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China New City Group Limited
中國新城市集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1321)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Change
	2025	2024	
	RMB'000	RMB'000	
Revenue	739,703	4,103,756	-82.0%
Gross profit	91,069	2,059,209	-95.6%
(Loss)/profit for the year	(290,988)	485,768	-159.9%
(Loss)/profit attributable to owners of the parent	(276,190)	503,909	-154.8%
(Loss)/earnings per share attributable to ordinary equity holders of the parent			
– Basic	RMB(14.3) cents	RMB25.1 cents	
– Diluted	RMB(14.3) cents	RMB25.1 cents	
	As at 31 December		Change
	2025	2024	
	RMB'000	RMB'000	
Total assets	12,955,520	13,385,727	-3.2%
Net assets	4,578,407	5,342,134	-14.3%
Net assets value per share	RMB2.48	RMB2.66	-6.8%

The board of directors (the “**Board**” or the “**Directors**”) of China New City Group Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**FY2025**”), together with the comparative figures for the corresponding year ended 31 December 2024 (the “**FY2024**”), and such annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and agreed with the auditors of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Revenue	4	739,703	4,103,756
Cost of sales		<u>(648,634)</u>	<u>(2,044,547)</u>
Gross profit		91,069	2,059,209
Other income and gains, net	4	206,659	54,956
Selling and distribution expenses		(117,507)	(147,582)
Administrative expenses		(112,365)	(120,407)
Impairment losses on financial assets, net		(103,460)	(10,391)
Other expenses		(43,807)	(84,859)
Finance costs	5	(210,609)	(118,180)
Share of profits and losses of			
Joint ventures		–	(7,264)
Associates		11,050	–
Changes in fair value of investment properties		<u>(90,263)</u>	<u>(495,100)</u>
(Loss)/profit before tax	6	(369,233)	1,130,382
Income tax credit/(expense)	7	<u>78,245</u>	<u>(644,614)</u>
(Loss)/profit for the year		<u>(290,988)</u>	<u>485,768</u>
Attributable to:			
Owners of the parent		(276,190)	503,909
Non-controlling interests		<u>(14,798)</u>	<u>(18,141)</u>
		<u>(290,988)</u>	<u>485,768</u>
(Loss)/earnings per share attributable to ordinary equity holders of the parent	8		
Basic		<u>RMB(14.3) cents</u>	<u>RMB25.1 cents</u>
Diluted		<u>RMB(14.3) cents</u>	<u>RMB25.1 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/profit for the year	<u>(290,988)</u>	<u>485,768</u>
Other comprehensive income		
Other comprehensive income that may be reclassified to (loss)/profit in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(26,688)</u>	<u>10,114</u>
Net other comprehensive income that may be reclassified to (loss)/profit in subsequent periods	<u>(26,688)</u>	<u>10,114</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(16,380)	17,370
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(21,879)	(17,041)
Income tax effect	<u>5,470</u>	<u>4,260</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(32,789)</u>	<u>4,589</u>
Total comprehensive income for the year	<u>(350,465)</u>	<u>500,471</u>
Attributable to:		
Owners of the parent	(335,667)	518,612
Non-controlling interests	<u>(14,798)</u>	<u>(18,141)</u>
	<u>(350,465)</u>	<u>500,471</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property and equipment		2,099,852	2,183,115
Investment properties		4,997,100	4,336,900
Properties under development		444,573	439,451
Right-of-use assets		7,170	17,081
Equity investments designated at fair value through other comprehensive income		–	340,354
Long term prepayments		41,962	358,632
Investments in joint ventures		–	24,499
Investments in Associates		677,605	–
Deferred tax assets		55,573	36,959
Restricted cash		105,000	–
		<hr/>	<hr/>
Total non-current assets		8,428,835	7,736,991
Current assets			
Completed properties held for sale		2,968,681	4,085,699
Inventories		23,593	24,425
Trade receivables	<i>10</i>	18,853	61,081
Prepayments, other receivables and other assets		233,520	326,819
Amounts due from a related company		1,093,521	237,788
Financial assets at fair value through profit or loss		36	37
Restricted cash		116,247	47,088
Cash and cash equivalents		65,334	838,999
Investment properties classified as held for sale		6,900	26,800
		<hr/>	<hr/>
Total current assets		4,526,685	5,648,736
Current liabilities			
Trade payables	<i>11</i>	914,643	1,543,308
Other payables and accruals		317,361	301,256
Contract liabilities		356,200	923,714
Amounts due to related companies		33,929	46,479
Interest-bearing bank and other borrowings		267,766	1,072,160
Lease liabilities		5,270	10,669
Tax payable		1,013,526	1,157,891
		<hr/>	<hr/>
Total current liabilities		2,908,695	5,055,477

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*31 December 2025*

	2025 RMB'000	2024 <i>RMB'000</i>
Net current assets	<u>1,617,990</u>	<u>593,259</u>
Total assets less current liabilities	<u>10,046,825</u>	<u>8,330,250</u>
Non-current liabilities		
Interest-bearing bank and other borrowings	4,789,473	2,327,020
Deferred tax liabilities	668,065	640,576
Lease liabilities	<u>10,880</u>	<u>20,520</u>
Total non-current liabilities	<u>5,468,418</u>	<u>2,988,116</u>
Net assets	<u>4,578,407</u>	<u>5,342,134</u>
Equity		
Equity attributable to owners of the parent		
Share capital	145,035	160,220
Reserves	<u>4,370,752</u>	<u>5,105,278</u>
	4,515,787	5,265,498
Non-controlling interests	<u>62,620</u>	<u>76,636</u>
Total equity	<u>4,578,407</u>	<u>5,342,134</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. Corporate and Group information

China New City Group Limited (the “**Company**”) is a limited liability company incorporated as an exempted company in the Cayman Islands on 2 July 2013 under the Companies Act of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was separately listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with the stock code “1321” on 10 July 2014 and raised capital amounting to HK\$608 million from the market.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) were members of Zhong An Group Limited (“**Zhong An**”) and its subsidiaries (“**Zhong An Group**”). Zhong An, the shares of which have been listed on the Main Board of the Stock Exchange since November 2007, is the intermediate holding company of Zhong An Group.

The Group is principally engaged in commercial property development, leasing and hotel operations.

In the opinion of the Company’s directors (the “**Directors**”), the ultimate holding company of the Company is New Whole Good Limited, a company incorporated in the British Virgin Islands on 3 June 2025.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards which comprise standards and interpretations approved by the International Accounting Standards Board (the “**IASB**”), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, investment properties classified as held for sale, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value as explained in the accounting policies set out below. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company 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 with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to 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 or amendment that has been issued but is not yet effective.

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 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 Issued but not yet effective IFRS Accounting Standards

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 Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
Annual Improvements to IFRS Accounting Standards	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹
– Volume 11	

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

The Group is in the process of making an assessment of the impact of these new and revised standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and revised standards are unlikely to have a significant impact on the Group's results of operations and financial position.

3. Operating segment information

For management purposes, the Group is organised into business units based on income derived from business and has four reportable operating segments as follows:

- (a) the commercial property development segment develops and sells commercial properties in Chinese Mainland and Japan;
- (b) the property rental segment leases investment properties in Chinese Mainland;
- (c) the hotel operations segment owns and operates hotels; and
- (d) the "others" segment comprises, the Group's project management business and other business that the Group is involved in.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income and finance costs are excluded from the measurement.

Segment assets exclude deferred tax assets, tax recoverable, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2025	Commercial property development RMB'000	Property rental RMB'000	Hotel operations RMB'000	Other services RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	339,438	150,806	198,012	51,447	739,703
Intersegment sales	–	13,449	–	8,371	21,820
	<u>339,438</u>	<u>164,255</u>	<u>198,012</u>	<u>59,818</u>	<u>761,523</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(21,820)</u>
Revenue					<u><u>739,703</u></u>
Segment results	(158,361)	(12,816)	(62,717)	35,731	(198,163)
<i>Reconciliation:</i>					
Interest income					39,539
Finance costs					<u>(210,609)</u>
Loss before tax					<u><u>(369,233)</u></u>
Segment assets	7,208,630	5,146,611	1,670,702	975,559	15,001,502
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(2,237,882)
Corporate and other unallocated assets					<u>191,900</u>
Total assets					<u><u>12,955,520</u></u>
Segment liabilities	1,344,313	1,529,839	358,096	643,917	3,876,165
<i>Reconciliation:</i>					
Elimination of intersegment payables					(2,237,882)
Corporate and other unallocated liabilities					<u>6,738,830</u>
Total liabilities					<u><u>8,377,113</u></u>
Other segment information:					
Share of profit of an associate	–	–	–	11,050	11,050
Impairment losses recognized in the statement of profit or loss	–	–	30,529	107,437	137,966
Depreciation and amortisation	11,589	6,225	80,441	14,554	112,809
Investment in associates	–	–	–	677,605	677,605
Capital expenditure	<u>128</u>	<u>40,845</u>	<u>12,769</u>	<u>18,303</u>	<u>72,045</u>

Year ended 31 December 2024	Commercial property development <i>RMB '000</i>	Property rental <i>RMB '000</i>	Hotel operations <i>RMB '000</i>	Other services <i>RMB '000</i>	Total <i>RMB '000</i>
Segment revenue					
Sales to external customers	3,704,508	122,274	224,586	52,388	4,103,756
Intersegment sales	–	20,052	–	3,873	23,925
	3,704,508	142,326	224,586	56,261	4,127,681
<i>Reconciliation:</i>					
Elimination of intersegment sales					(23,925)
Revenue					<u>4,103,756</u>
Segment results	1,776,220	(488,642)	(31,514)	(24,790)	1,231,274
<i>Reconciliation:</i>					
Interest income					17,288
Finance costs					(118,180)
Profit before tax					<u>1,130,382</u>
Segment assets	6,201,139	4,673,438	1,913,326	765,905	13,553,808
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(1,144,777)
Corporate and other unallocated assets					976,696
Total assets					<u>13,385,727</u>
Segment liabilities	2,479,054	371,202	679,232	412,300	3,941,788
<i>Reconciliation:</i>					
Elimination of intersegment payables					(1,144,777)
Corporate and other unallocated liabilities					5,246,582
Total liabilities					<u>8,043,593</u>
Other segment information:					
Share of losses of joint ventures	–	–	–	7,264	7,264
Impairment losses recognized in the statement of profit or loss	–	–	49,141	28,523	77,664
Depreciation and amortisation	9,642	6,408	77,292	28,442	121,784
Investment in joint ventures	–	–	–	24,499	24,499
Capital expenditure	11,618	8,824	22,907	1,641	44,990

Geographical information

(a) Revenue from external customers

Revenue	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	739,178	4,103,008
Others	525	748
	<u>739,703</u>	<u>4,103,756</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Non-current assets	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	8,313,977	7,299,787
Others	59,285	59,891
	<u>8,373,262</u>	<u>7,359,678</u>

The non-current asset information above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and deferred tax assets.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024.

4. Revenue, other income and gains, net, and other expenses

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	588,897	3,981,482
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	<u>150,806</u>	<u>122,274</u>
	<u>739,703</u>	<u>4,103,756</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2025

Segments	Commercial property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	339,438	–	–	339,438
Hotel operation services	–	198,012	–	198,012
Other services	–	–	51,447	51,447
Total revenue from contracts with customers	<u>339,438</u>	<u>198,012</u>	<u>51,447</u>	<u>588,897</u>
Timing of revenue recognition				
At a point in time	339,438	198,012	–	537,450
Over time	–	–	51,447	51,447
Total revenue from contracts with customers	<u>339,438</u>	<u>198,012</u>	<u>51,447</u>	<u>588,897</u>

For the year ended 31 December 2024

Segments	Commercial property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	3,704,508	–	–	3,704,508
Hotel operation services	–	224,586	–	224,586
Other services	–	–	52,388	52,388
	<u>3,704,508</u>	<u>224,586</u>	<u>52,388</u>	<u>3,981,482</u>
Total revenue from contracts with customers	<u>3,704,508</u>	<u>224,586</u>	<u>52,388</u>	<u>3,981,482</u>
Timing of revenue recognition				
At a point in time	3,704,508	224,586	–	3,929,094
Over time	–	–	52,388	52,388
	<u>3,704,508</u>	<u>224,586</u>	<u>52,388</u>	<u>3,981,482</u>
Total revenue from contracts with customers	<u>3,704,508</u>	<u>224,586</u>	<u>52,388</u>	<u>3,981,482</u>

Revenue from the sale of properties recognised during the year ended 31 December 2025 that was included in contract liabilities at the beginning of the reporting period amounted to RMB371,159,000 (2024: RMB3,002,283,000).

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Subsidy income (a)	935	478
Interest income	39,539	17,288
Others	7,485	7,049
	<u>47,959</u>	<u>24,815</u>
Gains		
Gain on remeasurement of investments in an associate (b)	153,398	–
Gain on disposal of subsidiaries	2,610	2,863
Foreign exchange gains	1,747	–
Gain on disposal of items of right-of-use assets	945	24,402
Gain on compensation of lease termination	–	2,876
	<u>158,700</u>	<u>30,141</u>
	<u>206,659</u>	<u>54,956</u>

(a) There are no unfulfilled conditions or contingencies relating to these grants.

- (b) On 7 January 2019, the Company allotted and issued 178,280,000 shares to settle the consideration for the acquisition of 22.65% equity interests in Zhejiang Xinnongdu Holdings Group Limited (“XND”) by Zhejiang Zhongan Shenglong Commercial Co., Ltd. (the “Purchaser”), an indirect non-wholly owned subsidiary of the Company, from Hangzhou Oriental Culture Tourism Group Co., Ltd. (“the Seller”) under the equity transfer agreement dated 20 July 2018 (the “Transaction”). The Seller had filed a lawsuit against the Company to cancel the Transaction. By mediation through the High People’s Court of Zhejiang Province, the Company, the Purchaser and the Seller entered into a settlement deed, which became effective on 27 May 2024, to resolve and settle finally and absolutely all disputes of the parties with respect to the Transaction. Pursuant to the settlement deed, among other things, the Purchaser was required to pay RMB210,000,000 to the Seller by 30 June 2025. As at 31 December 2025, a sum of RMB210,000,000 (2024: RMB130,000,000) was fully paid by the Purchaser to the Seller and the Group acquired 22.65% equity interests in XND. After the settlement of the Transaction, together with a 19.85% equity interests of XND, which was acquired by the Purchaser with cash consideration in 2017, the Purchaser currently holds a total of 42.50% equity interests and had a significant influence on XND. The excess of the Purchaser’s share of the fair value of the net identifiable assets and liabilities of XND over the cost of the investment, amounting to RMB153,398,000 as at the date of Transaction completion, was recorded as income in the Group’s consolidated statement of profit and loss.

166,744,883 shares (2024: nil) were repurchased and cancelled during the year ended 31 December 2025, the remaining 11,535,117 shares were under process of repurchase and cancellation.

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Other expenses		
Impairment provision for property and equipment	32,094	59,481
Impairment provision for right-of-use assets	1,412	2,166
Impairment of an investment in a joint venture	1,000	5,626
Loss on disposal of investment properties	3,992	–
Loss on disposal of items of property and equipment	1,642	2,749
Compensation	1,012	912
Donations	300	1,712
Foreign exchange loss	–	1,359
Others	2,355	10,854
	<u>43,807</u>	<u>84,859</u>

5. Finance costs

An analysis of the Group’s finance costs is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Interest on bank and other borrowings	216,913	178,170
Interest on lease liabilities	958	3,342
Total interest expense on financial liabilities		
not at fair value through profit or loss	217,871	181,512
Less: Interest capitalised	7,262	63,332
	<u>210,609</u>	<u>118,180</u>

6. (Loss)/profit before tax

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of properties sold	326,555	1,818,398
Depreciation of property and equipment	108,888	104,297
Depreciation of right-of-use assets	3,921	17,487
Lease payments not included in the measurement of lease liabilities	5,785	7,266
Auditor's remuneration	1,831	1,970
Staff costs including directors' and chief executive's remuneration:		
– Salaries and other staff costs	73,559	79,288
– Pension scheme contributions*	13,018	14,281
Foreign exchange differences, net	(1,747)	1,359
Direct operating expenses (including repairs and maintenance arising on investment properties)	6,251	5,028
Loss on disposal of investment properties**	3,992	–
Gain on disposal of subsidiaries	(2,610)	(2,863)
Gain on compensation of lease termination	–	(2,876)
Gain on disposal of right-of-use assets	(945)	(24,402)
Loss on disposal of items of property and equipment**	1,642	2,749
Fair value losses, net:		
Changes in fair value of investment properties	90,263	495,100
Impairment losses on financial assets, net	103,460	10,391
Impairment provision for property and equipment**	32,094	59,481
Impairment of an investment in a joint venture**	1,000	5,626
Write down to net realisable value of completed properties held for sale	40,000	–
Impairment provision for right-of-use assets**	1,412	2,166

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

** Included in "Other expenses" in the consolidated statement of profit or loss.

7. Income tax

The Group's subsidiaries incorporated in Hong Kong and Japan were not liable for income tax as they did not have any assessable profits currently arising in Hong Kong and Japan during the year (2024: Nil).

The provision for the PRC income tax has been provided at the applicable income tax rate of 25% (2024: 25%) on the assessable profits of the Group's subsidiaries in Chinese Mainland.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current – PRC corporate income tax for the year	14,069	208,507
Current – PRC LAT for the year	(102,543)	495,254
Deferred	10,229	(59,147)
	<u>78,245</u>	<u>644,614</u>
Total tax charge for the year	<u>(78,245)</u>	<u>644,614</u>

A reconciliation of the tax credit applicable to loss before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/profit before tax	<u>(369,233)</u>	<u>1,130,382</u>
Tax at the statutory tax rate of 25% (2024: 25%)	(92,308)	282,596
Lower tax rate for specific provinces or enacted by local authority	7,835	–
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	–	6,726
Expenses not deductible for tax	1,914	479
Tax losses utilised from previous periods	–	(24,009)
Tax losses and temporary differences not recognised	81,221	7,381
Provision for LAT	(102,543)	495,254
Tax effect on LAT	<u>25,636</u>	<u>(123,813)</u>
Tax charge at the Group's effective rate	<u>(78,245)</u>	<u>644,614</u>

Tax payable in the consolidated statement of financial position represents:

PRC corporate income tax	578,470	638,778
PRC LAT	<u>435,056</u>	<u>519,113</u>
	<u>1,013,526</u>	<u>1,157,891</u>

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong. The Group will account for the additional Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year and prior years 2024 and 2023. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

8. (Loss)/earnings per share attributable to ordinary equity holders of the parent

The calculation of basic (loss)/earnings per share is based on the loss for the year attributable to ordinary equity holders of the parent of RMB276,190,000 (2024: earnings of RMB503,909,000) and the weighted average number of ordinary shares of 1,927,395,559 (2024: 2,010,768,000) outstanding during the year.

The calculation of basic (loss)/earnings per share is based on:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/earnings		
(Loss)/earnings attributable to ordinary equity holders of the parent	<u>(276,190)</u>	<u>503,909</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year	<u>1,927,395,559</u>	<u>2,010,768,000</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

9. Dividends

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

10. Trade receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables related to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within six months	15,527	55,063
Over six months but within one year	1,638	4,802
Over one year but within two years	1,688	1,216
	<u>18,853</u>	<u>61,081</u>

11. Trade payables

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the payment due dates, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within six months	616,919	701,370
Over six months but within one year	275,006	828,857
Over one year but within two years	20,778	3,557
Over two years but within three years	1,940	9,524
	<u>914,643</u>	<u>1,543,308</u>

The trade payables are unsecured and interest-free and are normally settled based on the progress of construction. Certain suppliers have alleged claims against the Group relating to construction and services contracts, which have been adequately accrued and included in the above construction payables.

12. Commitments

The Group had the following commitments for property development expenditure at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contracted, but not provided for:		
Properties under development	<u>167,419</u>	<u>160,697</u>

13. Contingent liabilities

Mortgage facilities granted by banks

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the execution of individual purchasers' collateral agreements.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Guarantees given to banks for:		
Mortgage facilities granted to purchasers of the Group's properties	<u>3,821</u>	<u>359,727</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a large-scale enterprise integrating commercial development and operation, hotel management, film and television, education, cultural tourism and other industries, underpinned by ample commercial property resources with its sector layout spanning across the country. Bolstered by its forward-looking strategic vision and operating concepts that keep abreast of the times, the Group has now developed into a remarkable comprehensive commercial property developer in the Yangtze River Delta Region. It has been recognised as a “China’s Top Ten Commercial Property Developer”, “China Top 100 Commercial Property Enterprises”, “China’s Outstanding Real Estate Urban Renewal Enterprises” and “China’s Top 10 Commercial Property Companies in Brand Value” among others.

BUSINESS REVIEW

Focusing on the four major business segments of industrial property development, commercial operations, hotel management, and industrial investment as its core, the Group also diversifies its business layout further in other emerging industries such as industrial services, rural cultural tourism, wholesale of agricultural products with intelligent approaches, film and television education, low-altitude economy and digital health. As such, a “golden circle” with strong synergy and circulation effects has been formed successfully between different segments.

Over the years, the Group has always adhered to prudent operations and continued to improve operating efficiency leveraging on its diversified industrial layout backed by strong urban development and operation services and industrial resource integration capabilities. For the FY2025, the Group’s consolidated revenue was approximately RMB740 million, representing a year-on-year decrease of approximately 82.0%; gross profit was approximately RMB91 million, representing a year-on-year decrease of approximately 95.6%. As at 31 December 2025, the Group’s total equity was approximately RMB4,578 million. The carrying amount of cash was approximately RMB287 million.

The Group’s change from profit to loss for the FY2025 was mainly attributable to a significant decrease in revenue from the commercial property development business segment of the Group by approximately 108.9% as compared to the FY2024, which was primarily due to (i) the completion of the majority of revenue recognition for sales of the Group’s International Office Center (IOC) Building A2.1 project in the FY2024; and (ii) no sales of new projects of a comparable scale being recognised by the Group in the FY2025.

Prospects and Outlook

In 2025, the real estate market in the People’s Republic of China (the “**PRC**” or “**China**”) continued its adjustment trend. According to data from the National Bureau of Statistics, real estate development investment for the year decreased by 17.2% year-on-year, the area of newly-built commercial properties sold decreased by 8.7% year-on-year, and the area of commercial properties remained unsold reached 766 million sq.m., representing a year-on-year increase of 1.6%, indicating that inventory pressure remains severe. However, observing the new home and second-hand home markets collectively, the total sales volume for the year has clearly stabilized. Certain major cities even recorded slight year-on-year growth, with the market exhibiting a complex trend of “stabilization in volume and price, with structural differentiation”. Throughout the year, policies centered on “recovery and stabilization” were fully implemented through a combination of “four cancellations, four reductions and two increases”, and the “guaranteed delivery” task was fully completed, leading to a significant convergence of delivery risks.

In 2026, there is a significant shift in the policy direction for the real estate market in the PRC. In the government work report (the “**Report**”) delivered by Premier Li Qiang at the Fourth Session of the 14th National People’s Congress, the description of real estate work was adjusted from “continuing efforts to promote the real estate market to stop declining and stabilize” to “striving to stabilize the real estate market”. For the first time in ten years, “control incremental supply, reduce inventory, and optimize quality of supply” was once again reintroduced. The Report clarified that in 2026, the authorities will “control incremental supply, reduce inventory, and optimize quality of supply through city-specific policies, explore multiple channels to revitalize existing commercial properties, and encourage the acquisition of existing commercial properties primarily for use as affordable housing”, and the “deepening of the reform of the housing provident fund system” was included in the Report for the first time. Additionally, the Report proposed “strengthening housing protection for first-marriage and first-child families, and supporting the improved housing needs of families with multiple children,” signaling a new direction in the integration of housing policy with population and fertility policies.

As market supply-demand dynamics evolve, the resurgence of buyer confidence and market sentiment is paramount. The real estate market is projected to recover incrementally as economic conditions and household incomes stabilize.

In this context, the Group will adhere to a prudent management ethos, ensuring financial solidity and efficient resource integration. We will vigorously pursue business innovation and steadfastly advance urban renewal projects, invigorating cities. Within the existing property market, we will explore innovative development paradigms to adeptly navigate market fluctuations, maintaining the Group’s leading position in the competitive landscape.

DEVELOPMENT OF MAJOR PROJECTS

Hangzhou, Zhejiang Province

International Office Centre (IOC)

IOC is a large-scale integrated commercial complex located in Qianjiang Century City (錢江世紀城), Xiaoshan District, Hangzhou, comprising serviced apartments, shopping malls and offices. The total site area of Plot A for the project is 92,610 sq.m. and planned total GFA is 798,795 sq.m. The project is constructed in three phases, consisting of Plots A1, A2 and A3, among which, Plot A3 was completed in 2015, comprising serviced apartments, shops and underground car parking spaces with a total GFA of approximately 327,996 sq.m. Plot A3 had been sold out apart from a few units and car parking spaces. The construction of Plot A2 commenced in 2019 with a total GFA of approximately 263,555 sq.m and the pre-sale started in the third quarter of 2020, and completed in 2023. During the year under review, Plot A2.1 within Plot A2 was substantially sold out, except for the high-zone units. The pre-sales for Plot A2.2 commenced in early 2026. Plot A1 is currently at the preliminary stage of obtaining relevant approvals and construction permits.

Long Ying Hui Jin Zuo (Bin He Yin)

It is located in Beigan Technology Innovation Park, Xiaoshan District, Hangzhou, and consists of large flat floors and shops, with a total floor area of approximately 12,819 sq.m., and a total GFA of approximately 44,867 sq.m., and is for commercial purposes. The construction of the project commenced in the fourth quarter of 2021 and the pre-sales were started in the third quarter of 2022, which was completed and delivered in the third quarter of 2024. The pre-sales volume was within expectation during the year under review. As at the date of this announcement, this project had been substantially sold out apart from a few car parking spaces.

2025 Recognised Sales

For the FY2025, the recognised sales of properties sold and delivered were approximately RMB339,438,000 (FY2024: approximately RMB3,704,508,000). For the FY2025, the total of the recognized GFA of properties delivered was approximately 21,371 sq.m. (FY2024: approximately 119,695 sq.m.). Details of the recognised sales of properties sold and delivered for the FY2025 are set out below:

	2025 (RMB million)	2024 (RMB million)
Long Ying Hui Jin Zuo (Bin He Yin)	137.3	373.9
International Office Centre (IOC) A2	109.0	2,853.3
Fashion Color City	50.0	220.6
Hidden Dragon Bay	30.0	193.8
Cixi New City	6.2	46.1
Other remaining units	6.9	16.8
	<u>339.4</u>	<u>3,704.5</u>

2025 Contracted Sales

The contracted sales area of the Group was approximately 32,386 sq.m. for the FY2025 (FY2024: approximately 69,727 sq.m.) and contracted sales revenue was approximately RMB675,188,000 for the FY2025 (FY2024: approximately RMB1,312,600,000). Details of the contracted sales of the major projects for the FY2025 are set out below:

Projects	City	Contracted amount (RMB million)	Contracted GFA sold (sq.m.)
International Office Centre A2	Hangzhou	384.9	9,265
Xinnongdu	Hangzhou	119.5	12,575
Hidden Dragon Bay	Hangzhou	75.5	5,969
Long Ying Hui Jin Zou (Bin He Yin)	Hangzhou	67.4	2,605
Fashion Color City	Hangzhou	15.9	935
Cixi New City	Cixi	6.4	790
International Office Centre A3	Hangzhou	3.8	247
Zhong An Times Square Phase II	Yuyao	0.8	–
Commercial Plot 8 (Chaoyang Ginza)	Hangzhou	0.7	–
Others (Commercial)	Hangzhou	0.3	–
		<u>675.2</u>	<u>32,386</u>

Land Reserve

As at 31 December 2025, the total GFA of land reserves held for development and/or sale of the Group was approximately 3,656,980 sq.m. (as at 31 December 2024: approximately 3,690,924 sq.m.).

Hotel Management

As at the date of this announcement, there are four hotels under the management of the Group, namely, Holiday Inn Hangzhou Xiaoshan, Qiandao Lake Bright Resort Hotel, Ningbo Bright Hotel and Huaibei Bright Hotel. For the FY2025, the hotel operation of the Group recorded a revenue of approximately RMB198,012,000 (FY2024: approximately RMB224,586,000), representing a decrease of approximately 11.8% during the FY2025 mainly due to the weak market, and the hotel occupancy rate dropped to approximately 62% (FY2024: approximately 63%).

Commercial Operation

The commercial operation income of the Group mainly comes from the leasing income of Highlong Plaza, International Office Centre (IOC), Yiwu Zhong An Square and Yuyao Zhong An Square with types of business including offices, shopping malls and community commercial complexes. The total revenue from such leasing business for the FY2025 was approximately RMB150,806,000 (FY2024: approximately RMB122,274,000), representing an increase of approximately 23.3%. The average occupancy rate of leasing properties (calculated by dividing total lease area by total area available for lease) was approximately 83% (FY2024: approximately 81%). The growth in total revenue from commercial operations this year was primarily driven by revenue from new community commercial projects, increased occupancy rate and higher unit rent at Yiwu Zhong An Square.

FINANCIAL ANALYSIS

REVENUE

The consolidated revenue of the Group amounted to approximately RMB739,703,000 for the FY2025, representing a decrease of approximately RMB3,364,053,000 or 82.0% as compared to the FY2024. It was mainly resulted from a significant decrease in revenue from sales of commercial properties by approximately RMB3,365,070,000 or 90.8% as compared to the FY2024.

GROSS PROFIT

The gross profit of the Group amounted to approximately RMB91,069,000 for the FY2025, representing a decrease of approximately RMB1,968,140,000 or 95.6% as compared to the FY2024. Gross profit margin of the Group for the FY2025 was approximately 12.3%, representing a decrease of approximately 37.9 percentage points as compared to the FY2024. The decrease in gross profit was mainly due to a significant decrease in revenue from sales of commercial properties during the FY2025.

OTHER INCOME AND GAINS, NET

The other income and gains, net of the Group amounted to approximately RMB206,659,000 for the FY2025, representing an increase of approximately RMB151,703,000 or 276.0% as compared to the FY2024. The increase was mainly due to the excess of the Group's share of the net fair value of the identifiable net assets of an associate over the cost of the investment, amounting to approximately RMB153,398,000.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses of the Group amounted to approximately RMB117,507,000 for the FY2025, representing a decrease of approximately RMB30,075,000 or 20.4% as compared to the FY2024. The decrease in selling and distribution expenses was mainly due to a significant decrease in the sales of commercial properties of the Group during the FY2025.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group amounted to approximately RMB112,365,000 for the FY2025, representing a decrease of approximately RMB8,042,000 or 6.7% as compared to the FY2024. The decrease was mainly attributable to the further improvement in the Group's cost control efficiency as a result of the Group's effective implementation of cost management strategies.

IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

The Group's impairment losses on financial assets, net, amounted to approximately RMB103,460,000 for the FY2025, representing an increase of approximately RMB93,069,000 or 895.7% as compared to the FY2024, which was primarily attributable to the full provision for impairment losses on certain financial assets during the FY2025.

OTHER EXPENSES

The other expenses of the Group amounted to approximately RMB43,807,000 for the FY2025, representing a decrease of approximately RMB41,052,000 or 48.4% as compared to the FY2024, which was primarily due to the impairment provision for property and equipment of approximately RMB32,094,000.

FINANCE COSTS

The finance costs of the Group amounted to approximately RMB210,609,000 for the FY2025, representing an increase of approximately RMB92,429,000 or 78.2% as compared to the FY2024, which was primarily attributable to the decrease in the capitalizable amount of interest expenses and the increase in the balance of bank loans during the FY2025.

LOSS FOR THE YEAR

The loss attributable to the Group was approximately RMB290,988,000 for the FY2025 as compared to a net profit of approximately RMB485,768,000 for the FY2024. Such change from profit to loss for the FY2025 was mainly due to a significant decrease in revenue from sales of commercial properties of the Group during the FY2025.

CAPITAL EXPENDITURE

The Group's capital expenditure requirements mainly relate to additions of its property and equipment. The Group spent approximately RMB72,045,000 on property and equipment during the FY2025.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the FY2025.

CAPITAL STRUCTURE

As at 31 December 2025, the Group had aggregate cash and cash equivalents and restricted cash of approximately RMB286,581,000 (as at 31 December 2024: approximately RMB886,087,000). The current ratio (as measured by current assets to current liabilities) as at 31 December 2025 was 1.56 (as at 31 December 2024: 1.12).

As at 31 December 2025, the bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB267,766,000 and approximately RMB4,789,473,000, respectively (as at 31 December 2024: approximately RMB1,072,160,000 and approximately RMB2,327,020,000, respectively). As at 31 December 2025, except for certain bank and other borrowings amounting to approximately RMB1,208,018,000 (as at 31 December 2024: approximately RMB390,680,000) that bear interests at fixed rates, all bank loans bear interests at floating rates.

As at 31 December 2025, the Group's gearing ratio was 58% (as at 31 December 2024: 46%), which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade payables, other payables and accruals, and lease liabilities, less cash and cash equivalents. Capital represents equity attributable to owners of the parent.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's bank borrowings and other borrowings of approximately RMB5,057,239,000 (as at 31 December 2024: approximately RMB3,399,180,000) were secured by the Group's pledge of assets as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Property and equipment	1,465,331	957,123
Investment properties	4,012,236	3,043,315
Restricted cash	105,000	–
Completed properties held for sale	<u>2,409,878</u>	<u>2,328,953</u>
	<u>7,992,445</u>	<u>6,329,391</u>

FOREIGN EXCHANGE RISK AND TREASURY POLICIES

Foreign exchange risk represents the risk to the Group's financial conditions and results of operations arising from fluctuations of foreign exchange rates. The Group principally operates in the PRC, and the revenue, operating cost and borrowings were mainly denominated in RMB. As a result, the Group has minimal exposure to exchange rate fluctuation. The interest rates for the Group's borrowings were both floating and fixed. Upward fluctuations in interest rates will increase the cost of borrowings.

The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in RMB. The Group did not use any financial instruments for hedging purposes for the FY2025.

GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group's contingent liabilities were approximately RMB3,821,000 (as at 31 December 2024: approximately RMB359,727,000), which were mainly the guarantees provided by the Group in favor of certain banks for the grant of mortgage loans to purchasers of the Group's properties. For the FY2025, the majority of the Group's properties were delivered as completed properties, resulting in a decrease in pre-sale properties and a corresponding decrease in such mortgage guarantees provided by the Group.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group's capital commitments for property development expenditures amounted to approximately RMB167,419,000 (as at 31 December 2024: approximately RMB160,697,000). It is expected that the Group will finance such capital commitments from its own funds and bank loans.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 1,003 employees (as at 31 December 2024: 1,232). The employees' remuneration policy was determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal once every year for its employees, the results of which are applied to annual salary review and promotion assessment. The Group's employees are considered for the entitlement of annual bonus according to certain performance conditions and appraisal results. The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain and enhance their competitiveness.

STRATEGIES

The management has developed sound strategies to overcome the abovementioned challenges and address the uncertainties faced by the Group, including formulating effective marketing strategies and plans and improving our product and service quality to consolidate our brand. The Group will put more effort into formulating new policies, guidelines, systems and processes to facilitate effective cost management, risk management, internal control and sustainable environmental management to enhance company management standards and corporate governance standards. For growth strategy, the Group will focus on identifying possible acquisitions with future development prospects and profitability to improve the returns on assets. The Group will further emphasize investor relations management, and continue to convey clearly the operation vision, business updates and future development strategies of the Group and other information to various stakeholders through press conferences, roadshows, media delegation visits and one-on-one analyst or investor interview and otherwise to strive for the recognition and support from various stakeholders and obtain more resources for business development and maximizing shareholders' value.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees, customers and suppliers are the key stakeholders who affect the sustainability of our business. Engaging with those stakeholders will not only help us understand the possible risks and opportunities to our business, but also help us to mitigate risk and seize the opportunities in the real market situation.

The Group believes that our people are critical factors to the Group's success and competitiveness in the market. As such, we adopted a share option scheme on 20 May 2015 for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group's operations. The share option scheme expired on 19 May 2025, and no new share option scheme has been adopted as at the date of this announcement. The Group continues to explore appropriate mechanisms to align employees' interests with its long-term growth and remains committed to recognising and rewarding contributions from its people.

Customer satisfaction with our services and products has profound effects on our profitability. Our dedicated sales team constantly communicates with our customers and potential customers to uncover and create customer needs and help customers make informed decisions. Grasping the market trend is the key for the Group to timely adjust our operating strategies to meet the market demands.

EVENTS AFTER THE REPORTING YEAR

There have been no significant events occurred after 31 December 2025 and up to the date of this announcement which require disclosure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The Group has always been committed to maintaining the highest environmental and social standards to ensure sustainable business development. Our environmental, social and governance report is prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and will be published on the websites of the Company and the Stock Exchange, respectively.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the FY2025 (FY2024: Nil).

SCOPE OF WORK OF ERNST & YOUNG

The figures above in respect of this annual results announcement for the FY2025 have been agreed with the Company's auditor, Ernst & Young, certified public accountants ("**Ernst & Young**"), to be consistent with the amounts set out in the Group's consolidated financial statements for the FY2025. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

AUDIT COMMITTEE

The Audit Committee (comprising all the independent non-executive Directors) has reviewed the consolidated annual results of the Group for the FY2025, and reviewed with the management of the Group regarding the accounting standards and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

In July 2025, the Company repurchased and cancelled 166,744,883 Shares resulting from the XND acquisition transaction.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any Shares (including sale of treasury shares (as defined in the Listing Rules)) on the Stock Exchange (FY2024: Nil) during the FY2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

The Company has made specific enquiries with all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code during the FY2025 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted, in so far as they are applicable, the principles and the code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (“**CG Code**”) as the basis of the Company’s corporate governance practices. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with the applicable code provisions set out in the CG Code during the FY2025 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting (the “**AGM**”) of the Company will be held on Thursday, 4 June 2026. Notice of the AGM will be published on the websites of the Company (www.chinanewcity.com.cn) and the Stock Exchange (www.hkexnews.hk), and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determination of the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Monday, 1 June 2026 to Thursday, 4 June 2026 (both days inclusive) during which period no transfer of shares of the Company will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 29 May 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the websites of the Company (www.chinanewcity.com.cn) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the FY2025 containing the relevant information required under the Listing Rules will be published on the above websites and dispatched to the Company’s shareholders in due course.

By order of the Board
China New City Group Limited
中國新城市集團有限公司
Shi Zhongan
Chairperson

The People’s Republic of China, 26 March 2026

As at the date of this announcement, the Board comprises Mr Shi Nanlu, Mr Jin Jianrong and Ms Chen Jing, as executive directors of the Company; Mr Shi Zhongan as non-executive director of the Company; and Mr Xu Chengfa, Mr Lam Yau Yiu and Mr Yuan Yuan, as independent non-executive directors of the Company.