Ms. Cheng, Ms. Mei, the other joint Company Secretary became the sole Company Secretary.

Ms. Mei has taken no less than 15 hours of relevant professional training during the Financial Year pursuant to Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the Shareholders, investors and public at large. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable.

The AGM remains the principal forum for dialogue with Shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed at the AGM and the operations of the Group.

The Company has conducted roadshows regularly in Hong Kong and the Mainland China for business update and actively arrange for communications with Shareholders/investors in the light of specific progress of various projects in Hong Kong and other regions and areas. The Company strived to enable a comprehensive exchange of opinions and mutual understanding between Shareholders/investors.

The AoA allows a member of the Company (the "Member") entitled to attend and vote at the meeting of the Company to appoint one or more proxies to attend and vote on behalf of him/her and also provides that a proxy need not be a Member. Voting in absentia by facsimile or email is not currently permitted to ensure proper authentication of the identity of Shareholders and their voting intentions.



Corporate Governance Report

The chairmen of the AC, RC and NC are usually available at the AGM to answer any questions from the Shareholders relating to the work of these Board Committees. The Company's independent auditor is invited to attend the AGM and will assist the Directors in addressing queries from the Shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

During the Financial Year, notice of at least 21 days was given to the Shareholders for the 2025 AGM. Sufficient notice was given in accordance with the AoA and the laws of British Virgin Islands in which the Company is incorporated.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantial issue at Shareholders' meetings, including the election of individual Director. All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be published on the respective websites of the Company and Stock Exchange after each Shareholder's meeting.

Minutes of general meetings include substantial and relevant queries or comments from the Shareholders relating to the agenda of meeting and responses from the Board and management. These minutes would be available to the Shareholders upon their request.

The Company organises briefings and meetings with analysts and fund managers regularly to provide them with a better understanding of its businesses.

The Group maintains a corporate website at www.china-newtown.com which contains the Company's publicly disclosed financial information, annual reports, interim reports, news releases, announcements and corporate developments.

Policy relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Shareholders and potential investors are welcome to communicate with the Company or put forward enquiries, direct questions, request for publicly available information and provide comments and suggestions to the Board or management of the Company by any of the following ways:

Email	:	ir@china-newtown.com
Contact Number	:	+852 3643 0200
Fax Number	:	+852 3144 9663
Address	:	Suite 6508, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

During the Financial Year, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy. Having considered the steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, the Board is of the review that the shareholders' communication policy has been properly implemented during the Financial Year and is effective.



Corporate Governance Report

Policy on Payment of Dividends

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company is profitable and the payout of dividend does not affect the normal operation of the Group, the Company intends to share the Company’s profits with Shareholders in the form of final/interim dividends.

In recommending the declaration of any dividends, the Board should take into account, among other things, macroeconomic conditions, the business conditions and strategies of the Group, the Group’s working capital requirements and expenditure plans, future operations and earnings, expansion plans, surplus, contractual constraints, financial results, cash flow situation, interests of Shareholders, any restrictions on payment of dividends and other factors the Board deems relevant in its sole discretion.

The Board will review the Dividend Policy from time to time and reserve its right in its sole and absolute to update, revise, modify and/or modify the Dividend Policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

SHAREHOLDERS’ RIGHTS TO CONVENE AND PUT FORWARD PROPOSALS AT AN EXTRAORDINARY GENERAL MEETING (THE “EGM”)

Pursuant to the AoA, EGMs may be convened by the Board on requisition in writing of the Shareholders holding not less than one-twentieth of the total voting rights of the matter for which the meeting is being requested. The written requisition shall be made to the Board or the Company Secretary at the business address or registered office address which are set out in the Corporate Information of this Annual Report, to request an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

COMPLIANCE WITH MODEL CODE AND SECURITIES TRADING

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Specific enquiries had been made by the Company to all the current Directors who have confirmed that they had complied with the required standard as set out in the Model Code throughout the Financial Year.

The Company has also established the Securities Code for its employees who are likely to be in possession of unpublished price-sensitive information of the Company. It prohibits the Directors and employees from dealing in the Company’s shares on short-term considerations and during the period commencing 30 days before the publication of the Company’s financial results for each of the first six months of the financial year and 60 days before the publication of the Company’s full year financial results (or, if shorter, the period from the end of the relevant financial period or year up to the publication date of the results).

No incident of non-compliance of the Securities Code by the employees was noted by the Company.



Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Financial Year.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its memorandum of association and AoA on the respective websites of the Stock Exchange and the Company.

MATERIAL CONTRACTS

Save as the service agreements between the Directors and the Company, there were no material contracts entered by the Company or its subsidiaries involving the interests of the President, any Director or controlling shareholders subsisting during the Financial Year or at the end of the Financial Year.

CONCLUSION

The Company recognizes the importance of good corporate governance practices for maintaining and promoting investor confidence. The Board will continue to review and improve its corporate governance practices on an ongoing basis.

Environmental, Social and Governance Report

I. CHAIRMAN MESSAGE

Dear valued stakeholders:

During the “14th Five-Year Plan” period, green transformation in industries, energy, transportation, urban and rural construction, and consumption sectors in China has been steadily advanced and achieved remarkable results. 2025 is the decisive year of the “14th Five-Year Plan”, and it is also a crucial year to lay a solid foundation for further accelerating green and low-carbon development in the “15th Five-Year Plan” period. The Group consistently upholds the values of “innovation, perseverance, collaboration, and dedication”, deeply integrates ESG principles into its corporate development strategy and daily operations, actively builds a sustainable value creation system, proactively fulfills its corporate social responsibilities, and introduces branded urbanization products in sectors related to people’s livelihoods, all in pursuit of a green and sustainable future.

Trend Leading, Practice Empowering

The consensus on circular economy and low-carbon transition advocated in the “Global Mobilization: United Efforts to Tackle Climate Change Challenges” agreement adopted at COP30 in 2025 aligns closely with China’s “30·60 carbon peaking and carbon neutrality” goals (Dual Carbon Goals) and high-quality development strategy. Driven by both policy guidance and global trends, ESG has evolved from an “add-on” to a strategic core requirement for corporate social responsibility, serving as a pivotal bridge for businesses to anchor locally while connecting globally. By benchmarking against international standards and integrating specific scenarios like rural revitalization, new urbanization, and livelihood security, the Group has established clear long-term sustainability targets and embedded them into its corporate sustainability strategy. Leveraging its standardized governance structure and proactive commitment to social responsibility, the Group has improved resource utilization efficiency and effectively managed operational risks, gained policy support, market recognition, and international cooperation opportunities, thereby solidifying a strong foundation for its long-term development.

Meanwhile, the Group’s management, guided by the principles of “ensuring the group’s overall asset security” and “supporting the smooth operation of the Nanjing school project”, actively coordinated resources to overcome challenges. While maintaining stable educational operations, the Group has demonstrated its commitment to corporate social responsibility through concrete actions.

Governing for the Future, Sustainable Success

The Group consistently dedicated to advancing urbanization and enhancing the quality of people’s life. It adheres to responsible business practices and actively explores the sustainable development path of the enterprise. It deeply integrates the ESG concept into the entire process of enterprise governance and business operations, promoting the Group’s green transition and achieving the coordinated development of economic benefits, social value and environmental protection. As the leadership cores for sustainable development, the board of directors consistently adopts a “top-down” coordinated approach to improve corporate governance structures. In 2025, the Group approved the establishment of its Environmental, Social, and Governance Committee (ESG Committee), clearly defining its authority. Committee members actively participate in professional skill training to enhance their expertise, while regularly evaluating the Group’s ESG performance. Under the guidance of the ESG Committee, its subordinate ESG task forces fully implement Group strategies and targets, proactively identify ESG-related risks and opportunities, conduct annual priority assessments, and continuously refine ESG policies and systems, thereby significantly improving the Group’s overall ESG performance.



Environmental, Social and Governance Report

Going forward, the Group will continue to strengthen the bottom-line thinking for risk prevention and control, actively identify and promptly respond to the ESG-related risks and opportunities faced. In the complex external environment, it will explore innovative business models. Guided by the core values of “innovation, hard work, collaboration, and dedication”, it will continuously improve the sustainable value creation system and provide long-term stable returns to shareholders.

We greatly appreciate your steadfast support and invaluable suggestions for the Group’s sustainable development initiatives. We are looking forward to continuing our collaboration with all stakeholders to jointly build a green, low-carbon, and sustainable future.

Best regards,

Yang Meiyu

President & Executive Director

China New Town Development Company Limited



Environmental, Social and Governance Report

II. ABOUT THIS REPORT

Reporting Guidelines and Principles

This report is prepared in compliance with the Environmental, Social and Governance Reporting Code (ESG Code) as set forth in Appendix C2 of the Stock Exchange of Hong Kong Limited's (HKEX) Listing Rules, with reference to the GRI Standards for disclosure. The data and cases presented in this report are all derived from the statistical reports and relevant materials of China New Town Development Company Limited (referred to as "the Group" or "the Company"). The aim is to systematically elaborate on the management practices and performance of the Group regarding environmental, social and governance (ESG) risks and opportunities in the financial year 2025, to demonstrate our continuous efforts in promoting corporate sustainable development.

The Group guarantees that this report contains no false records, misleading statements, and truly reflects the ESG performance of the current year. It is responsible for the authenticity, accuracy and completeness of its content.

This report covers the period from January 1, 2025 to December 31, 2025 ("the reporting period" or "this year"). Unless otherwise specified, the scope of this report is identical to that of the Group's Annual Report for this year.

The electronic version of this report is available on the Group's official website and the HKEX website. Stakeholders may access and download it through the 'Investor Relations' section under 'Financial Information/Environmental, Social and Governance Information' of the Group's website (<https://www.china-newtown.com/en>) or the HKEX website (www.hkexnews.hk). This Report is published in both Chinese and English versions. If any inconsistency, the Chinese version shall prevail.

The Group sincerely welcomes valuable suggestions from all stakeholders on optimizing ESG management and enhancing practical outcomes. You could share your insights and feedback through the contact information on our official website: <https://www.china-newtown.com/en/contact-us>.

Reporting Scope

The current annual report continues to employ the operational control approach, maintaining consistent boundaries with previous years. These boundaries encompass the environmental and social performance of the Group's offices in Hong Kong Special Administrative Region ("Hong Kong"), Beijing, Nanjing, Shanghai, Wuhan, and Shenyang.

Reporting Principle

The preparation of this report adheres to the below core reporting principles as stipulated in the Environmental, Social and Governance Reporting Code:

Materiality In 2025, the Group conducted extensive stakeholder consultations on its sustainability performance. Through scientific methodologies, it effectively identified and assessed ESG priority issues, major risks, and opportunities for the year, which formed the basis for this report.

Quantitative This report not only discloses quantitative data for a series of key performance indicators (KPI), but also provides explanations of the calculation methods, assumptions, and conversion bases used for the relevant data where applicable.

Balance This report impartially presents the company's achievements and the challenges it faces in addressing material sustainable development matters.

Consistency The scope and statistical methods of the data disclosed in this report remain consistent with those of the previous year. Any changes will be explained in the report.

Environmental, Social and Governance Report

III. BOARD STATEMENT

The Group understands the importance of ESG factors in enhancing its value and performance. The board of directors (“the Board”) assumes full responsibility for the Group’s ESG strategy and reporting, regularly reviewing, discussing, and approving the Group’s ESG and climate-related policies, strategies, and risk management matters, while overseeing the Group’s sustainability-related affairs.

To fulfill its commitment to sustainable development, the Group established a three-tier ESG governance structure during the reporting period and approved the formation of an ESG Committee and an ESG Task Force. The Board is responsible for approving the sustainability policies and measures formulated by the ESG Committee, as well as formulating, monitoring, and reviewing the Group’s overall ESG-related governance framework, management approaches, and strategies. Authorized by the Board, the ESG Committee is responsible for reviewing, assessing, and deliberating all ESG matters within its terms of reference, and providing professional opinions and recommendations. The ESG Task Force, as the implementing body, operates under the guidance of the ESG Committee to comprehensively promote and execute the Group’s various ESG initiatives.

Given the nature of its business, the Group’s daily operations have a relatively limited impact on the environment. The Group has established directional environmental goals, committed to promoting environmental protection and actively integrating the concept of sustainable development into all levels. The Group strives to communicate this philosophy to its stakeholders and build a sustainable future with them.

During the reporting period, the Group reviewed ESG related targets set in the previous year. The Group commits to continuing to monitor the achievement of our ESG targets in the future, dynamically adjusting management strategies and implementation methods based on operational realities to ensure more effective monitoring and improvement of various sustainability matters.

This report provides a comprehensive disclosure of the progress and achievements of the Group’s ESG efforts in 2025. The content of this report contains no false records, misleading statements, or material omissions, for which the Group assumes full responsibility. This report was reviewed and approved at the Board meeting held on March 28, 2026.

IV. GOVERNANCE

Guided by the core principle of sustainable development, the Group is committed to creating urbanization driven livelihood investment products that meet regional economic needs and the aspirations of residents, to enhance the urbanization levels of region and the residents’ quality of life. It adheres to the core principle of sustainable development and actively fulfills corporate social responsibilities. By establishing a clearly defined ESG governance structure with well-delineated rights and responsibilities, effectively identifying annual material topics, and building dynamic communication mechanisms with stakeholders, the Group is progressively improving its comprehensive ESG management capabilities.

ESG Governance Structure

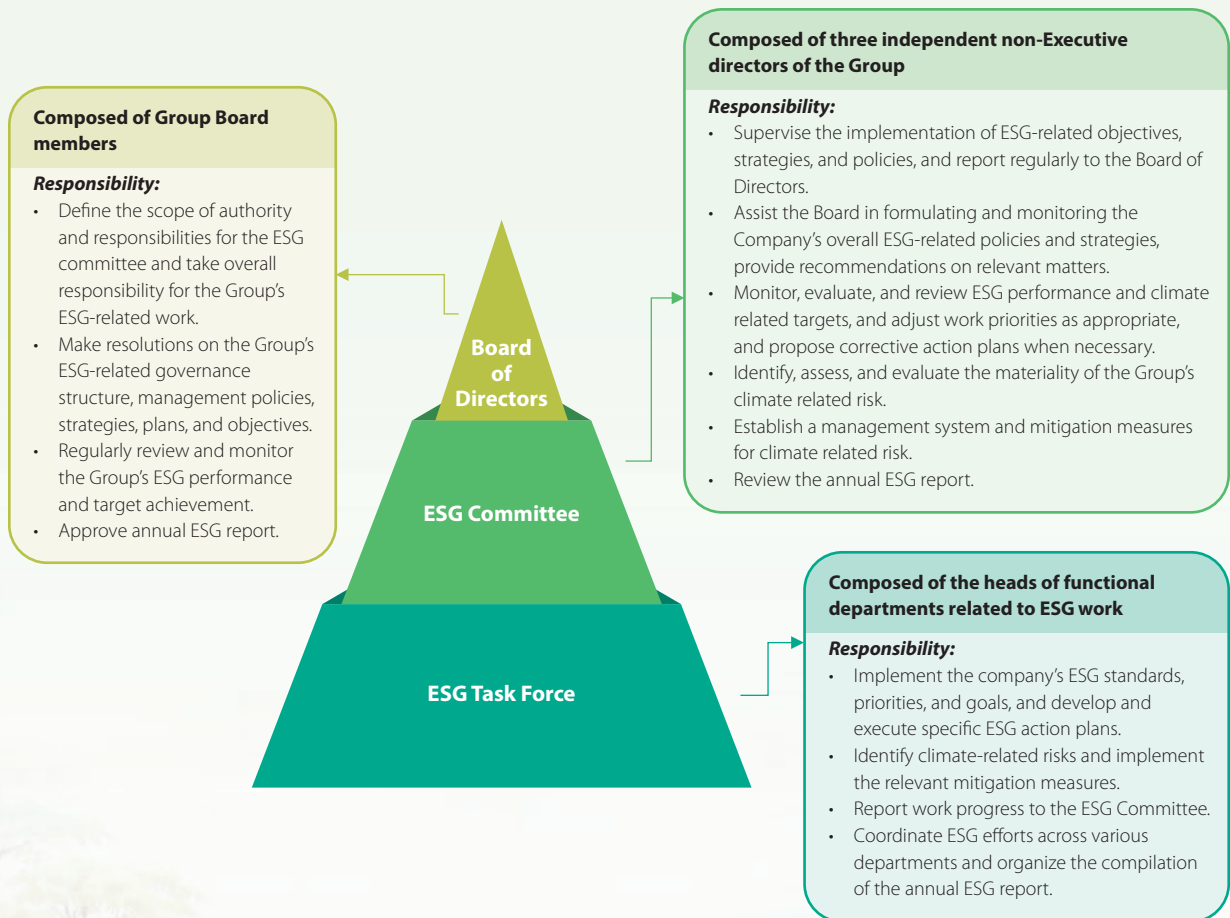
The Group recognizes that a robust corporate governance framework serves as the cornerstone for sustainable development, a key driver to strengthen investor confidence, enhance operational transparency, and boost market competitiveness. This year, the Group formally established the ESG Committee and the ESG Task Force, creating a three-tier governance structure centered on the Board, through a “top-down” coordination approach, the Group has progressively developed a scientific, standardized, and gradually formed a scientific, standardized ESG governance system with clear rights, responsibilities, and efficient operation.

Environmental, Social and Governance Report

As the highest governance and decision-making body of the Group, the Board holds ultimate responsibility for climate change-related matters. Under the authorization of the Board, the ESG Committee is responsible for reviewing, assessing, and deliberating on all ESG matters within its terms of reference, and providing professional opinions and recommendations. This includes identifying and assessing climate-related risks, establishing a management system, and continuously supervising and reviewing the formulation and achievement of climate-related targets. The ESG Committee holds a meeting at least once a year, and established an annual regular reporting mechanism to provide the Board with professional advice, decision-making support, and updates on routine progress regarding topics related to climate change issues. The ESG Committee arranges at least one annual ESG-related thematic briefing and training session covering climate change issues to equip the Board with the necessary professional expertise and competence in climate change and ESG.

Additionally, the ESG Task Force conducts thematic discussions and risk assessments on climate change response, exploring strategic issues, policy trends, and industry best practices. By utilizing methods, such as quantitative analysis and scenario simulations, the Group comprehensively assesses climate-related risks and opportunities, and regularly communicates its findings to the ESG Committee. The ESG Task Force will report to the ESG committee on the progress and major matters of the Group's ESG and climate change related work based on the actual work situation, from time to time.

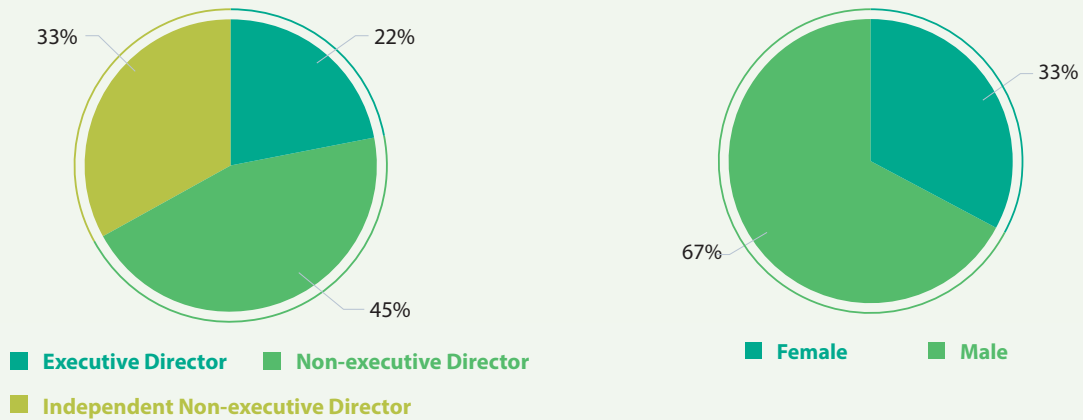
The Group's current ESG governance framework and key responsibilities at each level as below:



Environmental, Social and Governance Report

Board Diversity

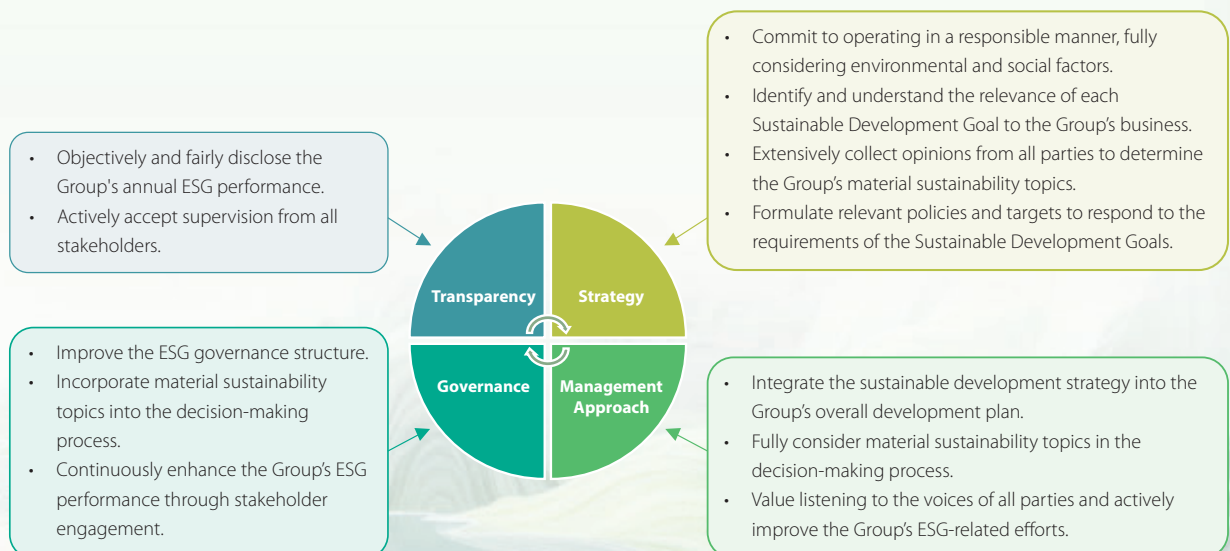
The Group regards Board diversity as a core element in supporting its strategic targets and maintaining sustainable development. When planning the Board structure and selecting members, the Group comprehensively considers factors such as professional qualifications, industry experience, gender, age, educational background, and tenure. This approach aims to establish a Board governance model that is diverse, complementary, efficient, and collaborative. To ensure the scientific rigor and forward-looking nature of its decisions, the Board's market insight, risk identification capabilities, and ability to stimulate innovative thinking are effectively enhanced by a wide range of perspectives and insights combine. Meanwhile, the Board diversity enables the Board to effectively understand and represent the interests of diverse stakeholders, thereby enhancing the Group's reputation and social trust, and attracting outstanding talent and investors. Going forward, the Group will continue to deepen its Board diversity mechanisms, ensuring members possess the comprehensive skills to tackle future challenges and seize emerging opportunities, driving long-term value creation and sustainable development.



Distribution of Board Members

Sustainable Development Goals Roadmap

The Group takes the United Nations Sustainable Development Goals (SDGs) as the strategic core guiding its long-term development, fully integrates the SDGs into its daily operations, and steadfastly fulfills its sustainable development commitments.



Environmental, Social and Governance Report

The Application of SDGs in Enterprises

This year, the Group has continued its established strategy by prioritizing seven previously identified SDGs as key focus areas. To address stakeholder concerns, the Group continuously invested resources in these areas, while ensuring transparency and measurability of actions through goal setting, progress tracking, and performance reporting.



Target: Allocate more resources to support vulnerable groups.

The year 2025 marks the fifth anniversary of China's comprehensive victory in the fight against poverty, as well as the final year of the transition period for consolidating and expanding the achievements of poverty alleviation in conjunction with rural revitalization. The Group has always regarded poverty eradication and promoting common prosperity as its important mission, actively exploring sustainable development paths and fulfilling corporate social responsibility with concrete actions.

During the reporting period, the Group continued to fulfill its corporate social responsibility through concrete actions by actively responding to the initiatives of the Wuxi Municipal Government and the Transportation Group. It organized and carried out the One-Day Charity Donation (慈善一日捐) campaign, raising a total of RMB5,520 in donations, and the funds were used to provide precise assistance to special hardship groups, low-income individuals, and impoverished rural residents.



Target: No work-related injuries or occupational hazard cases within 5 years.

Based on the trend of China's new urbanization and the Group's resource advantages, the Group comprehensively considered regional economic needs and residents' living requirements, introduced brand products in the field of improving people's livelihood, and actively selected tourism, health care, and medical services as the main investment directions.

The Group is committed to creating a safe, healthy, and comfortable working environment for employees. In addition to legally contributing to social insurance for employees, the Group proactively purchases group supplementary medical and accident insurance as additional safeguards, such as annual health examinations, distribution of occupational safety equipment, and high-temperature allowances, to ensure the physical and mental well-being as well as the overall welfare of its employees.

Environmental, Social and Governance Report



Target: At least one training session per employee annually.

The Group regards education as the cornerstone of social progress, a vital force for enhancing productivity, improving public health, and promoting sustainable development. Committed to advancing equitable and high-quality educational practices, the Group has established an international bilingual Reigate Grammar Bilingual School Nanjing through the Kaiyuan Education Fund LP. Even though it is facing debt and liquidity risks this year, the Group remains has consistently prioritized ensuring educational continuity and supporting student development. Adhering to the principle of “supporting the stable operation of the Nanjing school projects” (支持南京學校項目平穩運營), the Group actively coordinated from all stakeholders to promote risk resolution, stabilize the school order, and effectively fulfill its responsibility to serve society through education.

The Group advocates building a learning-oriented enterprise and adheres to the principle of “two-way drive, continuous learning” (雙向驅動、持續學習). It combines general management capability training with professional skills training, integrating external expert resources with internal practical experience to form a composite training model that features internal-external linkage and clear hierarchies. To comprehensively support employee growth, around 20 multi-theme employee training sessions were conducted in this year.



Target: Eliminating work-related gender discrimination or harassment sexual harassment.

The Group fully recognizes that female perspective and mindset can foster a more resilient organizational culture and inject diverse solutions into business strategies and team collaboration. During the reporting period, the Group employed 29 female employees, accounting for 32% of total workforce, with women comprising 33% of the Board.

To foster a diverse, equal, and inclusive workplace, the Group has systematically implemented a series of policies to prevent gender discrimination. These policies explicitly eliminate gender as a factor in key human resources decisions, such as promotions, retirements, and training, ensuring all employees achieve equitable career development.

Environmental, Social and Governance Report



Target: Water usage intensity remained consistent with 2024 levels and expectations to decrease year by year.

The Group is deeply concerned about the increasing social demand for stable water supply. To ensure sustainable access to clean drinking water and meet residents' basic needs, the Group systematically integrates water supply and sanitation systems into urbanization project planning. Although the operations are not water-intensive and we face no significant water source pressure, the Group's proactively implement water conservation strategies. By implementing effective water efficiency measures, we continuously reduce our water usage intensity. For example, we regularly monitor and promptly repair the water supply system to ensure there are no leaks.



Target: Seeking opportunities and adopting innovative technologies to further reduce its energy intensity.

The Group fully recognizes the vital role of energy in business operations and environmental protection. It actively drives the transition to sustainable energy alternatives, promotes the adoption of renewable energy and innovative technologies, and encourages employees to use public transportation for commuting to minimize environmental impact. Furthermore, during the initial evaluation of investment projects, the Group incorporates energy requirements and environmental performance metrics into its comprehensive assessment, striving to avoid investments in energy-intensive or highly polluting projects.



Target: Closely monitor climate-related specific risks and take corresponding actions to minimize negative impacts.

The Group recognizes the global impact of climate change, with particularly devastating effects on vulnerable nations and communities facing conflicts or humanitarian crises. It actively identifies, assesses, and addresses climate-related risks and opportunities, focusing on the potential operational and financial impacts of physical and transition risks. By exploring low-carbon transition opportunities across industries, the Group enhances its climate resilience and sustainable development capabilities.

The Group prioritizes Tier 1 energy-efficient products while continuously optimizing vehicle configurations and management to enhance overall energy efficiency.

Environmental, Social and Governance Report

Stakeholder Engagement

The Group attaches great importance to the valuable opinions of all stakeholders, regards them as an important opportunity for continuously optimizing operational performance and improving sustainable development strategies. The Group has always placed stakeholder communication at a strategic level, striving to establish a diverse and efficient dialogue mechanism, widely collecting various viewpoints, actively responding to expectations from all stakeholders, and jointly promoting the implementation of ESG practices, continuously enhancing the sustainable development capabilities of the enterprise.

Primary Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	<ul style="list-style-type: none"> Comply with laws and regulations Anti-corruption policy Occupational Health and Safety Fulfill tax obligations Social Contribution 	<ul style="list-style-type: none"> Monitoring compliance with local laws and regulations Routine reporting and tax payments
Shareholder	<ul style="list-style-type: none"> Investment return Corporate governance Business ethics Information disclosure 	<ul style="list-style-type: none"> Periodic reports Announcements General meetings Group's official website Investor presentations Research reports
Employee	<ul style="list-style-type: none"> Employee rights protection Safe and healthy working environment Daily environmental operations Employee training and promotion Fulfilling social responsibilities as a state-owned enterprise Promoting local employment and developing educational projects Comply with environmental, social, and governance regulations Risk management Performance evaluation 	<ul style="list-style-type: none"> Regular meetings and training Emails, announcements, hotlines, and team-building activities with management Panel discussion

Environmental, Social and Governance Report

Primary Stakeholders	Expectations and Concerns	Communication Channels
Customers	<ul style="list-style-type: none"> Product quality assurance Customer privacy and rights protection Adhere to the sustainable development strategy 	<ul style="list-style-type: none"> Customer satisfaction survey Face-to-face meetings and site visits Customer service hotline and email
Suppliers	<ul style="list-style-type: none"> Fair and open procurement Win-win cooperation Environmental protection Intellectual property protection Long-term business relationship Legal compliance ESG governance 	<ul style="list-style-type: none"> Public tenders Contracts and agreements Supplier satisfaction assessments Telephone discussions Face-to-face meetings and site visits Industry seminars
Professional Organizations	<ul style="list-style-type: none"> Policy formulation regulating employee and business operation practices Resilience building and adaptability improvement 	<ul style="list-style-type: none"> Phone discussion Questionnaire and online participation Face-to-face meetings (private or shareholder annual meetings)
General Public	<ul style="list-style-type: none"> Community engagement Business ethics Environmental awareness 	<ul style="list-style-type: none"> Media conferences and responding to inquiries Public welfare activities Face-to-face interviews Corporate website

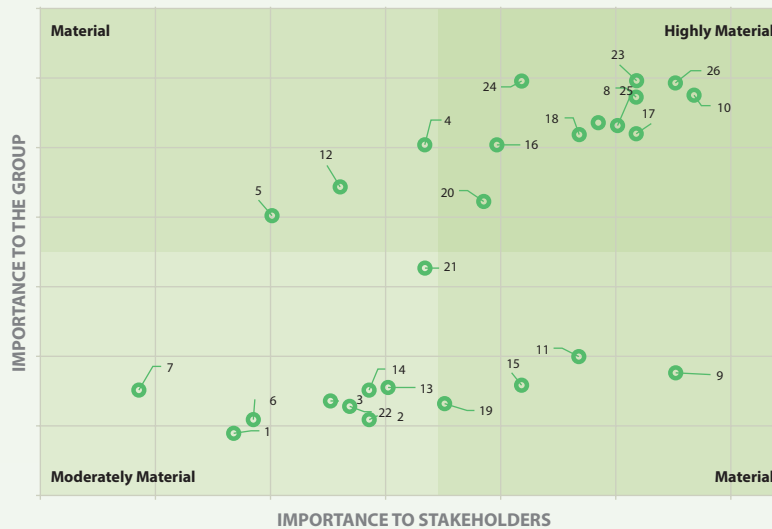
To systematically identify key stakeholders and enhance the effectiveness of critical issue assessments, the Group has established transparent and equitable procedures to support evaluation analyses and inform decision-making. Specifically, the Group references the principles outlined in ISO 26000 (Guidance on Social Responsibility). Based on criteria such as legal responsibility, influence, significance within the value chain, and willingness to engage, the Group employs the Analytic Hierarchy Process (AHP). This method enables structured weighting and ranking of stakeholders, with six evaluation criteria selected: susceptibility to impact, influence, rationality, willingness to engage, contribution, and necessity of participation, ensuring that the Consistency Ratio (CR) of the analysis results remain within a reasonable range.

During the reporting period, the Group's management determined that no significant changes had occurred in stakeholder groups or priority rankings and thus decided to retain the previous year's weighting results. For details, please refer to the "Appendix I" table.

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Materiality Assessment

This year, we engaged independent professional organizations to conduct stakeholder surveys both internally and externally. Employing a double materiality analysis approach, the Group prioritized topics based on the results of the materiality assessment to provide a reference for improving our ESG management system. Using a materiality matrix, the Group systematically presented the key concerns of stakeholders, using this as a crucial foundation for formulating and adjusting our ESG strategy and action plans. Moving forward, the Group will continue to track stakeholder concerns based on the ESG materiality matrix, ensuring that material topics remain aligned with the Company's actual development.



Environment

- 1 Greenhouse Gas Emissions
- 2 Energy Management
- 3 Water and Wastewater Management
- 4 Waste Management
- 5 Climate Change Mitigation and Adaptation
- 6 Renewable and Clean Energy
- 7 Biodiversity Conservation

Social

- 8 Labor Practices
- 9 Employee Remuneration and Benefits
- 10 Occupational Health and Safety
- 11 Employee Development and Training
- 12 Charity and Public Welfare
- 13 Promotion of Local Employment
- 14 Contribution to Local Economic Development
- 15 The Quality and Safety of Product and Service
- 16 Product and Service Labelling
- 17 Customer Privacy and Data Security
- 18 Intellectual Property Management
- 19 Green Procurement
- 20 Supplier Engagement
- 21 Supply Chain Environmental and Social Risk Management
- 22 Supply Chain Resilience

Governance

- 23 Business Ethics and Anti-corruption
- 24 Internal Reporting
- 25 Sustainable Business Model
- 26 Regulatory Compliance
- 27 Material Risk Incidents



Environmental, Social and Governance Report

Information Security Management

In an era characterized by the deep integration of digitalization and networking, data security and privacy protection have become core issues for corporate governance and sustainable development. The Group places high importance on information security management, incorporating the establishment of a data security management system into its corporate strategy. It has established and implemented internal policies including the “Measures on the Management of Material Information” (重大信息管理辦法), “Measures on the Management of Business Secrets” (業務秘密管理辦法), “Measures on the Administration of Information and Supervision” (信息和督辦工作管理辦法), “Measures on IT Management” (IT管理辦法), and “Measures on Information System Construction Management” (信息系統建設管理辦法). Through systematic technical safeguards, institutional norms, and awareness enhancement, the Group continuously builds a secure and trustworthy digital operating environment. This ensures all data processing activities comply with relevant laws and regulations, effectively safeguarding the legitimate rights, interests, and trust of customers, employees, and partners. The Group’s human resources department requires all new employees and recruited interns to sign a “Confidentiality Commitment Letter” (保密承諾書), which formally specifies their confidentiality obligations in writing, thereby strengthening the Company’s data security protection awareness.

During the reporting period, the Group has not received any complaints regarding information leakage or infringement upon the privacy of any organization or individual.

Business Ethics and Anti-Corruption

The Group places high importance on business ethics and integrity building within the enterprise. It advocates a corporate culture of honesty and integrity and is committed to fostering an atmosphere of good faith and trustworthiness within the company. The Group strictly abides by the “Anti-Corruption Law of the People’s Republic of China” (中華人民共和國反腐敗法), the “Law of the People’s Republic of China on Anti-money Laundering” (中華人民共和國反洗錢法), the “Anti-Money Laundering and Counter-Terrorist Financing Ordinance” (Cap.615 of the Laws of Hong Kong), and the “Prevention of Bribery Ordinance” (Cap.201 of the Laws of Hong Kong). It has formulated and implemented several internal policies, including the “Anti-fraud (corruption) System” (反舞弊(貪污)制度), the “Whistleblowing Policy (Mechanism)” (舉報制度(機制)), the “Measures on the Administration of Economic Responsibility Audit” (經濟責任審計管理辦法) and the “Measures on Staff Discipline and Code of Conduct Management” (員工紀律與行為規範管理辦法). The Group has established an Anti-Corruption Working Group, with members from the Human Resources Department, Compliance and Legal Department, Capital Markets Department, and Finance Department. Through clear division of responsibilities, transparent decision-making mechanisms, and strict codes of conduct, it ensures that the Board, management, and all employees uphold integrity, fairness, and a responsible attitude in their business operations.

To standardize employment relationships, strengthen the integrity and confidentiality system, and foster a culture of integrity and diligence, the Group has systematically implemented anti-corruption related procedures and behavioral guidelines through methods such as policy compilation, regulation issuance, signing “Commitment Letters” (廉潔從業承諾書) and public awareness advocacy. The human resources department specifically oversees the execution of these agreements, including signing labor contracts, “Confidentiality Commitment Letters” (保密承諾書) and “Integrity Commitment Letters” (廉潔從業承諾書) with new employees, as well as “Confidentiality Commitment Letters” (保密承諾書) with recruited interns.

This ensures that the Group’s confidential information and business interests are consistently and strictly protected among all personnel. During the reporting period, the Group organized a total of 3 special integrity training sessions, with all employees participating.

In 2025, the Group was not involved in any concluded corruption lawsuits filed against or its employees.



Environmental, Social and Governance Report

V. ENVIRONMENT

The year 2025 marks a pivotal moment in global climate governance, coinciding with the 10th anniversary of the signing of the Paris Agreement, the 5th anniversary of the introduction of the “Dual Carbon Goals,” and the 20th anniversary of the vision that “Clear waters and green mountains are as valuable as mountains of gold and silver” (綠水青山就是金山銀山).

The Blue Book on Climate Change in China 2025 reveals that China, as a sensitive and significantly affected region by global climate change, has experienced a warming rate exceeding the global average during the same period, with increasing frequency and intensity of extreme weather events. As a major operating entity rooted in China, the Group has always regarded environmental protection as a key element for sustainable development and success. It actively promotes green operations by integrating environmental considerations into its business portfolio of “investment + production operation.” In response to the call to “advance the innovation of eco-environment-oriented development models and investment-financing mechanisms”, the Group prioritizes low-carbon businesses and investments, carefully assesses the environmental compliance and ecological benefits of projects, promotes the application of smart technologies, strengthens natural resource management, and adopts high-efficiency equipment. The Group faithfully fulfills its commitment to the harmony between natural resources and the ecosystem.

This year, the Group has strictly complied with the environmental protection laws and regulations of mainland China and Hong Kong, including but not limited to:

- Waste Disposal Ordinance (Cap.354 of the Laws of Hong Kong);
- The Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法);
- The Environmental Impact Assessment Law of the People’s Republic of China (中華人民共和國環境影響評價法); and
- The Energy Conservation Law of the People’s Republic of China (中華人民共和國節約能源法).

During the reporting period, the Group complied with applicable laws and regulations governing significant impacts on exhaust emissions, GHG, water and land pollution, generation of hazardous and non-hazardous waste, and noise pollution, and was not penalized for any violations.

Climate Change

Currently, climate-related extreme weather events are accelerating, posing serious threats to human lives and infrastructure. The international community must work together to mitigate the impacts of climate change and promote sustainable, resilient development practices. The Group recognizes that climate change, as an urgent global challenge, requires coordinated efforts from all stakeholders. Actively responding to China’s “Dual Carbon Goals” policy, the Group actively aligns with societal trends toward green, low-carbon, and zero-carbon transitions. It continuously explores low-carbon development models and enhances emergency response mechanisms for extreme weather to mitigate potential adverse effects of climate-related risks. Simultaneously, the Group closely monitors industry trends, adjusts its work content and operational models timely, and seizes green development opportunities emerging from climate change.



Environmental, Social and Governance Report

To strengthen the identification and assessment of potential climate-related risks and opportunities, the Group incorporates the four pillars of the International Sustainability Standards Board (ISSB) framework into its climate-related management system. These pillars serve as the core basis for planning and implementing climate governance, strategies, risk management, metrics and targets.

Governance

The Group established an ESG Committee and ESG Task Force during the financial year to coordinate ESG-related risk and opportunity management. This initiative involved developing systematic risk management processes and policies, clarifying the responsibilities of all stakeholders, standardizing procedures, and defining preventive measures. Please refer to the previous section “ESG Governance Structure” for details.

To further enhance the professional capabilities of the Board in climate management, the Group will invite external professional institutions to provide specialized training on climate change related topics for the Board. This will help Board members promptly grasp the latest guidelines and industry response strategies in the field of climate change and continuously strengthen the Board’s professional understanding and decision-making competence regarding climate issues. In 2025, the Group participated in the knowledge sharing of third-party professional institutions, and plans to invite the third parties to conduct training or sharing sessions on climate-related topics for the Board and management next year. This will help them understand the latest changes in climate-related guidelines and response measures, and enhance their professional understanding and competence in climate-related matters.

During the reporting period, the Group has not yet incorporated climate-related considerations into its remuneration incentive policies. In the future, the Group will continue to strengthen relevant capacity, gradually improve systems and supporting measures, persistently enhance the completeness and granularity of information disclosure in subsequent reports.

Strategy

The Group regularly reviews its business operational status. Building upon its existing risk management framework, it systematically identifies climate-related issues that could significantly impact the Group from two key dimensions: physical risks and transition risks. Based on assessment results, material issues are confirmed, and corresponding strategies are formulated to prevent risks from occurring or mitigate their adverse consequences, while seizing relevant investment opportunities brought about by climate change.

Environmental, Social and Governance Report

The climate risks and opportunities identified by the Group showed as below:

Risk Category		Impact On the Group	Impact Duration*	Risk Response Measures and Business Opportunities
Physical Risk	Acute Risk: Increased frequency and severity of extreme weather events (including earthquakes, droughts, torrential rain, floods, and typhoons)	<ul style="list-style-type: none"> • Suspension of operations, delaying the timeline of development projects and thus extending delivery dates • Damage to properties and infrastructure, incurring additional repair costs • Safety concerns for employees traveling 	short-term, medium-term	<ul style="list-style-type: none"> • Conduct flood risk assessments during the project feasibility study phase. Integrate flood adaptation components into project design and operations based on the assessed flood probability. • Monitor weather forecast, establish emergency plans for extreme weather, and oversee all units in developing tailored contingency plans based on project characteristics. Ensure personnel, materials, and equipment are allocated as required, and conduct regular drills. • Conduct routine safety inspections throughout the project's entire lifecycle, track and verify the implementation of corrective actions for identified hazards, and promptly repair or replace damaged facilities. • Flexible workspace arrangements, with remote work options available during extreme weather conditions. • Conduct emergency safety training to enhance employees' disaster preparedness awareness and self-rescue skills.
	Chronic Risk: Global warming, sea-level rising	<ul style="list-style-type: none"> • Health problems of employees during hot • Constrained business development of investment projects in coastal areas 	medium-term, long-term	<ul style="list-style-type: none"> • Provide high-temperature subsidies and labor protection supplies to employees during periods of high heat to ensure their health and safety. • Monitor and assess chronic climate risk trends, incorporating them into project feasibility analysis and decision-making.
Transition Risk	Policy and Regulatory Risk	<ul style="list-style-type: none"> • Transitional costs incurred to meet compliance requirements, such as energy-saving retrofits for office equipment and optimization upgrades for project facilities • Increased risk related to information disclosure • Potential non-compliance fees if environmental performance fails to meet established standards 	short-term, medium-term	<ul style="list-style-type: none"> • Monitor updates to relevant regulatory frameworks and enhance the Group's ESG performance to meet evolving policy requirements. • Strengthen the management of information disclosure to ensure its timeliness, accuracy, and compliance. • Provide environmental practice training for employees at all levels and implement environmental policies at the organizational level.

Environmental, Social and Governance Report

Risk Category	Impact On the Group	Impact Duration*	Risk Response Measures and Business Opportunities
Technology Risk: Instability of Green Technology	<ul style="list-style-type: none"> Transition costs associated with equipment upgrades due to technological evolution, including procurement, testing, and training Uncertainty in green technology advancements regarding investment risks, time-to-market, and market demand responsiveness 	medium-term, long-term	<ul style="list-style-type: none"> Actively explore renewable energy sources, adhere to sustainable development principles in our operations, and strive to minimize environmental impact. Focus on ecological well-being in the operation of downstream projects, seeking a balance between profit and sustainable development.
Reputation Risk: Lack of Investment in Climate Action	<ul style="list-style-type: none"> Local government attitudes towards products or projects during the low-carbon transition can affect financing costs Requirements for regular reporting and communication on ESG-related issues Violation of relevant regulations and standards could impact the Group's brand image and reduce market competitiveness 	medium-term, long-term	<ul style="list-style-type: none"> Solicit insights from stakeholders to optimize strategies and actions. Integrate carbon risk assessment into decision-making processes to identify and avoid carbon-intensive projects during the early screening stages. Conduct annual ESG reporting with transparency and continuously improve disclosure methods and environmental performance. Integrate environmental considerations into the business portfolio of "investment + production operation," prioritizing low-carbon business activities and investments. When investing in projects that improve people's livelihoods, carefully consider the environmental compliance and ecological benefits of the projects to ensure the true sustainability of the investments, creating value for future generations. Adopt green building designs with advanced technologies to reduce overall resource consumption and lower operating costs. Construct buildings resilient to climate change.

* Considering core business planning, the timeline of societal low-carbon development goals, climate-related disclosure standards and management recommendations, we have defined the following time horizons: short-term (within 2 years, inclusive, after the end of the reporting period); medium-term (2 to 5 years, inclusive, after the end of the reporting period); and long-term (beyond 5 years after the end of the reporting period). This enables a reasonable assessment of the climate-related impacts on the Group's business development across different timeframes.

Risk Management

The Group regularly reviews all corporate risks that may affect business operations, including climate-related risks. The ESG Committee is responsible for conducting a comprehensive process review and risk analysis of the Group's overall ESG and climate-related risk management and internal control systems. This involves considering both the likelihood of risk occurrence and the extent of its financial and operational impact to perform a scientific risk rating.

Environmental, Social and Governance Report

During the reporting period, the Group did not identify any significant climate-related risks, and the risk management process did not undergo changes due to the addition of climate risks. The Board of Directors and the ESG Committee will continue to conduct regular reviews of the identification, assessment, and management of climate risks and opportunities, oversee the effectiveness of various response measures, and provide management recommendations for feasible areas of improvement to ensure the Company remains resilient amidst climate change.

- *Risk Identification*
Regularly conduct risk identification work, engage external consultants to analyze external policies and industry development trends, and identify climate-related risks and opportunities pertinent to the organization. Determine the list of climate-related risks and opportunities through internal communication meetings.
- *Risk Assessment*
Assess the likelihood and potential severity of impact of the risks. Use a risk matrix to determine the comprehensive risk level, thereby prioritizing climate change risks and identifying significant risks.
- *Risk Response*
Develop risk response measures for identified significant climate risks to eliminate, reduce, or transfer their impacts.
- *Risk Monitoring*
Continuously monitor and regularly update the climate risks and opportunities. Ensure that management receives regular reports on climate-related risks and opportunities.

Targets and Actions

The Group has established clear GHG targets, regularly reviews and assesses target achievement, and adjusts priorities as needed while increasing ESG-related investments. Considering business growth, the Group regards the intensity of its Scope 1 and Scope 2 emissions as a key indicator for meaningful monitoring and benchmarking. The Group anticipates allocating additional resources and capital to meet compliance requirements, particularly in carbon-intensive business sectors.

Category	Goal
Greenhouse Gas (GHG) Emissions	To achieve a 22.5% reduction in Scope 1 and Scope 2 emissions by 2030, using financial year ended 31 December 2021 ("FY2021") as the baseline year, and achieve carbon neutrality by 2060.
Waste Management	Continuously control the generation of hazardous and non-hazardous waste in future years and commit to waste reduction.
Energy Usage	Increase the use of new energy vehicles in future years, control electricity usage in production and operations, and phase out high-energy-consumption machinery to reduce the Group's energy consumption.
Water Usage	Optimize water usage in future years to reduce the Group's water consumption.

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During the reporting period, the Group did not incur any capital expenditure, financing, or investments related to climate-related risks and opportunities, nor did it set an internal carbon price. For other cross-industry indicators, based on the reasonable data relief arrangement, the Group is temporarily not disclosing the amount and proportion of assets or business activities susceptible to climate-related risks and opportunities.

The Group places great emphasis on the dual impacts of climate change. To strengthen its risk resilience and comprehensively enhance its operational resilience during extreme weather events, the Group has proactively adopted a variety of measures, including emergency safety training. Concurrently, the Group actively seizes the low-carbon transition opportunities presented by climate change by promoting full life-cycle management of green buildings and actively exploring new low-carbon operation models. It is committed to driving the synergistic development of business growth and climate adaptation through energy efficiency improvements and the application of renewable energy.



**Disaster Prevention and Mitigation Day-
Emergency Safety Training**



**“Two-Star Green Building Design
Certification” — Wuhan**



Going forward, the Group will continue to build a strategic framework based on climate scenario analysis, and continuously improving ESG and climate-related efforts. By systematically analyzing the potential impacts under different climate pathways, identifying key risks and transition opportunities, and integrating these core insights into the company's strategy and operational planning, the Group aims to enhance business resilience in addressing climate change risks. It will also proactively position itself to create long-term value associated with climate opportunities.

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Energy Conservation and Emission Reduction

In response to China's "Dual Carbon Goals" strategy, the Group has committed to driving low-carbon transformation in operations, achieving coordinated progress between environmental protection and corporate sustainability. It regards emissions management as a core component of environmental responsibility fulfillment, strictly adhering to HKEX's ESG code rules and environmental regulations. The Group has established a comprehensive control system covering greenhouse gases (Scope 1, 2, and 3), air pollutants, water pollutants, and solid waste, ensuring authenticity, compliance, and traceability of emissions data. By integrating emissions management into its governance structure, the Group sets clear emission reduction targets, reviews, evaluates, and improves emission performance from business activities as needed, thereby advancing low-carbon operational transformation.

The Group's primary resource consumption includes electricity, gasoline, natural gas, water, and paper. Gasoline consumption mainly comes from vehicle transportation, while natural gas serves as the main energy source for boiler operations in project management. Due to the nature of the Group's business, it does not consume packaging materials.

The sulfur oxides ("SOx"), nitrogen oxides ("NOx"), and particulate matter ("PM") are the primary air pollutants emitted from operating activities, mainly originating from vehicle transportation and stationary combustion.

GHG Emissions

The Group has a profound understanding of the significant impact of GHG on the environment and climate system, paying particular attention to the chain reactions they trigger, such as global warming, rising sea levels, and the increased frequency of extreme weather events. The Group is actively building a systematic carbon emission management system, quantitatively assessing emission data from its operational processes, effectively identifying key areas for emission reduction, and formulating specific management strategies and action targets.

Emission Category	Metrics	Unit	Quantity		Intensity ¹ (Million Yuan)	
			Y2025	Y2024	Y2025	Y2024
Air Emissions ²	SOx	kg	5.07	3.10	0.44	7.53×10^{-3}
	NOx	kg	184.78	164.37	0.01	0.40
	PM	kg	61.80	37.72	0.15	0.09
GHG Emissions ³	Scope ¹ ⁴ (Direct emissions)	tonnes of CO ₂ e	559.08	607.29	1.34	1.47
	Scope 2 ⁵ (Indirect emissions)	tonnes of CO ₂ e	7,967.67	9,767.97	19.11	23.70
	Scope 3 ⁶ (Other indirect emissions)	tonnes of CO ₂ e	86.02	84.97	0.21	0.21
	Carbon emissions offset by tree planting	tonnes of CO ₂ e	840.54	840.54	2.02	2.04
	Total	tonnes of CO ₂ e	7,772.23	9,619.70	18.64	23.34

¹ Intensity is calculated by dividing the respective quantities of exhaust gases, greenhouse gases, and other emissions by the Group's operating revenue for financial years 2025 and 2024, which amounts to 416,871 RMB'000 in 2025 and 412,194 RMB'000 in 2024.

² Air emissions included the air pollutants in the vehicle exhaust gas from the combustion of fossil fuels for business transportation, as well as the stationary combustion of gaseous fuel during its operations.



Environmental, Social and Governance Report

- ³ The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, GHG Protocol Corporate Standard and the IPCC Emission Factor Database.
- ⁴ The Group’s Scope 1 emissions (direct emissions) include air pollutants from the combustion of fossil fuels by company vehicles, and the combustion of fuel in stationary sources in operation.
- ⁵ The Group’s Scope 2 emissions (indirect emissions) include only emissions generated from electricity consumption. During the reporting period, the CO₂ emissions from the purchased electricity of the Group decreased as compared with the same period of last year, mainly due to the update of the average CO₂ emission factors for electricity.
- ⁶ The Group’s Scope 3 (other indirect emissions) includes emissions from wastepaper disposed of in landfills, electricity used by government departments for freshwater and sewage treatment, and business air travel.

Targets and Actions

The Group actively responds to the international consensus and national policy direction, deeply integrating decarbonization goals into the core of its ESG governance. The Group has established a clear decarbonization target: achieve a 22.5% reduction in Scope 1 and Scope 2 emissions by 2030, using financial year ended 31 December 2021 (“FY2021”) as the baseline year. Considering business growth, the Group regards the intensity of its Scope 1 and Scope 2 emissions as a key indicator for meaningful monitoring and benchmarking.

Referred from the 3R principles (Reduce, Reuse, Recycle), the Group continuously reviews, assesses, and evaluates resource consumption through regular management practices, institutionalizing and normalizing green and low-carbon office operations:

- Adopting a comprehensive data management platform to systematically collect, analyze, and evaluate resource consumption patterns across all operating units. This enables the optimization of energy and resource usage strategies, improves overall resource efficiency, and supports the Group in achieving its low-carbon transformation goals.
- Conducting ongoing environmental performance monitoring of outsourced projects, requiring subcontractors to fully integrate ESG standards into their operational systems and strictly adhere to green construction regulations. All operations must comply with established environmental standards and management requirements. Such as, construction vehicles must be thoroughly cleaned before departure, and daily scheduled ground watering or washing is conducted to effectively suppress dust and prevent silt accumulation.
- Formulating and implementing the “Measures on the Administration of Official Vehicles” (公務用車管理辦法) to standardize and supervise resource usage, thereby reducing unnecessary consumption.
- Actively exploring the application of renewable and clean energy sources to reduce GHG at the source of the energy structure.
- Encouraging employees to adopt low-carbon travel by using public transportation and prioritizing economy class for business air travel.
- Displaying promotional slogans in prominent areas of office spaces to foster energy-saving and environmentally friendly habits among employees.

Environmental, Social and Governance Report



“Green Office, Explore the Future”

Water Usage

The Group’s daily operations require minimal water usage, with its primary water supply coming from government sources, ensuring no water access issues. Minor wastewater is generated from commercial wastewater in offices and from project buildings. All such wastewater is discharged into the municipal sewage network for centralized treatment.

Category	Metrics	Unit	Quantity		Intensity ¹ (Million Yuan)	
			Y2025	Y2024	Y2025	Y2024
Water*	Water usage	M ³	156,672.90	171,645.00	375.83	426.12

* Except for the Beijing headquarters, the calculation of wastewater generated by the Group covers only the commercial sewage produced by employees (which is directly treated by the property management company). The total volume of wastewater discharged by the Group assumes that all freshwater consumed is discharged into the municipal drainage system.

During the reporting period, the significant reduction in water usage was primarily attributed to the effective implementation of a series of water-saving measures and a company-wide enhancement in water conservation awareness.

Targets and Actions

The Group deeply recognizes the preciousness of water resources and regards their conservation and efficient use as a key commitment to fulfilling environmental responsibilities, driving sustainable operations, and advancing social welfare. It consistently implements water-saving measures to reduce operational water consumption, alleviate pressure on water supply, enhance resource efficiency, and lower operational costs.

- Establishing a Quantitative Management and Performance Tracking Mechanism: Systematically record water usage data and monitor the environmental performance of subsidiaries.
- Conducting Analysis Based on Water Consumption Statistics: Actively identify and improve processes with high water consumption to scientifically enhance overall water efficiency.
- Strengthening Internal Communication Mechanisms: Commit to reporting progress and rewarding achievements through monitoring and control methods.
- Deepening Employee Awareness and Behavior Advocacy: Actively promote the 3R principles, including implementing practices such as turning off taps when not in use and reusing water for irrigation where possible.
- Preventive Maintenance and Timely Repairs: Regularly inspect equipment and promptly repair leaking faucets.

The Group has incorporated water conservation into its business development strategy, setting a target to maintain water intensity at the level of the financial year ending December 31, 2022 (“FY2022”) and progressively reduce it year by year. This year, the Group’s water consumption decreased compared to the previous year, primarily due to the effective implementation of water-saving measures and the extensive promotion of the Group’s water conservation philosophy.

Environmental, Social and Governance Report

Energy Management

As the Group primarily focuses on office building operations, its electricity consumption is relatively high. The Optical Valley New Development International Centre (武漢光谷新發展國際中心), a flagship project of the Group, accounts for a significant portion of the Group's total electricity consumption and is therefore a key focus of its energy management and emission reduction strategies. Emissions from purchased electricity consumption (Scope 2) constitute a significant part of the Group's total carbon emissions.

Category	Metrics	Unit	Quantity		Intensity ¹ (Million Yuan)	
			Y2025	Y2024	Y2025	Y2024
Energy	Electricity	MWh	15,075.85	16,014.88	36.20	38.85
	Petrol	MWh	121.79	115.52	0.29	0.28
	Natural Gas	MWh	2,430.55	3,307.42	5.83	8.02

During the reporting period, the change in petrol usage was primarily due to the Group's implementation of stricter standardized management of official vehicles, which promoted a structural adjustment in daily business travel modes.

Targets and Actions

To ensure alignment between energy management and the Group's overall sustainability strategy, the Group has prioritized comprehensive power efficiency improvements as a primary action plan. Through technological innovation, intelligent management systems, and behavioral optimization, the Group continuously reduce carbon emission intensity while maintaining operational quality, fulfilling its long-term climate commitments. The Group actively encourages employees to cultivate conservation awareness, prevent waste, and enhance energy efficiency. The following measures have been implemented:

- Establishing a Mechanism for Recording and Reviewing Energy Data: continuously track energy performance and assess energy consumption annually.
- Standardizing Equipment Power Management: Require employees to turn off office equipment when not in use and prohibit equipment from remaining in standby mode to eliminate hidden power losses.
- Centralized Management of Public Lighting Systems: Implement centralized monitoring for all public area lighting, promote on-demand activation and optimized operating hours, ensure lights turn off when people leave, and avoid unnecessary energy consumption.
- Establishing a Preventive Maintenance Mechanism: Conduct regular inspections and performance checks on all electrical equipment within office buildings to ensure optimal operating condition. Some subsidiaries assign dedicated personnel for the maintenance of specific equipment, promptly repairing or replacing faulty units.
- Implementing On-Demand Adjustment Mechanisms: Immediately turn off air conditioning systems in unoccupied offices and meeting rooms. Simultaneously, implement standardized temperature control for air conditioning based on seasonal and actual needs, setting the temperature no lower than 26°C in summer and no higher than 20°C in winter to balance comfort and energy efficiency.
- Visual Awareness Promotion: Display energy-saving signs and behavioral reminders at key points in office areas to strengthen employees' energy-saving awareness and willingness to take initiative.



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- Implementing Green Procurement for Office Equipment: Prioritize the purchase of high-efficiency products with authoritative environmental labels (such as Energy Star, Level 1 Energy Efficiency labels, etc.), ensuring equipment possesses core characteristics of low energy consumption and high resource efficiency, thereby reducing energy use at the hardware level.

For official vehicles, the Group has established a dedicated vehicle management and low-carbon operation system. It standardizes vehicle usage and eliminates improper or inefficient vehicle operations by some internal regulations, such as the “Measures on the Administration of Official Vehicles” (公務用車管理辦法). The system primarily covers the following aspects:

- “One Vehicle, One Form” System: Applicants are required to truthfully report on their actual vehicle usage, which should be signed and confirmed by the department head before being submitted to the General Department for review and vehicle allocation. This ensures the rationality and necessity of vehicle usage, with strict prohibition of private use of official vehicles.
- Strengthening Control Over Vehicle Use During Non-Working Hours: Applications for vehicle use during non-routine office hours, such as holidays and weekends, require the signature and approval of the applicant’s supervising Vice President. The General Department then centrally dispatches the vehicle. Through strict approval standards and management procedures, energy consumption during special periods is effectively controlled.
- Implementing a Regular Vehicle Inspection and Maintenance System: Conduct regular safety and performance inspections on company vehicles to ensure they are in optimal operating condition, thereby maintaining driving safety and improving fuel efficiency. Company vehicles are regularly washed and waxed to reduce driving resistance, achieving energy savings by improving aerodynamic performance.
- Promoting Eco-Driving and Green Travel: Encourage drivers to plan the most efficient routes, maintain steady speeds, and avoid aggressive driving behaviors such as rapid acceleration and hard braking. Concurrently, employees are advised to prioritize the use of public transportation for business trips to reduce the use of official vehicles and lower the overall carbon footprint of transportation.

The Group has set a target to achieve a 22.5% reduction in Scope 1 and Scope 2 emissions by 2030, using financial year ended 31 December 2021 (“FY2021”) as the baseline year. Going forward, the Group will continue to implement these measures, actively improve its energy supervision and management system, and rationally reduce corporate energy consumption to minimize greenhouse gas and pollutant emissions.

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Waste Management

Based on the nature of its business, the Group's operations do not involve the discharge of hazardous waste and only generate a small amount of non-hazardous waste from office activities. Paper consumption primarily results from daily office operations. Furthermore, packaging materials are not applicable to the Group's business nature.

Category	Metrics	Unit	Quantity		Intensity (Million Yuan)	
			Y2025	Y2024	Y2025	Y2024
Paper	Paper	kg	892.72	1,100	2.14	2.67
Non-Hazardous	Solid waste ¹	tonnes	7.128	10.50	0.02	0.03
	Wastewater ²	M ³	156,649.20	175,148.00	375.77	424.92

1 The solid waste only covered commercial wastes from the property buildings where the Group's employees worked; and

2 Except the headquarter in Beijing, the wastewater generated from the Group that was incorporated in the calculation only covered commercial sewage from employees, which was directly handled by the management unit of property buildings. The total amount of wastewater discharged from the Group was based on the assumption that 100% of the consumed fresh water entered the municipal drainage system.

Targets and Actions

The Group actively promotes the circular economy concept, advocates waste recycling and reuse, formulates corresponding policies, guidelines based on the "Waste Hierarchy" to implement sustainable waste management practices and enhance resource utilization efficiency. The following are the main measures currently implemented by the Group:

- Promoting paperless offices and encouraging electronic document transmission to reduce paper usage. Reminder stickers are placed in visible locations within offices to remind employees to avoid unnecessary printing.
- Collecting and recording paper usage data from all its subsidiaries and operating units and clearly regulating the Group's paper procurement and usage through the "Administrative Procurement Management Measures" (行政採購管理辦法) to prevent excessive consumption and waste.
- Setting the default printer mode to double-sided printing to improve paper utilization efficiency.
- Collecting single-sided paper for reuse on the reverse side for printing or as draft paper, or redesigning paper into artistic handicrafts.
- Purchasing recycled paper and reusing paper bags for filing.
- Setting up dedicated collection points for discarded consumables such as ink cartridges, toner cartridges, and toner cartridges.
- Formulating the "Administrative Items Management Measures" (行政物品管理辦法) and the "Intern Management Measures" (實習生管理辦法) to standardize the procurement and requisition of office supplies, advocating for reuse and avoiding waste.
- Encouraging employees to bring their own lunches to reduce the use of takeaway packaging and disposable tableware.
- Selecting qualified professional recycling agencies to handle outdated electronic products or other items.

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The Group has established a management target for financial year 2021 (ending December 31, 2021) to maintain solid waste intensity below 5%. For this year, the Group's solid waste intensity reached to 7.128. Going forward, the Group will continue to implement relevant policies and measures to further reduce solid waste emission intensity.

VI. SOCIAL

The Group integrates the concept of sustainable development into its core corporate values and regards its employees as key partners in driving sustainable growth. It actively fosters a diverse, equal, and inclusive workplace environment, systematically investing in employee well-being and capacity building to create an enabling growth platform that fully unleashes individual creativity and potential. By empowering talent and fostering organizational synergy, the Group builds long-term resilience, drives sustainable development, and achieves a win-win coexistence of corporate and social values.

The Group strictly complies with relevant laws and regulations pertaining to compensation, termination, recruitment, promotion, working hours, leave, equal opportunities, diversity, anti-discrimination, benefits, and other matters of significant impact to the Group. During the reporting period, there were no instances of non-compliance with relevant laws and regulations.

Compliant Employment

The Group continuously monitors updates to labor laws and regulations in its operational regions and accordingly adjusts its internal human resources policies and management practices. In 2025, the Group strictly complied with the following relevant laws and regulations:

- Employment Ordinance (Cap.57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap.485 of the Laws of Hong Kong);
- Disability Discrimination Ordinance (Cap.487 of the Laws of Hong Kong);
- Labor Law of the People's Republic of China (中華人民共和國勞動法);
- Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法);
- Regulations on Work-Related Injury Insurance (工傷保險條例); and
- Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), etc.

The human resources department is responsible for monitoring updates to relevant laws and regulations to ensure that all the Group's employment practices and labor relationship management strictly comply with local legal requirements, achieve compliant operations, and continuously protect the legitimate rights and interests of employees. In 2025, the Group systematically revised and improved the following internal policies:

- Measures on Recruitment Management (員工招聘管理辦法);
- Measures on Probationary Employee Assessment (試用期員工考核管理辦法);
- Measures on Dismissal Management (員工離職管理辦法);
- Measures on Staff Promotion Management (員工晉升管理辦法);



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- Measures on Compensation Management (薪酬管理辦法);
- Measures on Employee Performance Management (員工績效管理辦法);
- Measures on Employee Benefits Management (員工福利管理辦法);
- Measures on Staff Discipline and Code of Conduct Management (員工紀律和行為規範管理辦法);
- Measures on Staff Attendance and Vacation Management (員工考勤與休假管理辦法);
- Supplementary Provisions for Strengthening Employee Attendance Management (加強員工考勤管理的補充規定);
- Measures on Training Management (培訓管理辦法); and
- Measures on Labour Contract Management (勞動合同管理辦法).

If any serious violations of applicable labor laws, regulations, or internal standards are identified, the Group reserves the right to immediately terminate the relevant contract and impose disciplinary actions on the responsible employee.

Talent Acquisition

The Group scientifically assesses workforce requirements and formulates annual and phased recruitment plans based on the principles of pragmatism and efficiency by systematic evaluation of business development strategies and current human resource conditions. To standardize recruitment management, clarify talent selection criteria and procedures, ensure fairness, impartiality, and transparency in the hiring process, the Group revised its “Employee Recruitment Management Measures” in September 2025.

Recruitment Principles

The Group’s talent recruitment adheres to the principle of “Prioritising Both Ability and Virtue to Pursue Meritocracy” (德才兼備、以德為先、任人唯賢), requiring candidates to meet both the fundamental criteria of “Ability and virtue, Responsibility, Ethical standards, Honesty and integrity” (德才兼備、敢於擔當、嚴守底線、清正廉潔) and the Group’s core values of “innovation, perseverance, collaboration, and dedication” (創新、拼搏、協作、敬業). Additionally, applicants must satisfy the specific requirements for the position, including necessary knowledge, skills, professional expertise, qualifications, and experience.

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Recruitment Methods

The Group's recruitment includes internal and external approaches. When a position is vacant, internal candidates are prioritized first. If no suitable internal candidates are available, the Group utilizes employee referrals or multiple recruitment channels including headhunting, online platforms, and social media.



Recruitment process

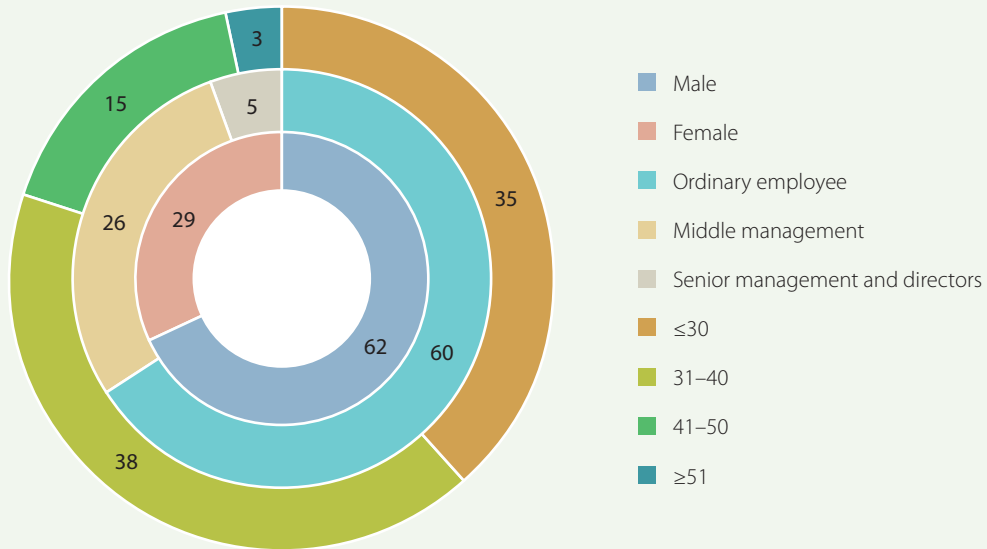
To systematically enhance the standardization and execution efficiency of the recruitment process, the Group has established and implemented a comprehensive and transparent recruitment process. This ensures fair and efficient hiring practices, aligns recruitment with the Group's strategic targets and talent development plans, continuously improves the quality and timeliness of organizational talent supply.



Recruitment Process of the Group

Environmental, Social and Governance Report

During the reporting period, the Group hired 91 employees at its operational sites within the reporting scope. The detailed employment data is as follows:



Diversity, Equality and Inclusion

The Group consistently fosters a diverse, equal, and inclusive workplace culture, strictly prohibiting the employment of child labor and forced labor, while ensuring equal employment opportunities and fair treatment for all employees. The Group absolutely does not tolerate any discrimination, harassment, or inappropriate remarks based on gender, race, skin color, religion, belief, nationality, ethnicity, age, disability, sexual orientation, gender identity, or any other protected personal characteristics by law. The Group's "Measures on Recruitment Management" (員工招聘管理辦法) explicitly stipulate that recruitment and hiring processes must not establish discriminatory conditions based on ethnicity, race, gender, or religious beliefs. During the recruitment process, the Human Resources Department carefully examines candidates' identification documents and cross-references them with academic certificates and other archival information to ensure candidates meet legal employment requirements and are working of their own free will, thereby preventing illegal employment (such as child labor, underage workers, or forced labor). During this reporting period, the Group did not identify any instances of child labor or forced labor.

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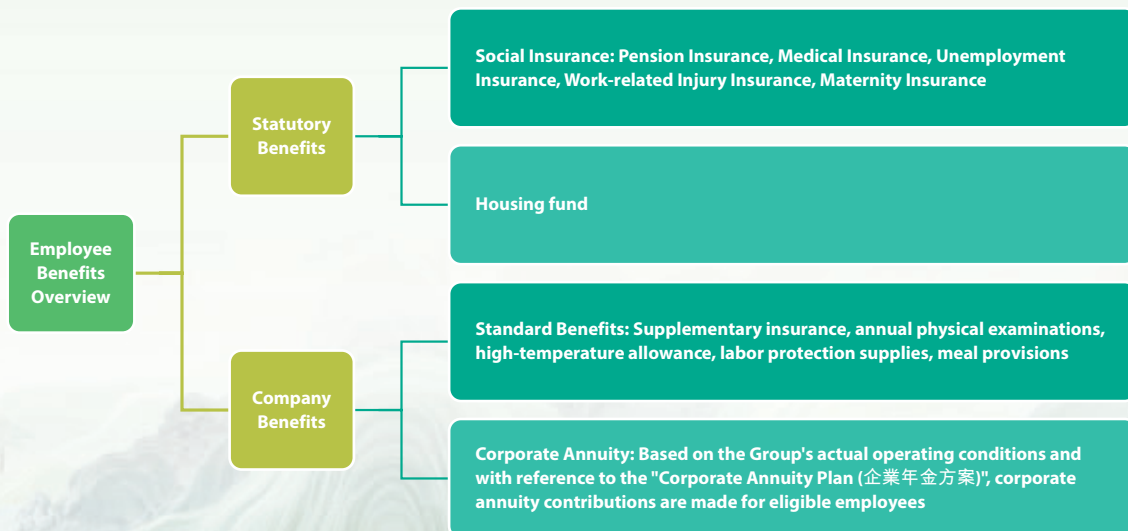
The Group places particular emphasis on advancing gender equality, with a focus on women’s participation, development, and empowerment in the workplace. By establishing equitable promotion mechanisms, providing diverse career growth opportunities, and fostering an inclusive work environment, the Group is committed to narrowing gender gaps, supporting female employees in realizing their full potential, and empowering them to assume more influential roles across all levels. As of December 31, 2025, the Group employed 29 female employees, accounting for 31.87% of total workforce. The Board comprises 3 female members, representing 33% of its total membership.



International Women’s Day — Exclusive Event for Women

Compensation and Benefits

The Group is committed to establishing a competitive compensation and benefits system that adheres to market-oriented reform principles, balances internal equity with position value orientation, maintains income incentive principles, and ensures alignment between total compensation and performance. A comprehensive compensation and benefits framework along with performance evaluation mechanisms have been developed, with detailed implementation guidelines specified in the “Measures on Employee Performance Management” (員工績效管理辦法), “Measures on Compensation Management” (薪酬管理辦法), and “Measures on Employee Benefits Management” (員工福利管理辦法). Through standardized compensation adjustment strategies and diversified employee incentive mechanisms, outstanding performers receive timely recognition and rewards, effectively enhancing work motivation and organizational contribution.



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The Group prioritizes employee welfare and collective well-being. Through ongoing planning and diverse employee engagement initiatives, we foster interaction, value alignment, and belonging, thereby enhancing happiness and driving sustainable workplace well-being.

Low-carbon Travel Activities

Tea Ceremony Culture Class Activity

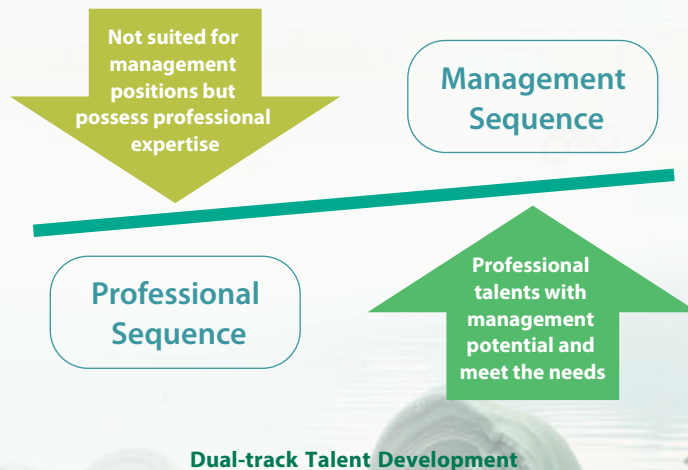
Darts Activity

Promotion and Development

The Group consistently regards employee development as the core driving force of sustainable growth, committed to building a transparent, equitable, and fair promotion mechanism. It systematically builds a multi-tiered talent development framework while continuously refining employee training and capacity-building initiatives.

Employee Promotion

To establish a standardized and transparent employee promotion mechanism, ensure clear career development paths, objective evaluations, standardized processes, and achieve coordinated advancement of talent development and organizational strategy, the Group revised and implemented the “Measures on Staff Promotion Management” (員工晉升管理辦法) and “Measures on Cadres Management” (幹部管理辦法) during the reporting period. Additionally, based on the current talent team status and management development needs, the Group expanded the original single promotion channel into dual pathways for “management” and “professional” talent development. This provides employees with career development paths better aligned with their capabilities and career planning, thereby enhancing the retention rate of core talents and the organization’s overall soft power.



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To continuously stimulate employees' intrinsic motivation, optimize talent structure, build a high-quality management team, and systematically cultivate reserve cadres, the Group revised its "Measures on Employee Exchange Management" (交流人員管理辦法) this year to standardize personnel rotation mechanisms and enhance talent development efficiency. Based on individual employee profiles and business needs, the Group dispatches exchange personnel to target organizations to learn advanced operational practices and management processes, gain in-depth insights into market dynamics, and improve their market sensitivity and comprehensive qualities. This provides employees with broader development space for their career growth.

Employee Training

The Group is committed to continuously enhancing employees' professional skills and comprehensive competencies by diversifying online and offline learning channels and platforms. It has established a multi-dimensional training system covering various fields and levels to continuously improve staff expertise. To standardize, sustain, and evaluate training programs, the Group revised and officially implemented the "Measures on Training Management" (培訓管理辦法) during the reporting period. Furthermore, the Group has advanced the collaborative mechanism where "general corporate management training is led by the Human Resources Department, while vocational skills training is led by business departments or subsidiaries" (企業管理通識培訓由人力資源部主導、條線職業技能培訓由業務部門/子公司主導). This actively improves the relevance and effectiveness of training, fostering deep synergy between talent development and business strategy.

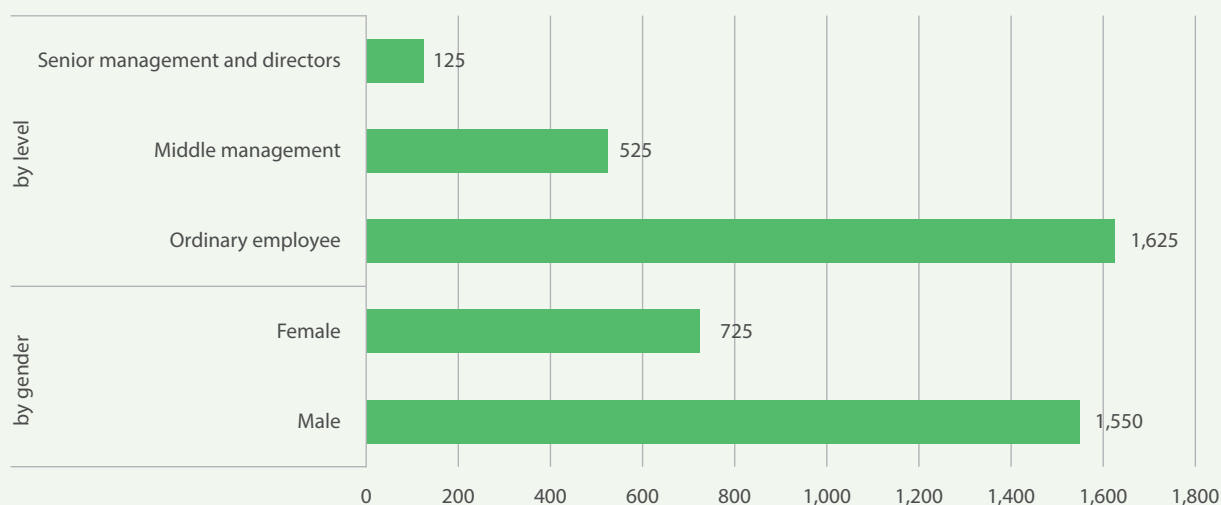


Public Welfare Salon on Individual Income Tax Policies

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During the reporting period, the Group systematically organized a variety of training programs covering areas such as orientation training, interpretation of employee benefits policies, safety production education, and practical tax salons. This effectively addressed the diverse learning needs of the company, teams at various levels, and employees in specific positions. The Group conducted around 20 training sessions, including 3 sessions on anti-corruption, with a total of 91 participants and 2275 hours during the period. The employee participation rate in training reached 100%.

Distribution of Training Hours



Occupational Health and Safety

The Group consistently prioritizes employee health and safety, continuously improving its occupational health and safety management system and actively building a comprehensive safety management system that covers all processes and encourages full employee participation. This lays a solid foundation for the company's sustainable development. The Group strictly complies with relevant laws and regulations, including the "Occupational Safety and Health Ordinance" (Cap.509 of the Laws of Hong Kong), the "Work Safety Law of the People's Republic of China", the "Regulation on Work-Related Injury Insurance" (工傷保險條例), and "Law of the People's Republic of China on the Protection of Production Safety" (中華人民共和國安全生產法). Referring to relevant national and industry safety standards and specifications, its own actual conditions, and requirements from higher competent authorities, the Group has formulated the "Measures on Security Management (Trial)" (安全管理辦法(試行)). These regulations apply to the Group's headquarters, its holding subsidiaries, and all employees, covering all activities including production, operation, management, and services, as well as all work environments such as office areas, production sites, and public facilities.

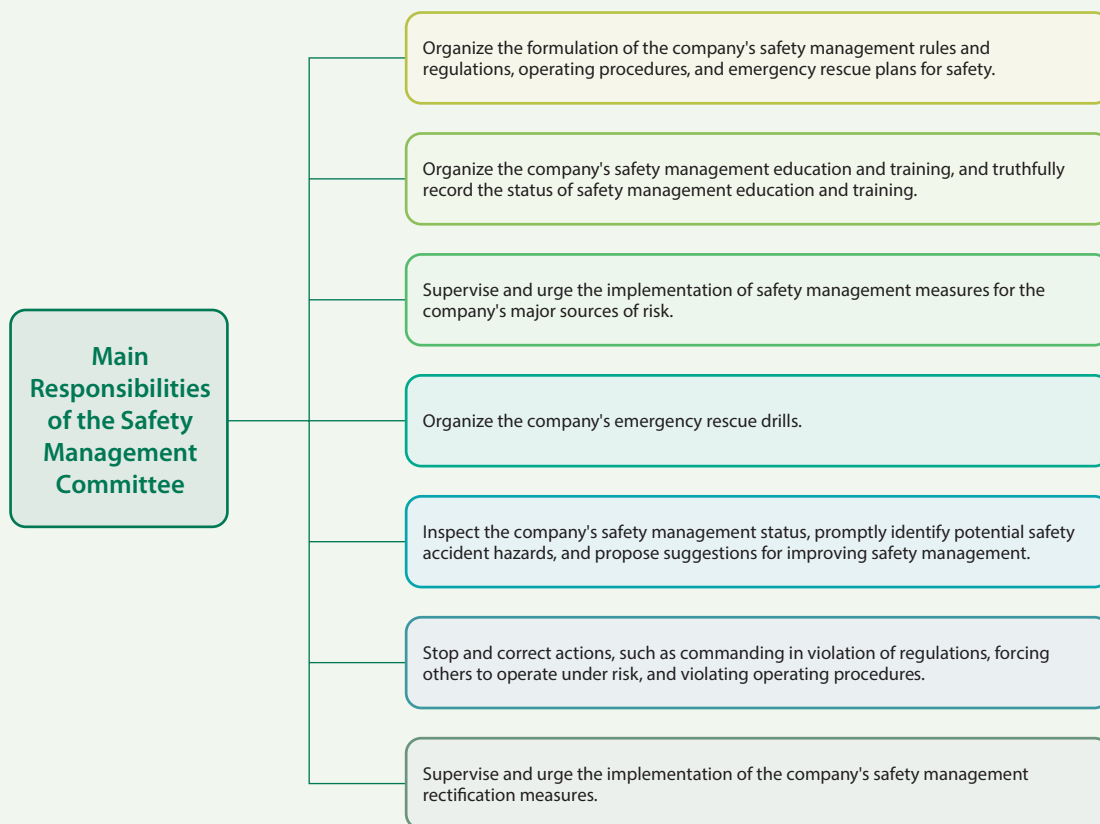
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Comprehensive Safety Management System

The Group's Safety Management Committee, serving as the highest leadership and coordination body for corporate safety management, is responsible for regularly holding thematic meetings, reviewing safety reports and related data, and providing overall guidance and supervision for safety management work across the entire Group. Each project company must, based on its own production and operational characteristics, formulate "Detailed Implementation Rules for Measures on Safety Production Management" (安全生產管理辦法實施細則) and sign "Safety Production Agreements" (安全生產協議書) with main contractors, supervision units, suppliers, etc. This further improves the safety production management system, continuously enhances safety production conditions, and effectively prevents various types of safety risks.

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To address the complex and volatile international security landscape, the Group has formulated and implemented the “Security Management Measures on Overseas Personnel and Property” (境外人員和財產安全管理辦法) and the “Emergency Response Plan for Overseas Personal and Property Safety Incidents” (境外人身和財產安全突發事件應急預案). An Overseas Security Management Task Force has been formed to develop and refine risk warning and emergency response mechanisms. This further clarifies and implements safety management responsibilities for overseas personnel and continuously enhances overseas safety prevention capabilities, ensuring the life and property safety of its overseas employees.

Year	2025	2024	2023
Number of deaths from industrial injuries	0	0	0
Work-related mortality rate	0	0	0
Lost days due to work injury	0	0	0

The work-related fatalities and corresponding ratios over the past three financial years

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To effectively safeguard employees' occupational health and safety, the Group will continue to implement the following measures through two key dimensions: strengthening labor protection and enhancing employees' safety awareness.

- Providing employees with an annual health check-up to encourage proactive health management.
- For employees in mainland China, distributing necessary labor protection supplies in the form of equivalent value in-kind, according to certain standards, to ensure the effective protection of their safety, hygiene, and health during production operations and daily work.
- Organizing and conducting various forms of safety inspections to comprehensively identify potential hazards, pinpoint weak links in safety management, and urge relevant departments to promptly implement corrective measures to eliminate various risks.
- Regularly organizing safety training and emergency drills to help employees acquire skills for avoiding and responding to emergencies such as earthquakes and fires, thereby enhancing overall emergency response capabilities.
- During the summer heatwave, organizing "Summer Cooling Initiative" to ensure employees' health and comfort in the sweltering conditions.



Fire Safety Training



Tao Ranting Safety Promotion

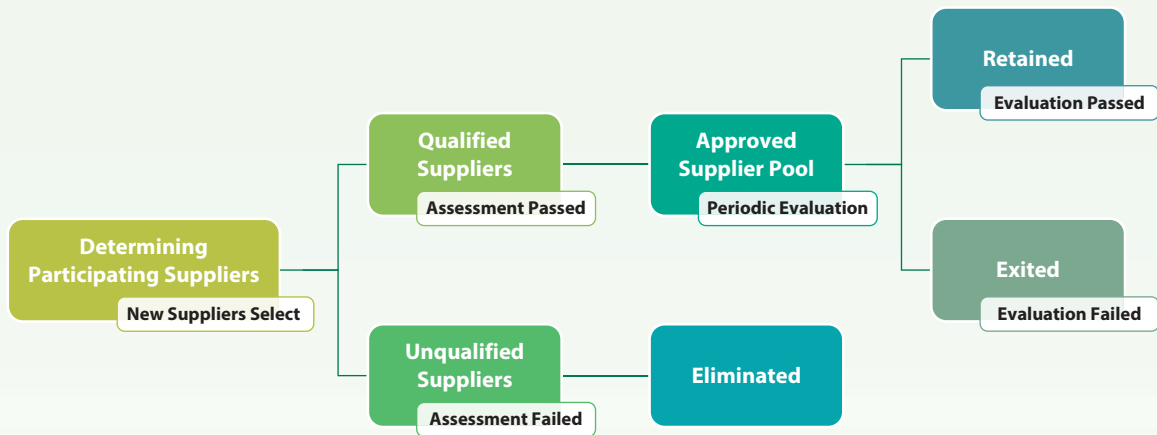


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Responsible Procurement

The Group regards responsible procurement as a key to development and creating comprehensive value. As a core link connecting internal and external resources, the decision-making quality and execution effectiveness of procurement directly impacts resource allocation efficiency, environmental protection outcomes, and industrial chain synergy. The Group strictly complies with relevant laws and regulations, including the “Tendering and Bidding Law of the People’s Republic of China” (中華人民共和國招標投標法). Based on the business characteristics and management realities, the Group completed revisions to internal policies including the “Measures on Engineering Procurement Management” (工程採購管理辦法), “Measures on Administrative Procurement Management” (行政採購管理辦法), and “Measures on the Administration of Intermediaries” (中介機構管理辦法) during the reporting period, continuously standardizing and improving the execution of various procurement activities.

The Group consistently adheres to the principles of transparency, fairness, and justice, implementing a supplier access and exit mechanism. Based on project-specific requirements, the Group procures through various methods such as open tendering, invited tendering, competitive negotiation, inquiry, and single-source procurement. A review and evaluation panel comprehensively assesses suppliers’ qualifications and capabilities, incorporating those with matching capabilities and outstanding performance into the Group’s qualified supplier database. The procurement department conducts regular reviews of the qualified supplier database, evaluating key indicators such as contract performance, collaboration outcomes, technical capabilities, and changes in financial and operational status. Suppliers deemed unqualified will be promptly removed in accordance with regulations to ensure the stability and sustainability of the supply chain.



Supplier Access and Exit Mechanism

Meanwhile, the Group actively promotes “green procurement” by regularly reviewing and dynamically adjusting selection criteria for contractors and subcontractors. It incorporates sustainable development performance as a key evaluation dimension, prioritizes suppliers offering environmentally friendly products and services, and proactively selects partners with excellent performance in areas such as exhaust emission control, greenhouse gas reduction, and waste management.

During the period year, the Group collaborated with 58 major suppliers, comprising 10 suppliers from Hong Kong China and 48 from the mainland China.



Environmental, Social and Governance Report

Responsible Investment

The Group is committed to advancing ESG performance and regulatory compliance as integral components of fostering prosperity, unlocking business opportunities, and enhancing brand reputation by the responsible investment practices. While pursuing financial returns, the Group actively promotes global sustainable development. To establish a standardized, scientific, and effective investment management system, the Group has implemented multiple internal regulations, including the “Measures on Investment Business Management” (投資業務管理辦法), “Measures on Investment Committee Management” (投資委員會管理辦法), “Investment Business Operational Procedures” (投資業務操作規程), “Measures on Post-Investment Management” (投後管理辦法), “Investment Change Operational Procedures” (投資變更操作規程), and “Investment Project Exit Operational Procedures” (投資項目退出操作規程). Adhering to market-oriented and professional operational principles, the Group builds a sustainable value creation system to deliver long-term stable returns to shareholders and create enduring value for society.

Based on its “investment + production operation” business model, the Group integrates environmental benchmarks and sustainability standards during the early project stages, conducting systematic investment evaluations to ensure project selections align closely with the Group’s long-term vision and sustainability goals. Environmental protection has been incorporated as a key focus in the Group’s routine corporate legal due diligence, assessing the performance of invested companies in environmental compliance, resource management, and ecological impact. This ensures that investment projects not only meet regulatory requirements but also promote efficient resource utilization, reduce environmental footprints, and align with the Group’s overall low-carbon transition and long-term value strategy.

The Group places high importance on listening to customer feedback. By a feedback acceptance and follow-up mechanism, it carefully evaluates and promptly responds to all suggestions and opinions raised by customers. Upon receiving complaints or feedback, the headquarters conducts fact-checking and urges relevant personnel to implement corresponding measures as soon as possible. The departments responsible proactively update complainants on the progress and outcomes of handling, ensuring transparent communication and further strengthening accountability.

During the reporting period, the Group has not received any complaints regarding product or service quality.

Charity and Public Welfare

The Group has upheld the philosophy of “creating shared value” for several years by combining financial support with resource collaboration to advance socially and environmentally meaningful projects. The Group actively respond to national strategies for urbanization and rural revitalization, focusing on empowering vulnerable communities and strengthening local capacities to enhance individual well-being and regional sustainability. Guided by the principle of “staying true to our founding mission,” the Group continuously optimize resource allocation, deeply integrate corporate social responsibility into our development strategy, and faithfully fulfill our long-term commitments to society.

In response to the public welfare initiative by the Wuxi Municipal Government and Transportation Group, the Group organized a “One-Day Charity Donation” campaign across all departments to demonstrate corporate social responsibility. The event received enthusiastic participation from employees, with 65 individuals voluntarily contributing to raise a total of RMB 5,520. All funds will be dedicated to social welfare projects, spreading corporate warmth and fostering social harmony.

Going forward, the Group will continue to align the business expertise with societal needs, fully leverage the benevolent power of employees and the company working together, systematically advance effective public welfare practices, and promote the common progress of the enterprise and society.

Environmental, Social and Governance Report

VII. APPENDIX I

Goal	Evaluation criteria	Overall Priority	Stakeholder Groups					
			Managers	Ordinary employee	Senior Management	Independent Non-Executive Directors	Suppliers/ Business Partners	Customers
Prioritisation of Stakeholder Groups in the Materiality Assessment	Vulnerability	7.40%	0.113	0.319	0.140	0.270	0.069	0.090
	Influence	5.30%	0.088	0.088	0.208	0.213	0.343	0.061
	Legitimacy	39.20%	0.053	0.361	0.124	0.308	0.074	0.080
	Willingness to engage	27.50%	0.166	0.427	0.077	0.095	0.118	0.117
	Contribution	10.90%	0.427	0.148	0.094	0.225	0.072	0.033
	Necessity of participation	9.70%	0.123	0.403	0.204	0.072	0.093	0.105
			13.80%	34.20%	12.10%	21.00%	10.20%	8.70%

Vulnerability: The likelihood that stakeholders are significantly affected (positively or negatively) by the Group's decisions and activities.

Influence: The power of stakeholders' activities and decisions to substantially impact or even alter the Group's operations and business.

Legitimacy: The extent of the organization's legal responsibility in its relationships with stakeholders.

Willingness to Engage: The willingness, initiative, and positive attitude of the Group's stakeholders to express their concerns and participate in events and activities aimed at achieving the Group's sustainable development.

Contribution: The level of expertise, capability, information, and knowledge stakeholders possess to assist the Group in addressing certain ESG risks and specific issues.

Necessity of Participation: The degree to which excluding certain stakeholders from participation could derail the Group's sustainable development process, render it illegitimate, or harm the Group's sustainable development interests.

Environmental, Social and Governance Report

VIII. APPENDIX II

Table A: Number of Employees by Age Group, Gender, Employment Type, Position Level, and Geographical Location for the Group in 2025

Classification criteria	Number of employees in 2025 (Per person)	Number of employees in 2024 (Per person)
By gender		
Male	62	62
Female	29	30
Total	91	92
By age		
30 years old or younger	3	6
31 to 40 years old	35	36
41 to 50 years old	38	33
51 years old or above	15	17
Total	91	92
By type of employment		
Full-time	91	92
Part-time	0	0
Total	91	92
By level		
Ordinary employee	60	49
Middle management	26	37
Senior management and directors	5	6
Total	91	92
By location		
Mainland, China	87	87
Hong Kong, China	4	5
Total	91	92

Based on statistics from the Group's human resources department regarding signed employment contracts. The data includes employees with direct employment relationships with the Group under local laws, as well as those whose work and/or workplace are controlled by the Group.

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Table B — 2025 Group Employee Turnover Rate by Age Group, Gender, and Geographic Location

Classification criteria	2025		2024	
	Number of employees lost	Staff turnover rate	Number of employees lost	Staff turnover rate
By gender				
Male	4	6.45%	1	1.61%
Female	5	17.24%	3	10.00%
Total	9	9.89%	4	4.35%
By age				
30 years old or younger	0	0.00%	0	0.00%
31 to 40 years old	2	5.71%	2	5.56%
41 to 50 years old	3	7.89%	2	6.06%
51 years old or above	4	26.67%	0	0.00%
Total	9	9.89%	4	4.35%
By location				
Mainland, China	7	8.05%	4	4.60%
Hong Kong, China	2	50.00%	0	0

The statistical turnover data is sourced from the Group's human resources department based on employment contracts with employees. The turnover rate is calculated by dividing the number of resignations in financial year 2025 by the total number of employees in financial year 2025.

Table C: Number and Percentage of Trainees by Gender and Position in the Group for Financial Year 2025

Category	Number of trainees	Percentage of trained employees
By gender		
Male	62	68.13%
Female	29	31.87%
Total	91	100.00%
By level		
Ordinary employee	60	65.93%
Middle management	26	28.57%
Senior management and directors	5	5.49%
Total	91	100%

The training materials were obtained from the Group's human resources department. The training refers to the vocational training that employees will participate in during the 2025 financial year.

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Table D — 2025: Group's Training Hours by Gender and Position for the Financial Year

Category	Training hours	Average training hours
By gender		
Male	1,150	68.13%
Female	725	31.87%
Total	2,275	100.00%
By level		
Ordinary employee	1,625	65.93%
Middle management	525	28.57%
Senior management and directors	125	5.49%
Total	2,275	100.00%

The training materials were obtained from the Group's human resources department.

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IX. REPORT DISCLOSURE INDEX-GRI AND HKEX CONTENT INDEX

Explanation of ESG Indicators		GRI Ref	Chapter
A. Environment			
A1: Emissions	<p>General Disclosure Information on:</p> <p>(a) Policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Hazardous wastes are those defined by national regulations.</p>	GRI 2-27, GRI 3-3 (c), GRI 305, GRI 306	Environment
KPI A1.1	The types of emissions and respective emissions data.	GRI 305-1, 305-2, 305-3, 305-6, 305-7	Environment — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	The Group did not generate any hazardous waste in the year under view.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	Environment — Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	GRI 3-3 (c, d), GRI305-5	Environment — GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	GRI 3-3 (c, d), GRI306-4, 306-5	Environment — Waste Management

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Explanation of ESG Indicators	GRI Ref	Chapter
A2: Use of Resources General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	GRI 3-3 (c)	Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). GRI 302-1, 302-3	Environment — Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). GRI 303-5	Environment — Water Usage
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. GRI 3-3 (c, d), GRI302-4, 302-5	Environment — Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. GRI 3-3 (c, d), GRI303-1	Environment — Water Usage
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. GRI 301-1	Environment — Waste Management
A3: The Environment and Natural Resources General Disclosure Reduce the significant impact of issuers on the environment and natural resources.	GRI 3-3(c)	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. GRI 3-3 (c, d), GRI303-1, GRI 304-2, GRI 306-1, 306-2	Environment — Climate Risk and Opportunity

B. Social

Employment and Labor Practices

B1: Employment General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 2-27, GRI 3-3(c)	Social
KPI B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region. GRI 2-7 (a, c), GRI405-1 (b)	Appendix II
KPI B1.2	Employee turnover rate by gender, age group and geographical region. GRI 401-1 (b)	Appendix II

Environmental, Social and Governance Report

Explanation of ESG Indicators	GRI Ref	Chapter	
<p>B2: Health and Safety</p> <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	GRI 2-27, GRI 3-3 (c), GRI 403-1	Social	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403-9, 403-10	Social — Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	GRI 403-9	Social — Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 3-3 (c, d), GRI403-1, 403-3, 403-5, 403-7	Social — Occupational Health and Safety
<p>B3: Development and Training</p> <p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	GRI 3-3 (c), GRI 404-2 (a)	Social	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	Appendix II
KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404-1	Appendix II
<p>B4: Labor Standards</p> <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.</p>	GRI 2-27, GRI 3-3 (c)	Social	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	GRI 3-3 (c), GRI 408-1 (c), GRI 409-1 (b)	Social — Diversity, Equality and Inclusion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 3-3 (c, d), GRI408-1 (c), GRI 409-1(b)	Social — Diversity, Equality and Inclusion

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Explanation of ESG Indicators		GRI Ref	Chapter
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	GRI 3-3 (c)	Social
	KPI B5.1 Number of suppliers by geographical region.	GRI 2-6 (b-ii)	Social — Responsible Procurement
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	GRI 2-6 (b-ii), GRI 3-3(c, d), GRI 303-1(c), GRI 308-1, 308-2, GRI 414-1, 414-2	Social — Responsible Procurement
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 2-6 (b-ii), GRI 3-3(c, d), GRI 303-1(c), GRI 308-1, 308-2, GRI 414-1, 414-2	Social — Responsible Procurement
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 3-3 (c, d)	Social — Responsible Procurement
B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	GRI 2-27, GRI 3-3(c), GRI 417-2, 417-3, GRI 418-1	Social
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	The Group did not experience any recall incident during the year under review.
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	GRI 2-29, GRI 3-3(c, d), GRI 418-1	Social
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	N/A	Due to its business nature, Intellectual Property Rights are considered not material to the Group.
	KPI B6.4 Description of quality assurance process and recall procedures.	N/A	Social
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI 3-3(c)	Governance — Information Security Management

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Explanation of ESG Indicators		GRI Ref	Chapter
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 2-27, GRI 3-3(c), GRI 205-3	Governance
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205-3 Governance — Business Ethics and Anti-Corruption
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI 2-26, GRI 3-3(c), GRI 205 Governance — Business Ethics and Anti-Corruption
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205-2 Governance — Business Ethics and Anti-Corruption
Community			
B8: Community investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	GRI 3-3 (c)	Social
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	GRI 203-1 (a) Social — Charity; Public Welfare
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201-1(a-ii) Social — Charity; Public Welfare
D: Climate-related Disclosures			
Governance	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	GRI 2-9	Environment — Climate Risk and Opportunity
Governance	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	GRI 2-10, GRI 2-11	Environment — Climate Risk and Opportunity

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Explanation of ESG Indicators		GRI Ref	Chapter	
Strategy	Climate-related Risks and Opportunities	Description of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance, or cost of capital in the short, medium, or long term.	GRI 2-25, GRI 201-1	Environment — Climate Risk and Opportunity
		For each climate-related risk identified by the issuer, explain whether the issuer considers the risk to be a climate-related physical risk or a climate-related transition risk.	GRI 2-25, GRI 201-1	Environment — Climate Risk and Opportunity
		For each climate-related risk and opportunity the issuer has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	GRI 201-1, GRI 201-2	Environment — Climate Change
		For each climate-related risk and opportunity identified by the issuer, specify the time frame (short, medium, or long term) over which it could reasonably be expected to affect the issuer.	GRI 201-1, GRI 201-2, GRI 205-1	Environment — Climate Change
		Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	GRI 205-1	Environment — Climate Change
Strategy	Business Model and Value Chain	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	GRI 308-2, GRI 414-2	Environment — Climate Change
		A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (e.g. geographical areas, facilities and types of assets).	GRI 308-2, GRI 414-2	Environment — Climate Change

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Explanation of ESG Indicators		GRI Ref	Chapter	
Strategy	Strategy and Decision-making	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	GRI 2-22, GRI 2-25	Environment — Climate Change
		Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	GRI 2-22, GRI 2-25, GRI 201-1	During the reporting period, the Group continued to advance the identification and assessment of climate-related risks and opportunities. To ensure the accuracy and decision-usefulness of disclosed information and to avoid potential misinterpretation by stakeholders, this report has not included the related information, as the potential impacts on the financial statements for the next reporting year cannot be independently and reliably quantified, and relevant measurement methodologies are still under development and refinement. Going forward, the Group will accelerate the establishment of a robust framework for identifying and measuring climate-related financial impacts, and will continue to enhance the professionalism and transparency of its climate-related disclosures.
Strategy	Financial Position, Financial Performance, and Cash Flows — Current Financial Impact	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	GRI 201-2	During the reporting period, the Group continued to advance the identification and assessment of climate-related risks and opportunities. To ensure the accuracy and decision-usefulness of disclosed information and to avoid potential misinterpretation by stakeholders, this report has not included the related information, as the potential impacts on the financial statements for the next reporting year cannot be independently and reliably quantified, and relevant measurement methodologies are still under development and refinement. Going forward, the Group will accelerate the establishment of a robust framework for identifying and measuring climate-related financial impacts, and will continue to enhance the professionalism and transparency of its climate-related disclosures.
		The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	GRI 201-2, GRI 301 3-3	
Strategy	Financial Position, Financial Performance, and Cash Flows — Anticipated Financial Impact	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration.	GRI 201-2	During the reporting period, the Group continued to advance the identification and assessment of climate-related risks and opportunities. To ensure the accuracy and decision-usefulness of disclosed information and to avoid potential misinterpretation by stakeholders, this report has not included the related information, as the potential impacts on the financial statements for the next reporting year cannot be independently and reliably quantified, and relevant measurement methodologies are still under development and refinement. Going forward, the Group will accelerate the establishment of a robust framework for identifying and measuring climate-related financial impacts, and will continue to enhance the professionalism and transparency of its climate-related disclosures.
		How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	GRI 201-2	
Strategy	Climate Resilience	The issuer's assessment of its climate resilience as at the reporting date.	GRI 2-6	Environment — Climate Change
		How and when the climate-related scenario analysis was carried out.	GRI 2-6	Environment — Climate Change
Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	GRI 2-19, GRI 2-23	Environment — Climate Change	
Risk Management	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	GRI 2-19, GRI 2-23	Environment — Climate Change	
Risk Management	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	GRI 2-19, GRI 2-23	Environment — Climate Change	

Environmental, Social and Governance Report

Explanation of ESG Indicators		GRI Ref	Chapter
Metrics and Targets	Greenhouse Gas Emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	GRI 3-3, GRI 302-1 Environment — Climate Change
Metrics and Targets	Climate-related Transition Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	GRI 3-3, GRI 418-1 During the reporting period, the Group continued to carry out the identification and assessment of climate-related risks and opportunities. To avoid potential misinterpretation by stakeholders, this report has not included the related information, as the financial data relating to the impacts of climate factors on relevant assets and business activities cannot be reasonably measured or aggregated without incurring additional costs, given the current data availability and methodological limitations. To ensure the accuracy and reliability of information disclosure, the Group has refrained from such disclosure. Going forward, the Group will progressively improve its accounting framework for climate-related financial impacts and continue to enhance the completeness and transparency of its disclosures.
Metrics and Targets	Climate-related Physical Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	N/A
Metrics and Targets	Climate-related Opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	N/A
Metrics and Targets	Capital Deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	N/A During the reporting period, the Group continued to monitor the impacts of climate-related risks and opportunities on its capital expenditure, financing, and investment activities. To ensure the accuracy and decision-usefulness of information disclosure and to avoid potential misinterpretation by stakeholders, this report has not included the related information, as the relevant data cannot be independently identified and measured from existing financial information, and applicable methodologies for assessing such impacts are still under exploration. Going forward, the Group will continue to strengthen its framework for identifying and measuring climate-related financial impacts and will progressively enhance the quality and completeness of related disclosures.

Environmental, Social and Governance Report

Explanation of ESG Indicators		GRI Ref	Chapter	
Metrics and Targets	Internal Carbon Pricing	<p>An issuer shall disclose:</p> <p>(a) an explanation of whether and how the issuer is applying a carbon price in decision making (e.g. investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.</p>	N/A	During the reporting period, the Group continued to monitor developments in domestic and international carbon emissions trading mechanisms and actively explored the application of internal carbon pricing in strategic decision-making. The Group has not formally applied internal carbon pricing to its strategy and investment decisions, as its current operations are not subject to mandatory carbon emissions trading schemes and the internal carbon pricing mechanism remains at an early research stage. Going forward, the Group will steadily advance the development and pilot application of internal carbon pricing methodologies in line with policy developments and its low-carbon transition needs, and will continue to enhance the sophistication of its climate risk management.
		An issuer shall disclose an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5, GRI 305-7	Environment — Climate Change
Metrics and Targets	Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	N/A	During the reporting period, the Group has not yet incorporated climate-related considerations into its remuneration and incentive policies. Going forward, the Group will continue to strengthen its remuneration capabilities, gradually improve related systems and supporting measures, and consistently enhance the completeness and granularity of information disclosed in subsequent reports.
Metrics and Targets	Industry based Metrics	An issuer is encouraged to disclose industry based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry based disclosure requirements prescribed under other international ESG reporting frameworks.	GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5, GRI 305-7, GRI306-5	Environment — Climate Change



Report of Directors

The directors of China New Town Development Company Limited (the “Company” and the “Directors”, respectively) are pleased to present the annual report of the Company (the “Annual Report”) together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2025 (the “Financial Year”).

PRINCIPAL ACTIVITIES

The Group is an investor and operator of new urbanization and downstream industries in the People’s Republic of China (the “PRC”). Since 2014, the Group’s business model has transformed from land development to developing investment and product operation in terms of new urbanization and people’s livelihood improvement, while the Group participates in diversified product operation in the field of people’s livelihood improvement based on the investment of fixed return and expands its investment in emerging industries to achieve a diversified revenue composition. The principal activities of its principal subsidiaries are set out in Note 3 to the financial statements on pages 148 to 153 of this Annual Report.

BUSINESS REVIEW

As regards to the detailed review of the Company’s business, principal risks and uncertainties facing, important events affecting the Company that have occurred since the end of the Financial Year, the likely future development in the Company’s business and analysis using financial key performance indicators, please refer to the sections headed “Chairman’s Statement”, “President’s Statement” and “Management Discussion and Analysis” on pages 7 to 19 and pages 28 to 33 of this Annual Report, respectively.

Environmental Policies and Performance

The Group is highly aware of the importance of environment protection and has implemented environmental protection measures and also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. The Company has complied with the relevant environmental laws, regulations and policies in the PRC during the Financial Year.

Details of the environmental policies and performance are set out in “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT” on pages 54 to 104 of this Annual Report.

Compliance with the Relevant Laws and Regulations that Have a Significant Impact on the Company

During the Financial Year, the Company was not aware of any non-compliance with the relevant laws and regulations that had a significant impact on it.

Relationships with Employees, Customers, Suppliers and Others

The Group has good relationships with its employees, customers and suppliers. The Group maintains continuous dialogue with key internal and external stakeholders, including employees, shareholders, investors, banks, business partners, suppliers, clients and local community, via various channels such as meetings, seminars and site visits. Their feedback and suggestions are reviewed regularly by the Group to identify and prioritise any emerging environmental, social and governance risks, and devise future action plans to turn risks into opportunities. Ongoing professional development is important to the employees given the competitive business environment in which the Group operates. To ensure that employees continue to cultivate skills and knowledge for the fulfillment of their duties and responsibilities, the Group has provided various training programs to its staff. Information about their remuneration package is set out in the paragraph headed “EMOLUMENT POLICY” in this report.

Major Customers and Suppliers

We operate on a distinctive business model and our business mainly includes urbanization investment income and property leasing operation income.



Report of Directors

During the Financial Year, purchases from our single largest supplier accounted for approximately 60% of our total purchases, while purchases from our five largest suppliers accounted for approximately 93% of our total purchases. Sales to our largest customer accounted for approximately 15% of our total sales and the sales to our five largest customers accounted for approximately 42% of our total sales.

The Directors were not aware of any interests of any Directors, their respective close associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively)) or any substantial shareholders (including any Director who held more than 5% of the number of issued shares (excluding treasury shares, if any)) in the five largest suppliers or customers.

PERMITTED INDEMNITY PROVISION

Insurance cover in respect of legal proceedings and other claims against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged during the Financial Year and remained in force as of the date of this report.

Pursuant to the articles of association of the Company (the "AoA"), if a Director acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, he had no reasonable cause to believe that his conduct was unlawful, the Directors shall be indemnified against all expenses including legal fees, and against all judgment, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings.

RESULTS AND APPROPRIATIONS

The Group's results for the Financial Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 121 and 122 of this Annual Report.

The board of Directors (the "Board") has resolved to recommend the payment of final dividend of HK\$0.0025 per ordinary for the Financial Year (2024: HK\$0.0039).

RESERVES

Details of the movements in the reserves of the Group and the Company during the Financial Year are set out in Note 23 to the financial statements on page 181 of this Annual Report.

DISTRIBUTABLE RESERVES

Subject to the BVI Business Companies Act 2004, the Company may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board. The AoA provide that before recommending any dividends, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

Having reviewed the Company's Statement of Financial Position and the Group's Consolidated Statement of Financial Position as at 31 December 2025, cash flow position and the likely business conditions of the Group, the Directors are of the opinion that the Company will continue to satisfy the solvency test in that the value of the assets of the Company exceeds its liabilities and that the Company is able to pay its debts as they fall due immediately.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Financial Year are set out in Note 22 to the financial statements on page 180 of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the AoA which would oblige the Company to offer new shares of the Company (the “Shares”) on a pro-rata basis to the shareholders of the Company (the “Shareholders”).

TAXATION IN THE BRITISH VIRGIN ISLANDS (THE “BVI”)

The Company is a BVI business company. A BVI business company is exempt from all provisions of the Income Tax Ordinance of the BVI (including with respect to all dividends, interests, rents, royalties, compensations and other amounts payable by the company to persons who are not resident in the BVI). Capital gains realized with respect to any shares, debt obligations or other securities of the company by persons who are not resident in the BVI are also exempt from all provisions of the Income Tax Ordinance of the BVI.

No estate, inheritance, succession or gift tax is payable by persons who are not resident in the BVI with respect to any shares, debt obligations or other securities of the company, save for interest payable to or for the benefit of an individual resident in the European Union.

DONATIONS

During the Financial Year, the Group has not made any donations (2024: Nil).

BANK BORROWINGS

Details of the movements in bank borrowings of the Group during the Financial Year are set out in Note 24 to the financial statements on pages 182 and 183 of this Annual Report.

GUARANTEED BONDS

On 20 April 2023, the Company, CNTD Success Company Limited (the “Issuer”), a wholly-owned subsidiary of the Company and Wuxi Communications Industry Group Co., Ltd. (“Wuxi Communications”) (the “Guarantor”), a substantial shareholder of the Company entered into the subscription agreement with the managers in connection with the issue of the CNY1.5 billion, 3.98 per cent. guaranteed bond due on 27 April 2026 in China (Shanghai) Pilot Free Trade Zone (the “Bonds”) for the purpose of expansion of the Group’s business.

The net proceeds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be used to fund the project construction and replenish the working capital of the Company in accordance with applicable laws and regulations. For further details, please refer to the announcement of the Company dated 20 April 2023 and Note 24 to the financial statements on pages 182 and 183 of this Annual Report.



Report of Directors

BONDS

On 20 November 2025, the Company, CNTD Success Company Limited (the “Issuer”), a wholly-owned subsidiary of the Company, and Wuxi Communications entered into a subscription agreement with the managers in connection with the issue of the CNY1.5 billion, 2.95 per cent. bonds due on 27 November 2028 (the “Bonds”) with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking by Wuxi Communications.

The net proceeds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be used to for refinancing the Issuer’s existing offshore indebtedness. For further details, please refer to the announcement of the Company published on 21 November 2025 and Note 24 to the financial statements on pages 182 and 183 of this Annual Report.

FIXED ASSETS

Details of the movements of the Group during the Financial Year for property, plant and equipment are set out in Note 16 to the financial statements on page 174 of this Annual Report.

GROUP’S FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 27 of this Annual Report.

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

During the Financial Year, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such listed securities (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the Financial Year and as at the date of this Annual Report.

EQUITY-LINKED AGREEMENT

The Group has not entered into any equity-linked agreements during the Financial Year or existed as at the end of the Financial Year.

DIRECTORS

The Directors in office during the Financial Year and up to the date of this report are:

Executive Directors (the “EDs”)

Hu Zhiwei (*Vice Chairman*) (resigned on 2 July 2025)

Yang Meiyu (*President*)

Shi Janson Bing

Non-executive Directors (the “NEDs”)

Liu Yanhong (*Chairman*)

Wang Hongxu (resigned on 19 June 2025)

Feng Xiaoliang (retired on 19 June 2025)

Wang Yi (appointed on 19 June 2025)

Xie Zhen (appointed on 19 June 2025)

Qin Yangfan (appointed on 26 September 2025)

Independent Non-executive Directors (the “INEDs”)

Lo Wai Hung

Ji Jiaming

Yuan Kejian

Pursuant to Articles 86(1) and 86(2) of the AoA, Mr. Shi Janson Bing and Mr. Lo Wai Hung will retire by rotation at the forthcoming annual general meeting of the Company (the “2026 AGM”) and shall be eligible for re-election at the 2026 AGM.

Pursuant to Article 85(7) of the AoA, Mr. Wang Yi, Mr. Xie Zhen and Ms. Qin Yangfan will retire at the 2026 AGM and shall then be eligible for re-election at the 2026 AGM.

The nomination committee of the Board (the “NC”) recommends the re-election of Mr. Shi Janson Bing, Mr. Lo Wai Hung, Mr. Wang Yi, Mr. Xie Zhen and Ms. Qin Yangfan after assessing their contribution and performance. All the aforesaid retiring Directors, being eligible, have offered themselves for re-election thereat.

None of the Directors proposed for re-election at the forthcoming 2026 AGM has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out on pages 20 to 26 of this Annual Report.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts and directors’ contract of service, concerning the management and administration of the whole or any substantial part of the Company’s business were entered into or in existence as at end of the Financial Year and at any time during the Financial Year.



Report of Directors

DIRECTOR'S INTEREST IN COMPETING BUSINESS

From the beginning of the Financial Year and up to the date of this report, none of the Directors is considered to have an interest in the businesses, which competed or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

INTERESTS IN SIGNIFICANT CONTRACTS OF DIRECTORS, CHIEF EXECUTIVES AND CONTROLLING SHAREHOLDERS

Save as disclosed below and under the sections headed "Connected Transactions" and "Continuing Connected Transactions" of this report, none of the Directors, chief executives or controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries or an entity connected with a Director has entered into any transaction, arrangement or significant contract (whether for the provision of services to the Group or not) in relation to the business of the Group to which the Company or its holdings company or any of its subsidiaries or fellow subsidiaries, in which they had a material interest, directly or indirectly and which subsisted at the end of, or at any time during the Financial Year.

EMOLUMENT POLICY

The Group remunerates its employees including the Directors, based on their performances, experiences and the prevailing market rate. Other employee benefits include insurance, medical cover and selective subsidized training. Emoluments of the Directors are determined after taking into consideration of their expertise and job specifications.

Pension Schemes

In Hong Kong, we operate a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to our profit and loss account as they become payable. Our contributions as employer vest fully with the employees when we contribute to the scheme. We contribute 5% of the relevant monthly salary to such scheme and our employees contribute the lower of HK\$1,500 or 5% of their monthly salary to such scheme as employee mandatory contributions.

In the PRC, we participate in the relevant social insurance contribution plans organised by the relevant local governmental bodies. In accordance with relevant PRC laws, members of our Group operating in the PRC are required to pay a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity (where applicable) for their relevant employees. We are also required by the relevant PRC regulations to register with a competent housing provident fund management centre and make contributions to the respective housing provident funds for our employees.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Details of the employer's pension cost for the Financial Year are set out in Note 29 of the audited consolidated financial statements on pages 185 to 188 of this Annual Report.

CORPORATE GOVERNANCE

The Corporate Governance Report for the Financial Year is set out on pages 34 to 53 of this Annual Report.

RELATED PARTY TRANSACTIONS

The related party transactions set out in Note 30 to the financial statements did not constitute one-off connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 15 December 2023, Beijing Xincheng Kaiyuan Asset Management Company Limited (“Xincheng Kaiyuan”) and Shanghai Jiatong Enterprises Co., Ltd (“Shanghai Jiatong”), both are wholly-owned subsidiaries of the Company, entered into the limited partnership agreement in relation to the formation of partnership with Wuxi Guosheng Asset Management Company Limited (“Wuxi Guosheng”), a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited (“Wuxi Tonghui”) and Wuxi Tonghui, a wholly-owned subsidiary of Wuxi Communications, to jointly set up Wuxi Xinsheng Investment Partnership (Limited Partnership) (“Wuxi Xinsheng” or the “Partnership”) (the “Limited Partnership Agreement”).

In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the partners entered into the rights and obligations arrangement agreement, pursuant to which Wuxi Tonghui agreed to make up the shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in Wuxi Xinsheng (the “Rights and Obligations Arrangement Agreement”); and (2) Wuxi Communications entered into the guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the shortfall makeup and acquisition obligations of Wuxi Tonghui under the rights and obligations arrangement agreement (the “Guarantee Agreements”). Guarantee period is three years commencing from the expiry date of the performance of the shortfall makeup and acquisition obligations under the Rights and Obligations Arrangement Agreement.

The term of the Partnership is five years commencing from the date of business licence, while the investment period of the senior-tranche limited partners of the Partnership is three years, commencing from the earlier of the actual capital contribution date of Xincheng Kaiyuan or Shanghai Jiatong to the Partnership in accordance with the Rights and Obligations Arrangement Agreement. The total capital to be contributed by all partners to the Partnership pursuant to the Limited Partnership Agreement shall be RMB901 million. Wuxi Guosheng, as the general partner, has committed to contribute RMB1 million. Xincheng Kaiyuan and Shanghai Jiatong, as the senior-tranche limited partners, have committed to contribute RMB250 million and RMB200 million, respectively. Wuxi Tonghui, as the junior-tranche limited partner, has committed to contribute RMB450 million. The Partnership shall distribute its profit to the partners based on its surplus.

Wuxi Communications is a substantial shareholder of the Company, indirectly holding approximately 29.99% of the entire issued share capital of the Company and Wuxi Guosheng and Wuxi Tonghui are wholly-owned subsidiaries of Wuxi Communications. Therefore, Wuxi Communications and its associates (including Wuxi Guosheng and Wuxi Tonghui) are connected persons of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements constitute a major and connected transaction of the Company under the Listing Rules and is subject to reporting, announcement, circular (including independent financial advice) and independent shareholders’ approval requirements under the Listing Rules.

An extraordinary general meeting of the Company was held on 22 March 2024 to approve, confirm and ratify the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements by the independent shareholders of the Company. For details, please refer to (i) the announcements of the Company dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024; and (ii) the circular of the Company dated 6 March 2024.



Report of Directors

Save as disclosed above, there were no connected transaction and continuing connected transaction between the Group and its connected persons (as defined under the Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the Listing Rules for the Financial Year.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

Pursuant to Rule 13.22 of the Listing Rules, a pro forma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2025 are as follow:

	Pro forma combined balance sheet	Group's attributable interest
	RMB'000	RMB'000
Non-current assets	934,399	552,507
Current assets	1,168,976	672,975
Current liabilities	(1,301,687)	(831,828)
Non-current liabilities	(426,497)	(213,248)
	<hr/>	<hr/>
	375,191	180,406

The pro forma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 31 December 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement whose objects are, or one of whose object is, to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

SECURITIES INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code").

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 31 December 2025, to the best of the Directors' knowledge, the following persons who (other than a Director and the chief executive of the Company) or organisations which had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO:

Long Position in the Shares

Name of substantial shareholders	Capacity	Number of Shares held			Total	Approximate percentage of the issued Shares
		Direct interest	Corporate interest	Other interests		
Xitong International Holdings (HK) Limited ("Xitong International") ⁽¹⁾	Beneficial owner	2,917,000,000	—	—	2,917,000,000	29.99%
Wuxi Communications ⁽¹⁾	Interests of a controlled corporation	—	2,917,000,000	—	2,917,000,000	29.99%
China Development Bank International Holdings Limited ("CDBIH") ⁽²⁾	Beneficial owner	2,430,921,071	—	—	2,430,921,071	24.99%
China Development Bank Capital Corporation Limited ("CDBC" or "CDB Capital") ⁽²⁾	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
China Development Bank ("CDB") ⁽²⁾	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
SRE Investment Holding Limited ("SREI")	Beneficial owner	1,468,356,862	—	—	1,468,356,862	15.10%
Shi Jian ("Mr. Shi") ⁽³⁾	Beneficial owner and interests of a controlled corporation	6,104,938	1,468,356,862	—	1,474,461,800	15.16%
Jia Yun Investment Limited ("Jia Yun") ⁽⁴⁾	Person having a security interest in shares	—	—	1,027,849,803	1,027,849,803	10.57%
Jiabo Investment Limited ("Jiabo") ⁽⁴⁾	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiashun (Holding) Investment Limited ("Jiashun") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiasheng (Holding) Investment Limited ("Jiasheng") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiaxin Investment (Shanghai) Co., Ltd. ("Jiaxin") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Jiaye Investment Co., Ltd. ("China Minsheng Jiaye") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Investment Corp., Ltd. ("China Minsheng") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%



Report of Directors

Notes:

- (1) Xitong International is a wholly-owned subsidiary of Wuxi Communications. Wuxi Communications is, therefore, deemed under Part XV of the SFO to be interested in the 2,917,000,000 Shares held by Xitong International.
- (2) CDBIH is a wholly-owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are, therefore, deemed under Part XV of the SFO to be interested in the 2,430,921,071 Shares held by CDBIH.
- (3) Pursuant to Part XV of the SFO, Mr. Shi is deemed interested in a total of 1,474,461,800 Shares for the following reasons: (i) Mr. Shi holds 6,104,938 Shares directly; and (ii) Mr. Shi is deemed interested in 1,468,356,862 Shares held by SREI by virtue of the fact that he and his wife, Ms. Si Xiao Dong together beneficially own 81% of the issued share capital of SREI as a controlling shareholder. On 4 March 2022, the Company has confirmed with Mr. Shi that all 6,104,938 Shares held directly by him have been sold.
- (4) Jia Yun acquired the security interests of 1,027,849,803 Shares from SREI on 28 December 2017. Jia Yun is a wholly-owned subsidiary of Jiabo, which in turn, is a wholly-owned subsidiary of Jiashun. Jiashun is a wholly-owned subsidiary of Jiasheng and Jiasheng is in turn a wholly-owned subsidiary of Jiaxin. Jiaxin is a wholly-owned subsidiary of China Minsheng Jiaye, which in turn, 62.60% owned by China Minsheng. All of Jiabo, Jiashun, Jiasheng, Jiaxin, China Minsheng Jiaye and China Minsheng are, therefore, deemed under Part XV of the SFO to be interested in the 1,027,849,803 Shares of security interest held by Jia Yun. Base on the public information available to the Company, the shareholding interest of China Minsheng in China Minsheng Jiaye has been changed to 67.26%.

Save as disclosed above, the Directors are not aware of any other person who (other than a Director or the chief executive of the Company) or organisation which, as at 31 December 2025, had an interest and/or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Financial Year are set out in Note 29 to the financial statements, respectively.

CHANGE IN INFORMATION OF DIRECTORS

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of 2025 interim report of the Company required to be disclosed in this Annual Report are set out below:

Ms. Qin Yangfan has been appointed as a NED with effect from the voting and passing of the resolutions at the Board meeting held on 26 September 2025.

Mr. Lo Wai Hung and Mr. Ji Jiaming have been appointed as members of ESG Committee on 12 December 2025.

Mr. Yuan Kejian has been appointed as the chairman and member of the ESG Committee on 12 December 2025.

AUDIT COMMITTEE

The AC comprises the following members:

Mr. Lo Wai Hung	<i>(Lead INED and Chairman of the AC)</i>
Mr. Ji Jiaming	<i>(INED)</i>
Mr. Yuan Kejian	<i>(INED)</i>

The AC has recommended to the Board the nomination of Rongcheng (Hong Kong) CPA Limited (“Rongcheng”) (formerly known as CL Partners CPA Limited) for re-appointment as the independent auditor of the Company (the “Independent Auditor”) at the forthcoming 2026 AGM.

The functions performed by the AC (including the review of the audited consolidated financial statements of the Group for the Financial Year) are detailed in the Corporate Governance Report.

INDEPENDENT AUDITOR

Ernst & Young retired as the Independent Auditor upon expiration of its term of office at the conclusion of the annual general meeting of the Company held on 19 June 2025 (the “2025 AGM”). Rongcheng has been appointed as the Independent Auditor with effect from the conclusion of the 2025 AGM.

Save as disclosed, there were no changes in the Independent Auditor in the past three years.

The consolidated financial statements of the Group for the Financial Year have been audited by Rongcheng who will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2026 AGM. A resolution to re-appoint Rongcheng as the Independent Auditor and to authorise the Directors to fix their remuneration will be proposed at the 2026 AGM.

For and on behalf of the Board

Liu Yanhong

Non-executive Director and Chairman

Yang Meiyu

Executive Director and President

20 March 2026



Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China New Town Development Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 121 to 208, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 21 March 2025.

KEY AUDIT MATTERS

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



Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

KEY AUDIT MATTERS (continued)

Key audit matter

Allowance for debt instruments at amortised cost

As at 31 December 2025, the gross carrying amount of debt instruments at amortised cost of the Group amounted to RMB3,937 million. The allowance for debt instruments at amortised cost amounted to RMB398 million.

IFRS 9 requires that the measurement of impairment of financial assets should be based on the "expected credit losses ("ECLs") model". To assess the impairment of debt instruments at amortised cost under IFRS 9, significant judgements and estimates were made by management in aspects such as assessing whether there had been a significant increase in credit risk since initial recognition, estimating the parameters, including estimation of future cash flows, and assumptions for measuring ECLs and determining the forward-looking adjustments.

Since the impairment assessment of financial assets involved significant judgements and estimations, with the assistance of the external valuer, and in view of the significance of the amount, allowance for debt instruments at amortised cost was considered as a key audit matter.

Relevant disclosures were included in notes 2.3, 2.4, 13 and 33 to the consolidated financial statements.

How our audit addressed the key audit matter

We obtained an understanding of management's internal control and assessment process of ECL of debt instruments at amortised cost, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias.

We performed credit review for the debt instruments at amortised cost to assess the appropriateness of management's evaluation on the debt instruments' credit ratings.

We assessed the independence, objectivity and expertise of the external valuer engaged by the Group.

We involved in-house valuation experts to assess the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used in the valuation of ECLs.

We assessed the models and key parameters used in the collective impairment assessment, including the significant increase in credit risk, probability of default, loss given default, risk exposure, and forward-looking adjustments.

We assessed the models and the related assumptions used in individual impairment assessment, including the amount, timing and likelihood of management's estimation on future cash flows.

We checked the mathematical accuracy of the ECL calculation for debt instruments at amortised cost.

We performed sensitivity analysis on the assumptions made by the management in determining the ECLs.

We assessed the appropriateness of the disclosures in the consolidated financial statements relating to the ECLs of debt instruments at amortised cost.

Based on the procedures performed, we considered management's judgments and key assumptions applied in measuring the allowance for debt instruments are supported by the evidence we gathered.



Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

KEY AUDIT MATTERS (continued)

Key audit matter

Valuation of investment property

The Group's investment property measured at fair value amounted to approximately RMB1,466 million as at 31 December 2025.

The Group's investment property, which was located in Chinese Mainland, was an urban complex with office premises, retail and car park spaces. The investment property was measured at fair value based on the income approach at 31 December 2025, which required significant judgements and estimates that were mainly based on market conditions existing at the valuation date, including the discount rate, market rent price, vacancy rate and cash flow projections.

Since the determination of the fair value involved significant judgements and estimations, with the assistance of the external valuer, and in view of the significance of the amount, the valuation of the investment property was considered as a key audit matter.

Relevant disclosures were included in notes 2.3, 2.4, 15 and 35 to the consolidated financial statements.

How our audit addressed the key audit matter

We obtained an understanding of management's internal control and assessment process of the valuation of the investment property, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias.

We assessed the independence, objectivity and expertise of the external valuer engaged by the Group.

We involved in-house valuation experts to assess the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used in the valuation of investment property.

We assessed the model and key parameters used by the external valuer in the assessment of the valuation of investment property, in terms of the valuation methodology, market rent price, vacancy rate and discount rate, and check its mathematical accuracy of calculation for fair value of investment property.

We performed sensitivity analysis on the assumptions made by the management in determining the fair value of investment property.

We assessed the appropriateness of the related disclosures in the consolidated financial statements.

Based on the procedures performed, we considered management's judgments and key assumptions applied in measuring the fair value of investment property are supported by the evidence we gathered.

OTHER INFORMATION

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

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

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



Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

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

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

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

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

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

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Wang Jun Ying

Practising Certificate Number: P07970

Hong Kong

20 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Operating income		416,871	412,194
Revenue	5	388,917	337,369
Other income	6	27,954	74,825
Operating expenses		(298,763)	(311,780)
Cost of sales	7	(80,559)	(56,249)
Selling and administrative expenses	7	(114,320)	(112,713)
Finance costs	8	(94,399)	(94,401)
Other expenses	9	(18,931)	(49,570)
Reversal of impairment losses on financial assets		9,446	1,153
Operating profit		118,108	100,414
Share of losses of joint ventures and associates	4	(8,075)	(31,772)
Profit before tax		110,033	68,642
Income tax	10	(34,325)	(12,768)
Profit for the year		75,708	55,874
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Share of other comprehensive income of associates		(3,902)	2,582
Other comprehensive income for the year, net of tax		(3,902)	2,582
Total comprehensive income for the year, net of tax		71,806	58,456

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Profit attributable to:			
Equity holders of the parent		73,295	44,317
Non-controlling interests		2,413	11,557
		75,708	55,874
Total comprehensive income attributable to:			
Equity holders of the parent		69,393	46,899
Non-controlling interests		2,413	11,557
		71,806	58,456
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the year	12	0.0075	0.0046

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Assets			
Non-current assets			
Investments in joint ventures	4(a)	192,989	197,830
Investments in associates	4(b)	221,909	226,070
Debt instruments at amortised cost	13	199,000	1,436,490
Financial assets at fair value through profit or loss	14	106,836	119,947
Investment property	15	1,465,700	1,465,700
Property, plant and equipment	16	7,147	7,736
Right-of-use assets	17(a)	16,451	18,370
Other assets		2,689	1,479
Total non-current assets		2,212,721	3,473,622
Current assets			
Land development for sale	18	781,215	781,066
Prepayments		1,610	2,581
Other receivables	19	654,454	610,644
Trade receivables	20	38,152	45,629
Debt instruments at amortised cost	13	3,340,757	1,879,280
Other assets		8,205	6,369
Financial assets at fair value through profit or loss	14	31,981	51,097
Cash and bank balances	21	2,196,275	1,045,466
Total current assets		7,052,649	4,422,132
Total assets		9,265,370	7,895,754
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital	22	4,070,201	4,070,201
Accumulated losses		(459,733)	(484,202)
Foreign currency translation reserve		8,484	12,386
Other reserves	23	607,839	607,839
		4,226,791	4,206,224
Non-controlling interests		494,599	492,186
Total equity		4,721,390	4,698,410

Consolidated Statement of Financial Position

As at 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	24	2,145,178	2,192,759
Other liabilities		5,746	5,900
Deferred tax liabilities	10	158,350	147,149
Total non-current liabilities		2,309,274	2,345,808
Current liabilities			
Interest-bearing loans and borrowings	24	1,611,304	108,088
Trade payables	25	92,378	86,762
Other payables and accruals	26	205,558	262,153
Advance from customers	27	26,290	30,267
Current income tax liabilities		20,533	23,215
Contract liabilities	28	278,643	341,051
Total current liabilities		2,234,706	851,536
Total liabilities		4,543,980	3,197,344
Total equity and liabilities		9,265,370	7,895,754
Net current assets		4,817,943	3,570,596
Total assets less current liabilities		7,030,664	7,044,218

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Liu Yanhong
Chairman

Yang Meiyu
President and Executive Director

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses			
As at 1 January 2024	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124
Profit for the year	—	—	—	44,317	44,317	11,557	55,874
Other comprehensive income	—	—	2,582	—	2,582	—	2,582
Total comprehensive income	—	—	2,582	44,317	46,899	11,557	58,456
Dividends	—	—	—	(30,170)	(30,170)	—	(30,170)
As at 31 December 2024	4,070,201	607,839	12,386	(484,202)	4,206,224	492,186	4,698,410
Profit for the year	—	—	—	73,295	73,295	2,413	75,708
Other comprehensive income	—	—	(3,902)	—	(3,902)	—	(3,902)
Total comprehensive income	—	—	(3,902)	73,295	69,393	2,413	71,806
Dividends	—	—	—	(48,826)	(48,826)	—	(48,826)
As at 31 December 2025	4,070,201	607,839	8,484	(459,733)	4,226,791	494,599	4,721,390

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Cash flows from operating activities			
Profit before tax		110,033	68,642
Adjustments for:			
Reversal of impairment losses on financial assets		(9,446)	(1,153)
Depreciation of property, plant and equipment	7	1,228	1,173
Depreciation of right-of-use assets	7	10,622	11,629
Amortisation of intangible assets		163	156
Net fair value loss on an investment property	9	—	19,631
Gain on investment income from financial assets at fair value through profit or loss	6	(1,161)	(25,497)
Fair value change on financial instruments at fair value through profit or loss	9	16,875	28,334
Share of losses of joint ventures and associates	4	8,075	31,772
Interest from debt instruments at amortised cost and dividend income from other investment	5(b)/5(c)	(231,406)	(184,996)
Interest income from bank deposits	6	(11,462)	(27,074)
Interest expense on lease liabilities	8	337	648
Interest expense on loans and borrowings	8	94,062	93,753
Foreign exchange loss/(gain)	6/9	705	(823)
Gain on disposal of property, plant and equipment	6	(338)	(11)
		(11,713)	16,184
Increase in land development for sale		(149)	(529)
Decrease/(increase) in prepayments		971	(310)
(Increase)/decrease in other receivables and other assets		(29,962)	22,439
Decrease in trade receivables		7,571	12,219
Decrease in advances from customers		(3,977)	(8,519)
Decrease in contract liabilities		(62,408)	(41,438)
(Decrease)/increase in trade and other payables		(51,751)	58,186
		(151,418)	58,232
Income tax paid		(25,806)	(28,348)
Net cash (outflow)/inflow from operating activities		(177,224)	29,884

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2025	2024
Cash flows from investing activities			
Purchases of property, plant and equipment		(642)	(483)
Proceeds from disposal of property, plant and equipment		9	24
Investments in joint ventures and associates		(2,975)	(34,570)
Capital expenditure on an investment property		(1,518)	(1,669)
Investments in debt instruments at amortised cost		(2,806,366)	(2,546,409)
Proceeds from recovery of debt instruments at amortised cost		2,592,000	2,026,070
Interest received from debt instruments at amortised cost and other investment		217,821	171,535
Proceeds from redemption of financial assets at fair value through profit or loss		16,513	61,840
Interest received from bank deposits		9,094	27,074
Payments for intangible assets		—	(166)
Net cash inflow/(outflow) from investing activities		23,936	(296,754)
Cash flows from financing activities			
Proceeds from loans and borrowings	36	1,495,214	643,004
Repayment of loans and borrowings	36	(55,169)	(656,587)
Payment of lease liabilities	17(b)/36	(5,713)	(12,317)
Dividends paid		(48,590)	(30,059)
Interest paid	36	(81,471)	(86,915)
Net cash inflow/(outflow) from financing activities		1,304,271	(142,874)
Net increase/(decrease) in cash and cash equivalents		1,150,983	(409,744)
Effect of exchange rate changes on cash and cash equivalents		(174)	850
Cash and cash equivalents at beginning of year		1,045,466	1,454,360
Cash and cash equivalents at end of year	21	2,196,275	1,045,466

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated on 4 January 2006 in the British Virgin Islands (the "BVI"). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). On 22 October 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEx") by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company was voluntarily delisted from the SGX-ST on 17 February 2017.

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("CDBIH") and SRE Investment Holding Limited ("SREI") entered into a share subscription agreement, pursuant to which CDBIH agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the "Subscription"). The Subscription was completed in the first quarter of 2014. As a result, upon completion, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("CDB Capital"), became the largest shareholder of the Company.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% of the issued shares of the Company with Wuxi Communications Industry Group Co., Ltd. ("Wuxi Communications") and Xitong International Holdings (HK) Limited ("Xitong International"), a wholly-owned subsidiary of Wuxi Communications, pursuant to which CDBIH agreed to transfer 2,917,000,000 shares of the Company held by it to Xitong International, representing approximately 29.99% of the issued shares of the Company (the "Share Transfer"). Upon completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (approximately 29.99% of the issued shares) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (approximately 24.99% of the issued shares) of the Company as the second largest shareholder.

The Group's current operating revenue is primarily derived from fixed-income investments, property leasing and operations, as well as income from certain historical urbanisation projects. The Group is exploring opportunities to expand its equity investment business in new economic sectors such as integrated circuits, new materials, new energy, environmental protection, and high-end manufacturing, with a view to establish new revenue streams and business growth curves.

Subsidiaries

The principal activities of the subsidiaries are disclosed in note 3 below.

2.1 BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.1 BASIS OF PREPARATION (continued)

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent/Company and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRS Accounting Standards.



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group has adopted the following amendments to International Accounting Standard ("IAS") 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21 — Lack of Exchangeability

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

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

Judgements

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

(i) Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

(ii) Building construction services

The Group applies significant judgements in identifying performance obligations and allocation of transaction price to each performance. When the performance is not distinct, the Group combine those construction and service with other promised construction or services until it identifies a bundle of performance that is distinct. The contract price is allocated based on their relative fair values of the construction works, determined by reference to the relative estimated construction costs of each component.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

(ii) **Building construction services (continued)**

Revenue derived from building construction service is recognised over time based on the portions of the specific construction works or services completed. Significant judgement is made by the Group in determining the proportion of the performance obligations completed.

(iii) **Contractual cash flow characteristics**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics. The Group needs to make significant judgment on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Estimates and assumptions

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

(i) **Carrying amount of land development for sale**

Land development for sale is stated at lower of cost and net realisable value

Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land and their recoverable amounts, i.e., the revenue to be derived from the land development services, compensations from local government or proceeds in other forms.

If the cost is higher than the amount of consideration, compensations or proceeds the Group is expected to receive from the government authorities, less costs directly relate to completion and providing those services, if any, an impairment is recognised. The assessment of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and impairment for land development for sale in the periods in which such estimate is changed will be adjusted accordingly.

(ii) **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences, and the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Where the actual or expected tax positions of the relevant companies of the Group in future are different from the original estimates, such differences will impact on the recognition of deferred tax assets and income tax charge in the period in which such estimate has been changed.



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(iii) Allowance for expected credit losses

The Group uses the probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) model to estimate the expected credit losses (“ECLs”) for debt instruments at amortised cost. The parameters used by the Group to measure the ECLs, including PD, LGD and EAD, each involve numerous judgements and assumptions. The Group made adjustments based on the results of the internal rating and bridged to the external rating PD curve in determining the PD. When estimating the LGD, the Group uses the default setting of Basel Agreement since the risk of their debt instruments at amortised cost is similar to subordinated bonds. The Group also applies expert judgements to predict macroeconomic indicators, analyses the correlations with modelled parameters such as PD, and makes forward-looking adjustments on parameters.

The Group uses the historical credit loss experience to estimate the ECLs of trade receivables and other receivables. The provision rates are based on groupings of various counterparty segments that have similar loss patterns. It is initially based on the Group’s historical observed default rates and was adjusted by forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between the PD, LGD, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future.

Significant estimation of future cash flows is made by the Group when measuring the credit loss for the impaired debt instruments at amortised cost, trade receivables and other receivables. Factors affecting this estimate include, among other things, financial information related to specific counterparties and the relevance of sector trends to the future performance of individual counterparties.

(iv) Fair value measurement of financial instruments

When the fair values of financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(v) Fair value measurement of investment property

The fair value of the Group’s investment property is evaluated by an independent professionally qualified valuer at the end of each reporting period using the income approach, which is on the basis of capitalisation of net rental income derived from the existing tenancies with due allowance for reversionary income potential of the property interest. In making the estimate, the Group considers information from current rentals of the lease contracts recently entered and other information that are relevant in assessing the market conditions existing at the end of each reporting period.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairment. Impairments and reversals are presented within "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate or a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the investor. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of joint control over the joint venture or loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures investment property and certain financial instruments, such as financial assets at fair value through profit or loss, at fair value at the end of each reporting period. Also, the fair values of investment property and financial instruments are disclosed in note 35.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1	—	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) *Revenue from building construction service*

Revenue derived from building construction service is recognised over time based on the portions of the specific construction works or services completed because the customer controls the asset as it is being created or enhanced.

(b) *Property management revenue*

Property management revenue is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

(a) *Operating lease income*

Operating lease income from investment property is recognised on the straight-line basis over the lease term, which is the non-cancellable period for which the lessee has contracted to lease the property together with any further terms for which the lessee has the option to continue to lease the property, with or without further payments, when at the inception of the lease, it is reasonably certain that the lessee will exercise the option.

(b) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

(c) *Dividend income*

Dividend income is recognised when the shareholders' right to receive payment has been established, which is generally when the shareholders approve the dividend.



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Subsequent measurement (continued)

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

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

The Group's financial assets at amortised cost include trade receivables, and a loan to an associate and a loan to a director included under other non-current financial assets.

(b) *Financial assets at fair value through OCI (debt instruments)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and other comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

(c) *Financial assets designated at fair value through OCI (equity instruments)*

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

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

(d) *Financial assets at fair value through profit or loss*

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

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

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



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings, and financial liabilities at fair value through profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) *Financial liabilities at amortised cost*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

(b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

(c) Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	50 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	5 years

When parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the fair value less cost to sell and the carrying amount of the relevant asset.

CIP is stated at cost less any impairment in value, and is not depreciated. Cost mainly comprises the direct costs during the period of construction and capitalised interest. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Land development for sale

Cost of land development for sale comprises the aggregate cost of construction, materials and supplies, capitalised borrowing costs on related borrowing funds during the period of construction and other costs directly attributable to such land development for sale.

Land development for sale is stated at lower of cost and net realisable value. An impairment exists if the carrying amount of the land development for sale exceeds the amount of consideration the Group is expected to receive from the local government authorities, less costs directly relate to completion and providing those services.

An impairment loss is recognised in profit or loss only if the carrying amount of the land development for sale exceeds its recoverable amount.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.



Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Leases

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

Group as a lessee

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

Notes to Financial Statements

For the financial year ended 31 December 2025
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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 3 years
Motor vehicles	3 years

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

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value asset recognition exemption to leases of office equipment that is considered to be low value.

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



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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Contract balances

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

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

Contract costs

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

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

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



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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are occurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

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

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

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

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

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



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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Employee retirement benefits

Pursuant to the relevant regulations of the PRC government, the companies comprising the Group operating in Chinese Mainland (the "PRC group companies") have participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the PRC group companies are required to contribute a certain percentage of the salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

In Hong Kong, the Group operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of the employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable. The Group's contributions as an employer vest fully with the employees when the Group contributes to the scheme. The Group contributes 5% of the relevant monthly salaries to such scheme and the Group's employees contribute the lower of HKD1,500 and 5% of their monthly salaries to such scheme as employee mandatory contributions.

Foreign currency translation

The Group's consolidated financial statements are presented in RMB which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating to those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Dividends

When final dividends have been approved by the directors and shareholders and declared, they are recognised as a liability.

Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosure²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards</i> — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

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(All amounts expressed in RMB'000 unless otherwise specified)

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Except for new IFRS Accounting Standards mentioned below, the Group anticipates that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

3. INVESTMENTS IN SUBSIDIARIES

The Company

	Notes	2025	2024
Unlisted shares, at cost less impairment loss	(a)	2,181,877	2,181,877
Advances to subsidiaries, net	(b)	582,976	582,976
		2,764,853	2,764,853

(a) As at 31 December 2025 and 2024, the Group's direct or indirect interests in subsidiaries are set out below:

Directly held by the Company

Name	Place and date of incorporation	Carrying amount	Proportion of ownership interest (%)		Principal activities/ place of operation
			2025	2024	
Meeko Investment Limited ("Meeko")	British Virgin Islands 19 August 2005	412,561	100.00	100.00	Investment holding/ Hong Kong
Weblink International Limited ("Weblink")	British Virgin Islands 17 November 2005	269,316	100.00	100.00	Investment holding/ Hong Kong
Protex Investment Limited	British Virgin Islands 18 October 2006	—	100.00	100.00	Investment holding/ Hong Kong
China New Town Holding Co., Ltd. ("CNT Holding")	Hong Kong 17 July 2014	1,500,000	100.00	100.00	Investment holding/ Hong Kong and Chinese Mainland
CNTD Success Company Limited ("Success")	British Virgin Islands 23 March 2022	—	100.00	100.00	Investment holding/ Hong Kong
		<u>2,181,877</u>			

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2025 and 2024, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company

Ultimately held through	Name	Place and date of incorporation/ establishment and issued share capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities/ place of operation
			2025	2024	2025	2024	
Meeko and Weblink	Shanghai Golden Luodian Development Co., Ltd. ("SGLD") ⁽¹⁾	PRC 26 September 2002 RMB208,100,000	72.63	72.63	72.63	72.63	Building construction/ Chinese Mainland
Weblink	Shanghai Jiatong Enterprises Co., Ltd. ("Shanghai Jiatong") ⁽²⁾	PRC 12 April 2006 RMB1,000,000	100.00	100.00	100.00	100.00	Consultation services/ Chinese Mainland
Protex Investment Limited	China New Town Development (Changchun) Company Limited ("CNTD Changchun") ⁽⁴⁾	British Virgin Islands 7 September 2006 USD1	Not applicable	100.00	Not applicable	100.00	Investment holding/Hong Kong
Protex Investment Limited	China New Town Development (Shenyang) Company Limited ("CNTD Shenyang")	British Virgin Islands 18 October 2006 USD1	100.00	100.00	100.00	100.00	Investment holding/Hong Kong
Protex Investment Limited	Safewell Investment Limited	British Virgin Islands 14 February 2007 USD1	100.00	100.00	100.00	100.00	Investment holding/Hong Kong
Protex Investment Limited	Shenyang Lixiang New Town Modern Agriculture Co., Ltd. ("Shenyang Lixiang") ⁽²⁾	PRC 6 March 2007 USD88,200,000	100.00	100.00	100.00	100.00	Land development/ Chinese Mainland
Protex Investment Limited	Shanghai CNTD Management Consulting Co., Ltd. ("Shanghai Management") ⁽²⁾	PRC 21 June 2007 USD200,000	100.00	100.00	100.00	100.00	Enterprise investment consultation/ Chinese Mainland
CNT Holding	Beijing Kaiyuan Xincheng Management Consulting Co., Ltd. ⁽²⁾	PRC 20 November 2014 RMB25,000,000	100.00	100.00	100.00	100.00	Real estate consultation/ Chinese Mainland
CNT Holding	Beijing Xincheng Kaiyuan Asset Management Co., Ltd. ("Xincheng Kaiyuan") ⁽³⁾	PRC 6 January 2015 RMB1,000,000,000	100.00	100.00	100.00	100.00	Asset management/ Chinese Mainland
CNT Holding	Changchun Xincheng Construction Development Company Limited ⁽³⁾ ⁽⁴⁾	PRC 2 December 2015 RMB100,000,000	Not applicable	100.00	Not applicable	100.00	Real estate development/ Chinese Mainland

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(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2025 and 2024, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation/ establishment and issued share capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities/ place of operation
			2025	2024	2025	2024	
CNT Holding	Guoxi Nanjing Investment Development Co., Ltd. ("Guoxi Nanjing") ⁽³⁾	PRC 1 August 2014 RMB127,500,000	100.00	100.00	100.00	100.00	Investment and asset development/ Chinese Mainland
CNT Holding	Beijing Xincheng Zhishang Agricultural Technology Co., Ltd ("Beijing Agricultural") ⁽³⁾	PRC 15 December 2015 RMB47,692,600	51.00	51.00	51.00	51.00	Investment management/ Chinese Mainland
CNT Holding	Kaihe (Beijing) Private Equity Fund Management Company Limited (Kaihe Beijing) ⁽³⁾	PRC 22 December 2015 RMB30,000,000	100.00	100.00	100.00	100.00	Investment management/ Chinese Mainland
CNT Holding	Chengdu Xincheng Zhisheng Agricultural Development Co., Ltd ⁽³⁾	PRC 29 January 2016 RMB20,000,000	100.00	100.00	51.00	51.00	Investment management/ Chinese Mainland
CNT Holding	New Town Education Co., Ltd ("New Town Education")	Hong Kong 17 November 2017 USD1,024,000	100.00	100.00	100.00	100.00	Asset management/ Hong Kong
CNT Holding	Wuhan Chuguang Industry New Development Co. Ltd. ("Wuhan Chuguang") ⁽³⁾	PRC 31 May 2018 RMB10,000,000	100.00	100.00	66.40	66.40	Leasing and property management/ Chinese Mainland
CNT Holding	CDBC Co-Creat Enterprise Management (Huzhou) Co., Ltd. ("CCEM Huzhou") ⁽³⁾	PRC 2 June 2018 RMB10,000,000	58.00	58.00	58.00	58.00	Investment management/ Chinese Mainland
CNT Holding	Hainan Xincheng Kaiyuan Investment Co., Ltd ("Hainan Xincheng") ⁽³⁾	PRC 20 December 2021 RMB100,000,000	100.00	100.00	100.00	100.00	Investment management/ Chinese Mainland
CNT Holding	Wuxi Xincheng Consulting Management Company Limited ⁽³⁾	PRC 17 June 2022 RMB50,000,000	100.00	100.00	100.00	100.00	Management consulting/ Chinese Mainland
CNT Holding	Hainan Kaixin Equity Investment Fund Partnership (Limited Partnership)	PRC 25 July 2022 RMB30,000,000	100.00	100.00	100.00	100.00	Investment management/ Chinese Mainland
CNT Holding	Hainan Xinyuan Kaicheng Investment Co., Ltd. ⁽³⁾	PRC 20 December 2024 RMB100,000,000	100.00	100.00	100.00	100.00	Investment management/ Chinese Mainland
CNT Holding	Wuhan Xinchuang Jingwei Commercial Operation and Management Co., Ltd.	PRC 11 December 2025 RMB1,000,000	100.00	Not applicable	66.40	Not applicable	Not applicable Leasing and property management/ Chinese Mainland
CNT Holding	Wuhan Zhisheng Dimension Commercial Operation and Management Co., Ltd.	PRC 11 December 2025 RMB1,000,000	100.00	Not applicable	66.40	Not applicable	Not applicable Leasing and property management/ Chinese Mainland

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For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2025 and 2024, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

- (1) This entity is registered as a Sino-foreign joint venture enterprise under PRC law.
- (2) These entities are registered as wholly-foreign-owned enterprises under PRC law.
- (3) These entities are registered as limited liability enterprises under PRC law.
- (4) CNTD Changchun was deregistered on 2 April 2025 and Changchun Xincheng Construction Development Company Limited was deregistered on 10 July 2025.

(b) The advances to subsidiaries are advances to intermediate holding companies, and they are unsecured, non-interest-bearing, with no fixed repayment terms, and with no intention for repayment in short term. The intermediate holding companies used these advances to finance their investment holdings of equity interests in the Group's indirect subsidiaries, details of which are as follows:

	2025	2024
Amounts due from:		
CNTD Shenyang	581,463	581,463
Safewell Investment Limited	1,513	1,513
	582,976	582,976

(c) Partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2025	2024
SGLD	PRC	27.37%	27.37%
Wuhan Chuguang	PRC	33.60%	33.60%
CCEM Huzhou	PRC	42.00%	42.00%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Partly-owned subsidiaries (continued)

Summarised statement of profit or loss and other comprehensive income for 2025:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Revenue	57,175	100,336	—
Cost of sales	(53,565)	(26,994)	—
Profit/(loss) and total comprehensive income/(loss) for the year	3,060	31,270	(16,398)
Attributable to non-controlling interests	837	10,507	(6,887)
Dividends paid to non-controlling interests	—	—	—

Summarised statement of profit or loss and other comprehensive income for 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Revenue	18,744	133,454	—
Cost of sales	(18,979)	(37,256)	—
Profit/(loss) and total comprehensive income/(loss) for the year	16,983	42,433	(16,461)
Attributable to non-controlling interests	4,648	14,257	(6,914)
Dividends paid to non-controlling interests	—	—	—

Summarised statement of financial position as of 31 December 2025:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Current assets	1,621,488	26,691	1,031
Non-current assets	128	1,476,206	—
Current liabilities	(204,516)	(133,719)	(212,873)
Non-current liabilities	—	(588,030)	(151,125)
Total equity	1,417,100	781,148	(362,967)
Attributable to non-controlling interests	387,860	262,466	(152,446)

Summarised statement of financial position as of 31 December 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Current assets	1,683,900	53,355	1,041
Non-current assets	130	1,475,119	—
Current liabilities	(264,046)	(142,617)	(203,433)
Non-current liabilities	—	(635,979)	(144,177)
Total equity	1,419,984	749,878	(346,569)
Attributable to non-controlling interests	388,649	251,959	(145,559)

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Partly-owned subsidiaries (continued)

Summarised cash flow information for 2025:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Operating	(10,812)	59,036	(11)
Investing	28	(1,317)	1
Financing	—	(76,940)	—
Net decrease in cash and cash equivalents	(10,784)	(19,221)	(10)

Summarised cash flow information for 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Operating	12,614	71,459	221
Investing	(11)	(3,085)	—
Financing	—	(81,810)	(246)
Net increase/(decrease) in cash and cash equivalents	12,603	(13,436)	(25)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(a) Investments in joint ventures

	2025	2024
Unlisted shares	192,989	197,830

Details of the joint ventures are as follows:

Name	Place and date of establishment	Proportion of ownership interest attributable to the Group (%)		Effective equity interest attributable to the Group (%)		Particulars of registered capital	Principal activities
		2025	2024	2025	2024		
Beijing Guowan Real Estate Co., Ltd. (i)	PRC 31 October 2016	50%	50%	50%	50%	RMB500 million	Real estate
Beijing Guoyuan Agriculture Co., Ltd. (ii)	PRC 12 September 2017	50%	50%	50%	50%	RMB20 million	Agriculture
Nanjing Guofa Real Estate Co., Ltd. (iii)	PRC 27 November 2017	49%	49%	49%	49%	RMB50 million	Real estate
Nanjing Guoying Zhongxi Development Co., Ltd. (iv)	PRC 27 December 2017	50%	50%	50%	50%	RMB325 million	Real estate
Wuxi Kaihe Oxygenation Equity Investment Co., Ltd. (v)	PRC 3 April 2024	48%	48%	48%	48%	RMB10 million	Capital market services



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(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(a) **Investments in joint ventures (continued)**

The investments in joint ventures are accounted for using the equity method.

- (i) In 2016, Xincheng Kaiyuan and Beijing Vanke Enterprises Co. Ltd. entered into an agreement for the overall development of Mengtougou District Junzhuang Town Project, pursuant to which Beijing Guowan Real Estate Co., Ltd. ("Guowan") was established. As at 31 December 2025, the issued capital of Guowan was RMB100 million (2024: RMB100 million), which was contributed equally by both parties. Guowan fully provided and recognized the lease expense and compensation in profit or loss in relation to the litigation, resulting to credit the book value of long-term equity investment to zero. The Group has discontinued the recognition of its share of losses of the joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses in the future. The amounts of the Group's unrecognised share of losses of the joint venture for the current year and cumulatively were RMB5,789 thousand (2024: RMB8,702 thousand) and RMB14,491 thousand (2024: RMB8,702 thousand), respectively.
- (ii) In 2017, Beijing Agricultural entered into an agreement for the overall development of Miyun District Mujiayu Town Qianliyuan Village Project, pursuant to which Beijing Guoyuan Agriculture Co., Ltd. ("Guoyuan") was established. As at 31 December 2025, the issued capital of Guoyuan was RMB15,908 thousand (2024: RMB15,908 thousand), which was contributed equally by both parties. The Group has discontinued the recognition of its share of losses of the joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of the joint venture for the current year and cumulatively were RMB979 thousand (2024: RMB163 thousand) and RMB2,072 thousand (2024: RMB1,093 thousand), respectively.
- (iii) In 2017, Guoxi Nanjing and Mingfa Group Nanjing Real Estate Development Co., Ltd. ("Mingfa Group") entered into an agreement for the overall development of Wushang Land A Project, which is located in Yuhua District Nanjing, pursuant to which Nanjing Guofa Real Estate Co., Ltd. ("Guofa") was established. As at 31 December 2025, the issued capital of Guofa was RMB50 million (2024: RMB50 million), where Mingfa Group has contributed RMB25.5 million (2024: RMB25.5 million), and Guoxi Nanjing has contributed RMB24.5 million (2024: RMB24.5 million).
- (iv) In 2018, Guoxi Nanjing, CNT Holding and Sichuan Zhongxi Property Co., Ltd set up a joint venture, Nanjing Guoying Zhongxi Development Co., Ltd. ("Guoying"). This joint venture was established for the investment of a bilingual school in Jiangning District. In 2020, Sichuan Zhongxi Property Co., Ltd transferred its shares of 50% to Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd. In 2021, CNT Holding transferred its shares of 33.3% to Guoxi Nanjing. In 2022, Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd and Guoxi Nanjing increased their investment by RMB52.5 million respectively. As at 31 December 2025, Guoxi Nanjing and Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd invested RMB162.5 million (2024: RMB162.5 million) and RMB162.5 million (2024: RMB162.5 million), respectively, which represented 50% and 50% of shares.
- (v) In 2024, Kaihe Beijing, Hangzhou Oxygen Enhancement Investment Co., Ltd. ("Hangzhou Oxygen") and Yunzhi (Hainan) Enterprise Management Co., Ltd. ("Yunzhi (Hainan)") set up a joint venture, Wuxi Kaihe Oxygenation Equity Investment Co., Ltd. ("Wuxi Kaihe"). This joint venture was established for engaging in investment management, asset management, investment consulting and business management consulting. As at 31 December 2025, Kaihe Beijing, Hangzhou Oxygen and Yunzhi (Hainan) held 48%, 37% and 15% (2024: 48%, 37% and 15%) equity interests of Wuxi Kaihe, respectively.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(a) **Investments in joint ventures (continued)**

Summarised financial information of the joint ventures, based on their IFRS financial statements, and the reconciliation to the carrying amount of the investments in the consolidated financial statements are set out below:

As at 31 December 2025

	Guofa	Guoying	Others	Total
Current assets	833,765	141,563	193,663	1,168,991
Non-current assets	1,000	762,766	175,929	939,695
Current liabilities	(720,823)	(204,477)	(385,182)	(1,310,482)
Non-current liabilities	—	(426,497)	—	(426,497)
Equity	113,942	273,355	(15,590)	371,707
Proportion of the Group's ownership	49%	50%	—	—
Carrying amount of the investment	55,831	136,678	480	192,989

As at 31 December 2024

	Guofa	Guoying	Others	Total
Current assets	835,464	196,427	148,426	1,180,317
Non-current assets	1,250	762,221	180,418	943,889
Current liabilities	(720,392)	(229,363)	(347,773)	(1,297,528)
Non-current liabilities	—	(448,581)	—	(448,581)
Equity	116,322	280,704	(18,929)	378,097
Proportion of the Group's ownership	49%	50%	—	—
Carrying amount of the investment	56,998	140,352	480	197,830

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(a) **Investments in joint ventures (continued)**

Summarised statements of profit or loss and other comprehensive income of the joint ventures are set out below:

Year ended 31 December 2025

	Guofa	Guoying	Others	Total
Revenue	38	27,008	9	27,055
Administrative expenses and other expenses	(2,419)	(10,890)	(12,269)	(25,578)
Finance costs	(1)	(23,466)	(1,276)	(24,743)
Loss before tax	(2,382)	(7,348)	(13,536)	(23,266)
Income tax expense	—	—	—	—
Net loss for the year	(2,382)	(7,348)	(13,536)	(23,266)
Total comprehensive loss for the year	(2,382)	(7,348)	(13,536)	(23,266)
Group's share of loss for the year	(1,167)	(3,674)	—	(4,841)

Year ended 31 December 2024

	Guofa	Guoying	Others	Total
Revenue	54	25,929	(19)	25,964
Administrative expenses and other expenses	(54)	(22,127)	—	(74,465)
Finance costs	—	(23,136)	(51,070)	(25,424)
Loss before tax	(1,214)	(19,334)	(2,288)	(73,925)
Income tax expense	—	—	—	—
Net loss for the year	(1,214)	(19,334)	(53,377)	(73,925)
Total comprehensive loss for the year	(1,214)	(19,334)	(53,377)	(73,925)
Group's share of loss for the year	(595)	(9,667)	(17,987)	(28,249)

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(b) Investments in associates

	2025	2024
Unlisted shares	221,909	226,070

Details of the associates are as follows:

Name	Place and date of establishment	Proportion of ownership interest attributable to the Group (%)		Effective equity interest attributable to the Group (%)		Particulars of registered capital	Principal activities
		2025	2024	2025	2024		
Kaiyuan Education Fund GP Holding Limited. (i) ("GP Holding Co")	Cayman Islands 25 October 2018	40.00%	40.00%	40.00%	40.00%	USD2,560 thousand	Education
Kaiyuan Education Fund LP (ii) ("Kaiyuan Fund")	Cayman Islands 23 November 2017	58.38%	58.38%	58.38%	58.38%	USD80 million	Education
Meidi Elderly Care Service (Shanghai) Co., Ltd. (iii) ("Meidi Elderly")	PRC 19 December 2016	30.00%	30.00%	30.00%	30.00%	RMB58,479,528.57	Elderly care service
Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership) (iv) ("Yixing Kaihe Oxygen Enhancement")	PRC 28 May 2024	40.90%	40.90%	40.90%	40.90%	RMB1,000 million	Capital market services

- (i) In 2018, GP Holding Co was established which is in turn owned by New Town Education, China-West Education Investment Holdings Company Limited ("CWE"), Excel Access International Limited ("EAIL") and Smart Sphere Limited as to 40.00%, 15.00%, 25.00% and 20.00%, respectively.
- (ii) Kaiyuan Fund was established in 2017 by New Town Education, CWE and other shareholders with interest shares of 58.38%, 23.35% and 18.27%, respectively. Under the Memorandum of Association of Kaiyuan Fund, the Investment Committee, which is the highest decision-making body for the investment activities of the fund, consist of 5 members, and New Town Education shall be entitled to nominate 2 members. Therefore, the Group does not have power over the investment decisions of Kaiyuan Fund but only can exercise significant influence. As a result, Kaiyuan Fund was accounted for as an associate of the Group.
- (iii) In 2024, Hainan Xincheng entered into the Capital Increase Agreement and the Shareholders' Agreement with the Existing Shareholders and Meidi Elderly, pursuant to which Hainan Xincheng has conditionally agreed to acquire an approximately 30% equity interest in Meidi Elderly by way of capital contribution of RMB50,000 thousand. The reason for the capital increase is the capital increase represents an investment opportunity for the Group to tap into the elderly care and wellness market in the PRC and explore the possibilities of further investments in property and town development and healthcare businesses relating to the said industry. Upon completion of the capital increase, Hainan Xincheng, Japan Medical Care Service Co., Ltd, Sanko Soflan Holdings Co., Ltd., Takahashi Seiichi and Shanghai Meiqi Elderly Care Service Co., Ltd. hold approximately 30.00%, 28.00%, 21.00%, 18.90% and 2.10% equity interests of Meidi Elderly, respectively.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(b) Investments in associates (continued)

(iv) In 2024, Xincheng Kaiyuan entered into the Limited Partnership Agreement with Hainan Yunhu Enterprise Management Partnership (Limited Partnership) ("Hainan Yunhu"), Yixing New Kinetic Energy Industry Fund Partnership (Limited Partnership) ("Yixing New") and Wuxi Kaihe for the purpose of investment, pursuant to which Yixing Kaihe Oxygen Enhancement was established. As at 31 December 2025, Xincheng Kaiyuan, Hainan Yunhu, Yixing New and Wuxi Kaihe held 40.9%, 40%, 19% and 0.1% (2024: 40.9%, 40%, 19% and 0.1%) equity interests of Yixing Kaihe Oxygen Enhancement, respectively.

Summarised financial information of the Group's associates and the reconciliation to the carrying amount of the investments in the consolidated financial statements are set out below:

As at 31 December 2025

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Current assets	59,325	86,903	49,064	11,145	206,437
Non-current assets	2,418	256,390	158,708	—	417,516
Current liabilities	(21,986)	(65,988)	(29,227)	—	(117,201)
Non-current liabilities	—	—	(151,782)	—	(151,782)
Equity	39,757	277,305*	26,763	11,145	354,970
Proportion of the Group's ownership	40%	58.38%	30%	40.90%	
Carrying amount of the investment	15,903	158,327	43,526	4,153	221,909

As at 31 December 2024

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Current assets	58,051	85,070	56,297	11,055	210,473
Non-current assets	2,369	262,331	144,439	—	409,139
Current liabilities	(25,653)	(65,344)	(21,510)	—	(112,507)
Non-current liabilities	—	—	(133,461)	—	(133,461)
Equity	34,767	282,057*	45,765	11,055	373,644
Proportion of the Group's ownership	40%	58.38%	30%	40.90%	
Carrying amount of the investment	13,907	161,031	47,015	4,117	226,070

* The equity interest of Shenzhen Project held by Kaiyuan Fund was not attributable to New Town Education, a subsidiary of the Company. The Group's share of the equity interest in Kaiyuan Fund was RMB158,327 thousand (2024: RMB161,031 thousand).

Notes to Financial Statements

For the financial year ended 31 December 2025
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4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(b) **Investments in associates (continued)**

Summarised statements of profit or loss and other comprehensive income of the associates are set out below:

Year ended 31 December 2025

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Revenue	2,545	(117)	60,002	90	62,520
Cost of sales	—	—	(48,220)	—	(48,220)
Administrative expenses and other expenses	3,027	(3,323)	(21,793)	—	(22,089)
Finance costs	(1)	(2)	(6,376)	—	(6,379)
Profit/(loss) before tax	5,571	(3,442)	(16,387)	90	(14,168)
Income tax expense	—	—	—	—	—
Net profit/(loss) for the year	5,571	(3,442)	(16,387)	90	(14,168)
Other comprehensive income	(581)	(6,285)	—	—	(6,866)
Total comprehensive income/(loss) for the year	4,990	(9,727)	(16,387)	90	(21,034)
Group's share of profit/(loss) for the year	2,228	(2,010)	(3,489)	37	(3,234)

Year ended 31 December 2024

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Revenue	2,364	1,719	16,193	65	20,341
Cost of sales	—	—	(18,148)	—	(18,148)
Administrative expenses and other expenses	(2,043)	(2,907)	(9,944)	—	(14,894)
Finance costs	—	—	(3,093)	—	(3,093)
Profit/(loss) before tax	321	(1,188)	(14,992)	65	(15,794)
Income tax expense	—	—	5,042	—	5,042
Net profit/(loss) for the year	321	(1,188)	(9,950)	65	(10,752)
Other comprehensive income	535	4,056	—	—	4,591
Total comprehensive income/(loss) for the year	856	2,868	(9,950)	65	(6,161)
Group's share of profit/(loss) for the year	128	(693)	(2,985)	27	(3,523)

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE

	Notes	2025	2024
Building construction	(a)	57,175	18,919
Property management	(a)	24,400	32,306
Revenue from contracts with customers	(a)	81,575	51,225
Rental income		75,936	101,148
Interest from debt instruments at amortised cost	(b)	231,406	183,600
Others	(c)	—	1,396
Revenue from other sources		307,342	286,144
Total revenue		388,917	337,369

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

2025

Segments	Building construction	Property leases	Total
Types of goods or services			
Building construction	57,175	—	57,175
Property management	—	24,400	24,400
Total revenue from contracts with customers	57,175	24,400	81,575
Timing of revenue recognition			
Services rendered over time	57,175	24,400	81,575

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE (continued)

(a) Revenue from contracts with customers (continued)
Disaggregated revenue information (continued)

2024

Segments	Building construction	Property leases	Total
Types of goods or services			
Building construction	18,919	—	18,919
Property management	—	32,306	32,306
Total revenue from contracts with customers	18,919	32,306	51,225
Timing of revenue recognition			
Services rendered over time	18,919	32,306	51,225

The Group's total revenue from contracts with customers is all derived from Chinese Mainland.

Building construction

SGLD is given the right to carry out construction and preparation works in respect of the ancillary public facilities (owned by the local governments) in the Eastern and Western Zone of Luodian New Town.

Revenue of RMB57.18 million (2024: RMB18.92 million) was recognised in respect of construction of the ancillary public facilities with the fulfilment of the performance obligation in 2025, of which RMB57.18 million (2024: RMB18.92 million) was released from contract liabilities.

Property management services

The performance obligation is satisfied over time as property management services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are billed based on the time incurred. The amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of 2025 was RMB2,956 thousand (2024: RMB5,475 thousand).

For property management services, the Group has a right to consideration from customers in an amount that corresponds directly with the value to customers of the Group's performance completed to date.

The segmental analysis of revenue is set out in Note 32.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE (continued)

(b) The detailed information of interest from debt instruments at amortised cost is as follows:

	2025	2024
Interest income		
Wuxi Gaoxin District Industrial Park Project	28,695	28,774
Yangzhou Hanjiang Industry Upgrading Project	27,551	—
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	27,547	906
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	23,501	5,988
Zhuji Pingfengwu Ecological Cemetery Project	19,419	16,330
Taizhou Xinghua Urban Regeneration Project	13,417	542
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	11,478	11,509
Liyang Economic Development Zone Aerodynamics Research Institute Project	11,201	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	10,038	528
Taizhou Jinjiang Chengbei Park Project	8,585	—
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	6,951	21
Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project	5,039	—
Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project	4,885	—
Wuxi Huishan IDTI Oral Innovation Medical Device Center Fixed-income Project	4,803	—
Yancheng Water Purification Group Fixed-income Project	4,540	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	4,429	11,106
Wenzhou Lucheng District Fixed-income Project	4,161	—
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	2,354	17,259
Jingjiang Furuite Aluminum New Material Project	140	1,642
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	—	29,823
Yangzhou Hanjiang Industrial Park Infrastructure Project	—	21,904
Wuxi Liangxi District Food Science and Technology Innovation Center Project	—	15,173
Yangzhou Jiangdu People's Hospital New Project	—	5,998
Wuxi Guojin Commercial Factoring Fixed-income Phase II Project	—	4,890
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	—	4,677
Others	12,672	6,530
	231,406	183,600

(c) The detailed information of others is as follows:

	2025	2024
CDB (Beijing) — BOCOMM New-Type Urbanisation Development Fund	—	1,396

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

6. OTHER INCOME

	2025	2024
Interest income from bank deposits	11,462	27,074
Investment income from financial assets at fair value through profit or loss	1,161	25,497
Foreign exchange gain, net	—	823
Gain on disposal of property, plant and equipment	338	11
Others	14,993	21,420
	27,954	74,825

7. EXPENSES BY NATURE

	2025	2024
Cost of building construction	53,565	18,979
Depreciation of property, plant and equipment	1,228	1,173
Depreciation of right-of-use assets	10,622	11,629
Audit fees and non-audit fees	4,486	3,353
<i>Audit fees</i>		
— Auditor of the Company	2,040	2,700
— Other auditors	514	440
<i>Non-audit fees</i>		
— Auditor of the Company	370	—
— Other auditors	1,562	213
Employee benefits	59,958	55,641
Utility expenses	10,913	13,147
Advertising	1,149	680
Rental expenses	1,175	1,166
Property management service expenses	25,076	28,414
Intermediary and professional service charges	9,034	4,925
Other expenses	17,673	29,855
	194,879	168,962

8. FINANCE COSTS

	2025	2024
Interest on loans and borrowings	94,062	93,753
Interest on lease liabilities	337	648
	94,399	94,401

No borrowing cost has been capitalised for the year ended 31 December 2025 (2024: Nil).

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

9. OTHER EXPENSES

	2025	2024
Net fair value loss on financial instruments at fair value through profit or loss	16,875	28,334
Fair value loss on investment property	—	19,631
Bank charges	299	1,387
Foreign exchange loss, net	705	—
Others	1,052	218
	18,931	49,570

10. INCOME TAX AND DEFERRED TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Chinese Mainland — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Chinese Mainland, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in profit or loss.

The major components of income tax are as follows:

	2025	2024
Income tax charge/(credit):		
Current income tax	4,804	(4,402)
Deferred tax	11,201	1,892
Withholding tax	18,320	15,278
	34,325	12,768
Income tax charge as reported in profit or loss	34,325	12,768

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For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Chinese Mainland — withholding tax (continued)

A reconciliation between tax charge/(credit) in respect of the current year and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2025

	Hong Kong ("HK") and BVI		Chinese Mainland		Total	
Profit before tax	110,517	%**	(484)	%**	110,033	%**
Tax at the PRC statutory tax rate	27,629	25.0%	(121)	25.0%	27,508	25.0%
Effect of subsidiaries applying the non-statutory tax rate	2,981	2.7%	—	0.0%	2,981	2.7%
Income not subject to tax	(34,119)	(30.9%)	—	0.0%	(34,119)	(31.0%)
Profit and losses attributable to joint ventures and associates	(36)	0.0%	2,073	(428.0%)	2,037	1.9%
Non-deductible expenses for tax purposes	3,525	3.2%	548	(113.1%)	4,073	3.7%
Adjustments in respect of current tax of previous periods	—	0.0%	4,174	(861.6%)	4,174	3.8%
Utilisation/adjustment of previously unrecognised tax losses	—	0.0%	(3,040)	627.7%	(3,040)	(2.8%)
Unrecognised tax losses and deductible temporary differences	—	0.0%	12,391	(2,558.2%)	12,391	11.3%
Effect of withholding tax*	18,320	16.6%	—	0.0%	18,320	16.6%
Income tax as reported in the statement of profit or loss and other comprehensive income	18,300	16.6%	16,025	(3,308.2%)	34,325	31.2%

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Chinese Mainland — withholding tax (continued)

Year ended 31 December 2024

	HK and BVI		Chinese Mainland		Total	
Profit before tax	61,650	%**	6,992	%**	68,642	%**
Tax at the statutory tax rate	15,413	25.0%	1,748	25.0%	17,161	25.0%
Effect of subsidiaries applying the non-statutory tax rate	6,814	11.0%	—	0.0%	6,814	9.9%
Income not subject to tax	(33,904)	(55.0%)	(609)	(8.7%)	(34,513)	(50.3%)
Profit and losses attributable to joint ventures and associates	93	0.2%	7,802	111.6%	7,895	11.5%
Non-deductible expenses for tax purposes	6,095	9.9%	4,634	66.3%	10,729	15.6%
Adjustments in respect of current tax of previous periods	—	0.0%	(18,496)	(264.5%)	(18,496)	(26.9%)
Utilisation/adjustment of previously unrecognised tax losses	—	0.0%	(4,354)	(62.3%)	(4,354)	(6.3%)
Unrecognised tax losses and deductible temporary differences	—	0.0%	12,254	175.2%	12,254	17.9%
Effect of withholding tax*	15,278	24.8%	—	0.0%	15,278	22.3%
Income tax as reported in the statement of profit or loss and other comprehensive income	9,789	15.9%	2,979	42.6%	12,768	18.7%

* In 2025, the HK and BVI companies received interest and dividend income from Chinese Mainland amounting to RMB183,200 thousand (2024: RMB125,640 thousand), after the deduction of the withholding tax of RMB18,320 thousand (2024: RMB15,278 thousand).

** All percentages represent the ratio of the relevant item to the profit before tax for the respective jurisdiction.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Chinese Mainland — withholding tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2025	2024	2025	2024
Deferred tax assets/(liabilities)				
Fair value change and depreciation of investment property	(88,509)	(81,180)	(7,329)	373
Fair value change of financial instruments at fair value through profit or loss	(5,501)	(6,014)	513	2,456
Accrued expenses	—	133	(133)	12
Taxable timing difference for interest accrued	(31,208)	(27,402)	(3,806)	(5,415)
Provision for ECLs	181	225	(44)	(832)
Right-of-use assets	(3,269)	(3,411)	142	(9,022)
Lease liabilities	3,399	2,413	986	9,006
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Chinese Mainland	(33,443)	(33,443)	—	—
Loss available for offsetting against future taxable profits	—	1,530	(1,530)	1,530
Net deferred tax liabilities	(158,350)	(147,149)		
Deferred income tax charge			(11,201)	(1,892)

Deferred tax movements:

	2025	2024
As at 1 January	(147,149)	(145,257)
Deferred tax income recognised in profit or loss	(11,201)	(1,892)
As at 31 December	(158,350)	(147,149)
Deferred tax assets	—	—
Deferred tax liabilities	(158,350)	(147,149)

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Chinese Mainland — withholding tax (continued)

As at 31 December 2025, the unrecognized deductible temporary differences amounting to RMB177,080 thousand (2024: RMB262,337 thousand) and the unrecognized accumulated tax losses amounting to RMB83,134 thousand (2024: RMB136,012 thousand) mainly arose from those subsidiaries that have been loss-making for years. The unrecognized tax losses of RMB83,134 thousand (2024: RMB136,012 thousand) will expire in the coming one to five years. The Group estimated that there was no taxable income to utilise these tax losses and deductible temporary differences and there are no other tax planning opportunities or other evidence of recoverability in the near future.

11. DIVIDENDS

The Board recommends the payment of final dividend of HK\$0.0025 per ordinary share for the year ended 31 December 2025 (2024: HK\$0.0039). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

With the approval of the shareholders at the annual general meeting held on 19 June 2025 and the unaudited interim results announce held on 7 August 2025, the Company has paid the dividend of HK\$53,088 thousand.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,726,246,417 (2024: 9,726,246,417) in issue during the year.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

	2025	2024
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	73,295	44,317
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	9,726,246,417	9,726,246,417
Basic and diluted earnings per share (RMB)	0.0075	0.0046

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

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For the financial year ended 31 December 2025
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13. DEBT INSTRUMENTS AT AMORTISED COST

	2025	2024
Investments in debt instruments related to:		
Wuxi Gaoxin District Industrial Park Project	500,000	500,000
Yangzhou Hanjiang Industrial Upgrading Project	490,000	—
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	400,000	400,000
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	400,000	400,000
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	351,000	351,000
Wuxi Huishan IDTI Oral Innovative Medical Device Center Fixed-income Project	300,000	—
Liyang Economic Development Zone Aerodynamics Research Institute Project	200,000	—
Taizhou Xinghua Leisure Food Industrial Park Fixed-income Project	200,000	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	200,000	200,000
Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project	200,000	—
Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project	200,000	—
Wuxi Huishan State-owned Holding Fixed-income Project	133,866	—
Yangzhou Guangling Food Industrial Park Fixed-income Project	100,000	—
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	—	500,000
Zhuji Pingfengwu Ecological Cemetery Project	—	401,000
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	—	280,000
Taizhou Xinghua Urban Regeneration Project	—	200,000
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	—	150,000
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	—	100,000
Jingjiang Furuite Aluminum New Material Project	—	70,000
Others	199,207	122,707
	3,874,073	3,674,707
Accrued interest	63,371	54,354
	3,937,444	3,729,061
Less: allowance for ECLs	(397,687)	(413,291)
	3,539,757	3,315,770
Amounts due in the next 12 months classified as current assets	3,340,757	1,879,280
Amounts classified as non-current assets	199,000	1,436,490

As at 31 December 2025, the Group was entitled to fixed returns ranging from 6.00% to 10.00% (2024: 5.85% to 10.00%) per annum before tax for debt instruments at amortised cost.

Notes to Financial Statements

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(All amounts expressed in RMB'000 unless otherwise specified)

13. DEBT INSTRUMENTS AT AMORTISED COST (continued)

Movements of ECL allowance during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
At beginning of year	413,291	408,001
Credit loss (reversed)/recognised in profit or loss	(15,604)	5,290
At end of year	397,687	413,291

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to debt instruments at amortised cost is as follows:

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	3,329,061	—	400,000	3,729,061
New debt instruments	2,806,366	—	—	2,806,366
Recovery	(2,661,354)	—	—	(2,661,354)
Accrued interest	63,371	—	—	63,371
At 31 December 2025	3,537,444	—	400,000	3,937,444

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	2,800,106	—	400,000	3,200,106
New debt instruments	2,546,409	—	—	2,546,409
Recovery	(2,066,963)	—	—	(2,066,963)
Accrued interest	54,354	—	—	54,354
Foreign currency exchange	(4,845)	—	—	(4,845)
At 31 December 2024	3,329,061	—	400,000	3,729,061

For the debt instruments at amortised cost, the Group applies a general approach in calculating ECLs. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, credit losses expected within the next 12 months are estimated, otherwise, credit losses expected over the remaining life of the exposure are required.

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13. DEBT INSTRUMENTS AT AMORTISED COST (continued)

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its expected measurement of credit loss.

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3		
ECL allowance as at 1 January 2025	33,291	—	380,000		413,291
Provision and remeasurement	9,655	—	—		9,655
Reversal	(25,259)	—	—		(25,259)
At 31 December 2025	17,687	—	380,000		397,687
	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3		Total
ECL allowance as at 1 January 2024	28,001	—	380,000		408,001
Provision and remeasurement	23,564	—	—		23,564
Reversal	(18,274)	—	—		(18,274)
At 31 December 2024	33,291	—	380,000		413,291

An impairment analysis is performed at each reporting date by considering the PD of counterparty. The Group also takes into account the forward-looking information to reflect the counterparties' PD under the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2025, the PD applied ranged from 0.30%–0.70% (2024: 0.30%–0.70%) and the LGD was estimated to be 75% (2024: 75%) for 12-month ECLs. When measuring the credit loss for the impaired debt instruments at amortised cost (Stage 3), a discounted future cash flows is made by the Group in determining the LGD and a 95% (2024: 100%) PD is applied.

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025	2024
Wealth management products	(a)	11,903	13,071
Equity instruments	(b)	126,914	157,973
		138,817	171,044
Current portion		31,981	51,097
Non-current portion		106,836	119,947

(a) In 2025, the Group invested in wealth management products mainly issued by China Merchants Bank Co., Ltd and Ping An Bank Co., Ltd as part of cash management for the short term. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) The list of the equity investments and their fair values are as follows:

	2025	2024
Jiangsu Hong-tu Software Venture Capital Investment Ltd.	38,237	51,348
WeRide Inc.	20,078	38,026
Shenzhen Zhongke Micro-Light Medical Equipment Technology Co., Ltd.	11,638	11,638
Shenzhen Sibionics Co., Ltd.	10,143	10,143
Gongqingcheng Xuhui Guanding Investment Management Partnership (Limited Partnership)	21,818	21,818
Yixing Zengyang Xinzhan Equity Investment Partnership (Limited Partnership)	25,000	25,000
	126,914	157,973

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15. INVESTMENT PROPERTY

	Year ended 31 December 2025	Year ended 31 December 2024
At beginning of year	1,465,700	1,485,700
Subsequent expenditure and cost adjustment	—	(369)
Loss from change of fair value (Note 9)	—	(19,631)
At end of year	1,465,700	1,465,700

The Group owned an investment property of New Development International Centre, a building located in Wuhan, China that has retail, office and car park spaces for rental purpose. The fair value of the property was determined on the basis of valuation carried out by SINOVALUE ASSETS APPRAISAL CO., LTD, an independent professionally qualified valuer. The valuation was performed based on the income approach. As at 31 December 2025, the fair value of the investment property was RMB1,466 million (2024: RMB1,466 million).

The following amounts relating to the investment property have been recognised in profit or loss:

	Year ended 31 December 2025	Year ended 31 December 2024
Rental income (Note 5)	75,936	101,148
Property management income (Note 5)	24,400	32,306
Loss from decrease in fair value (Notes 9)	—	(19,631)
Direct operating expenses	(26,994)	(37,256)

The investment property is pledged for interest-bearing loans and borrowings (Note 24).

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16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
Original cost				
At 1 January 2024	19,465	10,542	4,762	34,769
Additions	—	483	—	483
Disposals	—	(63)	(202)	(265)
At 31 December 2024	19,465	10,962	4,560	34,987
Additions	—	642	—	642
Disposals	—	(357)	—	(357)
At 31 December 2025	19,465	11,247	4,560	35,272
Accumulated depreciation				
At 1 January 2024	11,774	9,800	4,756	26,330
Provided during the year	852	321	—	1,173
Disposals	—	(56)	(196)	(252)
At 31 December 2024	12,626	10,065	4,560	27,251
Provided during the year	788	440	—	1,228
Disposals	—	(354)	—	(354)
At 31 December 2025	13,414	10,151	4,560	28,125
Net carrying amount				
At 1 January 2024	7,691	742	6	8,439
At 31 December 2024	6,839	897	—	7,736
At 31 December 2025	6,051	1,096	—	7,147

17. LEASES

Group as a lessee

The Group has lease contracts for various items of buildings, motor vehicles and other equipment in its operations. Leases of buildings and motor vehicles generally have lease terms between 2 and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

17. LEASES (continued)

Group as a lessee (continued)

(a) Right-of-use assets

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

	Buildings	Motor vehicles	Land	Total
At 1 January 2024	27,666	269	1,452	29,387
Additions	612	—	—	612
Depreciation expense	(11,250)	(222)	(157)	(11,629)
At 31 December 2024	17,028	47	1,295	18,370
Additions	8,703	—	—	8,703
Depreciation expense	(10,418)	(47)	(157)	(10,622)
At 31 December 2025	15,313	—	1,138	16,451

(b) Lease liabilities

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

	2025	2024
At 1 January	12,904	23,961
New leases	8,375	612
Interest expense	337	648
Payments	(5,713)	(12,317)
At end of year	15,903	12,904
Current (Note 24)	11,102	11,639
Non-current (Note 24)	4,801	1,265

Lease liabilities are repayable:

	2025	2024
Within one year or on demand	11,102	11,639
In the second year	3,633	1,265
In the third to fifth years inclusive	1,168	—
As at 31 December	15,903	12,904

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

17. LEASES (continued)

Group as a lessee (continued)

(c) *The following are the amounts recognised in profit or loss:*

	2025	2024
Depreciation expense of right-of-use assets (included in administrative expenses)	10,622	11,629
Interest expense on lease liabilities (included in administrative expenses)	337	648
Expense relating to short-term leases (included in administrative expenses)	830	1,078
Expense relating to leases of low-value assets (included in administrative expenses)	345	88
	12,184	13,443

The Group had total cash outflows for leases of RMB6,888 thousand in 2025 (2024: RMB13,484 thousand). The Group had no significant commitments for short-term leases or leases of low-value assets at the end of the reporting period.

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of office and retail as well as car park spaces. These leases have terms of between 1 and 20 years. Rental income recognised by the Group during the year was RMB75,936 thousand (2024: RMB101,148 thousand).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2025	2024
Within one year	59,130	66,768
After one year but within two years	32,700	54,685
After two years but within three years	13,441	25,936
After three years but within four years	5,685	8,078
After four years but within five years	4,669	5,545
More than five years	4,773	3,944
	120,398	164,956

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

18. LAND DEVELOPMENT FOR SALE

	2025	2024
The Chinese Mainland — Shenyang Lixiang	781,215	781,066

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have an ownership title or land use rights to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects.

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

Impairment charge to state land development for sale at net realisable value

In 2022, the Board determined to dispose of the entire equity interest in Shenyang Lixiang. As at 31 December 2022, the disposal was not completed and the Board assessed the purchaser may not be able to perform its obligations to purchase the entire equity interest in Shenyang Lixiang in accordance with the terms of the agreement in the short term due to the financial position of the purchaser. Though the Company will continue to urge the purchaser to perform its obligations to purchase the equity interest in Shenyang Lixiang and seek for other buyers, the Board expected an impairment is incurred, due to the character of land development, adverse economic environment and real estate market in Shenyang, and fiscal position of local government.

As a result of the aforementioned, the Board assessed the net realisable value of the land development for sale and determined an impairment loss of RMB109 million was incurred and recognised for the year ended 31 December 2022. As at 31 December 2025, the Board reassessed the net realisable value of the land development for sale, with no additional impairment nor reversal of impairment was made.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

19. OTHER RECEIVABLES

	Notes	2025	2024
Balances due from Wuxi Project		20,977	20,977
Due from SREI	(i)	89,854	89,854
Balances due from entities disposed of		24,384	24,384
Due from joint ventures	(ii)	549,611	496,416
Due from associates		1,029	1,956
Others		53,670	55,876
		739,525	689,463
Less: allowance for ECLs		(85,071)	(78,819)
Other receivables, net		654,454	610,644

The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate of Stage 1 and Stage 2 was estimated to be 1% to 10% (2024: 1% to 9%), and the loss rate of Stage 3 was estimated to be 100% (2024: 100%). The movements in allowance of impairment are as follows:

	2025	2024
At beginning of year	78,819	70,327
Credit loss recognised in profit or loss	6,252	8,492
At end of year	85,071	78,819

- (i) The balances due from SREI is in relation to the disposal assets in 2017, after a series of settlements made between the Company and SREI. As at 31 December 2025, the balance due from SREI of RMB89,854 thousand (2024: RMB89,854 thousand) is secured by the shares and related rights of the Company owned by SREI, and the outstanding balance exceeding the value of the pledge is fully impaired.
- (ii) The balances due from joint ventures are mainly shareholder's loans lent to Guofa and Guowan to facilitate their daily operations, which are unsecured and interest-free and should be repayable on demand.

Notes to Financial Statements

For the financial year ended 31 December 2025
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20. TRADE RECEIVABLES

	2025	2024
Receivables from land development for sale	32,218	32,218
Others	9,891	17,462
	42,109	49,680
Less: allowance for ECLs	(3,957)	(4,051)
Trade receivables, net	38,152	45,629

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off in 2025. (2024: Nil).

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate was estimated to be ranging from 1% to 100% (2024: ranging from 1% to 100%). The movements in allowance of impairment are as follows:

	2025	2024
At beginning of year	4,051	18,986
Reversal of credit loss recognised in profit or loss	(94)	(14,935)
At end of year	3,957	4,051

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

	2025	2024
Within 6 months	6,257	13,715
6 months to 1 year	—	—
1 year to 2 years	—	—
2 years to 3 years	—	19
Over 3 years	31,895	31,895
	38,152	45,629

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

21. CASH AND BANK BALANCES

	2025	2024
Cash at banks	2,196,275	1,045,466

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's cash at banks are denominated in the following currencies:

RMB equivalent of the following currencies:

	2025	2024
RMB	2,188,378	990,222
HKD	1,950	5,577
USD	5,947	49,667
	2,196,275	1,045,466

RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

22. SHARE CAPITAL

Group and Company

	2025		2024	
	Number of shares (thousand)	Amount*	Number of shares (thousand)	Amount*
Ordinary shares authorised	20,000,000		20,000,000	
Ordinary shares issued and fully paid:				
Share capital at the end of the year	9,726,246	4,070,201	9,726,246	4,070,201

* There is no par value for the shares of the Company. In 2007, there was a share split whereby one existing share was split into 75,000 shares.

The holders of ordinary shares are entitled to receive dividends as and when they are declared by the board of directors and approved by the shareholders. Each ordinary share carries one vote without restrictions.

There was no movement in the Company's issued share capital during the year (2024: Nil).

Notes to Financial Statements

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23. OTHER RESERVES

Group

	Imputed equity contribution upon reorganisation	Capital contribution received upon the repurchase of convertible bonds	Others	Total
At 1 January 2024, 31 December 2024 and 2025	224,032	163,433	220,374	607,839

Company

	Imputed equity contribution upon reorganisation	Capital contribution received upon the repurchase of convertible bonds	Others	Total
At 1 January 2024, 31 December 2024 and 2025	1,557,445	163,433	191,805	1,912,683

Nature and purpose of other reserves

Imputed equity contribution upon reorganisation

The Company acquired several companies now comprising the Group from the then controlling shareholder on 20 December 2006. The Group applied the pooling of interests method to account for the business combination under common control. The reserve of the Group of RMB224,032 thousand represents the difference between the consideration paid by the Company for the business combination under common control and the accumulated equity contribution made by the then controlling shareholder.

The Company's reserve of RMB1,557,445 thousand represents the difference between the consideration paid by the Company for the business combination under common control and the fair value of the investments in the acquired companies.

Capital contribution received upon the repurchase of convertible bonds

This reserve of the Group and the Company represents the capital contribution from SREI in connection with the Company's repurchase of convertible bonds.

Other reserves

The other reserves of the Company represent the fair value change of the equity component of certain convertible bonds issued by the Company upon their purchase of RMB191,805 thousand.

The other reserves of the Group represent the fair value change of the equity component of certain convertible bonds issued by the Company upon their purchase of RMB191,805 thousand and other equity transaction with the joint venture and non-controlling shareholder of RMB39,201 thousand and RMB(10,632) thousand respectively.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

24. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

	2025	2024
Current interest-bearing loans and borrowings		
Lease liabilities (Note 17(b))	11,102	11,639
Bank loans — secured	55,761	55,886
Guaranteed bonds	1,540,319	40,563
Bonds payable	4,122	—
	1,611,304	108,088
Non-current interest-bearing loans and borrowings		
Lease liabilities (Note 17(b))	4,801	1,265
Bank loans — secured	493,955	549,124
Guaranteed bonds	—	1,498,194
Bonds payable	1,495,360	—
Other borrowings	151,062	144,176
	2,145,178	2,192,759
	3,756,482	2,300,847

The interest-bearing loans and borrowings are repayable as follows:

	2025	2024
Within 6 months	1,549,521	6,047
6 months to 9 months	30,030	27,992
9 months to 12 months	31,753	74,049
Current interest-bearing loans and borrowings	1,611,304	108,088
1 year to 2 years	274,014	56,443
2 years to 5 years	1,708,223	1,899,602
Over 5 years	162,941	236,714
Non-current interest-bearing loans and borrowings	2,145,178	2,192,759
	3,756,482	2,300,847

Notes to Financial Statements

For the financial year ended 31 December 2025
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24. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Group's interest-bearing loans and borrowings bore interest ranging from 2.95% to 7% per annum for the year ended 31 December 2025 (2024: ranging from 3.88% to 7% per annum).

Bank loans — secured

As at 31 December 2025, bank borrowings of RMB549,716 thousand (2024: RMB605,010 thousand) were secured by the investment property, whose carrying amount as at 31 December 2025 was RMB1.466 billion (2024: RMB1.466 billion).

Guaranteed bonds

As at 20 April 2023, Success, a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company's working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at a coupon rate of 3.98% and are guaranteed by Wuxi Communications.

Bonds payable

As at 27 November 2025, Success, a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of bonds with a maturity date of 27 November 2028. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,495 million, which will be used for refinancing the existing offshore debt. The bonds bear interest at a coupon rate of 2.95%.

25. TRADE PAYABLES

	2025	2024
Payable for land development for sale	58,946	58,946
Payable for building construction	33,432	27,816
	92,378	86,762

An ageing analysis of the Group's trade payables is as follows:

	2025	2024
Within 1 year	6,793	1,177
1 to 2 years	—	—
Over 2 years	85,585	85,585
	92,378	86,762

Trade payables are non-interest-bearing.



Notes to Financial Statements

For the financial year ended 31 December 2025

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26. OTHER PAYABLES AND ACCRUALS

	2025	2024
Payroll and welfare	16,487	11,269
Other taxes payable	21,873	21,436
Amounts due to related parties (Note 30(a))	20,743	20,469
Payable for intermediary and professional service charges	6,611	9,809
Dividend payables	587	359
Payable for investment property	5,448	5,767
Deposits	27,816	102,304
Others	105,993	90,740
	205,558	262,153

Terms and conditions of the above liabilities are as follows:

- Payroll and welfare are normally settled within the next month.
- Other payables, tax payables and accruals are non-interest-bearing and are normally settled when they are due or within one year.

27. ADVANCE FROM CUSTOMERS

	2025	2024
Rental received in advance	26,290	30,267

Receivables related to rent to tenants are billed three months in advance, non-interest-bearing and are typically due within 30 days.

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28. CONTRACT LIABILITIES

	2025	2024
Contract liabilities arising from:		
Building construction	154,772	216,948
Land development for sale	121,147	121,147
Property management	2,724	2,956
	278,643	341,051

As at 31 December 2025, the contract liabilities arising from land development for sale and building construction represent the amounts received or receivable from the land authorities or local governments to fulfil the performance obligation of land development and building construction services. The amounts received or receivable are non-refundable unless the Group fails to complete the development and construction work. The contract liabilities are classified as current liabilities as the remaining development and construction work is expected to be provided within the normal operating cycle.

29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

Employee benefits (including directors)

	2025	2024
Included in selling and administrative expenses:		
Wages and salaries	28,511	31,755
Social welfare other than pensions	5,896	6,812
Pension — defined contribution plan	6,315	6,196
Staff welfare and bonuses	19,236	10,878
	59,958	55,641

Directors' remuneration

Details of the directors' remuneration are as follows:

	2025	2024
Fees	1,671	3,087
Other emoluments:		
Salaries, allowances and benefits in kind	1,993	2,592
Social welfare other than pensions	145	188
Discretionary bonuses	624	915
Equity-settled share option expense	—	—
Pension scheme contributions	372	437
	4,805	7,219

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29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

(continued)

Directors' remuneration (continued)

The names of the directors and their remuneration for the year are set out below:

Year ended 31 December 2025	Fees	Salaries, allowances and benefits in kind	Social welfare other than pensions	Discretionary bonuses	Pension scheme contributions	Total
Feng Xiaoliang**	—	—	—	—	—	—
Yang Meiyu	—	1,459	97	624	232	2,412
Shi Janson Bing	723	—	—	—	36	759
Wang Hongxu**	—	—	—	—	—	—
Lo Wai Hung	361	—	—	—	—	361
Hu Zhiwei**	—	534	48	—	104	686
Liu Yanhong	—	—	—	—	—	—
Yuan Kejian	271	—	—	—	—	271
Ji Jiaming	316	—	—	—	—	316
Wang Yi*	—	—	—	—	—	—
Xie Zhen*	—	—	—	—	—	—
Qin Yangfan*	—	—	—	—	—	—
	1,671	1,993	145	624	372	4,805

* Joined as director in year 2025.

** Resigned as director in year 2025.

*** Total compensation packages for executive directors and supervisors for the year ended 31 December 2025 include discretionary bonuses, which are based on the overall Group's business performance and are subject to final evaluation and approval in 2026. Any variances arisen from the actual payout are not expected to have any significant impact on the Group's consolidated financial statements.

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29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

(continued)

Directors' remuneration (continued)

The names of the directors and their remuneration for the year are set out below: (continued)

Year ended 31 December 2024	Fees	Salaries, allowances and benefits in kind	Social welfare other than pensions	Discretionary bonuses	Pension scheme contributions	Total
Li Yao Min**	617	—	—	—	—	617
Feng Xiaoliang	—	—	—	—	—	—
Yang Meiyu	—	1,459	94	537	231	2,321
Shi Janson Bing	741	—	—	—	37	778
Henry Tan Song Kok**	379	—	—	—	—	379
Kong Siu Chee**	333	—	—	—	—	333
Zhang Hao**	201	—	—	—	—	201
Liu Yuhai**	—	—	—	—	—	—
Wang Hongxu	—	—	—	—	—	—
Lo Wai Hung	332	—	—	—	—	332
Hu Zhiwei	—	1,096	94	378	206	1,774
Liu Fangqing**	375	—	—	—	—	375
Liu Yanhong*	—	—	—	—	—	—
Yuan Kejian*	50	—	—	—	—	50
Ji Jiaming*	59	—	—	—	—	59
	3,087	2,555	188	915	474	7,219

* Joined as director in year 2024.

** Resigned as director in year 2024.

Five highest paid employees

The five highest paid employees of the Group during the year included one (2024: two) director, details of whose remuneration are set out above. Details of the remuneration of the remaining four (2024: three) non-director, highest paid employees for the year are as follows:

	2025	2024
Salaries, allowances and benefits in kind	2,623	2,123
Social welfare other than pensions	251	188
Discretionary bonuses	1,136	828
Pension scheme contributions	388	442
	4,398	3,581

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29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

(continued)

Five highest paid employees (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
Nil to HKD1,000,000	1	1
HKD1,000,001 to HKD1,500,000	2	1
HKD1,500,001 to HKD2,000,000	1	1
	4	3

30. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

With the completion of the share transfer in 2021, Xitong International holds 29.99% of the issued share capital of the Company and became the largest shareholder and CDBIH became the second largest shareholder.

Notes to Financial Statements

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30. RELATED PARTY DISCLOSURES (continued)

(a) Amounts due to related parties

	2025	2024
Other payables		
Shareholder of the Company and its parent:		
CDBIH	57	57
CDB Capital, holding company of CDBIH	80	80
	137	137
Associates:		
Kaiyuan Investment Advisor (HK) Limited	18	18
GP Holding Co	84	84
Meidi Elderly	20,000	20,000
	20,102	20,102
Joint venture:		
Guoying	504	230
	20,743	20,469

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30. RELATED PARTY DISCLOSURES (continued)

(b) Amounts due from related parties

	2025	2024
Other receivables		
Shareholder and a then parent of the Company:		
SREI	89,854	89,854
Less: ECLs	—	—
	89,854	89,854
Associates:		
GP Holding Co	—	85
Kaiyuan Investment Advisor (HK) Limited	1,029	1,871
Less: ECLs	(10)	(20)
	1,019	1,936
Joint ventures:		
Guowan	168,465	115,270
Guoyuan	1,125	1,125
Guofa	380,000	380,000
Guoying	21	21
Less: ECLs	(21,100)	(14,780)
	528,511	481,636
	619,384	573,426

(c) Debt instruments at amortised cost

	2025	2024
Interest-bearing loans:		
Joint ventures:		
Guowan	—	19,567
Guoying	152,587	141,954
Less: ECLs	(763)	(1,615)
	151,824	159,906

Notes to Financial Statements

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30. RELATED PARTY DISCLOSURES (continued)

- (d) In addition to the balances detailed in notes 30(a), 30(b) and 30(c) above, the Group had the following material transactions with related parties during the years ended 31 December 2025 and 2024:

	Notes	2025	2024
Transactions with joint ventures			
Financial guarantee to Guoying	(i)	250,000	250,000
Interest income from Guowan	(ii)	863	615
Interest income from Guoying	(iii)	6,258	4,847
Rent fee from Kaiyuan Investment Advisor (HK) Limited	(iv)	517	525

Notes:

- (i) A financial guarantee to the extent of RMB250 million (2024: RMB250 million) was provided to Guoying.
- (ii) A loan of RMB15,000 thousand was lent to Guowan in 2019 which was unsecured, interest-bearing at 6% per annum and rollover to 2025. The carrying amount of the loan was nil as at 31 December 2025 (2024: RMB19,567 thousand), of which the Group earned interest income of RMB863 thousand in 2025 (2024: RMB615 thousand).
- (iii) A loan of RMB75,000 thousand was lent to Guoying in 2021 which was unsecured, interest-bearing at 5.88% per annum and repayable on demand. In 2025, the principal of the loan increased by RMB4,000 thousand and the carrying amount of the loan was RMB152,587 thousand (2024: RMB141,954 thousand). The Group earned interest income of RMB6,258 thousand in 2025 (2024: RMB4,847 thousand).
- (iv) Rental income was generated by CNT Holding renting out offices to Kaiyuan Investment Advisor (HK) Limited.

- (e) **Compensation of key management personnel of the Group:**

	2025	2024
Short-term employee benefits	9,777	12,372

Further details of directors' remuneration are disclosed in note 29 to the financial statements.

Notes to Financial Statements

For the financial year ended 31 December 2025

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31. COMMITMENTS

As at 31 December 2025 and 2024, the Group mainly had capital commitments in respect of land development for sale and various investments as follows:

	2025	2024
Commitments in respect land development		
Contracted, but not provided for	154,849	158,790
Authorised, but not contracted for	3,155,117	3,208,682
Commitments in respect of equity investment		
Contracted, but not provided for	543,542	141,607
Authorised, but not contracted for	—	—
Commitments in respect of capital contribution to joint ventures		
Contracted, but not provided for	204,320	200,000
Authorised, but not contracted for	—	—
Total	4,057,828	3,709,079

The Group had significant commitments in respect of land development for sale as it had entered into two urbanisation development projects in Shanghai and Shenyang and these commitments are quantified based on contracts, feasibility studies and detailed plans for the respective projects. As a result, the Group prepares cash flow budgets for major project companies annually and updates the cash flow budgets regularly.

32. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Chinese Mainland.

- Urbanisation investment segment, which is responsible for fixed-income projects related to new-type urbanisation;
- Property leasing segment, which provides property leasing services of investment property;
- Building construction segment, which provides construction of ancillary public facilities; and
- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

32. OPERATING SEGMENT INFORMATION (continued)

An analysis by operating segment is as follows:

	Year ended 31 December 2025					Total
	Urbanisation investment	Property leasing	Building construction	Others	Reconciliation and eliminations	
Segment results						
External sales	231,406	100,336	57,175	—	—	388,917
Intersegment sales	—	—	—	—	—	—
Total segment sales	231,406	100,336	57,175	—	—	388,917
Results						
Depreciation	(10,499)	(62)	(3)	(1,286)	—	(11,850)
Share of losses of joint ventures and associates	—	(3,674)	(1,167)	(3,234)	—	(8,075)
Fair value loss on financial instruments at fair value through profit or loss	(16,875)	—	—	—	—	(16,875)
Segment profit/(loss)	161,061	20,011	(3,060)	26,420	(94,399)¹	110,033
Segment assets	6,134,725	1,633,282	163,169	1,334,194	—	9,265,370
Segment liabilities	68,183	55,078	196,870	288,484	3,935,365²	4,543,980
Other disclosures						
Investments in joint ventures and associates	—	136,678	55,832	222,388	—	414,898
Capital expenditure ³	627	15	—	—	—	642
Interest income	231,199	312	28	11,329	—	242,868

¹ profit/(Loss) for each operating segment does not include finance costs of RMB94,399 thousand.

² Liabilities in segments do not include current income tax liabilities of RMB20,533 thousand, interest-bearing loans and borrowings of RMB3,756,482 thousand, and deferred tax liabilities of RMB158,350 thousand as these liabilities are managed on a group basis.

³ Capital expenditure consists of additions of property, plant and equipment of RMB642 thousand.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

32. OPERATING SEGMENT INFORMATION (continued)

	Year ended 31 December 2024 (restated)					Total
	Urbanisation investment	Property leasing	Building construction	Others	Reconciliation and eliminations	
Segment results						
External sales	184,996	133,454	18,919	—	—	337,369
Intersegment sales	—	—	—	—	—	—
Total segment sales	184,996	133,454	18,919	—	—	337,369
Results						
Depreciation	(10,963)	(132)	(3)	(1,704)	—	(12,802)
Share of losses of joint ventures and associates	—	(9,668)	(18,581)	(3,523)	—	(31,772)
Fair value loss on investment property	—	(19,631)	—	—	—	(19,631)
Fair value loss on financial instruments at fair value through profit or loss	(28,334)	—	—	—	—	(28,334)
Segment profit/(loss)	81,785	73,981	5,956	1,321	(94,401)¹	68,642
Segment assets	4,677,230	1,662,532	181,029	1,374,963	—	7,895,754
Segment liabilities	122,726	66,089	254,542	282,776	2,471,211²	3,197,344
Other disclosures						
Investments in joint ventures and associates	—	140,351	56,999	226,550	—	423,900
Capital expenditure ³	453	(350)	11	—	—	114
Interest income	203,185	406	20	8,459	—	212,070

¹ Profit/(loss) for each operating segment does not include finance costs of RMB94,401 thousand.

² Liabilities in segments do not include current income tax liabilities of RMB23,215 thousand, interest-bearing loans and borrowings of RMB2,300,847 thousand, and deferred tax liabilities of RMB147,149 thousand as these liabilities are managed on a group basis.

³ Capital expenditure consists of additions of property, plant and equipment of RMB483 thousand and cost adjustment of investment property of RMB369 thousand.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise loans and borrowings. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as debt instruments at amortised cost, financial assets at fair value through profit or loss, trade and other receivables, cash and bank balances, and trade and other payables which arose directly from its operations. The main risks faced by the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances, debt instruments at amortised cost and interest-bearing loans and borrowings.

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit before tax. Fair value changes of the financial instruments are not considered. In assessing the risk exposure to the changes in market interest, the maturity date of the financial assets and liabilities with fixed interest rate are treated as repricing date. The Group's equity is not affected, other than the consequential effect on the changes in profit/(loss) before tax as disclosed below.

	2025	2024
Increase/(decrease) in interest rates (basis points)	100/(100)	100/(100)
Increase/(decrease) in profit/(loss) before tax	19,796/(19,796)	20,903/(20,903)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, and restrictive measures were imposed by the government on foreign exchange access in order to balance the books and maintain the national currency exchange rate. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt instruments at amortised cost, and financial instruments at fair value through profit or loss.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to reasonably possible changes in the USD, HKD and EUR exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the carrying amount of monetary assets and liabilities), without take into account the consequence of the hedge instruments. The Group's equity is not affected, other than the consequential effect on the changes in the profit/(loss) before tax as disclosed below.

	2025	2024
Increase/(decrease) in the USD exchange rate	5%/(5%)	5%/(5%)
Increase/(decrease) in profit/(loss) before tax	175/(175)	4,385/(4,385)
Increase/(decrease) in the HKD exchange rate	5%/(5%)	5%/(5%)
Increase/(decrease) in profit/(loss) before tax	(607)/607	279/(279)

Credit risk

Credit risk arises from cash and bank balances, debt instruments at amortised cost, trade receivables and other receivables, the balances of which represent the maximum credit risk exposure of the Group. As at 31 December 2025 and 2024, a large portion of the net receivables was from the investment in urbanisation investment and the revenue derived from land development for sale, and there was a significant other receivable as mentioned in note 19 to the financial statements, which constitutes a counterparty concentration of credit risk.

Credit risk is monitored by the Group, whose responsibility is to review and manage credit risk for all types of counterparties. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including any regular collateral revisions. The Group has also established a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. The Group manages the credit risk by monitoring the internal credit rating of the counterparties, and the credit quality of assets, to identify exposure to credit risk.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As at 31 December 2025

	12-month ECL		Lifetime ECLs		Simplified approach	Total
	Stage 1	Stage 2	Stage 3			
Debt instruments at amortised cost*						
— Pass	3,537,444	—	—	—	—	3,537,444
— Loss	—	—	400,000	—	—	400,000
Trade receivables**	—	—	—	—	42,109	42,109
Other receivables***	506,220	168,465	64,840	—	—	739,525
Financial guarantee	250,000	—	—	—	—	250,000
	4,293,664	168,465	464,840	42,109	—	4,969,078

As at 31 December 2024

	12-month ECL		Lifetime ECLs		Simplified approach	Total
	Stage 1	Stage 2	Stage 3			
Debt instruments at amortised cost*						
— Pass	3,329,061	—	—	—	—	3,329,061
— Loss	—	—	400,000	—	—	400,000
Trade receivables**	—	—	—	—	49,680	49,680
Other receivables***	495,299	115,270	78,894	—	—	689,463
Financial guarantee	250,000	—	—	—	—	250,000
	4,074,360	115,270	478,894	49,680	—	4,718,204

* The Group established a balanced score card model to assess the credit rating of the debt instruments based on different dimensions and classified to five categories. Which are pass, special mention, sub-standard, doubtful and loss. Among the five-category classification, the credit rate of pass was divided into Stage 1, the credit rate of special mention was divided into Stage 2 and the others are divided into Stage 3.

** For trade receivables to which the Group applies the simplified approach for impairment, information based on the historical credit loss experience is disclosed in note 20 to the financial statements.

*** The other receivables are classified to Stage 1 when they are not past due and there is no information indicating that the other receivables had a significant increase in credit risk since initial recognition, otherwise, the other receivables are classified to Stage 2. The other receivables are classified to Stage 3 when there is evidence indicating the assets are credit impaired.

Further quantitative and qualitative information in respect of the Group's exposure to credit risk arising from debt instruments at amortised cost, other receivables and trade receivables are disclosed in notes 13, 19 and 20 to the financial statements, respectively.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents to have available funding through the use of loans and borrowings to meet its commitments over the foreseeable future in accordance with its strategic plan.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2025						
Interest-bearing loans and borrowings (excluding lease liabilities)	—	—	1,661,231	2,102,267	214,744	3,978,242
Lease liabilities	—	3,985	7,007	5,006	—	15,998
Trade payables	92,378	—	—	—	—	92,378
Other liabilities	167,198	—	—	—	—	167,198
	259,576	3,985	1,668,238	2,107,273	214,744	4,253,816
31 December 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest-bearing loans and borrowings (excluding lease liabilities)	—	5,994	131,633	2,031,853	335,948	2,505,428
Lease liabilities	—	523	11,405	1,287	—	13,215
Trade payables	86,762	—	—	—	—	86,762
Other liabilities	229,448	—	—	—	—	229,448
	316,210	6,517	143,038	2,033,140	335,948	2,834,853

Capital management

The primary objective of the Group's capital management is to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds, issue convertible bonds or new shares.

As the Group is principally engaged in building construction, urbanisation investment, property leasing operation and investments in debt instruments, it needs a substantial amount of funds. The Group manages capital by closely monitoring its gearing ratio (which is defined by management as net debt divided by capital plus net debt).

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Net debt includes interest-bearing loans and borrowings and excludes cash and bank balances. Equity includes equity attributable to equity holders of the parent and non-controlling interests. The gearing ratios are calculated as follows:

	2025	2024
Interest-bearing loans and borrowings	3,756,482	2,300,847
Less: Cash and bank balances	(2,196,275)	(1,045,466)
Net debt	1,560,207	1,255,381
Capital:		
Total equity	4,721,390	4,698,410
Capital and net debt	6,281,597	5,953,791
Gearing ratio	24.8%	21.1%

Collateral held

The Group did not hold any collateral as at 31 December 2025 and 2024.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Other receivables	—	654,454	654,454
Trade receivables	—	38,152	38,152
Debt instruments at amortised cost	—	3,539,757	3,539,757
Cash and bank balances	—	2,196,275	2,196,275
Financial assets at fair value through profit or loss	138,817	—	138,817
	138,817	6,428,638	6,567,455

Financial liabilities

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	3,756,482	3,756,482
Trade payables	92,378	92,378
Others	166,611	166,611
	4,015,471	4,015,471

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Other receivables	—	610,644	610,644
Trade receivables	—	45,629	45,629
Debt instruments at amortised cost	—	3,315,770	3,315,770
Cash and bank balances	—	1,045,466	1,045,466
Financial assets at fair value through profit or loss	171,044	—	171,044
	171,044	5,017,509	5,188,553

Financial liabilities

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	2,300,847	2,300,847
Trade payables	86,762	86,762
Others	229,089	229,089
	2,616,698	2,616,698

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2025:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2025	138,817	20,078	11,903	106,836
Investment property (Note 15)	31 December 2025	1,465,700	—	—	1,465,700

There were no transfers between Level 2 and Level 3 fair value measurements during the year ended 31 December 2025. Financial assets measured at fair value through profit or loss were transferred from Level 2 to Level 1 during the year ended 31 December 2025. The amount of these assets was RMB38,026 thousand as of 31 December 2024, and RMB20,078 thousand as of 31 December 2025. As WeRide Inc. restricted trading period ended in 2025, its fair value can be measured through unadjusted quotations in an active market.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2024	171,044	—	51,097	119,947
Investment property (Note 15)	31 December 2024	1,465,700	—	—	1,465,700

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2024. Financial assets at fair value through profit or loss of shares in WeRide Inc. were transferred out of Level 3 to Level 2 during the year ended 31 December 2024, whose amount was RMB43,872 thousand as at 31 December 2023 and RMB38,026 thousand as at 31 December 2024. Since WeRide Inc. had been listed in 2024 and had a restricted trading period, the fair value could be measured by significant observable inputs.

Assets and liabilities in Level 2

Valuation techniques used to derive Level 2 fair values are as follows:

Level 2 financial assets at fair value through profit or loss comprise wealth management products. For wealth management products, fair value was determined by the quoted price of the net asset value by financial institutions as at the end of the reporting period.

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Assets and liabilities in Level 3

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2025 and 2024 are shown below:

	Valuation technique	Significant unobservable inputs	31 December 2025	31 December 2024
Office	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	84	83
		Long term vacancy rate	16–25%	19–28%
Retail	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	99–134	163
		Long term vacancy rate	16–31%	25%
Car park	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	390	390
		Long term vacancy rate	30%	30%
Non-listed equity investments	Discounted cashflow approach	Discount rate	Not applicable	6.5%
	Market valuation approach	Discounts for lack of marketability	37.3%	25.6%

Sensitivity analysis of the significant unobservable inputs to fair value:

The higher net yield used in the fair value measurement of office, the retail and the car park spaces, the lower the fair value;

The higher the estimated rental value used in the fair value measurement of office, the retail and the car park spaces, the higher the fair value;

The higher the long term vacancy rate used in the fair value measurement of office and the retail spaces, the lower the fair value;

The higher net yield used in the fair value measurement of non-listed equity investments, the lower the fair value;

The higher the discounts for lack of marketability used in the fair value measurement of non-listed equity investments, the lower the fair value.

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Assets and liabilities in Level 3 (continued)

The movements of financial assets at fair value through profit or loss in fair value measurements within Level 3 during the year are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
At beginning of year	119,947	165,348
Total losses recognised in profit or loss	(2,000)	(1,529)
Transfer to level 2	—	(43,872)
Disposals	(11,111)	—
At end of year	106,836	119,947

36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank loans and other borrowings	Guaranteed bonds	Bonds payable	Lease liabilities	Total
At 1 January 2025	749,186	1,538,757	—	12,904	2,300,847
Changes from financing cash flows	(55,169)	—	1,495,214	(5,713)	1,434,332
New leases	—	—	—	8,375	8,375
Interest accrued	28,532	61,262	4,268	337	94,399
Interest paid	(21,771)	(59,700)	—	—	(81,471)
At 31 December 2025	700,778	1,540,319	1,499,482	15,903	3,756,482

	Bank loans and other borrowings	Guaranteed bonds	Bonds payable	Lease liabilities	Total
At 1 January 2024	757,435	1,537,253	—	23,961	2,318,649
Changes from financing cash flows	(15,087)	1,504	—	(12,317)	(25,900)
New leases	—	—	—	612	612
Interest accrued	33,890	59,863	—	648	94,401
Interest paid	(27,052)	(59,863)	—	—	(86,915)
At 31 December 2024	749,186	1,538,757	—	12,904	2,300,847

Notes to Financial Statements

For the financial year ended 31 December 2025

(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2025	2024
Assets			
Non-current assets			
Investments in subsidiaries	3	2,764,853	2,764,853
Property, plant and equipment		3	6
Right-of-use assets		434	230
Total non-current assets		2,765,290	2,765,089
Current assets			
Other receivables		203,248	203,263
Cash and bank balances		1,330	975
Amounts due from subsidiaries		198,311	255,878
Total current assets		402,889	460,116
Total assets		3,168,179	3,225,205
Equity and liabilities			
Equity			
Equity holders of the parent:			
Share capital	22	4,070,201	4,070,201
Accumulated losses		(2,826,541)	(2,769,237)
Other reserves	23	1,912,683	1,912,683
Total equity		3,156,343	3,213,647

Notes to Financial Statements

For the financial year ended 31 December 2025
(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows:
(continued)

	Notes	2025	2024
Non-current liabilities			
Lease liabilities		278	108
Total non-current liabilities		278	108
Current liabilities			
Other payables and accruals		11,398	11,269
Lease liabilities		160	181
Total current liabilities		11,558	11,450
Total liabilities		11,836	11,558
Total equity and liabilities		3,168,179	3,225,205
Net current assets		391,331	448,666

Liu Yanhong
Chairman

Yang Meiyu
President and Executive Director

Notes to Financial Statements

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(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

Note:

A summary of the Company's reserves is as follows:

	Other reserves	Accumulated losses	Total reserves
As at 1 January 2024	1,912,683	(2,724,956)	(812,273)
Total comprehensive loss	—	(14,111)	(14,111)
Dividends	—	(30,170)	(30,170)
As at 31 December 2024	1,912,683	(2,769,237)	(856,554)
Total comprehensive loss	—	(8,478)	(8,478)
Dividends	—	(48,826)	(48,826)
As at 31 December 2025	1,912,683	(2,826,541)	(913,858)

There were no movements in other reserves during the years ended 31 December 2025 and 2024.

38. EVENTS AFTER THE REPORTING PERIOD

As of 20 March 2026, there was no significant event occurred after the reporting period.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 20 March 2026.



NEW TOWN

China New Town Development Company Limited
中國新城鎮發展有限公司

Stock Code: 1278