



粵海置地控股有限公司
GUANGDONG LAND HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號 Stock Code: 00124

2025

ANNUAL REPORT 年報



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Corporate Information

As at 26 March 2026

Board of Directors

Executive Directors

ZHONG Yubin (*Chairman*)

WANG Jian (*Managing Director*)

Non-Executive Directors

WEN Yinheng

ZHANG Xiaoli

Independent Non-Executive Directors

Felix FONG Wo *BBS, JP*

Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*

LEUNG Luen Cheong

Audit Committee

Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*
(*Committee Chairman*)

Felix FONG Wo *BBS, JP*

LEUNG Luen Cheong

Remuneration Committee

Felix FONG Wo *BBS, JP* (*Committee Chairman*)

Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*

LEUNG Luen Cheong

Nomination Committee

ZHONG Yubin (*Committee Chairman*)

Felix FONG Wo *BBS, JP*

Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*

LEUNG Luen Cheong

ZHANG Xiaoli

Company Secretary

Christine MAK Lai Hung

Auditor

KPMG

Certified Public Accountants

And Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Website Address

<http://www.gdland.com.hk>

Principal Bankers

Shanghai Pudong Development Bank

Bank of China

Industrial Bank

Hua Xia Bank

Chong Hing Bank

In this annual report, the English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business in Hong Kong

Office B, 26th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

Telephone: (852) 2165 6262

Principal Share Registrar

Appleby Global Corporate Services (Bermuda) Limited

Canon's Court,

22 Victoria Street

PO Box HM 1179

Hamilton HM EX

Bermuda

Branch Share Registrar in Hong Kong

Tricor Investor Services Limited

17th Floor, Far East Finance Centre

16 Harcourt Road

Hong Kong

Share Information

Place of Listing: Main Board of
The Stock Exchange
of Hong Kong Limited

Stock Code: 00124

Board Lot: 2,000 shares

Financial year end: 31 December

Shareholders' Calendar

Annual General Meeting

18 June 2026

Last Share Registration Date

For attending Annual 12 June 2026

General Meeting: by 4:30 p.m.

Closure of Register of Members

For attending Annual 15 to 18 June 2026

General Meeting: (both days inclusive)

Highlights

	Year ended 31 December		Change
	2025	2024	
Revenue (HK\$'000)	8,571,375	6,759,320	+26.8%
Gross profit (HK\$'000)	2,787,183	780,248	+257.2%
Fair value losses on investment properties (HK\$'000)	(520,824)	(44,942)	+1058.9%
Loss attributable to owners of the Company (HK\$'000)	(590,249)	(1,382,983)	-57.3%
Basic loss per share (HK cents)	(34.49)	(80.80)	-57.3%
Proposed final dividend (HK cents)	–	–	N/A
	As at 31 December 2025	As at 31 December 2024	Change
Current ratio	1.4 times	1.5 times	-6.7%
Gearing ratio ¹	399.9%	402.9%	-3.0 ppt
Total assets (HK\$ million)	33,553	40,560	-17.3%
Net asset value per share ² (HK\$)	1.78	2.08	-14.4%
Number of employees	291	376	-22.6%

Notes:

- Gearing ratio = (Interest-bearing loans + Lease liabilities – Cash and cash equivalents – Pledged deposit) ÷ Net assets
- Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares

Chairman's Statement

In 2025, the economy of the mainland of the People's Republic of China (the "PRC") ("Chinese Mainland") faced adverse conditions including severe disruptions to the global economic and trade order and growing pains in the transition from old to new growth drivers. Through the implementation of more proactive macroeconomic policies, the national economy persevered under pressure, moving toward new directions and higher quality, achieving new progress in high-quality development and demonstrating remarkable resilience and vitality. In 2025, the aggregate gross domestic product ("GDP") of the PRC amounted to RMB140.19 trillion, representing a year-on-year growth of 5.0% at constant prices; while GDP per capita amounted to RMB99,700, with per capita disposable income of residents increased by 5.0% in nominal terms as compared to the previous year.

In 2025, the central government adjusted its real estate policies from "stopping decline and stabilising recovery" to "focusing on stabilising the market", with greater emphasis on the stable operation of the real estate market. Since the Government Work Report in March 2025 included "ensuring stability in the property and stock markets" in its overall requirements and emphasised the importance of stabilising residents' asset prices across all macro-control areas, a dual-track policy system featuring "short-term stopping decline and stabilising recovery and long-term high-quality development" has been gradually established. In June, Executive Meeting of the State Council emphasised "stabilising expectations, stimulating demand, optimising supply, mitigating risks, and exerting greater efforts to halt the decline and stabilise the real estate market"; In July, Central Urban Work Conference set the tone that "China's urbanisation is transitioning from a period of rapid expansion to one of stable development, while urban development is shifting from large-scale incremental expansion to a phase focused on enhancing the quality and efficiency of existing stock"; In October, "15th Five-Year Plan" proposal explicitly called for "promoting high-quality development in the real estate"; In December, Central Economic Work Conference reiterated the need to focus on stabilising the real estate market, implementing city-specific measures to control new construction, reduce inventory, and optimise supply, deepening reforms of the housing provident fund system, and orderly advancing the construction of "quality housing". We believe that the central government will maintain policy continuity in easing and remain determined to underpin and stabilise the market in 2026. If the "formulation and implementation of an income increase plan for urban and rural residents" first proposed at the Central Economic Work Conference in December can be effectively implemented, housing demand from both owner-occupied and upgraders may further materialise.

According to the National Bureau of Statistics, in 2025, the gross floor area ("GFA") of newly built commodity housing sold in the PRC was approximately 881 million square metres ("sq. m."), representing a decrease of 8.7% as compared to the previous year; and the sales revenue of newly built commodity housing sold were approximately RMB8.39 trillion, representing a decrease of 12.6% as compared to the previous year. Amidst sustained policy efforts to promote industry-wide stabilisation and recovery, the real estate market in the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area") underwent a bottoming-out process across both supply and demand sides. According to data released by CRIC, new residential house supply of nine cities in Greater Bay Area decreased by 24% as compared to the previous year, and their transactions had a decline of 17% as compared to the previous year. The annual supply of operating land had a year-on-year increase of 1%, and the transactions had an increase of 10% as compared to the previous year. This is mainly due to the context of inventory reduction, where land sales have become more focused on "controlling quantity and improving quality", leading to improvements in both transaction volume and the rate of unsold land compared to the previous year.

Chairman's Statement (continued)

In 2025, amid the complex and challenging industry environment, the Group demonstrated strong strategic resolve and the ability to overcome difficulties, effectively safeguarding the fundamentals of its operational development. In terms of sales and destocking, we flexibly adjusted our volume and pricing strategies to accelerate project launches, continuously improved customer visit and delivery experiences, and strove to speed up the disposal of the saleable portion of our inventory projects. In terms of cost control, we pursue excellence in cost reduction and efficiency enhancement, strengthen the rigidity of budget constraints, and continuously reduce expense outlays. In terms of financial and capital management, we effectively controlled financial costs and improved capital utilisation efficiency. The Guangzhou GDH Future City Project obtained a property loan facility of RMB350 million with a term of 10 years. In terms of safety production, we have consistently adhered to the fundamental principle of "putting people first and prioritising life above all else", and practiced the core philosophy of "safety before production, development with safety". We have further advanced various safety management practices, fully prevented and defused major safety risks, and built a solid safety foundation for the smooth implementation of the Group's annual business objectives.

Results

During the year under review, the Group was engaged in property development and investment businesses. The Group currently holds a number of property development projects and certain investment properties in the Greater Bay Area.

In 2025, the Group recorded a revenue of approximately HK\$8,571 million (2024: HK\$6,759 million), representing an increase of approximately 26.8% from the previous year. The Group recorded a loss attributable to owners of the Company for the year under review of approximately HK\$590 million (2024: HK\$1,383 million).

For the year under review, the increase in revenue was mainly attributable to the increase in the GFA delivered of Guangzhou GDH Future City Project with higher gross profit margins, as compared to the previous year. For details of the Group's property sales in 2025, please refer to the section headed "Business Review" in the Management Discussion and Analysis. As a result of the aforesaid reason, the Group recorded a decrease in loss attributable to owners of the Company during the year under review.

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

Business Review

In 2025, the policy environment for the real estate industry maintained a loosening trend. The central government continued to ease restrictions and cut interest rates, while local policies of "city-specific approaches and differentiated guidance" became more precise and flexible. However, the lack of significant improvement in residents' expectations for employment and income remained a key issue, and the current market still faced the triple challenges of supply-demand imbalance, high inventory levels and weak market expectations. The Group adopted targeted measures to optimise its inventory structure, pursued innovative marketing strategies and sales tools while upholding sound business principles, and successfully achieved its annual rental and sales conversion targets.

Chairman's Statement (continued)

The Group anchored its vision of becoming “an influential integrated urban development expert in the Greater Bay Area” and achieved an annual revenue of approximately HK\$8.6 billion for the full year. In 2025, the sales and destocking performance of projects including Guangzhou GDH Future City, Shenzhen GDH City and Huizhou One Mansion ranked among the top in their respective regions. Commercial asset operations remained stable overall. Shenzhen GDH City Project Office Building continues to pursue a business strategy centered on targeted tenant recruitment and meticulous operations, focusing on attracting high-quality clients. Meanwhile, the Group continued to advance the exploration of diversified operation of commercial and office assets. Leveraging its full-cycle commercial asset management system, it implemented differentiated and precision-targeted operational strategies tailored to the regional market characteristics and development and operation rhythms of each commercial and office project. Guided by the objectives of shaping brand image, enhancing asset value, integrating high-quality resources, strengthening market expansion, optimising customer service, and refining the operational ecosystem, we continuously enhance project resilience and profitability while consistently improving overall operational efficiency.

Outlook

In 2026, despite the deepening impact of evolving external environment, the prominent contradiction between strong supply and weak demand in the domestic market, and relatively high risks and hidden dangers in key sectors, China's economy boasts solid foundations, multiple strengths, strong resilience and vast potential. The supporting conditions and underlying long-term positive trend of its development remain unchanged, with opportunities still outweighing challenges. Recently, professional institutions forecast that the real GDP growth of the PRC will reach 4.8% in 2026. Overall, the Chinese government will remain steadfast in its confidence and resolve, build consensus, strengthen its capabilities, enhance innovation-driven development, deepen reform and opening-up, and continuously fortify the domestic economic cycle. This will drive the economy toward achieving qualitative improvement and reasonable quantitative growth, ensuring a strong start to the “15th Five-Year Plan” period.

In December 2025, the Central Economic Work Conference stressed that economic work for the next year should “seek progress while maintaining stability and pursue high-quality development and efficiency” and “strengthen counter-cyclical and cross-cyclical adjustment”, indicating that macroeconomic policies in 2026 will continue the “more proactive and effective” stance. At the same time, the Conference emphasised the need to focus on stabilising the real estate market, implementing city-specific measures to control new supply, reduce inventory, and optimise supply. It encouraged the acquisition of existing commercial housing stock, with a focus on using it for affordable housing and other purposes. Deepening reforms to the housing provident fund system and orderly advancing the construction of “quality housing”. Accelerating the establishment of a new real estate development model indicates that “stabilising the property market” remains the top priority for real estate sector in 2026, reaffirming the sector's status as a “vital component of the economy”. Overall, in 2026, the Chinese government's resolve to “stabilising the property market” will further strengthen. It is expected to implement city-specific measures with greater precision and flexibility, accelerate the reduction of existing inventory, resolve current risks, promote the orderly construction of “quality housing”, and expedite the establishment of a new model for real estate development.

Chairman's Statement (continued)

Since the implementation of 《粵港澳大灣區發展規劃綱要》 (The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area) entered its sixth year, the region has demonstrated remarkable economic resilience and robust innovation-driven momentum. Moving forward, we will further deepen our study and implementation of the guiding principles from General Secretary Xi Jinping's important speech and directives during his inspection tour of Guangdong. We will steadfastly pursue the goal of building a dynamic and internationally competitive first-class bay area and world-class urban cluster. Working in concert and advancing steadily, we will strive to achieve breakthroughs in key areas and promote comprehensive progress, thereby injecting robust momentum into China's high-quality development. The improvement-driven demand in the Greater Bay Area housing market is expected to remain effectively supported through 2026. Market expectations suggest the market will further stabilise and build a foundation for recovery, underpinned by more robust policy coordination and long-term positive economic fundamentals. The Group holds projects including Shenzhen GDH City, Guangzhou GDH Future City, Guangzhou Laurel House, Foshan Laurel House, Foshan One Mansion, Zhuhai Laurel House, Zhongshan GDH City, Jiangmen GDH City, Jiangmen One Mansion, and Huizhou One Mansion and other projects are all located in core cities of the Greater Bay Area. As the Greater Bay Area further implements key measures for high-quality development and accelerates the construction of a first-class livable home, these projects will benefit from the region's favorable development momentum.

In 2026, the Group will closely align with market dynamics, establish a rapid response mechanism, achieve precise stocking and pricing balance, and strive to accelerate inventory clearance amid market fluctuations. Balance rents and occupancy rates with a focus on value maximisation, effectively attract and retain tenants; build trust through robust delivery capabilities and foster long-term connections with warm, attentive service. Establish a dual-engine development model driven by "quality + service", continuously enhance customer satisfaction and brand reputation to empower sales. We will persistently pursue revenue growth and cost reduction while enhancing efficiency. Prudently selecting opportunities to replenish high-value land reserves, we strive to achieve a strong start for the "15th Five-Year Plan".

Last but not least, on behalf of the Board, I would like to acknowledge the contribution by management and staff to the Group over the previous year. Under the leadership of the Board, the Group is confident in the prospect of its business development and will actively promote the high-quality development of its property business in order to create greater returns for its shareholders as we did in the past.

ZHONG Yubin
Chairman

Hong Kong, 26 March 2026

Management Discussion and Analysis

Results

The consolidated revenue of the Group for 2025 amounted to approximately HK\$8,571 million (2024: HK\$6,759 million), representing an increase of approximately 26.8% from the previous year. The increase in revenue was mainly attributable to the increase in the GFA delivered of Guangzhou GDH Future City Project with higher gross profit margins. Please refer to the section headed “Business Review” hereof for details of the Group’s property sale in 2025. During the year under review, the Group recorded a loss attributable to owners of the Company of approximately HK\$590 million (2024: HK\$1,383 million).

The major factors that affected the aforesaid results of the Group for the year ended 31 December 2025 include the following:

- (a) the properties delivered of the Group during the year under review were mainly the Guangzhou GDH Future City Project, the Shenzhen GDH City (Northern Land) Project, the Huizhou One Mansion Project and the Foshan Laurel House Project, among which the Guangzhou GDH Future City Project had higher gross profit margins, therefore the profit derived from the sale of properties increased as compared to 2024;
- (b) due to the latest real estate market conditions, the Group made provision for inventory impairment of approximately HK\$1,542 million (2024: HK\$1,064 million) during the year under review due to signs of impairment in some of the Group’s property projects; and
- (c) during the year under review, the Group recorded fair value losses on investment properties (net of the relevant deferred tax expense) of approximately HK\$391 million (2024: HK\$33.71 million).

Management Discussion and Analysis (continued)

Business Review

General Information of the Projects

Name of the property project	Status	Use	Interest held by the Group	Approximate GFA of project (sq. m.)	Approximate GFA included in calculation of plot ratio* (sq. m.)	Expected completion and filing date
Shenzhen City						
Shenzhen GDH City (Northwestern Land)	Completed	Business apartment/ Commercial	100%	167,376	122,083	N/A
Shenzhen GDH City (Northern Land)	Completed	Commercial/Offices	100%	219,864	153,126	N/A
Shenzhen GDH City (Southern Land)	Completed	Commercial/Offices	100%	255,373	206,618	N/A
Guangzhou City						
Guangzhou GDH Future City	Sale in progress	Residential/Business apartment/ Commercial/Offices	100%	726,990	506,000	2028
Guangzhou Laurel House	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Ruyingju	Completed	Car-parking spaces	80%	N/A	N/A	N/A
Baohuaxuan	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Foshan City						
Foshan Laurel House	Completed	Residential	100%	203,171	151,492	N/A
Foshan One Mansion	Sale in progress	Residential/Commercial/ Offices	51%	154,414	118,122	2026
Zhuhai City						
Zhuhai Laurel House	Sale in progress	Residential/Commercial	100%	248,598	167,278	2026
Zhongshan City						
Zhongshan GDH City	Sale in progress	Residential	97.64%	321,456	247,028	2026
Jiangmen City						
Jiangmen One Mansion	Completed	Residential/Business apartment/ Commercial	100%	222,708	164,216	N/A
Jiangmen GDH City (Land No. 3)	Completed	Residential	51%	163,181	122,331	N/A
Jiangmen GDH City (Land No. 4)	Sale in progress	Residential/Business apartment/ Commercial	51%	299,029	207,419	2029
Jiangmen GDH City (Land No. 5)	To be developed	Residential	51%	89,201	63,150	2029
Huizhou City						
Huizhou One Mansion	Completed	Residential/Business apartment/ Commercial	100%	140,163	92,094	N/A
Huizhou Huiyang Lijiang Garden	Completed	Car-parking spaces	100%	N/A	N/A	N/A

*Note: Including (1) underground commercial area of the Shenzhen GDH City Project with a GFA of 30,000 sq. m.; and (2) common area and area transfer to the government of each project.

Management Discussion and Analysis (continued)

Business Review (continued)

Sales of the Projects

Name of the property project	Approximate GFA available for sale (sq. m.)	Approximate GFA contracted		The proportion of accumulated GFA contracted to GFA available for sale	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
		Year under review (sq. m.)	Accumulated (sq. m.)		Year under review (sq. m.)	Accumulated (sq. m.)	
Shenzhen City							
Shenzhen GDH City (Northwestern Land)	114,986	8,050	112,962	98.2%	8,050	112,962	98.2%
Shenzhen GDH City (Northern Land)	84,246	48,298	84,246	100.0%	48,298	84,246	100.0%
Guangzhou City							
Guangzhou GDH Future City	491,197	37,791	165,948	33.8%	63,196	78,529	16.0%
Guangzhou GDH Future City (Car-parking spaces)	64,734	5,423	5,423	8.4%	N/A	N/A	N/A
Guangzhou Laurel House (Car-parking spaces)	2,764	13	2,711	98.1%	13	2,711	98.1%
Ruyingju (Car-parking spaces)	8,052	36	6,718	83.4%	36	6,718	83.4%
Baohuaxuan (Car-parking spaces)	245	-	38	15.5%	-	38	15.5%
Foshan City							
Foshan Laurel House	146,382	18,529	116,814	79.8%	32,118	110,148	75.2%
Foshan Laurel House (Car-parking spaces)	9,914	1,832	6,932	69.9%	2,201	6,525	65.8%
Foshan One Mansion	117,692	20,177	58,545	49.7%	16,343	16,343	13.9%
Zhuhai City							
Zhuhai Laurel House	145,773	19,356	101,157	69.4%	19,750	92,435	63.4%
Zhongshan City							
Zhongshan GDH City	236,728	18,476	123,441	52.1%	20,914	112,417	47.5%
Jiangmen City							
Jiangmen One Mansion	158,407	7,920	153,520	96.9%	16,127	149,436	94.3%
Jiangmen One Mansion (Car-parking spaces)	37,574	777	11,482	30.6%	1,643	11,285	30.0%
Jiangmen GDH City (Land No. 3)	119,334	7,970	112,653	94.4%	9,936	108,719	91.1%
Jiangmen GDH City (Land No. 3) (Car-parking spaces)	29,895	1,183	11,819	39.5%	1,562	11,171	37.4%
Jiangmen GDH City (Land No. 4)	204,229	19,606	71,115	34.8%	21,122	66,530	32.6%
Jiangmen GDH City (Land No. 4) (Car-parking spaces)	40,403	2,387	2,387	5.9%	1,696	1,696	4.2%
Jiangmen GDH City (Land No. 5)	42,254	N/A	N/A	N/A	N/A	N/A	N/A
Huizhou City							
Huizhou One Mansion	89,239	18,597	43,384	48.6%	39,424	39,424	44.2%
Huizhou Huiyang Lijiang Garden (Car-parking spaces)	1,504	13	242	16.1%	13	242	16.1%

During the year under review, the Group's properties recorded the total GFA contracted (including completed properties held for sale and properties held for sale under development) and delivered of approximately 236,000 sq. m. (2024: 314,000 sq. m.) and 302,000 sq. m. (2024: 310,000 sq. m.) respectively.

Management Discussion and Analysis (continued)

Business Review (continued)

The Shenzhen GDH City Project

Located in Buxin Area, Luohu District, Shenzhen City, Guangdong Province, the PRC, the Shenzhen GDH City Project is a multi-functional commercial complex with jewelry as the main theme. The project, which is in close proximity to the urban highways and subway stations and adjoins Weiling Park, is surrounded by several municipal parks within a radius of 1.5 kilometres and enjoys convenient transportation and superb landscape resources. The filing for completion of construction of the whole project was made in August 2023.

For the search of potential commercial occupiers of the Shenzhen GDH City Project, the Group has entered into a property leasing services agreement with 廣東粵海天河城(集團)股份有限公司 (GDH Teem (Holdings) Limited) (“GDH Teem”), a fellow subsidiary of the Company, for the shopping mall under the Shenzhen GDH City Project, which operates by GDH Teem under the name of Shenzhen Teem. The Group will share the operating profit with GDH Teem. GDH Teem is principally engaged in the provision of property leasing services, property investment and development, department stores operation, hotel ownership and operations in the PRC, and has extensive industry experience. The agreement enables the Group to benefit from the branding effect of GDH Teem, which is conducive to attracting quality companies to locate in the property. In terms of office leasing, the new leasing area for office buildings owned by the Group in 2026 ranked first among Grade A office buildings in Luohu District. Among which, the mall at the Northern Land of the Shenzhen GDH City Project has opened in December 2022 and the occupancy rate was approximately 94.6% as at 31 December 2025; the mall at the Southern Land of the project has opened in September 2024 and the occupancy rate was approximately 94.8% as at 31 December 2025.

The Guangzhou GDH Future City Project

The core area of Baiyun New Town, Baiyun District, Guangzhou City, Guangdong Province, the PRC, at which the Guangzhou GDH Future City Project is located, is positioned to be the hub for headquarters, and is planned as a cluster of corporate headquarters, aviation industry and commercial hotel service functions, focusing on the development of headquarters economy and attracting the headquarters of large corporations and small and medium-sized enterprises. Such project is located to the north of Yuncheng South Fourth Road and south of Qixin Road, on the two sides of Yuncheng West Road, and is connected to major transport networks. It is adjacent to Baiyun Park Station of Guangzhou Metro Line 2 and trunk roads such as the Airport Expressway and the Baiyun Avenue, and it is only about 30 kilometres away from the Guangzhou Baiyun International Airport. In addition, after the third phase of the Airport Avenue and Guangzhou Metro Line 12 are expected to open, travel between such project and its surrounding areas will be more convenient in due course. The project is situated in a well-developed neighborhood where commercial shopping centres, schools, hospitals, parks and the Guangzhou Gymnasium are within a three-kilometre radius, and it is close to the scenic area of Baiyun Mountain. With the significant advantage of such project and the development of industries nearby, it has promising market prospects.

The project has adopted a model of development by phases. The filing for completion of construction of all properties on Land No. 11 has been made in November 2024, and the filing for completion of construction of all properties on Land No. 9 has been made in February 2025. As at 31 December 2025, the construction works of basement and superstructure of the properties on Land No. 4 were being carried out. The filing for completion of construction of the whole project is expected to be made in 2028. The pre-sale of the project commenced in June 2022 and has maintained a satisfactory level of transaction volume since the pre-sale. In 2025, the transaction amount of the project ranked first in Baiyun District, Guangzhou City. The project entered the delivery stage in November 2024.

Management Discussion and Analysis (continued)

Business Review (continued)

The Guangzhou Laurel House Project

The Guangzhou Laurel House Project is located at Zhuguang Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC. All residential units of the project had been delivered, and car-parking spaces of the project are being sold as planned. During the year under review, the commercial property “GD•Delin (粵海•得鄰)” of the Guangzhou Laurel House Project ushered in several leading businesses and brands with distinctive characters that perfectly fit the position and theme of the project, i.e. its core positioning “high-end education-oriented community”. As at 31 December 2025, the occupancy rate of the commercial building of the Guangzhou Laurel House Project was approximately 85.8%.

The Foshan Laurel House Project

The Foshan Laurel House Project is located at west to Wenhua Road, south to Liming Second Road, Shiwan Area (Chengnan Sub-district) of Chancheng District, Foshan City, Guangdong Province, the PRC. The project is positioned as a modern, top-notch and strong central of Foshan City, which is a place ideal for living, starting business and fostering innovation. Near Wanhua Station, the interchange station of Lines 2 and 3 of Foshan Metro, the project is surrounded by two metro networks, its transportation is much convenient. Together with the well-established education, medical and commercial amenities nearby, the project has the advantages to be forged into an above-twin stations residential community featuring quality lifestyle. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The filing for completion of construction of the whole project has been made in August 2024. The pre-sale of the project commenced in September 2021, and the project entered the delivery stage in December 2023.

The Foshan One Mansion Project

The Foshan One Mansion Project is located at west to Fenjiang Road, north to Lujing Road and east to Luying West Street, Chengnan Sub-district in Chancheng District, Foshan City, Guangdong Province, the PRC, which belongs to the commercial belt of Jihua, and about 200 metres away from Jihua Park Station, the interchange station of Foshan Metro Line 1 and Metro Line 4 (under construction). It is connected to convenient transport networks and its location is excellent. It has mature supporting amenities of education, medical care and commercial area nearby. In addition, the Foshan Municipal Government has actively launched a series of favorable policies, relaxing the threshold for talents to buy houses, and removing the purchase restrictions in Chancheng District, which effectively stimulated the demand of house purchases in the area. The project also complements the Foshan Laurel House Project of the Group in the area to create synergy benefits, achieve regional deep cultivation and increase cost efficiency. The project is being developed in phases. As at 31 December 2025, the filing for completion of construction of the first phase properties of the project was made. The superstructures of other phase properties were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2026. The pre-sale of the project commenced in September 2023, and the project entered the delivery stage in December 2025.

Management Discussion and Analysis (continued)

Business Review (continued)

The Zhuhai Laurel House Project

The Zhuhai Laurel House Project is located at west to Jinhui Road and north to Jinhe East Road, the Aviation New Town Sub-district in Jinwan District, Zhuhai City, Guangdong Province, the PRC. The high value potentials of the area where the project is located will enhance the future development of the project. It is expected that there will be sound living and education amenities in the area. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The project is being developed in phases. As at 31 December 2025, the filing for completion of construction of the first phase properties of the project was made. The superstructures of other phase properties were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2026. The pre-sale of the project commenced in June 2021, and the project entered the delivery stage in December 2023.

The Zhongshan GDH City Project

The Zhongshan GDH City Project is located at the starting area of Cuiheng New District, Zhongshan City, Guangdong Province, the PRC. Sitting in the core centre of the Greater Bay Area, the area is the bridgehead at the west bank of the Pearl River connecting to the Shenzhen Zhongshan Bridge. It therefore undergoes a rapid development and generates increasing market demand. With a superior seaview, the project enjoys rich environmental landscape resources. Coupled with the plan to perfecting the region by education, medical care and commercial amenities, the project is suitable to be developed as a low-density, ecological and quality residential community. With the significant advantage in terms of location, industries and transportation resources, the project enjoys promising market prospects. The project is being developed in phases. As at 31 December 2025, the filing for completion of construction of the first phase properties has been made. The superstructures of other phase properties of the project were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2026. The pre-sale of the project commenced in September 2021, and the project entered the delivery stage in October 2023.

The Jiangmen One Mansion Project

The Jiangmen One Mansion Project is located at the southeast to the intersection of Chenyuan Road and Longteng Road and west to Fengxiang Road in Pengjiang District, Jiangmen City, Guangdong Province, the PRC. Jiangmen is positioned as the western gateway of the Greater Bay Area. Subsequent to improvements in the transportation infrastructure across the eastern and western bays, the future development of such area is expected to prosper. The project is situated in a region with high planning position and enjoys strong market prospects, as well as convenient location as a bonus. Possessing rare landscape resources and sound living amenities, the project embraces the conditions in becoming a regional benchmark project. The filing for completion of construction of the whole project was made in August 2022. The pre-sale of the project commenced in January 2021, and the project entered the delivery stage in August 2022.

Management Discussion and Analysis (continued)

Business Review (continued)

The Jiangmen GDH City Project

The Jiangmen GDH City Project is located at three adjoining parcels of land at the east of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong Province, the PRC (the "Jiangmen Land Nos. 3 to 5"). The land has been approved for city and town residential and other commercial and service uses. In addition, there is a parcel of land adjacent to the Jiangmen Land Nos. 3 to 5 with a GFA of approximately 41,597 sq. m. (the "Jiangmen Land No. 6"), which has been approved for medical and health, and commercial service uses; while subject to the approval of the relevant government authorities in accordance with the policy of "Three Olds" Renovation (「三舊」改造) in relation to the resettlement of the residents. The Group shall be entitled to acquire the relevant land use right in respect of Jiangmen Land No. 6 without paying any land premium. The Jiangmen GDH City Project is located in a traditional old town district in Jiangmen City with high density population and a convenient transportation network. It is also adjacent to Xi River, connects to the Chaolian Talent Island and is accessible to five parks nearby, providing a quality living environment with an excellent river scenery.

The project is being developed in phases. The filing for completion of construction of all properties on Land No. 3 in the first phase has been made in August 2022, the filing for completion of construction of all properties on 4-1 and 4-5 parcels of Land No. 4 has been made in March 2023, the filing for completion of construction of all properties on 4-6 parcels of Land No. 4 has been made in September 2023 and the filing for completion of construction of all properties on 4-2 parcels of Land No. 4 has been made in December 2023. As at 31 December 2025, 4-3 and 4-4 parcels of Land No. 4 and Land No. 5 were pending for development. The filing for completion of construction of the whole project is expected to be made in 2029. The pre-sale of the project commenced in May 2021, and the project entered the delivery stage in November 2022.

The Huizhou One Mansion Project

The Huizhou One Mansion Project is located at Mamiao, Aotou, Dayawan District, Huizhou City, Guangdong Province, the PRC. It is close to Xin'ao Avenue, a trunk road connecting Huiyang District and Dayawan District, and is only 7 kilometres away from the Highspeed Railway Huiyang Station. The project is positioned to be a quality urban residential community with natural slope land garden view. The filing for completion of construction of the whole project was made in April 2025. The pre-sale of the project commenced in July 2022. The project ranked first in Aotou, Huizhou City in terms of amount of online registration of sales contracts in 2025. The project entered the delivery stage in May 2025.

Management Discussion and Analysis (continued)

Financial Review

Key Financial Indicators

	Note	2025	2024	Change
Loss attributable to owners of the Company (HK\$ million)		(590)	(1,383)	-57.3%
Return on equity (%)	1	-17.9%	-32.2%	+14.3 ppt
		31 December 2025	31 December 2024	Change
Net assets (HK\$ million)		3,779	4,346	-13.0%

Note:

1. Return on equity = Loss attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the year under review, the decrease in loss attributable to owners of the Company compared to the previous year was mainly attributable to the increase in the GFA delivered of Guangzhou GDH Future City Project with higher gross profit margins. For details, please refer to the section headed "Results" in this Management Discussion and Analysis.

Expenses and Finance Costs

In 2025, the Group recorded selling and marketing expenses of approximately HK\$226 million (2024: HK\$284 million), representing a decrease of approximately 20.4% from the previous year. The decrease in selling and marketing expenses was mainly due to the decrease in the commission expense and labour cost. The Group's administrative expenses for 2025 amounted to approximately HK\$118 million (2024: HK\$204 million), representing a decrease of approximately 42.2% from the previous year. The decrease in administrative expenses was mainly attributable to the decrease in the labour cost.

During the year under review, the Group borrowed loans to support its business development and recorded finance costs of approximately HK\$668 million (2024: HK\$941 million), of which approximately HK\$248 million was capitalised while the remaining portion of approximately HK\$420 million was charged to the statement of profit or loss.

Properties Held for Sale and Contract Liabilities

As at 31 December 2025, the Group held completed properties held for sale amounted to approximately HK\$11,702 million (31 December 2024: HK\$12,849 million) and properties held for sale under development amounted to approximately HK\$8,562 million (31 December 2024: HK\$13,147 million), with a total amount of approximately HK\$20,264 million (31 December 2024: HK\$25,996 million). Amongst them, the sales amount of properties that have been contracted and received but have not yet been delivered was approximately HK\$5,972 million (31 December 2024: HK\$9,386 million), which was stated as contract liabilities and would be recognised as revenue upon delivery of the relevant properties.

Management Discussion and Analysis (continued)

Financial Review (continued)

Financial Resources and Liquidity

As at 31 December 2025, the equity attributable to owners of the Company was approximately HK\$3,049 million (2024: HK\$3,557 million), representing a decrease of approximately 14.3% from that as at the end of 2024. Based on the number of shares in issue as at 31 December 2025, the net asset value per share at the end of the year was approximately HK\$1.78 (2024: HK\$2.08) per share, representing a decrease of approximately 14.4% from that as at the end of 2024.

The Group's cash and bank balances (including restricted bank balances and cash and cash equivalents) as at 31 December 2025 was approximately HK\$3,356 million (2024: HK\$3,412 million), representing a decrease of approximately 1.6% from the previous year. The decrease in cash and bank balances was mainly due to more repayments of borrowings from banks and related parties during the year under review; approximately 98.8% was in RMB and approximately 1.2% was in HKD. Net cash inflows from operating activities for the year amounted to approximately HK\$3,070 million (2024: HK\$1,936 million), representing an increase from the previous year, which was mainly due to less interest paid during the year under review.

As most of the transactions in the Group's daily operations in Chinese Mainland are denominated in RMB, currency exposure from these transactions is low. During the year under review, the Group did not take the initiative to perform currency hedge for such transactions. The Group believed that no significant impact was caused by the fluctuation of RMB exchange rate on the Group's financial position as there is a natural hedging mechanism. Meanwhile, the Group dynamically monitored the foreign exchange exposure and made necessary adjustments in accordance with the change in market environment.

As at 31 December 2025, the Group had interest-bearing borrowings from certain banks and related parties of the Company amounting to approximately HK\$18,269 million (31 December 2024: HK\$20,451 million) in aggregate, from which interest-bearing borrowings from related parties amounting to approximately HK\$8,004 million (31 December 2024: HK\$8,705 million), accounting for approximately 43.8% (31 December 2024: 42.6%) of the total interest-bearing borrowings; the gearing ratio¹ was approximately 399.9% (31 December 2024: 402.9%). According to the relevant loan agreements, approximately HK\$6,883 million of the interest-bearing loans are repayable within one year; approximately HK\$2,123 million are repayable within one to two years; approximately HK\$5,187 million are repayable within two to five years; and the remaining approximately HK\$4,076 million are repayable after five years. The Group obtained funds for business development through different financing channels and effectively controlled its finance costs. As at 31 December 2025, the weighted average effective interest rate of the Group's bank and other borrowings was 3.27% (31 December 2024: 3.92%) per annum. As at 31 December 2025, the banking facilities available to the Group were approximately RMB586 million (equivalent to approximately HK\$648 million). The Group reviews its funding needs from time to time according to the existing projects and other new investment businesses and considers obtaining funds through various financing means and channels so as to secure adequate financial resources for business development.

¹ Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents - Pledged deposit) ÷ Net assets

Management Discussion and Analysis (continued)

Financial Review (continued)

Asset Pledged and Contingent Liabilities

As at 31 December 2025, the Group's certain assets amounting to approximately HK\$8,531 million (31 December 2024: HK\$11,218 million) were pledged to secure certain bank loans.

In addition, as at 31 December 2025, the Group provided guarantees of approximately HK\$3,183 million (31 December 2024: HK\$4,709 million) to certain banks in relation to the mortgage loans on properties sold (please refer to note 25 to the consolidated financial statements for details). Save for the above, the Group did not have any other material contingent liabilities as at 31 December 2025.

Risks and Uncertainties

As the Group is engaged in property development and investment businesses in the Chinese Mainland, the risks and uncertainties of its business are principally associated with the property market and property prices in the Chinese Mainland, and the Group's income in the future will be directly affected accordingly. The property market in the Chinese Mainland is affected by a number of factors which include, among others, economic environment, property supply and demand, the PRC government's fiscal and monetary policies, taxation policies and austerity measures on the real estate sector, etc. At present, property projects held by the Group are all located in first-tier cities or the Greater Bay Area and comprise different property types and uses, thereby effectively diversify the operating risks of the Group.

As property projects have a relatively long development period, the Company may need to seek external funding to partially finance the development of such projects. As such, financing channels and finance costs are subject to the prevailing market conditions, loan interest rates and the financial position of the Group. As at 31 December 2025, the Group had total outstanding interest-bearing loans of approximately HK\$18,269 million (31 December 2024: HK\$20,451 million).

According to the applicable accounting standards, investment properties of the Group were carried at fair value. The fair values of these investment properties are subject to the prices in the property markets in which they are located as at the end of each reporting periods. The fair value changes of such investment properties are recognised in the statement of profit or loss and affect the profit of the Group.

As the property development business has a relatively long product life cycle, the Group's future results and cash flows will be relatively volatile. To reduce the volatility of its revenue and profit, the investment properties of the Shenzhen GDH City Project and the commercial properties of the Guangzhou Laurel House Project are held by the Group for lease in order to generate stable rental income for the Group in the future.

As most of the Company's business operations are located in Chinese Mainland, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of property development and investment projects in Chinese Mainland. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to control foreign exchange risk.

Management Discussion and Analysis (continued)

Relationship with Customers and Suppliers

Holding the interest of every customer in high regard, the Group provides training to its sales staff on a regular basis. The Group also provides its customers with adequate information about its products and responds to any issue and question raised by customers or potential customers regarding the products offered with the aim of building customers' confidence in the Company's products. The Group focuses on customer satisfaction after products sold and delivered. It regularly organises customer satisfaction surveys and continuously improves the company's product attractiveness and customer satisfaction through survey results and customer opinions.

The Group's properties in relation to the property business were largely designed or constructed by a variety of suppliers and contractors. The Group selects appropriate suppliers for its major projects through an open, fair and impartial tendering process, maintains databases of supplier information and brand information, and have proper procedures in place to assess and evaluate suppliers. Besides, the Group attaches great importance to anti-graft and anti-corruption measures, meets with suppliers regularly, and conveys such information to them.

Policy and Performance on Environmental, Social and Governance

The Group strictly complies with the regulations enacted by the Chinese Mainland and Hong Kong governments, including those in relation to environmental protection, social and governance. The Company's internal management for environmental, social and governance ("ESG") takes into consideration the views of various stakeholders, especially for important ESG issues, and is supported by staff members from all levels and departments of the Group. Staff members jointly implement and execute relevant internal policies and promptly respond to the expectations of stakeholders.

To further refine its ESG policies, the Group has been actively communicating with stakeholders such as employees, customers, business partners and suppliers, shareholders and investors, government authorities and regulators through various channels in order to gather comments and suggestions from them. Coupled with the management's expectations on development, the Group identifies and analyses important topics at two dimensions, namely "Importance to our Stakeholders" and "Importance to Guangdong Land's Development", by conducting proactive and comprehensive stakeholder communication from multiple perspectives in various ways, such as electronic questionnaire, face-to-face communication, email correspondence and telephone interviews, thereby allowing the Group to envisage changes in the operating environment and consequently achieving the goals of sustainability and proper risk management.

The Group operates in the real estate industry and it is very important to strictly comply with environmental laws and regulations on construction works. Any failure to observe the relevant environmental laws and regulations may result in the relevant authorities' rejection of the applications for construction projects. The Group ensures that all newly constructed buildings comply with the environmental protection and energy conservation requirements set by the central and local governments. It also spares no efforts in contributing to environmental protection by actively collaborating with the main contractors of its development projects.

The information contained in this annual report is based solely on the Company's ESG policies, performance, along with information of internal management. The ESG information of the Group for the year ended 31 December 2025 is contained in the Company's ESG Report issued separately.

Management Discussion and Analysis (continued)

Employee and Remuneration Policy

The Group had 291 (31 December 2024: 376) employees as at 31 December 2025. The total employee remuneration and defined contribution schemes (excluding directors' remuneration) in 2025 amounted to approximately HK\$41 million (2024: HK\$141 million).

The remuneration policy of the Group is designed to ensure that the remuneration is competitive and in line with the development objectives and business performance of the Group. The remuneration package includes fixed salary, discretionary bonus, insurance and fringe benefits. The remuneration standards are based on factors such as qualifications, experience, job responsibility and performance of individual employees and market conditions. Discretionary bonus is subject to the performance-based incentive policy.

In terms of employee training, in order to enhance its employees' capabilities and skills, the Group encourages them to attend training and refresher programmes in their spare time for self-improvement, and provides targeted professional training sessions as per its business development requirements and on an as-needed basis.

Directors' and Senior Management's Profile

Executive Directors

Mr. ZHONG Yubin, aged 46, has been appointed as the Chairman, an Executive Director and the Chairman of the Nomination Committee of the Company in March 2025. He graduated from Peking University, the PRC with a Bachelor's degree in Laws, majoring in Political Science and Administration, and also graduated from Sun Yat-Sen University, the PRC with a Master's degree in Management, majoring in Business Administration. He held different positions in 南方報業傳媒集團 (Southern Newspaper and Media Group) from 2002 to 2015, during which he worked for 南方週末報社 (Southern Weekly) and 21世紀經濟報導報社 (21st Century Business Herald), was the director of the human resources department of 南方報業傳媒集團 (Southern Newspaper and Media Group), and was the general manager of 南方都市報社 (Southern Metropolis) from January 2015 to February 2018. He was a partner of 上海韓吾紀創業投資管理有限公司 (Shanghai Hanwuji Venture Capital Management Co., Ltd.) and the chief operating officer of 廣州民營投資股份有限公司 (Infinite Capital Holding Company) from February 2018 to December 2019 respectively. Mr. Zhong joined 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) ("Guangdong Holdings") in December 2019 and was appointed as the general manager of the human resources department of Guangdong Holdings from December 2019 to February 2025. He is currently the chairman of 廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.) ("Yuegang Development") and GDH Real Estates (China) Limited ("GDH Real Estates China"), the wholly-owned subsidiaries of Guangdong Holdings. Guangdong Holdings is the ultimate controlling shareholder of the Company.

Mr. WANG Jian, aged 53, has been appointed as an Executive Director and the Managing Director of the Company in April 2024. He has extensive experience in real estate industry in the PRC. Mr. Wang obtained a Master's degree in architecture from South China University of Technology, the PRC and is a senior engineer. From 2006 to 2019, he was the deputy general manager of 保利發展控股集團股份有限公司 (Poly Developments and Holdings Group Co., Ltd.) and was an executive director and the managing director of Poly Property Group Co., Limited (Stock Code: 00119), a Hong Kong listed company, from February 2019 to November 2023. Prior to joining the Group, Mr. Wang was the officer of the science and technology information centre of 中國保利集團有限公司 (China Poly Group Corporation Limited). He is currently the vice chairman of Yuegang Development and vice chairman and general manager of GDH Real Estates China, both companies are the wholly-owned subsidiaries of Guangdong Holdings, and a director of certain subsidiaries of the Company.

Non-Executive Directors

Mr. WEN Yinheng, aged 48, has been appointed as a Non-Executive Director of the Company in March 2025. He holds a Bachelor's degree in Economics from Jinan University, the PRC, and a Master of Commerce degree in International Professional Accounting from the University of New South Wales, Australia. From 2003 to 2006, Mr. Wen worked in Guangdong Bureau and Listed Company Supervision Department of the China Securities Regulatory Commission, supervising the merger, acquisition and restructuring activities of listed companies. Between 2006 and 2011, he worked for Dalian Commodity Exchange and held a number of positions including director of the Surveillance Department. Mr. Wen joined Guangdong Investment Limited ("GDI") in November 2011, acted as a deputy general manager of GDI from November 2011 to November 2012 and was an executive director and managing director of GDI from November 2012 to March 2025. He is currently a non-executive director of GDH Guangnan (Holdings) Limited ("Guangnan Holdings") and a director of its subsidiaries, 廣東粵海廣南投資有限公司 (GDH Guangnan Investment Company Limited) and GDH Guangnan Hong Company Limited. GDI and Guangnan Holdings are subsidiaries of GDH, which is the immediate controlling shareholder of the Company, and both are Hong Kong listed companies. He is also a director of Yuegang Development and GDH Real Estates China, the wholly-owned subsidiaries of Guangdong Holdings.

Directors' and Senior Management's Profile

(continued)

Non-Executive Directors (continued)

Ms. ZHANG Xiaoli, aged 45, has been appointed as a Non-executive Director and a member of the Nomination Committee of the Company in December 2025. She graduated from Guangdong University of Foreign Studies, the PRC with a Bachelor's degree in Economics, majoring in International Economics and Trade, and also graduated from Sun Yat-Sen University, the PRC with a Master's degree in Management, majoring in Management Science and Engineering. Ms. Zhang worked at 廣東省青年聯合會 (Guangdong Youth Federation) between 2004 to 2020 and has served as secretary-general of the federation. From April 2020 to April 2021, she worked for 廣東粵財投資控股有限公司 (Guangdong Yuecai Investment Holdings Co., Ltd.) and held position including general manager of the party and mass work department. Ms. Zhang has been serving as an executive director and general manager of 廣東粵海集團企業服務有限公司 (Guangdong Yuehai Group Enterprise Service Co., Ltd.), a wholly-owned subsidiary of Guangdong Holdings since May 2021 and deputy director of general office of Guangdong Holdings since May 2024. She is currently a director of Yuegang Development and GDH Real Estates China, the wholly-owned subsidiaries of Guangdong Holdings.

Independent Non-Executive Directors

Mr. Felix FONG Wo, *BBS, JP*, aged 75, has been appointed an Independent Non-Executive Director of the Company in January 2007. He is the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee of the Company respectively.

Mr. Fong is a founding partner of Arculli Fong & Ng (now renamed as King & Wood Mallesons) and is a consultant of King & Wood Mallesons. Mr. Fong has practised law for over 40 years, eight of which in Toronto. Mr. Fong undertook a number of community and social roles, such as the former chairman of the Chinese Canadian Association of Hong Kong, the Liquor Licensing Board and the Advisory Council on Food and Environmental Hygiene. Mr. Fong is a member of Guangdong Provincial Committee of Chinese People's Political Consultative Conference (9th and 10th Sessions), a director of China Overseas Friendship Association and a director of Hong Kong Basic Law Institute Limited. Mr. Fong is a Justice of Peace and has been awarded a Bronze Bauhinia Star by the Government of the Hong Kong SAR in recognition of his public service. In the area of education, Mr. Fong is a founding member and the first director of the Canadian International School of Hong Kong, and an advisor to the Faculty of Business of University of Victoria in Canada. Mr. Fong is the honorary legal counsels of a number of nonprofit organisations in Hong Kong such as Hong Kong Institute of Professional Photographers Ltd. and The Chinese Manufacturers' Association of Hong Kong.

Mr. Fong is an independent non-executive director of Greenland Hong Kong Holdings Limited and Television Broadcasts Limited, the shares of these companies are listed on the Hong Kong Stock Exchange. He is also an independent non-executive director of Bank of Shanghai (Hong Kong) Limited. He was an independent non-executive director of Sheen Tai Holdings Group Company Limited from June 2012 to May 2020, WuXi Biologics (Cayman) Inc. from May 2017 to June 2020, Xinming China Holdings Limited from June 2015 to October 2021 and Howkingtech International Holding Limited (renamed as MemeStrategy, Inc.) from November 2022 to April 2025, the shares of these companies are listed on the Hong Kong Stock Exchange, and was an independent non-executive director of Evergreen International Holdings Limited from October 2010 to March 2020 and Vesync Co., Ltd from December 2020 to May 2025, the shares of these companies were delisted from the Hong Kong Stock Exchange.

Mr. Fong received his engineering degree in Canada in 1974 and his juris doctor from Osgoode Hall Law School in Toronto in 1978. Mr. Fong is a member of the law societies of Hong Kong, Upper Canada and England, and one of the China-appointed attesting officers in Hong Kong appointed by the Ministry of Justice of China.

Directors' and Senior Management's Profile

(continued)

Independent Non-Executive Directors (continued)

Mr. Vincent Marshall LEE Kwan Ho, *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*, aged 70, has been appointed as an Independent Non-Executive Director of the Company in March 2009. He is the chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee of the Company respectively.

Mr. Lee is the chairman of Tung Tai Group of Companies. He was an independent non-executive director of Hong Kong Exchanges and Clearing Limited between April 2000 and April 2017 and HK Asia Holdings Limited (renamed as Moon Inc.) between August 2018 to March 2025, the shares of these companies are listed on the Hong Kong Stock Exchange, and was a non-executive director of Lerthai Group Limited between March 2013 and June 2017, the shares of this company were delisted from the Hong Kong Stock Exchange. Mr. Lee has over 40 years of experience in the securities and futures industry and has extensive experience in banking, corporate finance and investment. He worked for Coopers and Lybrand, Los Angeles & Boston from 1978 to 1981, and for HSBC group, Hong Kong & Vancouver from 1981 to 1990.

He has undertaken a number of public service and community activities. Mr. Lee is at present a member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC and vice-chairman of Standing Committee of the Hong Kong Association for the Promotion of Peaceful Reunification of China. He is also the chairman of Correctional Services Children's Education Trust Committee.

He was a deputy of the National People's Congress of PRC from March 2018 to March 2023. He was the chairman of the Sir Murray MacLehose Trust Fund Investment Advisory Committee between December 2012 and November 2018, a non-official member of Financial Services Development Council from 2013 to January 2019, the chairman of Correctional Services Children's Education Trust Investment Advisory Board from 2018 to 2023, and the chairman of Hong Kong Guangxi CPPCC Members Friendship Association Limited from 2016 to 2018. He was also a part-time member of Central Policy Unit of the Government of the HKSAR from 2007 to 2008, a member of Academic and Accreditation Advisory Committee of Securities and Futures Commission from 2002 to 2006, a member of Securities and Futures Appeals Tribunal from 2003 to 2009, and the chairman of the Institute of Securities Dealers Limited from 2005 to February 2009. He is a founding member of Canadian International School of Hong Kong Limited since 1990 and acted as its chairman from 2006 to 2008. He was a member of the Council of The Chinese University of Hong Kong from 2016 to May 2022.

Mr. Lee graduated Magna Cum Laude in Accounting and International Finance from the University of Southern California, USA and received a Master of Economics from the London School of Economics and Political Science at the University of London, UK. He is a certified public accountant in State of California, USA and a fellow member of Hong Kong Institute of Certified Public Accountants.

Mr. LEUNG Luen Cheong, aged 58, has been appointed an Independent Non-Executive Director of the Company in January 2023. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Leung graduated from the University of Leicester with first class-honours and holds a Master's degree in Economics from the University of Oxford. He is a Chartered Financial Analyst, a member of The Hong Kong Society of Financial Analysts and also holds the Diploma in Investment Analysis and Portfolio Management. Mr. Leung is the founder of autoPI. He worked for various international financial institutions and has over 30 years of working experience in fund performance, investment risk, global investment performance standards and client reporting. Mr. Leung is an independent non-executive director of Namyue Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange.

Senior Management

The senior management of the Group comprises the two Executive Directors above, namely, Mr. ZHONG Yubin and Mr. WANG Jian.

Report of the Directors

The directors (the “Directors”) of Guangdong Land Holdings Limited (the “Company”) herein present their report and the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2025.

Principal Activities

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in property development and investment businesses.

There were no significant changes in the nature of the Group’s principal activities during the year under review.

Business Review

A review of the business of the Group during the year under review and a discussion on the Group’s future business development are set out in the Chairman’s Statement on pages 4 to 7 and the Management Discussion and Analysis on pages 8 to 19 of this annual report.

Principal risks and uncertainties that the Group may be facing are set out in the section of the Management Discussion and Analysis on page 17 to this annual report. The financial risk management objectives and policies of the Group are provided in Note 28 to the financial statements on pages 118 to 125 of this annual report.

An analysis of the Group’s performance during the year under review using financial key performance indicators is provided in the section of the Management Discussion and Analysis on page 15 of this annual report.

Discussion on the Group’s environmental policy and compliance with the relevant laws and regulations that have a significant impact on the Company is set out in the section of the Management Discussion and Analysis on page 18 to this annual report.

The Company’s key relationships with its employees, customers and suppliers and business associates that have a significant impact on the Company and on which the Company’s success depends are provided in the section of the Management Discussion and Analysis on pages 18 to 19, the section of this report on page 40, the section of the Corporate Governance Report on page 58 and Note 2(m) to the financial statements on page 81 of this annual report.

Report of the Directors (continued)

Financial Summary

A summary of the results and the financial position of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out below:

Results

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	8,571,375	6,759,320	3,877,416	1,377,691	6,006,392
Fair value (losses)/gains on investment properties	(520,824)	(44,942)	230,115	762,820	405,582
(Loss)/profit attributable to owners of the Company	(590,249)	(1,382,983)	(2,444,888)	392,688	1,402,249

Financial position

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	33,553,248	40,560,174	48,933,084	48,920,227	46,308,118
Total liabilities	(29,774,720)	(36,214,353)	(42,503,678)	(40,302,355)	(36,989,727)
Net assets	3,778,528	4,345,821	6,429,406	8,617,872	9,318,391
Non-controlling interests	(729,698)	(789,053)	(1,390,318)	(830,444)	(832,746)
Equity attributable to owners of the Company	3,048,830	3,556,768	5,039,088	7,787,428	8,485,645

Major Properties Held by the Group

Details of the particulars of major properties held by the Group as at 31 December 2025 are set out on pages 130 to 132 of this annual report.

Report of the Directors (continued)

Results and Dividends

The results of the Group for the year ended 31 December 2025 and the financial position of the Group at that date are set out in the financial statements on pages 65 to 129.

No interim dividend was paid during the year under review and the Board of Directors (the “Board”) did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

The forthcoming annual general meeting of the Company (the “2026 Annual General Meeting”) will be held on Thursday, 18 June 2026 and the register of members of the Company will be closed and no transfer of shares will be effected during the period from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, for determining the shareholders’ eligibility to attend and vote at the 2026 Annual General Meeting. The record date for determining the shareholders’ eligibility to attend and vote at the 2026 Annual General Meeting will be 18 June 2026.

In order to qualify for attending and voting at the 2026 Annual General Meeting, all transfers documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 June 2026.

Share Capital

There were no movements in the Company’s share capital during the year under review.

Distributable Reserves

As at 31 December 2025, the Company’s reserves available for distribution, calculated in accordance with the provision of the Companies Act 1981 of Bermuda, amounted to HK\$1,866,866,000.

In addition, the Company’s share premium of HK\$1,688,606,000 may be distributed in the form of fully paid bonus shares.

Charitable Donations

There were no charitable donations made by the Group during the year under review.

Retirement Benefits Schemes

Particulars of the Group’s retirement benefits schemes are set out in Note 2(m)(ii) to the financial statements.

Principal Subsidiaries

Particulars of the Company’s principal subsidiaries as at 31 December 2025 are set out in Note 30 to the financial statements.

Report of the Directors (continued)

Directors

The Directors of the Company during the year under review and up to the date of this report are:

Executive Directors

ZHONG Yubin (*Chairman*) (appointed with effect from 24 March 2025)

WANG Jian (*Managing Director*)

KUANG Hu (resigned with effect from 24 March 2025)

JIAO Li (resigned with effect from 24 March 2025)

Non-Executive Directors

WEN Yinsheng (appointed with effect from 25 March 2025)

ZHANG Xiaoli (appointed with effect from 8 December 2025)

YUAN Jing (resigned with effect from 27 June 2025)

LI Wenchang (resigned with effect from 27 October 2025)

WANG Surong (appointed with effect from 27 June 2025 and resigned with effect from 8 December 2025)

Independent Non-Executive Directors

Felix FONG Wo

Vincent Marshall LEE Kwan Ho

LEUNG Luen Cheong

In accordance with Bye-law 86(2) of the Company's Bye-laws (the "Bye-Laws"), after the last annual general meeting of the Company, Ms. ZHANG Xiaoli, who has been appointed as a Director on 8 December 2025, will hold office until the 2026 Annual General Meeting and shall be eligible for re-election.

In accordance with Bye-law 87 of the Bye-Laws, Mr. WANG Jian and Mr. Vincent Marshall LEE Kwan Ho will retire by rotation at the 2026 Annual General Meeting and shall be eligible for re-election.

Mr. WANG Jian, Ms. ZHANG Xiaoli and Mr. Vincent Marshall LEE Kwan Ho, being eligible, have offered themselves for re-election and if re-elected, they will hold office from the date of re-election, to the earlier of (a) the conclusion of the annual general meeting of the Company to be held in 2029; or (b) 30 June 2029, subject to earlier determination in accordance with the Bye-Laws and/or any applicable laws and regulations.

Directors' Service Contracts

None of the Directors proposed for re-election at the 2026 Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Material Interests in Transactions, Arrangements or Contracts

Save as disclosed in the "Connected Transactions" section on pages 30 to 36 of this report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year under review.

Report of the Directors (continued)

Permitted Indemnity Provision

Indemnity provision within the meaning of permitted indemnity provision under the Hong Kong Companies Ordinance for the benefit of the Directors is currently in force and was in force throughout the year ended 31 December 2025. In addition, the Company has taken out and kept in force appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company.

Directors' Interests in Competing Business

The interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (the "Competing Business") as required to be disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 December 2025 and up to the date of this report are as follows:

I. Core Business Activities of the Group

Property development and investment

II. Interests in Competing Business

Name of Director	Name of entity ^(Note 1)	Nature of interest ^(Note 1)	Competing Business
ZHONG Yubin	廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.) ("Yuegang Development") ^(Note 2)	Chairman	Property development and investment
	GDH Real Estates (China) Limited ("GDH Real Estates China") ^(Note 2)	Chairman	Property development and investment
WANG Jian	Yuegang Development ^(Note 2)	Vice chairman and general manager	Property development and investment
	GDH Real Estates China ^(Note 2)	Vice chairman	Property development and investment
WEN Yinheng	Yuegang Development ^(Note 2)	Director	Property development and investment
	GDH Real Estates China ^(Note 2)	Director	Property development and investment
ZHANG Xiaoli	Yuegang Development ^(Note 2)	Director	Property development and investment
	GDH Real Estates China ^(Note 2)	Director	Property development and investment

Notes:

1. The aforementioned entities are engaged in, among others, property development and investment. The interests of each of the aforementioned Directors in the businesses of the aforementioned entities may also arise through their respective directorships in its holding companies, subsidiaries, associated companies or other form of investment vehicles of such entities.
2. Subsidiary of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) ("Guangdong Holdings").

Report of the Directors (continued)

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year under review.

Directors' Interests and Short Positions in Securities

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be: (a) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

Interests and short positions in the Company

Name of Director	Capacity/ Nature of interest	Number of ordinary shares held	Long/ Short position	Approximate percentage of interests held ^(Note)
Vincent Marshall LEE Kwan Ho	Corporate	2,000,000	Long position	0.117%

Note: The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of the Company in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the year under review was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporates.

Report of the Directors (continued)

Substantial Shareholders' Interests

As at 31 December 2025, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity/ Nature of interest	Number of ordinary shares held	Long/ Short position	Approximate percentage of interests held ^(Note 1)
Guangdong Holdings ^(Note 2)	Interest in controlled corporation	735,182,843	Long position	42.95%
GDH Limited ("GDH") ^(Note 2)	Beneficial owner	735,182,843	Long position	42.95%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of the Company in issue as at 31 December 2025.
2. The attributable interest which Guangdong Holdings has in the Company is held through its wholly-owned subsidiary, namely GDH.

Save as disclosed above, as at 31 December 2025, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Change of Immediate Controlling Shareholder

In December 2024, the board of directors of Guangdong Investment Limited ("GDI"), the then immediate controlling shareholder of the Company, has recommended the payment of a special dividend in the form of a distribution in specie (the "Distribution in Specie") of 1,261,799,537 shares of the Company (representing approximately 73.72% of the then issued share capital of the Company) held directly by GDI to its shareholders. Further details of the Distribution in Specie are set out in the joint announcement of the Company and GDI dated 9 December 2024.

GDI has completed the Distribution in Specie on 21 January 2025 and did not hold any shares in the Company after it sold all the remaining 1,775,200 shares of the Company held by it in the market on 4 August 2025. Upon completion of the Distribution in Specie, GDH became the immediate controlling shareholder of the Company, and holds approximately 42.95% shareholding interests in the Company as at the date of this report. Guangdong Holdings remains as the ultimate controlling shareholder of the Company.

Report of the Directors (continued)

Connected Transactions

The Group's connected transactions and continuing connected transactions conducted during the year and subsequent to the year under review, and disclosed in accordance with Chapter 14A of the Listing Rules are as follows:

I. Connected Transactions

Tenancy Agreement

Reference is made to the announcements of the Company dated 30 December 2022 and 28 March 2024 in relation to the tenancy agreement and the partial termination and variation agreement (collectively, the "Previous Tenancy Agreement"), respectively, in respect of the lease of certain floors of Teem Tower (which is located at No. 208 Tianhe Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC) ("Teem Tower").

The Previous Tenancy Agreement has expired on 31 December 2024. Having considered the Group's reduced demand for office space and in order to save cost for leasing office space, on 18 January 2025, 廣東粵海置地集團有限公司 (Guangdong Yuehai Land Holdings Limited) ("Guangdong Yuehai Land", a wholly-owned subsidiary of the Company) (as tenant) and 廣東粵海天河城(集團)股份有限公司 (GDH Teem (Holdings) Limited) ("GD Teem") (as landlord) entered into a tenancy agreement (the "Tenancy Agreement"), pursuant to which GD Teem has agreed to lease the whole of the 44th Floor of Teem Tower to Guangdong Yuehai Land for a term from 18 January 2025 to 31 December 2026 (both days inclusive).

GD Teem (a non-wholly owned subsidiary of GDI, the then immediate controlling shareholder of the Company at the date of signing the Tenancy Agreement) is an associate of GDI and hence a connected person of the Company. Accordingly, the Tenancy Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under the Listing Rules. Pursuant to HKFRS 16, the Company shall recognise the premises leased under the Tenancy Agreement as a right-of-use asset in the consolidated statement of financial position of the Company. Accordingly, the entering into of the Tenancy Agreement shall be regarded as an acquisition of asset under the definition of transaction as set out in Rule 14.04(1)(a) of the Listing Rules. As at the date of the Tenancy Agreement, the unaudited value of the right-of-use asset recognised under the Tenancy Agreement is approximately RMB9,885,000. Further details of the above transaction are set out in the announcement of the Company dated 18 January 2025.

Report of the Directors (continued)

Connected Transactions (continued)

II. Continuing Connected Transactions – Property Management Services Related and Property Leasing Services Related Agreements

(1) Property Management Services Framework Agreement

On 30 January 2024, the Company and 粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.) (“Yuehai Property Management”) entered into a framework agreement (the “Property Management Services Framework Agreement”) in relation to the provision of the property management services from Yuehai Property Management and its subsidiaries (the “Yuehai Property Management Group”) to the Group, for a term commencing on 26 March 2024 (the date on which the Property Management Services Framework Agreement was approved by the independent shareholders at the special general meeting of the Company and become effective) to 31 December 2026 (both days inclusive). Pursuant to the Property Management Services Framework Agreement, the Yuehai Property Management Group agreed to provide certain property management services such as maintenance of properties, on-site consulting services and construction site management services, and services in assisting the sales of property units, in respect of the Group’s various types of properties (including property projects under development) such as residential properties, office buildings, other properties and those for ancillary uses such as property sales sites from time to time. The service fees shall be paid by the Group to the Yuehai Property Management Group on monthly, quarterly, half-yearly or yearly basis, in accordance with the usual commercial practices and on fair and reasonable terms. The service fees shall be calculated based on the gross floor area, location and condition of the relevant property, the nature and standard of service required, and the expected operating costs, etc. and shall be determined after arm’s length negotiations. During the year under review, members of the Yuehai Property Management Group entered into certain specific agreements with subsidiaries of the Company for the provision of property management services, which set out the detailed terms for the relevant transactions contemplated under the Property Management Services Framework Agreement.

During the year under review, the total amount of service fees paid by the Group to the Yuehai Property Management Group in respect of the Property Management Services Framework Agreement was approximately RMB16,308,000 (2025 annual cap: RMB177,000,000). Further details of the transaction are set out in the joint announcement of the Company and GDI dated 30 January 2024 and the circular of the Company dated 5 March 2024.

(2) The Second Laurel House Nursery Property Leasing Services Agreement

On 29 December 2023, 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.) (“Guangdong Property Development”, a wholly-owned subsidiary of the Company) and 廣東粵海天河城商業管理有限公司 (GDH Teem Commercial Management Co., Ltd.) (“Teem Management Co”) entered into the Second Laurel House Nursery Property Leasing Services Agreement, pursuant to which, Teem Management Co agreed to provide property leasing services in respect of the Laurel House Nursery to Guangdong Property Development for the period from 1 January 2024 to 31 December 2026 (both days inclusive).

During the year under review, the service fees paid by Guangdong Property Development to Teem Management Co in respect of the Second Laurel House Nursery Property Leasing Services Agreement were approximately RMB141,000 (2025 annual cap: RMB169,000). Further details of the transaction are set out in the announcement of the Company dated 29 December 2023.

Report of the Directors (continued)

Connected Transactions (continued)

III. Continuing Connected Transactions – Lease Agreements

(1) Lease Agreement in relation to Shopping Centre of the Shenzhen GDH City

On 16 September 2022, Guangdong Yuehai Land (a wholly-owned subsidiary of the Company) (as lessor) and 深圳粵海天河城購物中心有限公司 (Shenzhen GDH Teem Shopping Center Co., Ltd.) (“Shenzhen GDH Teem”) (as lessee) entered into a lease agreement, pursuant to which, Guangdong Yuehai Land has agreed to lease the shopping centre, the car parks and old factory building (previously used for the operation of brewery business) situated at the Northern Land and the Southern Land of the Shenzhen GDH City Project to Shenzhen GDH Teem for commercial operation for a term from 16 September 2022 to 15 September 2042 (both days inclusive).

During the year under review, no rent was paid by Shenzhen GDH Teem to Guangdong Yuehai Land (2025 annual cap: RMB0). Further details of the transaction are set out in the announcement of the Company dated 16 September 2022.

(2) Lease Agreement in relation to letting of Site B for carpark operations

Reference is made to the announcement of the Company dated 14 July 2023 in relation to the lease agreement (the “Second Lease (Site B) Agreement”) in respect of the lease of certain sites of the Jiangmen GDH City Project (“Site B”) to Yuehai Property Management.

The Second Lease (Site B) Agreement has expired on 15 April 2024. On 9 April 2024, 江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.) (“Jiangmen Yuehai Land”, a non-wholly owned subsidiary of the Company) (as lessor) and Yuehai Property Management (as lessee) entered into a lease agreement (the “Third Lease (Site B) Agreement”), pursuant to which, Jiangmen Yuehai Land agreed to continue to lease Site B to Yuehai Property Management to operate a temporary open-air carpark with a capacity of 700 car-parking spaces for the period from 16 April 2024 to 15 April 2025 (both days inclusive).

During the year under review, no rent was paid by Yuehai Property Management to Jiangmen Yuehai Land in respect of the Third Lease (Site B) Agreement (2025 annual cap: RMB1,160,000). Further details of the transactions are set out in the announcement of the Company dated 30 April 2024.

(3) Lease Agreement in relation to letting of Site C for carpark operations

On 30 April 2024, Jiangmen Yuehai Land (a non-wholly owned subsidiary of the Company) (as lessor) and 粵海物業管理有限公司江門分公司 (Yuehai Property Management Co., Ltd. Jiangmen Branch) (“Yuehai Property Management Jiangmen Branch”) (as lessee) entered into a lease agreement (the “Lease (Site C) Agreement”), pursuant to which, Jiangmen Yuehai Land agreed to lease certain sites of the Jiangmen GDH City Project (“Site C”) to Yuehai Property Management Jiangmen Branch to operate a carpark with a capacity of 767 car-parking spaces (60 car-parking spaces at ground level and 707 car-parking spaces at basement level) for the period from 1 May 2024 to 30 April 2025 (both days inclusive).

During the year under review, the rents paid by Yuehai Property Management Jiangmen Branch to Jiangmen Yuehai Land in respect of the Lease (Site C) Agreement were approximately RMB588,000 (2025 annual cap: RMB730,000). Further details of the transaction are set out in the announcement of the Company dated 30 April 2024.

Report of the Directors (continued)

Connected Transactions (continued)

IV. Continuing Connected Transactions – Other Agreements

(1) Financial Services Framework Agreement

On 30 August 2024, the Company and 粵海集團財務有限公司 (GDH Finance Co., Ltd.) (“GDH Finance”) entered into a financial services framework agreement (the “2024 Financial Services Framework Agreement”), pursuant to which GDH Finance would provide certain financial services, including the deposit services, the settlement services, the loan services, the guarantee services and the other financial services, to the Group in the mainland of the PRC for a term from 1 September 2024 to 31 December 2026 (both days inclusive). During the year under review, no specific agreement entered into between member(s) of the Group and GDH Finance for the provision of financial services.

During the year under review, the maximum aggregate daily balance of (i) cash deposits (including the interest accrued thereon), and (ii) the relevant fund balance(s) in respect of the electronic bills of exchange payment services amounted to approximately RMB10,931,000; and no services fee was paid by the Group to GDH Finance (2025 annual caps: RMB20,000,000 as the maximum of the aggregate daily balances in respect of the deposit services and the electronic bills of exchange payment services; RMB0 as the maximum service fees in respect of the settlement services and the other financial services (on an aggregated basis)). Further details of the transaction are set out in the announcement of the Company dated 30 August 2024.

(2) Construction Management Services Agreements

On 25 September 2024, 粵海科技(深圳)有限公司 (Yuehai Technology (Shenzhen) Co., Ltd.) (“Yuehai Technology”, a wholly-owned subsidiary of the Company) and 廣東粵港供水有限公司 (Guangdong Yue Gang Water Supply Company Limited) (“Yue Gang Water Supply”) entered into a construction management services agreement (the “Zhishui Construction Management Services Agreement”), pursuant to which Yuehai Technology shall provide overall construction management services to Yue Gang Water Supply for a term commencing on 25 September 2024 to 31 December 2026 (both days inclusive), for the construction of a property project situated at the intersection of Taijia Road and Dongshen 1st Street, Huangbei Street Sub-district, Luohu District, Shenzhen City, the PRC, comprising commercial areas, research and development rooms, multi-functional halls and car-parking spaces (the “Zhishui Project”).

On 25 September 2024, Yuehai Technology and 廣東粵海水務股份有限公司 (Guangdong Yuehai Water Co., Ltd.) (“Guangdong Yuehai Water”) also entered into a construction management services agreement (the “Yueshui Construction Management Services Agreement”), pursuant to which Yuehai Technology shall provide overall construction management services to Guangdong Yuehai Water for a term commencing on 25 September 2024 to 31 December 2026 (both days inclusive), for the construction of the property project situated at east of Huangbei Yanhe North Road and south of Aiguo Road, Luohu District, Shenzhen City, the PRC, comprising a main tower with 36 floors above ground and 4 floors underground, and a 5-storey public building (the “Yueshui Project”).

During the year under review, the service fees paid by Yue Gang Water Supply and Guangdong Yuehai Water to Yuehai Technology in respect of the Zhishui Construction Management Services Agreement and Yueshui Construction Management Services Agreement respectively were approximately RMB5,825,000 (2025 annual cap: RMB5,826,000) and approximately RMB5,089,000 (2025 annual cap: RMB5,090,000). Further details of the transactions are set out in the announcement of the Company dated 25 September 2024.

Report of the Directors (continued)

Connected Transactions (continued)

IV. Continuing Connected Transactions – Other Agreements (continued)

(3) Electricity Agreements

On 12 May 2025, Jiangmen Yuehai Land (a non-wholly owned subsidiary of the Company) and 中山粵海能源服務有限公司 (Zhongshan GDH Energy Service Co., Ltd.) (“GDH Energy Service”) entered into an electricity agreement (the “Jiangmen Yuehai Land 2025 Electricity Agreement”), pursuant to which Jiangmen Yuehai Land shall purchase electricity for the commercial properties on Land No.4 (North side) of the Jiangmen GDH City Project (through the power grid operated by 廣東電網有限責任公司 (Guangdong Power Grid Co., Ltd.) (“Guangdong Power Grid”)) from GDH Energy Service for a term commencing on 1 July 2025 to 31 December 2025 (both days inclusive).

On 13 June 2025, Yuehai Technology (a wholly-owned subsidiary of the Company) and GDH Energy Service also entered into an electricity agreement (the “Yuehai Technology 2025 Electricity Agreement”), pursuant to which Yuehai Technology shall purchase electricity for Guangdong Land Tower of the Shenzhen GDH City Project (through the power grid operated by Guangdong Power Grid) from GDH Energy Service for a term commencing on 1 July 2025 to 31 December 2025 (both days inclusive).

During the year under review, the electricity fees paid by Jiangmen Yuehai Land and Yuehai Technology to GDH Energy Service in respect of the Jiangmen Yuehai Land 2025 Electricity Agreement and Yuehai Technology 2025 Electricity Agreement respectively were approximately RMB1,162,000 (2025 annual cap: RMB1,978,000) and approximately RMB1,502,000 (2025 annual cap: RMB4,213,000). Further details of the transactions are set out in the announcement of the Company dated 13 June 2025.

V. Continuing Connected Transactions pursuant to Rule 14A.60(1) of the Listing Rules

(1) Matters related to the Disposal of Yuehai Yueshenghuo

Reference is made to the announcement of the Company dated 19 November 2020 regarding the disposal (the “Disposal of Yuehai Yueshenghuo”) of the entire equity capital of 深圳市粵海悦生活物業管理有限公司 (Shenzhen Yuehai Yueshenghuo Property Management Co., Ltd.) (“Yuehai Yueshenghuo”). Yuehai Yueshenghuo was a wholly-owned subsidiary of the Company, upon completion of the Disposal of Yuehai Yueshenghuo on 23 November 2020, Yuehai Yueshenghuo became a wholly-owned subsidiary of Guangdong Holdings, the ultimate controlling shareholder of the Company, hence, an associate of Guangdong Holdings and a connected person of the Company.

Prior to Yuehai Yueshenghuo becoming a wholly-owned subsidiary of Guangdong Holdings, it had entered into the following agreement (the “Existing Yuehai Yueshenghuo Agreement”) in respect of continuing transactions with the Group. Upon completion of the Disposal of Yuehai Yueshenghuo, the transactions contemplated under the Existing Yuehai Yueshenghuo Agreement constituted continuing connected transactions of the Company. As the Group continues to conduct the transactions contemplated under the Existing Yuehai Yueshenghuo Agreement, the Company is required to comply with the annual review and disclosure requirements pursuant to Rule 14A.60(1) of the Listing Rules.

Report of the Directors (continued)

Connected Transactions (continued)

V. Continuing Connected Transactions pursuant to Rule 14A.60(1) of the Listing Rules (continued)

(1) Matters related to the Disposal of Yuehai Yueshenghuo (continued)

Yuecai City Preliminary Property Management Services Agreement

On 10 October 2018, Guangdong Yuehai Land (a wholly-owned subsidiary of the Company) and Yuehai Yueshenghuo entered into the Yuecai City Preliminary Property Management Services Agreement, pursuant to which, Yuehai Yueshenghuo agreed to provide property management services to Guangdong Yuehai Land in respect of the properties on the Northwestern Land of Yuecai City (the registered name of the Northwestern Land and the Northern Land of the Shenzhen GDH City Project) for the period from 30 September 2020 to 29 September 2025 (both days inclusive).

During the year under review, the service fees paid by Guangdong Yuehai Land to Yuehai Yueshenghuo in respect of the Yuecai City Preliminary Property Management Services Agreement were approximately RMB222,000. Further details of the transaction are set out in the announcement of the Company dated 19 November 2020.

(2) Matters related to the Huizhou Acquisition

Reference is made to the joint announcement of the Company dated 29 October 2020 regarding the acquisition (the "Huizhou Acquisition") of the entire equity capital of 惠陽粵海房產發展有限公司 (Huiyang Yuehai Property Development Co., Ltd.) ("Huiyang Development"). Upon completion of the Huizhou Acquisition on 18 January 2021, Huiyang Development became a wholly-owned subsidiary of the Company.

Prior to Huiyang Development becoming a wholly-owned subsidiary of the Company, it had entered into the following agreement (the "Existing Huizhou Agreement") in respect of continuing transactions with the subsidiary of Guangdong Holdings. Upon completion of the Huizhou Acquisition, the transactions contemplated under the Existing Huizhou Agreement constituted continuing connected transactions of the Company. As the Group continues to conduct the transactions contemplated under the Existing Huizhou Agreement, the Company is required to comply with the annual review and disclosure requirements pursuant to Rule 14A.60(1) of the Listing Rules.

Huiyang Lijiang Garden Commercial Property Rental Services Agreement

On 22 October 2020, Huiyang Development (a wholly-owned subsidiary of the Company) and Teem Management Co entered into the Huiyang Lijiang Garden Commercial Property Rental Services Agreement, pursuant to which, Teem Management Co shall provide commercial property rental services to Huiyang Development in respect of certain commercial properties in Huiyang Lijiang Garden for the period from 16 September 2020 to 31 December 2025 (both days inclusive).

During the year under review, the service fees paid by Huiyang Development to Teem Management Co in respect of the Huiyang Lijiang Garden Commercial Property Rental Services Agreement were approximately RMB41,000. Further details of the transaction are set out in the announcement of the Company dated 29 October 2020.

Report of the Directors (continued)

Connected Transactions (continued)

The Board, including the Independent Non-Executive Directors, has reviewed the continuing connected transactions set out above and has confirmed that such continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

KPMG, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 (Revised) Auditor's Letter on Continuing Connected Transactions under the Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. KPMG have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions set out above in accordance with Rule 14A.56 of the Listing Rules.

VI. Continuing connected transactions conducted subsequent to the Year under Review

Subsequent to the year under review, the Group has entered into the continuing connected transactions and disclosed in accordance with Chapter 14A of the Listing Rules as follows:

Electricity Agreements

On 16 December 2025, Yuehai Technology (a wholly-owned subsidiary of the Company) and Jiangmen Yuehai Land (a non-wholly owned subsidiary of the Company) entered into electricity agreements with GDH Energy Service respectively, to continue purchasing electricity from GDH Energy Service for a term commencing on 1 January 2026 to 31 December 2026 (both days inclusive).

In addition, on 16 December 2025, 中山粵海置地有限公司 (Zhongshan Yuehai Land Co., Ltd.) ("GDL Zhongshan") (a non-wholly owned subsidiary of the Company) also entered into an electricity agreement with GDH Energy Service, pursuant to which GDL Zhongshan shall purchase electricity for the sales centre of the Zhongshan GDH City Project (through the power grid operated by Guangdong Power Grid) from GDH Energy Service for a term commencing on 1 January 2026 to 31 December 2026 (both days inclusive).

Further details of the transactions are set out in the announcement of the Company dated 16 December 2025.

Report of the Directors (continued)

Related Party Transactions

Details of the significant related party transactions in the ordinary course of business are provided in Note 27(a) to the financial statements. The related party transactions described in Note 27(a) (marked with *) to the financial statements also constitute connected transactions or continuing connected transactions discloseable under the Listing Rules (details are set out under the section headed “Connected Transactions” of this report). In respect of these connected transactions and continuing connected transactions, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Apart from the connected transactions and continuing connected transactions disclosed in the section headed “Connected Transactions” of this report, none of the other related party transactions as disclosed in Note 27(a) to the financial statements is subject to the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

Disclosure under Rule 13.21 of the Listing Rules

(1) Uncommitted Revolving Term Loan Facility from the First Bank

On 24 February 2025, the Company accepted a facility letter (the “2025 First Facility Letter”) issued by a bank (the “First Bank”) in relation to an uncommitted revolving term loan facility (the “2025 First Facility”) for 360 days in the principal amount of HK\$250 million would be made available by the First Bank to the Company.

Pursuant to the 2025 First Facility Letter, the Company undertakes to the First Bank the followings:

- (i) Guangdong Holdings shall beneficially own, directly and/or indirectly, at least 51% of the shareholding in GDH;
- (ii) Guangdong Holdings shall be ultimately controlled and/or beneficially majority-owned (directly and/or indirectly) by the Guangdong Provincial People’s Government of the PRC (the “Guangdong Provincial Government”); and
- (iii) GDH shall continue to be the single largest shareholder of the Company and hold, directly and/or indirectly, not less than 42.95% interest of the shareholding in the Company.

There shall be an Event of Default if any of representation or statement made by the Company is incorrect and the First Bank may, by notice in writing to the Company, declare the 2025 First Facility to be terminated and the liabilities payable under the 2025 First Facility Letter shall become due payable.

The outstanding principal of the 2025 First Facility as at 31 December 2025 amounted to HK\$138 million. The relevant loan has been fully repaid on 20 February 2026.

Report of the Directors (continued)

Disclosure under Rule 13.21 of the Listing Rules (continued)

(2) Uncommitted Revolving Loan Facility from the Second Bank

On 24 February 2025, the Company accepted a facility letter (the “2025 Second Facility Letter”) issued by the second bank (the “Second Bank”) in relation to an uncommitted revolving loan facility (the “2025 Second Facility”) for 360 days in the principal amount of HK\$500 million would be made available by the Second Bank to the Company.

Pursuant to the 2025 Second Facility Letter, the Company covenants to the Second Bank the following undertakings:

- (i) the Company shall maintain as a subsidiary of GDH; and
- (ii) the Company shall maintain as a subsidiary of Guangdong Holdings.

The Second Bank may by notice to the Company require the Company to fully repay the loan under the 2025 Second Facility immediately if the above undertakings are not complied.

The outstanding principal of the 2025 Second Facility as at 31 December 2025 amounted to HK\$300 million. The relevant loan has been fully repaid on 20 February 2026.

On 10 February 2026, the Company accepted another facility letter (the “2026 Facility Letter”) issued by the Second Bank in relation to an uncommitted revolving loan facility (the “2026 Facility”) for 360 days in the principal amount of HK\$500 million would be made available by the Second Bank to the Company.

Pursuant to the 2026 Facility Letter, the Company covenants to the Second Bank the following undertakings:

- (i) the Company shall maintain as a subsidiary of GDH; and
- (ii) the Company shall maintain as a subsidiary of Guangdong Holdings.

The Second Bank may by notice to the Company require the Company to fully repay the loan under the 2026 Facility immediately if the above undertakings are not complied.

Change in Directors’ Information

The changes in Directors’ information are set out below:

- (1) Mr. ZHONG Yubin has been appointed as the chairman of Yuegang Development and GDH Real Estates China (both being subsidiaries of Guangdong Holdings), with effect from 28 November 2025 and 1 December 2025 respectively.
- (2) Mr. WANG Jian has been re-designated as the vice chairman and general manager of Yuegang Development and the vice chairman of GDH Real Estates China, with effect from 28 November 2025 and 1 December 2025 respectively.

Report of the Directors (continued)

Change in Directors' Information (continued)

- (3) Mr. WEN Yinheng has been appointed as:
- (i) a director of GDH Guangnan Hong Company Limited (a subsidiary of GDH Guangnan Investment Company Limited), with effect from 1 October 2025; and
 - (ii) a director of Yuegang Development and GDH Real Estates China, with effect from 28 November 2025 and 1 December 2025 respectively.
- (4) Ms. ZHANG Xiaoli has been appointed as a director of Yuegang Development and GDH Real Estates China, with effect from 28 November 2025 and 1 December 2025 respectively.
- (5) The annual director's fees of Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong were adjusted to HK\$392,000, HK\$392,000 and HK\$364,000, respectively with effect from 1 January 2026.
- (6) Due to the adjustments to remuneration structure of Non-Executive Directors, the emolument of Mr. WEN Yinheng was adjusted to RMB572,124 per annum, with effect from 1 January 2026.

Save for the above changes in Directors' information, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year under review.

Equity-Linked Agreements

During the year ended 31 December 2025, the Company had not entered into any equity-linked agreements.

Significant Contracts with Controlling Shareholders or its Subsidiaries

Save as disclosed in pages 30 to 36 of this report, the Company and the controlling shareholders of the Company or its subsidiaries had not entered into any contracts of significance during the year under review.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Bye-Laws and there are no restrictions against such rights under the laws of Bermuda, being the jurisdiction in which the Company is incorporated.

Report of the Directors (continued)

Sufficient Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the sufficient public float requirement under the Listing Rules during the year under review.

Major Customers and Suppliers

Sales to the Group's five largest customers accounted for approximately 11.76% of the Group's total sales for the year under review.

Purchases from the Group's five largest suppliers accounted for approximately 9.67% of the Group's total purchases for the year under review and purchases from the Group's largest supplier included therein accounted for approximately 3.53% of the Group's total purchases for the year under review.

None of the Directors, their respective associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the issued ordinary shares of the Company) had any interest in the Group's five largest customers or suppliers.

Auditor

Messrs. KPMG ("KPMG") will retire as the auditor of the Company with effect from the conclusion of the 2026 Annual General Meeting.

The Board has resolved, at the recommendation from the Audit Committee of the Company and, to propose the appointment of Messrs. Deloitte Touche Tohmatsu as the new auditor of the Company following the retirement of KPMG, to hold office until the conclusion of the 2027 annual general meeting of the Company. Such proposed appointment is subject to the approval of the shareholders of the Company at the 2026 Annual General Meeting.

By Order of the Board
ZHONG Yubin
Chairman

Hong Kong, 26 March 2026

Corporate Governance Report

Business Model and Development Strategies

The Company and its subsidiaries (the “Group”) are principally engaged in the property development and investment businesses. The Group is committed to consolidating the operational development of its existing businesses and proactively seeking development opportunities in order to generate continuous and steady investment returns for shareholders. Through optimising asset portfolio, strengthening capital management, enhancing management standard and corporate governance, further fortifying competitive strengths and enhancing the market influence of the Group in the real estate market of the Greater Bay Area, they stand to provide strong support for the enterprise’s long-term, steady and sustainable development.

The Group will further position itself strategically as “the influential, comprehensive development expert in the Greater Bay Area”, continue to leverage its status as a provincial state-owned enterprise in the Greater Bay Area, and develop steadily by property rentals and sales with a correct assessment of the situation to boost the Group’s brand reputation and awareness. It will innovate in marketing and take multiple measures to accelerate the destocking process of the existing projects. Through a prudent forecast of the market situation, it will strengthen the expansion of high-quality projects, enhance medium and long-term cultivation efforts such as urban renewal and cooperation with state-owned enterprises, and steadily promote new business research and pilot projects such as affordable housing and light asset construction to provide new momentum for the Group’s development. It will also improve the operation system, strengthen lean management, and increase efforts to reduce costs and increase efficiency.

Corporate Culture

The Group implements the core values of “three honests” and “four stricts” and the corporate culture of “integrity, honesty, responsibility, collaboration and efficiency”.

Corporate values “Three Honests” and “Four Stricts”:

- To be honest in thought, word and deed
- Set strict standards for work, organisation, attitude and observance of discipline

Corporate culture Integrity, honesty, responsibility, collaboration and efficiency

The Group insists on the implementation of:

- the core value of “being responsible and accountable”. It is committed to carrying forward the brand essence, promoting the concept of sustainable development, collaborating with employees, suppliers and partners, and creating returns for shareholders. While fulfilling the mission of “making the state-owned capital bigger and stronger”, the Group unremittingly seeks sustainable development, and strives to meet more aspirations by maximising the space, delivering more value for the land, and creating a better life for the society and the public with an eternal responsibility of a state-owned enterprise.

Corporate Governance Report (continued)

Corporate Culture (continued)

- the “two consistencies” requirements. It improves the corporate governance structure with a clear division of labour, coordinated operation and effective checks and balances, with a view to ensuring that the board of directors of the Company (the “Board”) and the management can properly perform their duties in accordance with laws, regulations, policies and the Bye-laws of the Company (the “Bye-Laws”).
- the concept of “people-oriented and safe development”. It attaches great importance to the rights of employees and strive to create a safe, healthy and stable working environment. The Group regularly provides professional and diversified safety training for employees. The contribution of employees is critical to the success of the Group’s business. The Group strives to create a caring and rewarding working environment for employees to ensure their growth in a diverse and fair environment. At the same time, the Group continues to provide career development and training opportunities for employees to maintain their competitiveness and release their potential.
- the mission of “social responsibility”. It strives to bring positive impacts to society and promote high-quality development of society. The Group focuses on the internal promotion of awareness and implementation of actions in social responsibility and externally fulfils corporate social responsibility and acts as an exemplary role. The Group actively organised various public welfare and voluntary activities to help people in need, and fulfilled its commitment to promoting society’s sustainable development, bringing benefits to its employees, partners and the communities where its business operates.
- “sustainable development”. As the community becomes more concerned with the sustainable development issues, the Group is committed to integrating the concepts of environmental protection, social responsibility and corporate governance into its daily business operations.

The Group will step up its efforts in strengthening corporate culture and enhance corporate core competencies.

Corporate Governance Code

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules.

In the opinion of the directors of the Company (the “Directors”), the Company has complied with the code provisions and, where appropriate, adopted the applicable recommended best practices set out in the CG Code throughout the year ended 31 December 2025.

Directors’ Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors and also implemented internal policy to govern the dealing in securities of the Company by the employees of the Group. In response to specific enquiry made, all the Directors confirmed that they had complied with the required standards of dealings as set out in the Model Code during the year under review.

Corporate Governance Report (continued)

Board of Directors

The Board which is accountable to the shareholders of the Company, is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management is entrusted by the Board with the authority and responsibility for the day-to-day management of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for Board approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory and regulatory requirements and rules and regulations. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

As at the date of this report, the Board comprises two Executive Directors, being Mr. ZHONG Yubin who is also the Chairman of the Board, and Mr. WANG Jian, who is also the Managing Director; two Non-Executive Directors, being Mr. WEN Yinheng and Ms. ZHANG Xiaoli; and three Independent Non-Executive Directors, being Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong.

During the year under review and up to the date of this report, Mr. ZHONG Yubin was appointed as the Chairman of the Board and Executive Director with effect from 24 March 2025, Mr. WEN Yinheng was appointed as a Non-Executive Director with effect from 25 March 2025, Ms. WANG Surong was appointed as a Non-Executive Director with effect from 27 June 2025 (subsequently resigned with effect from 8 December 2025) and Ms. ZHANG Xiaoli was appointed as a Non-Executive Director with effect from 8 December 2025. Mr. ZHONG Yubin, Mr. WEN Yinheng, Ms. WANG Surong and Ms. ZHANG Xiaoli had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 13 March 2025, 13 March 2025, 23 June 2025 and 3 December 2025, respectively and confirmed that they understood their obligations as Directors.

An updated list of Directors identifying their roles and functions is available on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEx").

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Company, and to review and approve the Company's annual, interim and quarterly results. During the year under review, sixteen Board meetings were held and attendance of each Director at the Board meetings is set out in the section headed "Board and Committees Meetings" of this report.

The Company has devised the annual meeting schedule for next year before the end of the year, setting out all meeting dates of the Board and its committees, in order for the Directors to plan ahead. At least fourteen days' notice of a Board meeting is normally given to all Directors who are provided with an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings to comply with all applicable rules and regulations. The agenda and the accompanying Board papers are normally sent to Directors at least three days before the intended date of a Board meeting. Draft minutes of each Board meeting are circulated to Directors for their comment before being tabled at the next Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, if a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The Bye-Laws also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her associates has a material interest. Every Director is entitled to have access to the Board papers and related materials as well as to the advice and services of the Company Secretary.

Corporate Governance Report (continued)

Corporate Governance Functions

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board performing corporate governance functions under the CG Code include:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company; and
- (e) to review the Company's compliance with the CG Code and the information disclosed in the Corporate Governance Report.

During the year under review, the Board considered, among other matters, the following corporate governance issues:

- (a) reviewed the training and continuous professional development of Directors;
- (b) monitored the report or complaint regarding possible improprieties in financial reporting and internal control (if any);
- (c) reviewed the effectiveness of the risk management and internal control systems of the Company through the Internal Audit Department and the Audit Committee; and
- (d) reviewed the Company's compliance with the CG Code and the information disclosed in the Corporate Governance Report.

Chairman and Managing Director

As at the date of this report, the Chairman of the Board is Mr. ZHONG Yubin and the Managing Director is Mr. WANG Jian. Their roles are clearly defined and segregated to ensure independence, proper checks and balances. Mr. ZHONG Yubin provides leadership for the Board and oversees its functioning, ensuring that the Board works effectively and acts in the best interest of the Group. Under the guidance of the Board, Mr. WANG Jian as the Managing Director focuses on the day-to-day management of the Group's business and leads the management team of the Group, is accountable to the Board for the implementation of the Company's overall strategies and the coordination of various business operations.

Corporate Governance Report (continued)

Non-Executive Directors

All Directors, including Non-Executive Directors, appointed to fill a causal vacancy or as an additional member to the existing Board shall hold office only until the next following annual general meeting and shall be eligible for re-election.

Moreover, each Non-Executive Director (including Independent Non-Executive Director) is appointed for a term of not more than approximately three years expiring on the earlier of either (a) the conclusion of the annual general meeting of the Company in the year of the third anniversary of the appointment or re-election of that Director; or (b) the expiration of the period within which the annual general meeting of the Company is required to be held in the year of the third anniversary of the appointment or re-election of that Director and in any event, subject to earlier determination in accordance with the Bye-Laws and/or applicable laws and regulations.

During the year under review, the Non-Executive Directors (including Independent Non-Executive Directors) provided the Company with a wide range of expertise and a balance of skills and brought independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings and committee meetings.

Independence of Independent Non-Executive Directors

During the year under review and up to the date of this report, the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received the confirmations of independence from the three Independent Non-Executive Directors, namely Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong in accordance with Rule 3.13 of the Listing Rules.

Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho have served the Board for more than nine years. They have clearly demonstrated their willingness to exercise independent judgement and to provide objective opinions to the management. There is no evidence that length of tenure is having an adverse impact on their independence. The Board therefore considers that Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho remain independent, notwithstanding the length of their tenure.

The Nomination Committee has assessed the independence of all the Independent Non-Executive Directors and has concluded that all of them are independent within the definition of the Listing Rules. Further, up to the date of this report, the Board is not aware of the occurrence of any events, which would cause it to believe that the independence of any of the Independent Non-Executive Directors has been impaired.

During the year, the Board has reviewed the mechanisms for ensuring independent views and input are available to the Board, including the proportion, independence and recruitment of Independent Non-Executive Directors, their contributions and the channels for obtaining internal appropriate information and seeking external independent professional advice, and considered such mechanism to be effectively implemented.

Relationship amongst Directors

The Board members do not have any financial, business, family or other material/relevant relationships with each other. Such balanced Board composition also ensures that strong independence exists across the Board.

Corporate Governance Report (continued)

Directors' Induction and Continuous Professional Development

Upon the appointment of the Board members, each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

The Directors are briefed on the amendments to or updates on the relevant laws, rules and regulations from time to time. Moreover, the Company encourages the Directors to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, Hong Kong ordinances and corporate governance practices so that they can continuously develop and refresh their relevant knowledge and skills. Some Directors attended seminars or conferences organised by government authorities, professional bodies or industrial organisations, etc. in relation to corporate governance, updates on laws, rules and regulations, accounting, financial, management or other professional skills. During the year, the Company organised Directors' training titled "Key Regulatory Considerations for Mergers and Acquisitions of Hong Kong Listed Companies" for the Directors and provided them with reading materials from time to time to develop and refresh their professional skills.

According to the records kept by the Company, the Directors attended the following trainings during the year under review:

Name of Director	In-house Directors' training	Seminars, conferences and reading materials
Executive Directors		
ZHONG Yubin <i>(Note 1)</i>	✓	✓
WANG Jian	✓	✓
KUANG Hu <i>(Note 2)</i>	✓	✓
JIAO Li <i>(Note 3)</i>	✓	✓
Non-Executive Directors		
WEN Yinheng <i>(Note 4)</i>	✓	✓
ZHANG Xiaoli <i>(Note 5)</i>	N/A	✓
YUAN Jiang <i>(Note 6)</i>	✓	✓
LI Wenchang <i>(Note 7)</i>	✓	✓
WANG Surong <i>(Note 8)</i>	✓	✓
Independent Non-Executive Directors		
Felix FONG Wo	✓	✓
Vincent Marshall LEE Kwan Ho	✓	✓
LEUNG Luen Cheong	✓	✓

Notes:

1. Appointed with effect from 24 March 2025.
2. Resigned with effect from 24 March 2025.
3. Resigned with effect from 24 March 2025.
4. Appointed with effect from 25 March 2025.
5. Appointed with effect from 8 December 2025.
6. Resigned with effect from 27 June 2025.
7. Resigned with effect from 27 October 2025.
8. Appointed with effect from 27 June 2025 and resigned with effect from 8 December 2025.

Corporate Governance Report (continued)

Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity on the Board.

The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural background, educational level, length of service, professional experience, skills and knowledge. The Company will also take into consideration its own business model and specific needs from time to time. All Board appointments are based on meritocracy and candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee has set the measurable objectives based on several focused areas: gender, age, cultural background, educational level, length of service, professional experience, skills and knowledge for the implementation of Board diversity of the Company. The Nomination Committee reviews the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

As at the date of this report, the Board comprises seven Directors, amongst them, three are Independent Non-Executive Directors, with diverse backgrounds, thereby promoting critical review and control of the management process. The Board maintains a balanced composition in terms of gender, age, professional experience, skills and knowledge. It has performed effectively by providing sound judgment on strategic issues and effective oversight of and guidance to management. The profiles of the Directors as set out in pages 20 to 22 to this annual report demonstrate a diversity of skills, expertise, experience and qualifications of the Directors.

The Board strived to maintain a balanced composition in terms of gender, amongst them, one is a female Director. To ensure there is gender diversity on the Board, the Board has set a target that there must be at least one Director of different gender on the Board at all times.

Having reviewed the implementation of the Board Diversity Policy and the structure, members' gender, size, and composition of the Board, the Nomination Committee and the Board considered that the Company had met the requirements of the Board Diversity Policy.

The Company has also adopted an Employees Diversity and Employment Protection Policy to promote diversity at all levels of the workforce. At the Group, there is no discrimination on the basis of gender, race, age, nationality, religion, family status, disability, etc., and there is equal opportunity for all employees.

As at 31 December 2025, approximately 60% of the Group's employees were male and approximately 40% were female, achieving the goal of gender diversity across the workforce.

Corporate Governance Report (continued)

Dividend Policy

The Board has adopted a revised dividend policy on 28 August 2024 with the aims of generating stable and sustainable returns for the shareholders of the Company.

In deciding whether to recommend the payment of any dividend and in determining the amount thereof, the Board will take into account the actual and expected financial performance and position of the Group (including operating income, operating cash flows, financial position), the Group's investment, financing and business needs, any contractual restrictions imposed on the payment of dividends, the then prevailing general economic conditions and outlook, the Group's past dividend payments, the dividend payout ratio of its peers and other factors that the Board may consider appropriate. The Company also aims to strike a balance between the sharing of the Company's profit with its shareholders and preserve sufficient funds for its development and operation.

The payment of dividend is subject to compliance with applicable laws and regulations including the laws of Bermuda and the Bye-laws of the Company. The Board will review its dividend policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary. There can be no assurance that dividends will be paid in any particular amount for any given period.

Board Committees

The Board has established the Remuneration Committee, the Nomination Committee and the Audit Committee.

Remuneration Committee

The Company established the Remuneration Committee in June 2005. The Remuneration Committee has been delegated responsibility from the Board to determine the remuneration packages of individual Executive Directors and senior management. The terms of reference of the Remuneration Committee detailing its authority and duties are available on the websites of the Company and HKEx.

As at the date of this report, the Remuneration Committee comprises three Independent Non-Executive Directors, being Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong. Mr. Felix FONG Wo is the chairman of the Remuneration Committee.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. The Remuneration Committee had held two meetings and had passed two written resolutions in 2025 and the attendance of each member is set out in the section headed "Board and Committees Meetings" of this report.

In 2025, the Remuneration Committee performed the works as summarised below:

- (a) reviewed and approved the proposed remuneration package for the newly appointed Chairman of the Board and Executive Director;
- (b) reviewed and recommended the proposed remuneration package for the newly appointed Non-Executive Director for the Board's approval;
- (c) reviewed and approved the proposed retirement benefits and employment contractual arrangement for Executive Directors;
- (d) reviewed and approved the proposed adjustments to the remuneration structure of Executive Directors;

Corporate Governance Report (continued)

Remuneration Committee (continued)

- (e) reviewed and approved the proposed annual performance-related bonuses to the individual Executive Directors; and
- (f) reviewed the key performance indicators of the annual appraisal of the individual Executive Directors.

Details of the Directors' emoluments for the year 2025 are set out in Note 7(a) to the financial statements.

Directors' Remuneration Policy

The remunerations of Directors are determined with reference to their academic background, professional experience, skills and knowledge, etc. as well as the responsibilities involved by the Directors and the emoluments offered for similar positions in comparable companies.

Nomination Committee

The Company established the Nomination Committee in March 2012. The Nomination Committee is responsible for, amongst other things, reviewing the structure, size and composition of the Board, assisting the Board in the development and review of the Board Diversity Policy (and the measurable objectives for its implementation), and the Directors' Nomination Policy, identifying individuals suitably qualified to become Board members, assessing the independence of Independent Non-Executive Directors in accordance with the criteria prescribed under the Listing Rules and the CG Code, making recommendation on the re-appointment of the retiring Directors and succession planning for Directors. The terms of reference of the Nomination Committee detailing its authority and duties are available on the websites of the Company and HKEx.

As at the date of this report, the Nomination Committee comprises the Chairman of the Board, Mr. ZHONG Yubin, Ms. ZHANG Xiaoli, a Non-Executive Director and three Independent Non-Executive Directors, being Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong. Mr. ZHONG Yubin is the chairman of the Nomination Committee.

The Nomination Committee shall meet at least once a year in accordance with its terms of reference. Four Nomination Committee meetings were held in 2025 and the attendance of each member is set out in the section headed "Board and Committees Meetings" of this report.

In 2025, the Nomination Committee performed the works as summarised below:

- (a) assessed the independence of the Independent Non-Executive Directors;
- (b) considered and recommended to the Board the re-appointment of the retiring Directors;
- (c) reviewed the implementation of the Board Diversity Policy and the structure, size, members' gender and composition of the Board; and
- (d) considered and recommended to the Board for the appointment of the Chairman of the Board and Executive Director and three Non-Executive Directors.

Corporate Governance Report (continued)

Directors' Nomination Policy

The Board has adopted a Directors' nomination policy (the "Directors' Nomination Policy") to formally set out the criteria and process in the nomination and appointment of Directors. According to the Directors' Nomination Policy, the ultimate responsibility for selection and appointment of Directors rests with the entire Board or the shareholders in general meeting, as the case may be. The Board has delegated the relevant screening and evaluation process to the Nomination Committee, which identifies suitably qualified candidates and recommends them to the Board. In assessing the suitability of a proposed candidate, the Nomination Committee takes into consideration the candidate's integrity, qualifications, skills, knowledge, experiences relevant to the Company's business and corporate strategy, his/her commitment to enhancing shareholder value and devoting sufficient time to effectively carry out their duties, fulfilment of the independence requirements as set out in the Listing Rules (for Independent Non-Executive Directors) and diversity on the Board. After reaching its decision, the Nomination Committee nominates such candidates to the Board for approval and appointment. As mentioned above, all Directors appointed to fill a casual vacancy or as an additional member to the existing Board shall hold office only until the next following annual general meeting and shall be eligible for re-election. The Board will make recommendation to shareholders in respect of the proposed re-election of Directors at the annual general meetings.

Audit Committee

The Company established the Audit Committee in September 1998. The Audit Committee oversees matters concerning the external auditor including making recommendations to the Board regarding the appointment of the external auditor, reviewing the scope of their audit work and approving their fees. The Audit Committee further ensures that the management has put in place effective systems of the risk management and internal control and maintains an overview of the Group's risk management system and financial controls. It reviews the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit, financial reporting functions and related environmental, social and governance performance, and their training programmes and budget. In addition, it reviews the internal audit schedules of the Group, considers the Group's internal audit reports and monitors the effectiveness of the internal audit function. The terms of reference of the Audit Committee detailing its authority and duties are available on the websites of the Company and HKEx.

As at the date of this report, the Audit Committee comprises three Independent Non-Executive Directors, being Mr. Vincent Marshall LEE Kwan Ho, Mr. Felix FONG Wo and Mr. LEUNG Luen Cheong. Mr. Vincent Marshall LEE Kwan Ho is the chairman of the Audit Committee.

The Company has complied with Rule 3.21 of the Listing Rules, which requires that at least one of the members of the Audit Committee (which must comprise a minimum of three members with Non-Executive Directors only and must be chaired by an Independent Non-Executive Director) is an Independent Non-Executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Four Audit Committee meetings were held in 2025 and the attendance of each member is set out in the section headed "Board and Committees Meetings" of this report. In addition to its four meetings as aforesaid, the Audit Committee also had two private meetings with the external auditor without the presence of the management to discuss any area of concern.

Corporate Governance Report (continued)

Audit Committee (continued)

In 2025, the Audit Committee performed the works as summarised below:

- (a) reviewed the annual caps on continuing connected transactions of the Company;
- (b) reviewed and recommended 2024 annual results, auditor's findings and draft annual results announcement for the Board's approval;
- (c) reviewed and considered various accounting issues and new accounting standards and their financial impacts;
- (d) reviewed the internal audit plan of 2025;
- (e) reviewed and recommended 2025 interim and quarterly results, auditor's findings, draft interim and quarterly results announcements for the Board's approval;
- (f) reviewed and recommended the internal audit reports for the Board's approval;
- (g) assessed the effectiveness of risk management and internal control systems of the Group for 2024; and
- (h) reviewed the proposed revised Non-Assurance Services Pre-Approval Policy.

Auditor's Remuneration

The remuneration of the Company's auditor, Messrs. KPMG and its other member firm, for services rendered in respect of the year ended 31 December 2025 is set out as follows:

Services rendered	Fee
	<i>HK\$'000</i>
Audit of annual financial statements	1,680
Review of interim financial report	760
Agreed-upon procedures in respect of quarterly results	520
Total:	2,960

Corporate Governance Report (continued)

Board and Committees Meetings

The individual attendance records of each Director at the meetings of the Board, the Nomination Committee, the Remuneration Committee, the Audit Committee and the Annual General Meeting of the Company during the year ended 31 December 2025 are set out below:

Name of Director	Board Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Audit Committee Meeting	Annual General Meeting
Executive Directors					
ZHONG Yubin <i>(Note 1)</i>	13/13	3/3	N/A	N/A	1/1
WANG Jian	14/16	N/A	N/A	N/A	0/1
KUANG Hu <i>(Note 2)</i>	2/3	0/1	N/A	N/A	N/A
JIAO Li <i>(Note 3)</i>	2/3	N/A	N/A	N/A	N/A
Non-Executive Directors					
WEN Yinheng <i>(Note 4)</i>	12/12	N/A	N/A	N/A	1/1
ZHANG Xiaoli <i>(Note 5)</i>	1/1	N/A	N/A	N/A	N/A
YUAN Jing <i>(Note 6)</i>	8/10	0/1	N/A	N/A	1/1
LI Wenchang <i>(Note 7)</i>	11/14	N/A	N/A	N/A	1/1
WANG Surong <i>(Note 8)</i>	4/5	0/1	N/A	N/A	N/A
Independent Non-Executive Directors					
Felix FONG Wo	15/16	4/4	2/2	4/4	1/1
Vincent Marshall LEE Kwan Ho	16/16	4/4	2/2	4/4	1/1
LEUNG Luen Cheong	16/16	4/4	2/2	4/4	1/1

Notes:

1. Appointed with effect from 24 March 2025.
2. Resigned with effect from 24 March 2025.
3. Resigned with effect from 24 March 2025.
4. Appointed with effect from 25 March 2025.
5. Appointed with effect from 8 December 2025.
6. Resigned with effect from 27 June 2025.
7. Resigned with effect from 27 October 2025.
8. Appointed with effect from 27 June 2025 and resigned with effect from 8 December 2025.

Corporate Governance Report (continued)

Accountability and Audit

The Board is responsible for overseeing the preparation of financial statements for the year ended 31 December 2025, which give a true and fair view of the financial position of the Group and of the results and cash flows for that financial year. In preparing the financial statements for the year ended 31 December 2025, the Board has selected appropriate accounting policies, applied them consistently in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgements and estimates that are prudent and reasonable, and ensured the preparation of the financial statements on a going concern basis.

The Group endeavours to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. The annual and interim results of the Company are announced in a timely manner within the limit of three months and two months respectively after the end of the relevant periods in accordance with the Listing Rules. To further enhance the Company's level of corporate governance and transparency, the Company has announced its unaudited financial information for the first quarter and first three quarters during the financial year ended 31 December 2025, and will continue to publish quarterly unaudited financial information in the future.

The Directors have acknowledged their responsibility for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2025.

Risk Management and Internal Control

The Board is responsible for and is highly concerned with the Group's risk management and internal control systems and reviews their effectiveness annually. In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures. Such systems are designed to prudently manage the Group's risks within an acceptable risk profile. The Board has delegated to management the implementation of such systems of risk management and internal controls as well as the review of relevant financial, operational, compliance, risk management and internal control procedures.

The management under the supervision of the Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the systems of risk management and internal control when there are changes to business environment or regulatory guidelines.

The management assists the Board with the implementation of all relevant policies and procedures on risk and control by identifying and assessing the risks faced and designing, operating and monitoring suitable risk management and internal control to mitigate and control these risks. The key processes that have been established in reviewing the adequacy and integrity of the systems of risk management and internal control include the following:

A defined management structure is maintained with specified limits of authority and control responsibilities, which is designed to (a) safeguard assets from inappropriate use; (b) maintain proper accounts; (c) ensure compliance with laws and regulations; and (d) identify, manage and mitigate key risks to the Group.

Corporate Governance Report (continued)

Risk Management and Internal Control (continued)

In addition to the duties of the Audit Committee as mentioned above, the Audit Committee, inter alia, reviews the financial controls, risk management, internal control systems of the Group and any significant internal control issues identified by the Internal Audit Department, the external auditor and the management. It also conducts review of the internal audit functions with particular emphasis on the scope and quality of the internal audits and independence of the Internal Audit Department. During its annual review, the Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group's accounting, financial reporting, internal audit functions and related environmental, social and governance performance, and their training and budget.

The Internal Audit Department monitors compliance with policies and procedures and the effectiveness of the risk management and internal control systems and highlights significant findings in respect of any non-compliance. It plays an important role in the Group's risk management and internal control framework, and provides objective assurance to the Board that the sound internal control system is maintained and operated in compliance with the established processes and standards by performing periodic checking. The Internal Audit Department issues reports to the Board and relevant management covering various operational and financial processes of the Group and provides summary reports to the Audit Committee together with the status of implementation of their recommendation in each Audit Committee meeting.

An Inside Information Policy was adopted by the Company which sets out guidelines to the directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

The Board has reviewed the effectiveness of the Group's risk management (including environmental, social and governance risks) and internal control systems and is satisfied that the risk management and internal control systems (including those for environmental, social and governance related risks) in place covering all material controls including financial, operational and compliance controls and risk management functions for the year under review and, up to the date of this report, are reasonably effective and adequate.

Company Secretary

The Company Secretary reports to the Chairman and the Managing Director and is responsible for advising the Board on corporate governance matters.

Ms. Christine MAK Lai Hung is the Company Secretary of the Company. She is a full time employee of the Company and has extensive experience in company secretarial and corporate governance practices with listed companies. For the year under review, Ms. Mak undertook over fifteen hours of relevant professional training to update her skills and knowledge.

Corporate Governance Report (continued)

Shareholders' Rights

The following procedures are subject to the Bye-Laws, the Companies Act 1981 of Bermuda and applicable legislations and regulations.

Procedures for shareholders to convene a special general meeting

Registered shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such special general meeting shall be held within two months after the deposit of such requisition. To ensure that the requisition is received by the Company at the earliest opportunity, a copy of the signed requisition should also be deposited at the principal place of business of the Company in Hong Kong at Office B, 26th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong marked for the attention of the Board or the Company Secretary.

The written requisition must state the purpose of the general meeting, signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of those shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a special general meeting by serving sufficient notice in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a special general meeting will not be convened as requested.

If within 21 days from the date of deposit of the requisition the Board fails to proceed to convene a special general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for shareholder to put forward proposals at general meetings

The Company holds an annual general meeting every year, and may hold a general meeting known as a special general meeting whenever necessary.

Registered shareholder(s) of the Company holding (a) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (b) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the next annual general meeting; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Board or the Company Secretary, not less than six weeks before the annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition. To ensure that the requisition is received by the Company at the earliest opportunity, a copy of the signed requisition should also be deposited at the principal place of business of the Company in Hong Kong at Office B, 26th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong marked for the attention of the Board or the Company Secretary.

Corporate Governance Report (continued)

Shareholders' Rights (continued)

Procedures for shareholder to put forward proposals at general meetings (continued)

If the written request is in order, the Company Secretary will ask the Board (a) to include the resolution in the agenda for the annual general meeting; or (b) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the annual general meeting; or the statement will not be circulated for the general meeting.

The procedures for shareholder(s) to propose a person for election as a director of the Company are posted on the Company's website.

Shareholders' enquiries

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, via its online holding enquiry services at www.srhk.vistra.com, or send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Shareholders may also send written enquiries to the Company, for the attention of the Chief Financial Officer or the Company Secretary by mail to Office B, 26th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong or by email to info@gdland.com.hk.

Shareholders' Communication Policy

The Board recognises the importance of communication with the Company's shareholders. The Company adopted the Shareholders' Communication Policy and is made available on the Company's website. The Company is committed to maximising the use of its website as a channel to provide updated information in a timely manner and to strengthen the communications with both the public and the shareholders.

The Group's current channels of communication with shareholders and investors include:

- timely publication of corporate communications, including annual reports, interim reports, environmental, social and governance reports, announcements and circulars, on the websites of the Company and HKEx as required by the Listing Rules;
- the Company's website also contains information on the Company's policies, project updates, memorandum of association and Bye-Laws, news and presentations, etc.;
- the Company holds regular annual results conference and various investor events from time to time to facilitate communication between the Company and investors;
- the Company holds annual general meeting every year and encourages active participation of shareholders. Where appropriate or necessary, the Chairman of the Board and other members of the Board, the chairmen of Board committees or their representatives, and the external auditor will attend the annual general meetings to answer shareholders' questions; and
- Shareholders may make enquiries to the Company in the manner described in the section headed "Shareholders' enquiries" above, investors may also make enquiries to the Company by sending email to info@gdland.com.hk.

Corporate Governance Report (continued)

Shareholders' Rights (continued)

Shareholders Communication Policy (continued)

During the year, the Board has reviewed the Shareholders' Communication Policy and after reviewing the existing channels of communication with shareholders and investors of the Company, considered such policy to be effectively implemented.

Investor Relations

The Company actively promotes investor relations and communication with the investment community throughout the year under review. The Company responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular results conferences, announcements and briefing meetings.

The Board is committed to providing clear and full information on the Company to shareholders through the publication of notices, announcements, circulars, interim and annual reports. Moreover, additional information on the Company is also available to shareholders and stakeholders through the "Investor Relations" page on the Company's website.

Constitutional Documents

During the year under review, there were no changes in the Company's Memorandum of Association and Bye-Laws. An up-to-date version of the Company's Memorandum of Association and Bye-Laws is available on the websites of the Company and HKEx.

Environmental Policies and Climate Change Related Risks

Environmental protection is one of the Group's key focuses in fulfilling its corporate social responsibilities. The Government of the PRC requires that all applicable businesses comply with relevant environmental laws and regulations. As all of its operations are in Chinese Mainland, the Group strictly complies with the applicable laws and regulations. The Group has relevant environmental policies in place. The Group resolutely implements the PRC's strategic objectives and planning of "peak carbon dioxide emissions" and "carbon neutrality", actively explores the implementation path of "peak carbon dioxide emissions and carbon neutrality" in the real estate industry, and integrates green building elements and the construction plans for sponge cities into our construction projects through technological innovations and professional expertise.

The Group is fully aware of the impact of climate change on business and operations and with reference to the "International Financial Reporting Standard on Sustainable Disclosures No. 2 – Climate-related Disclosures" issued by the International Sustainability Standards Board to explore and carry out climate change risk and opportunity analysis in a forward-looking manner, identify and evaluate the potential risks that climate changes may bring to the Group's business, operation and financial aspects, and formulate a series of reasonable response strategies and management measures to grasp the opportunities of climate changes that are closely related to the Group's business.

For more detailed information about the Company's environmental policies and climate change related risks, please refer to the Company's 2025 environmental, social and governance report issued separately.

Corporate Governance Report (continued)

Environment, Social and Governance Management

The Board incorporates environmental, social and governance (“ESG”) considerations into its decision-making process, regularly identifies material ESG issues with the management, and formulates ESG strategies, management approaches and goals that are appropriate for the Group based on the Group’s overall strategic planning. Meanwhile, the Board has established the ESG Committee with ESG Working Group under it. Authorised by the Board, the ESG Committee is responsible for assisting in the ESG management of the Group. The ESG Committee is required to determine the implementation paths and management policy for the ESG objectives set by the Board, and to oversee the work of the ESG Working Group. The ESG Working Group is responsible for strictly responding to the ESG requirements set by the ESG Committee at the business level and assisting the ESG Committee in reporting material ESG issues to the Board. Moreover, the Board monitors the progress of the ESG objectives, policies and achievements of the Group through reports from the ESG Committee, and conducts irregular reviews to continuously improve and refine the ESG management, with a view to ensuring that the long-term values established by the Group are consistent with the expectations and requirements of investors and regulators.

Relationship with Stakeholders

The Group recognises employees, customers and suppliers and business associates as its key stakeholders. We strive to achieve corporate sustainability through engaging our employees, providing quality services to our customers, collaborating with business partners (including suppliers and contractors) to deliver quality sustainable products and services and supporting our community.

By Order of the Board
ZHONG Yubin
Chairman

Hong Kong, 26 March 2026

Independent Auditor's Report



Independent auditor's report to the shareholders of Guangdong Land Holdings Limited

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Guangdong Land Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 65 to 129, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, 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, comprising 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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. 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 HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report (continued)

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.

Assessing the fair value of investment properties

Refer to Note 12 to the consolidated financial statements and the accounting policies in Note 2(f).

The Key Audit Matter

As at 31 December 2025, the fair value of the Group's completed investment properties was HK\$8,420 million. Changes in fair value during the year ended 31 December 2025 were recognised and presented as fair value losses on investment properties amounting to approximately HK\$521 million.

Management has engaged an external valuer to determine the valuation of the Group's investment properties stated at fair value as at 31 December 2025. The determination of these fair values involves significant judgement and estimation, particularly in relation to selecting the appropriate valuation methodology, capitalisation rates, market rents and comparable market prices.

We identified assessing the fair value of investment properties as a key audit matter because of the inherent risks involved in estimating the fair values of investment properties, particularly in light of the current economic circumstances.

How the matter was addressed in our audit

Our audit procedures to assess the fair value of investment properties included the following:

- obtaining and inspecting the valuation reports prepared by the external property valuers engaged by management;
- assessing the external property valuer's competence, capabilities and objectivity;
- with the assistance of our internal property valuation specialists, discussing with the external property valuer on the valuation methodology and the key estimates and assumptions, and:
 - evaluating appropriateness of the valuation methodology adopted with reference to the requirements of the prevailing accounting standards;
 - assessing the reasonableness of the key estimates and assumptions (including capitalisation rates, market rents and comparable market prices) adopted in the valuations, on a sample basis, by comparison with market data;
- comparing tenancy information, including passing rents and lease period, provided by the Group to the external property valuers with underlying contracts, on a sample basis.

Independent Auditor's Report (continued)

Key audit matters (continued)

Assessing the net realisable value of completed properties held for sale and properties held for sale under development

Refer to Note 14 to the consolidated financial statements and the accounting policies in Note 2(g).

The Key Audit Matter

As at 31 December 2025, the aggregate carrying value of the Group's completed properties held for sale and properties held for sale under development was HK\$20,264 million. For the year ended 31 December 2025, write down of completed properties held for sale and properties held for sale under development amounted to HK\$1,542 million. These properties principally comprise residential properties, commercial units and car parks in the Greater Bay Area.

Completed properties held for sale and properties held for sale under development are stated at the lower of cost and net realisable value. The calculation of the net realisable value of completed properties held for sale and properties held for sale under development involves significant management judgement, particularly in estimating costs to completion and future selling prices. Estimation of costs to completion and future selling prices are inherently uncertain due to changes in market demand.

We identified assessing the net realisable value of completed properties held for sale and properties held for sale under development of the Group as a key audit matter because of the inherent risks involved in estimating net realisable values, particularly in light of the current economic circumstances.

How the matter was addressed in our audit

Our audit procedures to assess the net realisable value of completed properties held for sale and properties held for sale under development included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the preparation and monitoring of management budgets and forecasts of construction and other costs for each property development project;
- evaluating the appropriateness of the methodology for calculating the net realisable value adopted by the management with reference to industry practice and the requirements of the prevailing accounting standards;
- on a sample basis, assessing the reasonableness of key estimates and assumptions adopted in the assessment, including those relating to average net selling prices and costs to completion, by comparing the future selling prices with market available data and the sales budget plans maintained by the Group and by comparing the costs to completion with the Group's latest development budget; and
- comparing the costs incurred to 31 December 2025 with budgets made at 31 December 2024, and the actual selling prices achieved during the current year with the estimated selling prices of the respective properties at the end of the previous financial year, on a sample basis, to assess the accuracy of management's forecasting and budgeting process.

Independent Auditor's Report (continued)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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.

Responsibilities of the directors for the consolidated financial statements

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report (continued)

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. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 HKSAAs 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 HKSAAs, 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.
- 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 consolidated 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.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

The engagement partner on the audit resulting in the independent auditor's report is Wong Chun Pong (practising certificate number: P05590).

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	8,571,375	6,759,320
Cost of sales		(5,784,192)	(5,979,072)
Gross profit		2,787,183	780,248
Other income	5	721	1,242
Other losses, net	5	(1,533,976)	(1,046,539)
Fair value losses on investment properties	12	(520,824)	(44,942)
Selling and marketing expenses		(225,976)	(284,347)
Administrative expenses		(118,053)	(204,126)
Operating profit/(loss)		389,075	(798,464)
Finance income	8	17,879	41,000
Finance costs	8	(420,041)	(388,614)
Finance costs, net		(402,162)	(347,614)
Loss before tax	6	(13,087)	(1,146,078)
Income tax expense	9	(628,775)	(350,725)
Loss for the year		(641,862)	(1,496,803)
Attributable to:			
Owners of the Company		(590,249)	(1,382,983)
Non-controlling interests		(51,613)	(113,820)
Loss for the year		(641,862)	(1,496,803)
Loss per share			
Basic and diluted	10	HK(34.49) cents	HK(80.80) cents

The notes on pages 71 to 129 form part of the consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(641,862)	(1,496,803)
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent year:		
Equity investments designated at fair value through other comprehensive income – net movement in fair value reserves	(4,630)	1,520
Other comprehensive income to be reclassified to profit or loss in subsequent year:		
Exchange differences on translation of Chinese Mainland operations	106,489	(122,029)
Total comprehensive income for the year	(540,003)	(1,617,312)
Attributable to:		
Owners of the Company	(507,938)	(1,482,320)
Non-controlling interests	(32,065)	(134,992)
Total comprehensive income for the year	(540,003)	(1,617,312)

The notes on pages 71 to 129 form part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK\$'000	2024 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment	11	64,763	76,517
Right-of-use assets		6,466	3,034
Intangible assets		18,027	17,584
Investment properties	12	8,419,542	8,871,756
Equity investments designated at fair value through other comprehensive income	13	36,579	41,209
Other receivables		–	5,934
Deferred tax assets	20(b)	223,448	355,939
Total non-current assets		8,768,825	9,371,973
Current assets			
Completed properties held for sale	14	11,701,959	12,849,321
Properties held for sale under development	14	8,562,376	13,146,472
Contract costs	14	63,121	73,556
Trade receivables, other receivables and prepayments	15	548,298	916,622
Tax recoverable		552,991	790,521
Restricted bank balances	16	188,909	2,086,729
Cash and cash equivalents	16	3,166,769	1,324,980
Total current assets		24,784,423	31,188,201
Total assets		33,553,248	40,560,174
Liabilities			
Current liabilities			
Trade and other payables and accruals	17	(3,409,875)	(4,123,729)
Contract liabilities	18	(5,972,326)	(9,385,824)
Lease liabilities		(6,454)	(2,539)
Tax payable	20(a)	(886,603)	(826,432)
Bank and other borrowings	19	(1,526,783)	(1,925,917)
Loans from related parties	27(c)	(5,355,765)	(3,913,876)
Total current liabilities		(17,157,806)	(20,178,317)
Net current assets		7,626,617	11,009,884
Total assets less current liabilities		16,395,442	20,381,857

Consolidated Statement of Financial Position (continued)

As at 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Bank and other borrowings	19	(8,738,119)	(9,820,071)
Loans from related parties	27(c)	(2,648,183)	(4,790,823)
Lease liabilities		(248)	(671)
Deferred tax liabilities	20(b)	(1,213,796)	(1,408,310)
Other payables	17	(16,568)	(16,161)
Total non-current liabilities		(12,616,914)	(16,036,036)
Total liabilities		(29,774,720)	(36,214,353)
Net assets		3,778,528	4,345,821
Equity			
Equity attributable to owners of the Company			
Share capital	21	171,154	171,154
Reserves	22	2,877,676	3,385,614
		3,048,830	3,556,768
Non-controlling interests	23	729,698	789,053
Total equity		3,778,528	4,345,821

Approved and authorised for issue by the board of directors on 26 March 2026.

ZHONG Yubin
Director

WANG Jian
Director

The notes on pages 71 to 129 form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

Notes	Attributable to owners of the Company											Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Property revaluation reserve HK\$'000	Enterprise development funds HK\$'000	Reserve funds HK\$'000	Fair value reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2025	171,154	1,688,606	2,785	6,984	216	394,260	3,559	(558,138)	1,847,342	3,556,768	789,053	4,345,821
Loss for the year	-	-	-	-	-	-	-	-	(590,249)	(590,249)	(51,613)	(641,862)
Other comprehensive income for the year:												
Equity investments at FVOCI – net movement in fair value reserves	28(d)	-	-	-	-	-	(4,630)	-	-	(4,630)	-	(4,630)
Exchange differences on translation of Chinese Mainland operations	-	-	-	-	-	-	-	86,941	-	86,941	19,548	106,489
Total comprehensive income for the year	-	-	-	-	-	-	(4,630)	86,941	(590,249)	(507,938)	(32,065)	(540,003)
Transactions with owners in their capacity as owners:												
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,290)	(27,290)
Transfer to reserve funds	-	-	-	-	-	395	-	-	(395)	-	-	-
At 31 December 2025	171,154	1,688,606	2,785	6,984	216	394,655	(1,071)	(471,197)	1,256,698	3,048,830	729,698	3,778,528

Note	Attributable to owners of the Company											Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Property revaluation reserve HK\$'000	Enterprise development funds HK\$'000	Reserve funds HK\$'000	Fair value reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2024	171,154	1,688,606	2,785	6,984	216	393,503	2,039	(457,281)	3,231,082	5,039,088	1,390,318	6,429,406
Loss for the year	-	-	-	-	-	-	-	-	(1,382,983)	(1,382,983)	(113,820)	(1,496,803)
Other comprehensive income for the year:												
Equity investments at FVOCI – net movement in fair value reserves	28(d)	-	-	-	-	-	1,520	-	-	1,520	-	1,520
Exchange differences on translation of Chinese Mainland operations	-	-	-	-	-	-	-	(100,857)	-	(100,857)	(21,172)	(122,029)
Total comprehensive income for the year	-	-	-	-	-	-	1,520	(100,857)	(1,382,983)	(1,482,320)	(134,992)	(1,617,312)
Transactions with owners in their capacity as owners:												
Capital reduction to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(448,177)	(448,177)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,096)	(18,096)
Transfer to reserve funds	-	-	-	-	-	757	-	-	(757)	-	-	-
At 31 December 2024	171,154	1,688,606	2,785	6,984	216	394,260	3,559	(558,138)	1,847,342	3,556,768	789,053	4,345,821

The notes on pages 71 to 129 form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Notes	2025 HK\$'000	2024 HK\$'000
Operating activities			
Net cash generated from operations	26(a)	4,025,731	4,866,505
Interest received		17,878	41,826
Interest paid		(549,278)	(1,729,116)
PRC tax paid		(423,975)	(1,243,227)
Net cash flows generated from operating activities		3,070,356	1,935,988
Investing activities			
Purchases of property, plant and equipment		(2,723)	(6,043)
Proceeds from disposal of property, plant and equipment		–	2
Proceeds from disposal of investment properties	12	25,408	–
Net cash flows generated from/(used in) investing activities		22,685	(6,041)
Financing activities			
Proceeds from bank and other borrowings	26(b)	1,084,475	6,259,326
Proceeds from loans from related parties	26(b)	–	5,408,146
Repayments of bank and other borrowings	26(b)	(2,821,193)	(4,434,402)
Repayments of loans from related parties	26(b)	(907,120)	(10,196,281)
Withdrawal/(payment) of pledged bank deposit related to bank borrowings	16(b)	1,637,409	(1,645,050)
Payment to non-controlling interests	27(a)	(257,279)	–
Dividend paid to non-controlling interests		(27,290)	(18,096)
Principal elements of lease payments	26(b)	(7,627)	(15,188)
Net cash flows used in financing activities		(1,298,625)	(4,641,545)
Net increase/(decrease) in cash and cash equivalents		1,794,416	(2,711,598)
Cash and cash equivalents at the beginning of the year		1,324,980	4,083,905
Effect of foreign exchange rate changes, net		47,373	(47,327)
Cash and cash equivalents at the end of year	16	3,166,769	1,324,980

The notes on pages 71 to 129 form part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

Guangdong Land Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at Office B, 26th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong.

The directors consider the ultimate holding company of the Company to be Guangdong Holdings Limited (廣東粵海控股集團有限公司) (“Guangdong Holdings”). Guangdong Holdings is a company established in the People’s Republic of China (the “PRC”). The immediate parent of the Company is GDH Limited (“GDH”). GDH is a private company incorporated in Hong Kong.

During the year, the Company and its subsidiaries (together, the “Group”) were involved in property development and investment businesses. The principal activities of the Company’s principal subsidiaries are set out in Note 30.

The Company’s shares are listed on the Hong Kong Stock Exchange.

2 Material accounting policies

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

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(a)(i) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(a) Basis of preparation (continued)

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest (see Note 2(f)); and
- investments in equity securities (see Note 2(i)(i)).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 3.

(i) New amendments to standards and framework adopted by the Group

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(b) Consolidation

(i) Subsidiaries

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

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

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

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

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

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

All intra-group transactions, balances and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated unless the transaction provides evidence of an impairment of transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(b) Consolidation (continued)

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

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

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK dollar").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All other foreign exchange gains and losses are recognised in profit or loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(c) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities are translated at the closing rate at the end of the reporting period;
- (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

(d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, and an appropriate proportion of borrowing costs (see Note 2(t)).

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

Buildings	2%
Office equipment	18% – 32%
Furniture and fixtures	18% – 20%
Motor vehicles	18% – 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(e) Intangible asset

Separately acquired trademarks are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Group amortises intangible asset with a limited useful life using the straight-line method over the following period:

Trademark	20 years
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Both the period and method of amortisation are reviewed annually.

(f) Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss.

If the fair value of investment properties under development cannot be reliably measured, the investment properties under development will be measured at cost until such time as fair value can be measured or construction is completed.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred. Investment properties that are being redeveloped for continuing use as investment properties continue to be measured at fair value.

Investment properties are derecognised either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of an investment property, the transaction price less the carrying value immediately prior to the sale is treated as gain/loss on disposal of investment property and is recorded in consolidated statement of profit or loss. Rental income from investment properties is accounted for as described in Note 2(r).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(g) Inventories and contract costs

(i) Property development business

Inventories of property development business are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

– Properties held for sale under development

Properties held for sale under development are investments in land and buildings on which construction work and development have not been completed and are stated at the lower of cost and net realisable value. Borrowing costs (see Note 2(t)) incurred during the construction period and up to the date of completion of construction are capitalised as development costs. Net realisable value represents the estimated selling price less estimated costs of completion and estimated selling expenses. On completion, the properties are reclassified to completed properties held for sale at the then carrying amount.

– Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. In respect of unsold properties, cost is determined by apportionment of the total land and development costs, other direct expenses and where applicable borrowing costs attributable to unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the end of the reporting period, or by management estimates of anticipated sale proceeds based on prevailing market conditions.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(ii) Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(g)(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(g) Inventories and contract costs (continued)

(ii) Contract costs (continued)

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in Note 2(r).

(h) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(r).

When the Group is an intermediate lessor, a sublease is classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(h), then the Group classifies the sublease as an operating lease.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(i) Financial assets

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

(ii) Recognition and derecognition

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

(iii) Measurement

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

(iv) Impairment

The Group has four types of financial assets that are subject to HKFRS 9’s expected credit loss model:

- other receivables
- restricted bank balances
- cash and cash equivalents; and
- financial guarantees

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and financial guarantees. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(i) Financial assets (continued)

(iv) Impairment (continued)

To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the lender would not otherwise consider;
- it becomes probable that the debtor will enter bankruptcy or other financial reorganisation;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from trade and other receivables since the initial recognition of those assets, although the decrease cannot yet be identified with the individual trade and other receivables in the portfolio;
- adverse changes in the payment status of debtors; and
- national or local economic conditions that correlate with defaults on trade and other receivables.

(j) Impairment of non-financial assets

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

(k) Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment (see Note 2(i)(iv)).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(l) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(i)(iv).

(m) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

In Hong Kong, the Group's net obligation in respect of pension obligations is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(n) Borrowings

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

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

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

(o) Trade payables

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

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

(p) Current and deferred income tax

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

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(p) Current and deferred income tax (continued)

(ii) Deferred income tax

Inside basis differences

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

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

(iii) Offsetting

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

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(q) Provisions

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

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

(r) Revenue recognition

Sales of properties

Revenue is recognised when the control of the asset is transferred to the customer. Revenue is recognised at a point in time when the customer obtains control of the completed property.

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property, whenever the earlier, and the Group has present right to payment and the collection of the consideration is probable. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under contract liabilities (see Note 2(s)).

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Rental income from operating lease

Rental income is recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(s) Contract liabilities

Upon entering into a contract with a customer, the Group assumes performance obligations to transfer goods or provide services to the customer.

The contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in profit or loss. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

(t) Borrowing costs

Borrowing costs that are 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 that asset.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to profit or loss in the year in which they are incurred.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(u) Segment reporting

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

(v) Contingent liabilities

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

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

(w) Dividend distribution

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

(x) Financial guarantee contracts

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

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(y) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Material accounting policies (continued)

(y) Asset acquisition (continued)

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

3 Accounting estimates

Except for estimate of fair value of investment properties which have been disclosed in Note 12, the significant sources of estimation uncertainty are as follows:

Net realisable value of properties held for sale under development and completed properties held for sale

The Group assesses the carrying amounts of properties held for sale under development and completed properties held for sale according to their recoverable amounts based on an estimation of the net realisable value of the underlying properties, taking into account estimating costs to completion and future selling prices, which are inherently uncertain due to changes in market demand.

If the carrying amounts of the properties fluctuate from those values estimated as a result of changes in market condition, material reversal of or write down of properties held for sale under development and completed properties held for sale may result. The assessment requires the use of judgement and estimates.

4 Segment information

For management purposes, the Group is organised into business units based on the projects and has three reportable segments as follows:

- (a) the property development segment;
- (b) the property investment segment, that consists of property investment, leasing and management operations; and
- (c) the other segment consists of corporate and other income and expense items.

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

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities as these liabilities are managed on a group basis.

The bank and other borrowings pledged by the assets of the property investment segment used in financing the property development activities were considered as segment liabilities in property development segment by management.

During the current and prior years, there were no intersegment transactions.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

(a) Segment result, assets and liabilities

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended				
31 December 2025				
Segment revenue:				
Sales to external customers	8,509,878	61,497	–	8,571,375
Segment results	907,892	(513,831)	(4,986)	389,075
Reconciliation:				
Finance income				17,879
Finance costs				(420,041)
Loss before tax				(13,087)
Other information				
Write down of completed properties held for sale and properties held for sale under development	(1,541,957)	–	–	(1,541,957)
Fair value losses on investment properties	–	(520,824)	–	(520,824)
Depreciation and amortisation	(19,751)	–	(1,821)	(21,572)
Capital expenditure	(2,655)	–	(15)	(2,670)

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

(a) Segment result, assets and liabilities (continued)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended				
31 December 2024				
Segment revenue:				
Sales to external customers	6,720,693	38,627	–	6,759,320
Segment results	(699,035)	(77,403)	(22,026)	(798,464)
Reconciliation:				
Finance income				41,000
Finance costs				(388,614)
Loss before tax				(1,146,078)
Other information				
Write down of completed properties held for sale and properties held for sale under development	(1,063,659)	–	–	(1,063,659)
Fair value losses on investment properties	–	(44,942)	–	(44,942)
Depreciation and amortisation	(27,626)	–	(1,950)	(29,576)
Capital expenditure	(6,037)	–	(6)	(6,043)

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

(a) Segment result, assets and liabilities (continued)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2025				
Segment assets	24,532,842	8,714,348	82,610	33,329,800
Reconciliation: Unallocated assets				<u>223,448</u>
Total assets				<u>33,553,248</u>
Segment liabilities	(28,093,233)	(23,383)	(444,308)	(28,560,924)
Reconciliation: Unallocated liabilities				<u>(1,213,796)</u>
Total liabilities				<u>(29,774,720)</u>
As at 31 December 2024				
Segment assets	30,833,873	9,143,906	226,456	40,204,235
Reconciliation: Unallocated assets				<u>355,939</u>
Total assets				<u>40,560,174</u>
Segment liabilities	(33,915,843)	(17,531)	(872,669)	(34,806,043)
Reconciliation: Unallocated liabilities				<u>(1,408,310)</u>
Total liabilities				<u>(36,214,353)</u>

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

(b) Geographical information

Revenue and non-current assets information is based on the locations of the customers and the locations of the assets. As the Group's major operations are principally located in Chinese Mainland, no further geographical segment information is provided.

(c) Information about major customers

In 2025, the Group's customer base is diversified and includes one (2024: one) customer with whom transactions of HK\$889,369,000 (2024: HK\$768,461,000) have exceeded 10% of the Group's revenue.

5 Revenue, other income and other losses, net

An analysis of revenue, other income and other (losses)/gains, net is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue		
From contract with customers:		
– Sale of properties recognised at a point in time	8,509,878	6,720,693
From other sources:		
– Rental income	61,497	38,627
	8,571,375	6,759,320
Other income		
Entrusted management services income	721	1,242
Other losses, net		
Write down of completed properties held for sale and properties held for sale under development	(1,541,957)	(1,063,659)
(Loss)/gain on disposal of property, plant and equipment, and right-of-use assets	(2,293)	695
Exchange losses, net	(3,242)	(5,018)
Sales deposit forfeiture	2,118	5,742
Others	11,398	15,701
	(1,533,976)	(1,046,539)

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Loss before tax

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

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Carrying amount of inventory sold		5,734,552	5,934,403
Depreciation and amortisation		21,572	29,576
Rental expenses (<i>Note (a)</i>)		1,751	381
Taxes and surcharges		45,085	27,383
Auditor's remuneration			
– audit services		1,680	1,740
– non-audit services		1,280	1,320
Directors' emoluments	7	6,180	5,309
Rentals income from investment properties		(41,430)	(20,432)
Less: direct outgoings		29,197	37,700
		(12,233)	17,268
Staff costs for the year (<i>Note (b)</i>)			
– wages and salaries		110,247	143,821
– contributions to defined contribution schemes		18,201	27,902
– reversal of bonus accrual brought forward		(86,963)	(30,315)
		41,485	141,408
Less: amount capitalised in property development projects		12,902	27,021
Total staff costs expensed		28,583	114,387

Notes:

- (a) The amount was associated with short-term leases.
- (b) The directors' emoluments are not included in the staff costs.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Benefits and interests of directors and five highest paid individuals

(a) Directors' emoluments

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Performance- related bonuses HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2025					
<i>Executive Directors:</i>					
ZHONG Yubin (<i>Chairman</i>)					
(<i>Note i</i>)	-	737	-	145	882
KUANG Hu (<i>Note ii</i>)	-	276	708	75	1,059
WANG Jian (<i>Note iii</i>)	-	811	494	199	1,504
JIAO Li (<i>Note iv</i>)	-	101	546	27	674
<i>Non-Executive Directors:</i>					
LI Wenchang (<i>Note v</i>)	-	-	-	-	-
WEN Yinheng (<i>Note vi</i>)	-	303	-	118	421
ZHANG Xiaoli (<i>Note vii</i>)	-	-	-	-	-
YUAN Jing (<i>Note viii</i>)	-	-	-	-	-
WANG Surong (<i>Note ix</i>)	-	-	-	-	-
	-	2,228	1,748	564	4,540
<i>Independent Non-Executive Directors:</i>					
Vincent Marshall LEE Kwan Ho	560	-	-	-	560
Felix FONG Wo	560	-	-	-	560
LEUNG Luen Cheong	520	-	-	-	520
	1,640	-	-	-	1,640

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Benefits and interests of directors and five highest paid individuals (continued)

(a) Directors' emoluments (continued)

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Performance- related bonuses HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2024					
<i>Executive Directors:</i>					
<i>KUANG Hu (Acting Chairman and Vice Chairman)</i>					
	–	896	–	378	1,274
LAN Runing	–	–	–	–	–
LI Yonggang	–	542	–	150	692
WANG Jian	–	560	–	201	761
WU Mingchang	–	–	–	–	–
JIAO Li	–	748	42	152	942
<i>Non-Executive Directors:</i>					
YUAN Jing	–	–	–	–	–
LI Wenchang	–	–	–	–	–
	–	2,746	42	881	3,669
<i>Independent Non-Executive Directors:</i>					
Vincent Marshall LEE Kwan Ho	560	–	–	–	560
Felix FONG Wo	560	–	–	–	560
LEUNG Luen Cheong	520	–	–	–	520
	1,640	–	–	–	1,640

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Benefits and interests of directors and five highest paid individuals (continued)

(a) Directors' emoluments (continued)

Notes:

- (i) ZHONG Yubin was appointed as an Executive Director and the Chairman of the Board effective from 24 March 2025.
- (ii) KUANG Hu resigned as an Executive Director and ceased to be the Acting Chairman and Vice Chairman of the Board effective from 24 March 2025.
- (iii) WANG Jian was appointed as an Executive Director effective from 25 April 2024.
- (iv) JIAO Li resigned as an Executive Director effective from 24 March 2025.
- (v) LI Wenchang was re-designated from an Executive Director to a Non-Executive Director effective from 9 December 2024, and resigned as a Non-Executive Director effective from 27 October 2025.
- (vi) WEN Yinheng was appointed as a Non-Executive Director effective from 25 March 2025.
- (vii) ZHANG Xiaoli was appointed as a Non-Executive Director effective from 8 December 2025.
- (viii) YUAN Jing was appointed as a Non-Executive Director effective from 9 December 2024, and resigned as a Non-Executive Director effective from 27 June 2025.
- (ix) WANG Surong was appointed as a Non-Executive Director effective from 27 June 2025, and resigned as a Non-Executive Director effective from 8 December 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

(b) Five highest paid individuals

One director is included in the highest paid individuals during the year (2024: Nil). Details of directors' and chief executives' remuneration are set out in Note 7(a) above. Details of the remuneration for the year of the five (2024: five) highest paid individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	3,338	4,335
Performance-related bonuses	3,445	2,484
Pension scheme contributions	813	663
	7,596	7,482

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$1,000,001 to HK\$1,500,000	1	3
HK\$1,500,001 to HK\$2,000,000	3	2

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Finance income/costs

	2025 HK\$'000	2024 HK\$'000
Finance income		
– bank interest income	17,879	41,000
Finance costs		
– interest expenses on bank borrowings	395,561	421,827
– interest expenses on other borrowings	271,854	518,093
– others	313	823
Total finance costs incurred	667,728	940,743
Less: amount capitalised in property development projects	(247,687)	(552,129)
Total finance costs expended	420,041	388,614

For the year ended 31 December 2025, the capitalised interest rate applied to funds borrowed and used for the development of properties is between 1.93% and 5.80% (2024: 2.25% and 6.81%) per annum.

9 Income tax in the consolidated statement of profit or loss

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. PRC Corporate Income Tax has been provided at the rate of 25% (2024: 25%) on the estimated assessable profit for the year. Withholding tax has been provided at the rate of 10% (2024: 5%) on the dividend distribution made by subsidiaries in the Chinese Mainland.

Land Appreciation Tax ("LAT") has been provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions.

	2025 HK\$'000	2024 HK\$'000
Current tax		
– PRC Corporate Income tax	482,398	(165,016)
– PRC LAT	222,825	(229,676)
– Withholding tax	10,839	9,940
Deferred tax	(87,287)	735,477
	628,775	350,725

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

9 Income tax in the consolidated statement of profit or loss (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the majority of the subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(13,087)	(1,146,078)
Tax at the statutory tax rates of 25% (2024: 25%)	(3,272)	(286,520)
Effect of different tax rate	2,466	9,345
Effect of withholding tax on the dividend distribution made by subsidiaries in Chinese Mainland	10,839	9,940
Income not subject to tax	(135)	(260)
Expenses not deductible for tax	3,337	8,706
Over provision in respect of prior years	(21,996)	–
Temporary difference not recognised	470,417	401,753
Reversal of previously recognised temporary difference	–	380,018
LAT deductible for calculation of income tax purposes	(55,706)	57,419
PRC LAT	222,825	(229,676)
Income tax expense	628,775	350,725

10 Loss per share attributable to owners of the Company

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of HK\$590,249,000 (2024: HK\$1,382,983,000) and the number of ordinary shares of 1,711,536,850 (2024: 1,711,536,850) in issue during the year.

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

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Property, plant and equipment

	Buildings <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost					
At 1 January 2025	65,246	26,083	20,033	4,934	116,296
Additions	52	253	2,418	–	2,723
Disposals	(1,973)	(107)	–	(626)	(2,706)
Exchange differences	1,459	603	534	115	2,711
At 31 December 2025	64,784	26,832	22,985	4,423	119,024
Accumulated depreciation					
At 1 January 2025	9,038	18,574	8,755	3,412	39,779
Charge for the year	3,269	2,611	7,801	564	14,245
Disposals	(125)	(83)	–	(563)	(771)
Exchange differences	135	458	329	86	1,008
At 31 December 2025	12,317	21,560	16,885	3,499	54,261
Net book value at 31 December 2025	52,467	5,272	6,100	924	64,763
Cost					
At 1 January 2024	66,852	25,871	15,570	5,632	113,925
Additions	411	766	4,866	–	6,043
Disposals	(725)	(37)	–	(587)	(1,349)
Exchange differences	(1,292)	(517)	(403)	(111)	(2,323)
At 31 December 2024	65,246	26,083	20,033	4,934	116,296
Accumulated depreciation					
At 1 January 2024	5,841	15,812	1,764	3,384	26,801
Charge for the year	3,491	3,138	7,137	631	14,397
Disposals	(230)	(25)	–	(529)	(784)
Exchange differences	(64)	(351)	(146)	(74)	(635)
At 31 December 2024	9,038	18,574	8,755	3,412	39,779
Net book value at 31 December 2024	56,208	7,509	11,278	1,522	76,517

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Investment properties

	<i>HK\$'000</i>
At 1 January 2024	9,110,859
Fair value losses on investment properties	(44,942)
Exchange differences	(194,161)
At 31 December 2024 and 1 January 2025	8,871,756
Cost adjustment	(146,593)
Transfer from completed properties held for sale to investment properties	26,612
Fair value losses on investment properties	(520,824)
Disposal of investment properties	(25,408)
Exchange differences	213,999
At 31 December 2025	8,419,542

As at 31 December 2025, investment properties with fair value of HK\$8,049,841,000 (2024: HK\$8,119,601,000) was pledged to banks as securities for bank borrowings granted to subsidiaries of the Group (Note 19).

In 2025, fair value gain upon transfer from completed properties held for sale to investment properties amounted to HK\$6,398,000 (2024: Nil).

The Group measures its investment properties at fair value. Independent valuation of the Group's investment properties was performed by Guangdong Caixing Asset Evaluation Co., Ltd., an independent professionally qualified valuer.

All of the Group's investment properties are valued by fair value measurements using significant unobservable inputs (level 3).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Investment properties (continued)

Fair value measurements using significant unobservable inputs

Information about fair value measurements for major investment properties using significant unobservable inputs:

	Valuation techniques	Significant unobservable inputs	Range or weighted average
Completed commercial properties	Income approach (i)	Capitalisation rate	4.00%-5.47% (2024: 4.72%-5.47%)
		Market rent/estimated rental per month (per sq. m.)	HK\$135 to HK\$348 (2024: HK\$140 to HK\$350)
	Market approach (ii)	Market price (per sq. m.)	HK\$29,146 (2024: HK\$30,379 to 32,682)
Carpark spaces	Income approach (i)	Capitalisation rate	4.20%-4.27% (2024: 4.20%-4.27%)
		Market rent/estimated rental per month (per car park space)	HK\$604 to \$1,020 (2024: HK\$604 to \$1,020)
	Market approach (ii)	Estimated land value (per car park space)	HK\$206,312

Notes:

- (i) Income approach is based on the income potential by adopting appropriate capitalisation rate, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The estimated rental adopted in the valuation have referred to valuers' view of recent lettings, within the subject properties and other comparable properties.
- (ii) Market approach is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their current use.

Prevailing market rents are estimated based on view of the external valuer on recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Capitalisation rate is estimated by the external valuer based on the risk profile of the properties being valued. The higher the capitalisation rate, the lower the fair value.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Investment properties (continued)

Operating lease

The Group leases out investment property under operating leases. The leases typically run for an initial period of 3 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain leases include variable lease payment terms that are based on the revenue of tenants.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	34,580	17,543
After 1 year but within 2 years	32,976	16,616
After 2 year but within 3 years	26,845	10,466
After 3 year but within 4 years	24,273	8,722
After 4 year but within 5 years	22,509	5,764
After 5 years	7,641	7,788
	148,824	66,899

13 Equity investments designated at fair value through other comprehensive income

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Investment in unlisted equity securities	36,579	41,209

The Group designated its investment in 粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.), a company incorporated in the PRC, at fair value through other comprehensive income as the investment is held for strategic purposes.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Completed properties held for sale, properties held for sale under development and contract costs

- (a) The analysis of completed properties held for sale, properties held for sale under development and contract costs under properties development segment is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Completed properties held for sale	11,701,959	12,849,321
Properties held for sale under development	8,562,376	13,146,472
Contract costs relating to sales commission of property sales	63,121	73,556
	20,327,456	26,069,349

As at 31 December 2025, completed properties held for sale of HK\$432,871,000 (2024: completed properties held for sale of HK\$1,187,747,000 and properties held for sale under development of HK\$238,650,000) were pledged to banks as securities for bank borrowings granted to subsidiaries of the Group (Note 19).

As at 31 December 2025, completed properties held for sale and properties held for sale under development of HK\$15,823,247,000 (2024: HK\$19,149,701,000) were expected to be recovered after more than one year.

- (b) The analysis of the amount of completed properties held for sale, properties held for sale under development recognised as an expense and included in profit or loss is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Carrying amount of completed properties held for sale sold	5,734,552	5,934,403
Write down of completed properties held for sale	1,088,235	816,003
Write down of properties held for sale under development	453,722	247,656
	7,276,509	6,998,062

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Trade receivables, other receivables and prepayments

	Notes	2025 HK\$'000	2024 HK\$'000
Trade receivables		11,717	2,693
Amounts due from related parties	27(c)	18,900	15,294
Other receivables	(a)	61,553	52,609
<hr/>			
Financial assets measured at amortised cost		92,170	70,596
Prepaid taxes		187,952	600,074
Prepaid construction costs		7,621	1,543
Other prepayments and deposits		16,042	5,904
Other current assets	(b)	244,513	238,505
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		548,298	916,622

Notes:

- (a) As at 31 December 2025, none of the other receivables was past due (2024: Nil). The credit risk was low as the counterparties were with strong financial position. With no significant increase in credit risk at year end and taking into account of the forward-looking information, the expected credit loss was considered as immaterial to the Group.
- (b) The Group disposed certain properties to a third party under relocation compensation agreements for the city renovation projects. Other current assets represented the contractual right of receiving the residential properties under the relocation compensation agreements. They were expected to be recovered after more than one year.

Ageing analysis

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

	2025 HK\$'000	2024 HK\$'000
Current or less than 3 months past due	11,717	2,693

Further details on the Group's credit policy are set out in Note 28(b).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Restricted bank balances and cash and cash equivalents

	Notes	2025 HK\$'000	2024 HK\$'000
Cash and bank balances		3,141,554	988,433
Other deposits with banks	(a)	28,993	356
Pledged deposit	(b)	–	1,619,850
Property pre-sale proceeds	(c)	185,131	803,070
		3,355,678	3,411,709
Less: restricted bank balances		(188,909)	(2,086,729)
Cash and cash equivalents		3,166,769	1,324,980

Notes:

- (a) As at 31 December 2025, it mainly represents the frozen deposit due to litigations.
- (b) It represents a pledged deposit in association with a bank loan amounting to HK\$4,319,600,000 placed at a designated bank account. The pledge was released on 1 January 2025.
- (c) It represented pre-sale proceeds from properties held for sale under development placed at designated bank accounts under supervision pursuant to relevant regulations in the PRC.

As at 31 December 2025, according to relevant regulations, balance amounting to approximately HK\$159,916,000 (2024: HK\$430,734,000) cannot be released until certain conditions are fulfilled. The remaining amounts can be released to the Group for meeting the payment needs for certain prescribed costs associated with the property development.

- (d) As at 31 December 2025, cash and bank balances (excluding restricted bank balances) of the Group denominated in Renminbi ("RMB") amounted to HK\$3,124,839,000 (2024: HK\$1,145,181,000). The RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (e) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

17 Trade and other payables and accruals

	2025 HK\$'000	2024 HK\$'000
Current portion:		
Trade and bills payables	42,691	44,976
Construction costs accruals	2,182,140	2,221,485
Interest payable to related parties (Note 27(c))	400,347	267,398
Other payables, accruals and provisions	219,679	279,253
Amounts due to related parties (Note 27(c))	12,645	16,282
Capital reduction payable to a non-controlling shareholder (Note 27(c))	191,495	441,312
<hr/>		
Financial liabilities measured at amortised cost	3,048,997	3,270,706
Other taxes payable and amount to be transferred to output VAT	346,726	839,425
Deposits	14,152	13,598
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	3,409,875	4,123,729
<hr/>		
Non-current portion:		
Financial liabilities measured at amortised cost – Other payables	16,568	16,161

The carrying amounts of trade and other payables approximate their fair values because of their immediate or short-term maturity.

Trade payables are non-interest bearing, while bills payables are interest-bearing. An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 3 months	42,691	44,976

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

18 Contract liabilities

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Advances received from customers for sale of properties	5,972,326	9,385,824

Notes:

- (a) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the sales of properties.
- (b) The following table shows the movements in contract liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at 1 January	9,385,824	9,517,294
Decrease in contract liabilities as a result of revenue recognised that was included in the contract liability balance at the beginning of the year	(8,499,406)	(4,703,059)
Increase in contract liabilities as a result of advances received from customers for sale of properties	5,085,908	4,571,589
Balance at 31 December	5,972,326	9,385,824

- (c) The amount of contract liabilities expected to be recognised as income after more than one year is HK\$nil (2024: HK\$819,344,000). All of the other contract liabilities are expected to be recognised as income within one year.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Bank and other borrowings

	2025 HK\$'000	2024 HK\$'000
Bank and other borrowings – secured	5,416,302	5,840,518
Bank and other borrowings – unsecured	4,848,600	5,905,470
	10,264,902	11,745,988
Bank and other borrowings repayable as follows:		
Not exceeding 1 year	1,526,783	1,925,917
More than 1 year but not exceed 2 years	194,136	1,264,905
More than 2 years but not exceed 5 years	4,467,425	4,664,061
More than 5 years	4,076,558	3,891,105
	10,264,902	11,745,988
Less: current portion	(1,526,783)	(1,925,917)
	8,738,119	9,820,071
Bank and other borrowings are secured by the following pledged assets:		
	2025 HK\$'000	2024 HK\$'000
Pledge deposit	–	1,619,850
Completed properties held for sale (Note 14)	432,871	1,187,747
Investment properties (Note 12)	8,049,841	8,119,601
Properties held for sale under development (Note 14)	–	238,650
Property, plant and equipment	48,594	52,556
	8,531,306	11,218,404

Note:

All of the secured bank borrowings were repayable by instalments and interest-bearing at floating rates with contractual interest repricing dates within 12 months. None of the secured bank borrowings (2024: Nil) was secured by equity interests of subsidiaries.

Included in the unsecured bank and other borrowings was an aggregate amount of HK\$4,008,809,000 (2024: HK\$4,319,600,000) which was guaranteed by Guangdong Holdings. The Group signed a counter-guarantee agreement with Guangdong Holdings to provide counter-guarantee for the guarantee obligations of Guangdong Holdings to the Group.

As at 31 December 2025, the weighted average effective interest rate of the Group's bank and other borrowings was 3.27% (2024: 3.92%) per annum.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Income tax in the consolidated statement of financial position

- (a) Current taxation in the consolidated statement of financial position represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PRC Corporate Income Tax	33,617	25,354
PRC LAT	852,986	801,078
	886,603	826,432

- (b) Deferred tax assets and liabilities recognised:

- (i) The movement on the net deferred tax is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	(1,052,371)	(335,329)
Credited/(charged) to profit or loss	87,287	(735,477)
Exchange differences	(25,264)	18,435
As at 31 December	(990,348)	(1,052,371)

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax arising from:	Provision for LAT HK\$'000	Tax loss HK\$'000	Revaluation of properties HK\$'000	Fair value adjustments arising from acquisition of subsidiaries HK\$'000	Elimination of intercompany transaction HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	565,559	190,327	(974,464)	(12,290)	(164,865)	60,404	(335,329)
(Charged)/credited to profit or loss (Note 9)	(358,688)	(178,140)	7,130	197	(126,717)	(79,259)	(735,477)
Exchange differences	(6,601)	(1,345)	20,731	260	5,470	(80)	18,435
At 31 December 2024 and 1 January 2025	200,270	10,842	(946,603)	(11,833)	(286,112)	(18,935)	(1,052,371)
Credited/(charged) to profit or loss (Note 9)	7,822	(10,973)	172,755	306	(33,100)	(49,523)	87,287
Exchange differences	5,155	131	(21,390)	(294)	(7,680)	(1,186)	(25,264)
At 31 December 2025	213,247	-	(795,238)	(11,821)	(326,892)	(69,644)	(990,348)

In accordance with the accounting policies set out in Note 2(p), the Group has not recognised deferred tax assets in respect of cumulative tax losses arising in Chinese Mainland of HK\$3,893,367,000 (2024: HK\$2,542,387,000) which will expire in one to five years for offsetting against future taxable profits. The Group had unrecognised deductible temporary differences of HK\$3,566,881,000 (2024: HK\$2,750,400,000) attributable to the write-down of completed properties held for sale and properties held for sale under development, and other temporary differences. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as the directors considered it is not probable that sufficient taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

At 31 December 2025, temporary differences relating to the undistributed profits of subsidiaries amounting to HK\$104,527,000 (2024: HK\$210,129,000) and deferred tax liabilities of HK\$10,453,000 (2024: HK\$10,506,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised (continued):

(iii) Reconciliation to the consolidated statement of financial position

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net deferred tax assets in the consolidated statement of financial position	223,448	355,939
Net deferred tax liabilities in the consolidated statement of financial position	(1,213,796)	(1,408,310)
	(990,348)	(1,052,371)

21 Share capital and dividends

(a) Share capital

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.10 each	500,000	500,000
Issued and fully paid:		
1,711,536,850 ordinary shares of HK\$0.10 each	171,154	171,154

(b) Dividends

No final dividends are declared by the board of directors for both the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Reserves

(a) Exchange fluctuation reserve

The exchange reserve comprises all exchange differences arising from the translation of the consolidated financial statements of Chinese Mainland operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(c)(ii).

(b) Reserve funds and enterprise development funds

Pursuant to the relevant PRC laws and regulations, a portion of the profits of the Group's subsidiaries which are registered in the PRC has been transferred to the enterprise development funds and the reserve funds which are restricted as to use and are not available for distribution. When the balances of these reserves reach 50% of each company's share capital, any further appropriation is optional. The amounts transferred from the retained profits are determined by the board of directors of these subsidiaries.

(c) Property revaluation reserve

The property revaluation reserve represents the revaluation surplus for land and buildings held for own use in prior years.

(d) Capital reserve

The capital reserve comprises the difference between fair value of any consideration paid or received and the relevant share acquired or sold of the carrying value of net assets of the subsidiary for transactions with non-controlling interests that do not result in loss of control (Note 2(b)(ii)).

(e) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period (see Note 2(i)(i)).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

23 Partly owned subsidiaries with material non-controlling interest

Details and financial information of the Group's subsidiaries that has material non-controlling interest are set out below. The amounts disclosed are before any inter-company eliminations:

	Jiangmen Yuehai Land Co., Ltd.		Guangzhou Yuehai Land Investment Limited	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Percentage of equity interest held by non-controlling interest:	49%	49%	49%	49%
Revenue	306,364	545,447	361,537	–
Total expenses	(394,232)	(734,426)	(343,091)	(16,469)
(Loss)/profit for the year	(87,868)	(188,835)	13,397	(13,016)
Total comprehensive income for the year	(68,593)	(207,812)	24,499	(46,846)
Current assets	1,323,504	1,643,019	2,215,804	2,311,024
Non-current assets	183	398	23,786	27,224
Current liabilities	(577,452)	(240,737)	(1,504,058)	(1,563,428)
Non-current liabilities	–	(587,852)	(96,546)	(160,333)
(Loss)/profit for the year allocated to non-controlling interest	(43,055)	(92,529)	6,565	(6,378)
Accumulated balance of non-controlling interest at the reporting date	365,655	399,266	313,103	301,098
Cash flows generated from/(used in) operating activities	96,849	224,128	470,106	(210,708)
Cash flows used in investing activities	(161)	(18)	–	(951)
Cash flows (used in)/generated from financing activities	(106,104)	(328,222)	(552,840)	93,892

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

24 Capital commitments

The Group had the following capital commitments at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted, but not provided for:		
Property development expenditure	5,920,669	6,267,666
Capital injection	10,960	10,691

25 Guarantees

As at 31 December 2025, the Group provided guarantees to certain banks in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by any of these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 31 December 2025, the Group's outstanding guarantees amounted to HK\$3,183,256,000 (2024: HK\$4,709,488,000) for these guarantees.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

26 Note to the consolidated statement of cash flows

(a) Reconciliation of loss before tax to net cash used in operations

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(13,087)	(1,146,078)
Adjustments for:		
Depreciation and amortisation	21,572	29,576
Finance costs	420,041	388,614
Finance income	(17,879)	(41,000)
Loss/(gain) on disposal of property, plant and equipment, and right-of-use assets	2,293	(695)
Exchange loss, net	3,242	5,018
Fair value losses on investment properties	520,824	44,942
Write down of completed properties held for sale and properties held for sale under development	1,541,957	1,063,659
Changes in working capital:		
Decrease in completed properties held for sale and properties held for sale under development	4,975,932	5,003,611
Decrease in trade receivables, prepayments and other receivables	396,341	400,514
Decrease in contract costs	12,116	24,094
Increase in amount due from related parties	(4,138)	(3,557)
Decrease/(increase) in restricted bank balances	285,662	(25,262)
Decrease in trade and bills payables	(7,459)	(112,633)
Decrease in amounts due to an intermediate holding company	–	(35)
Decrease in other payables and accruals	(512,883)	(837,456)
(Decrease)/increase in contract liabilities	(3,598,803)	73,193
Net cash generated from operations	4,025,731	4,866,505

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

26 Note to the consolidated statement of cash flows (continued)

(b) Reconciliation of liabilities arising from financing activities

	Bank and other borrowings HK\$'000	Loans from related parties HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2025	11,745,988	8,704,699	3,210	20,453,897
Increase in lease liabilities from entering into new leases during the year	–	–	11,014	11,014
Cash flows from financing activities	(1,736,718)	(907,120)	(7,627)	(2,651,465)
Exchange differences	255,632	206,369	105	462,106
At 31 December 2025	10,264,902	8,003,948	6,702	18,275,552
	Bank and other borrowings HK\$'000	Loans from related parties HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	10,147,558	13,712,754	19,795	23,880,107
Increase in lease liabilities from entering into new leases during the year	–	–	1,333	1,333
Cash flows from financing activities	1,824,924	(4,788,135)	(15,188)	(2,978,399)
Exchange differences	(226,494)	(219,920)	(2,730)	(449,144)
At 31 December 2024	11,745,988	8,704,699	3,210	20,453,897

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

27 Related party transactions

(a) Transactions with related parties

The following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties.

	Notes	2025 HK\$'000	2024 HK\$'000
Rental expenses paid to fellow subsidiaries*	(i)	8,330	14,562
Rental income received from a fellow subsidiary*	(i)	1,262	4,169
Property management service fees paid to fellow subsidiaries and others*	(ii)	28,632	61,886
Property leasing service fees paid to fellow subsidiaries*	(iii)	558	3,164
Interest expenses paid to fellow subsidiaries		154,125	413,549
Interest expense paid to the ultimate holding company		127,880	131,545
Entrusted management service income received from the ultimate holding company	(iv)	721	1,242
Property management service income received from fellow subsidiaries*		11,279	6,587
Capital reduction to non-controlling interest		–	448,177

Notes:

- (i) All the rental income and expenses were charged in accordance with the terms of agreement entered into between the Group and the respective fellow subsidiaries.
- (ii) The property management service fees were charged in accordance with the terms of agreements entered into between the Group and the fellow subsidiaries.
- (iii) The property leasing service fees were charged in accordance with the terms of agreements entered into between the Group and the fellow subsidiaries.
- (iv) The entrusted management services fee was charged in accordance with the terms of an agreement entered into between the Group and the ultimate holding company.
- (v) Saving from the table above, the Group entered into lease agreements to lease certain shopping centers and car parks (“the Premises”) to a fellow subsidiary of the Group for 20 years since 2022. The rent payable by the fellow subsidiary is calculated as 75% of the net income (i.e. rental revenue generated by the fellow subsidiary through the operation of the Premises deducted from actual operating expenses by the fellow subsidiary). For both years the rental revenue was lower than the operating expense as the Premise had just open for operation for around 3 years, and the rent was nil based on the lease agreement.

* These related party transactions also constitute connected transaction or continuing connected transactions disclosable under the Listing Rules.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

27 Related party transactions (continued)

(b) Compensation of key management personnel of the Group:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	3,976	2,788
Post-employment benefits	564	881
Total compensation paid to key management personnel	4,540	3,669

Further details of the directors' emoluments are included in Note 7.

All key management personnel are directors of the Group.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

27 Related party transactions (continued)

(c) Balances with related parties are analysed as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Amounts due from fellow subsidiaries	(i)	18,630	13,940
Amounts due from the ultimate holding company	(i)	–	1,296
Amounts due from an intermediate holding company	(i)	270	58
		18,900	15,294
Amounts due to fellow subsidiaries	(i)	12,645	16,282
Capital reduction payable to a non-controlling shareholder		191,495	441,312
		204,140	457,594
Interest payable to fellow subsidiaries		227,693	144,322
Interest payable to the ultimate holding company		172,654	123,076
		400,347	267,398
Short-term loans and current portion of long-term loans from fellow subsidiaries	(ii)	3,141,565	1,754,076
Short-term loan and current portion of long-term loan from the ultimate holding company	(iii)	2,214,200	2,159,800
Long-term loans from fellow subsidiaries	(ii)	719,615	2,909,637
Long-term loans from the ultimate holding company	(iii)	1,928,568	1,881,186
		8,003,948	8,704,699
Loans from related parties are repayable as follows:			
Not exceeding 1 year		5,355,765	3,913,876
More than 1 year but not exceed 2 years		1,928,568	2,207,702
More than 2 years but not exceed 5 years		719,615	2,583,121
		8,003,948	8,704,699

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

27 Related party transactions (continued)

(c) Balances with related parties are analysed as follows: (continued)

Notes:

- (i) The amounts due from related parties, including security deposit and receivable of entrusted management service income, are unsecured, interest-free and are repayable on demand.

The amounts due to related parties including payable of property management service fee are unsecured, interest-free and are repayable on demand.

- (ii) The short-term loans and current portion of long-term loans from fellow subsidiaries are unsecured, interest-bearing at interest rate with a range of 2.31% to 4.75% (2024: 2.80% to 3.55%) per annum and repayable within one year.

The long-term loans from fellow subsidiaries are unsecured, interest-bearing at interest rate with a range of 2.21% to 4.75% (2024: 2.80% to 4.75%) per annum.

- (iii) The short-term loan from the ultimate holding company is unsecured, interest-bearing at interest rate of 2.31% (2024: 3.63%) per annum.

The long-term loan from the ultimate holding company is unsecured and interest-bearing at interest rate of 3.63% (2024: 3.63%) per annum.

(d) Applicability of the Listing Rules relating to connected transactions

Apart from the connected transactions and continuing connected transactions disclosed in the section headed "Connected Transactions" in the Directors' Report, all the other related party transactions did not fall under the scope of "Connected Transactions" or "Continuing Connected Transactions" under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

28 Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management. The management manages and monitors these risk exposures to ensure appropriate measures are implemented on timely and effective manners.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(a) Market risk

(i) Foreign currency risk

The functional currency of the Group's subsidiaries in Chinese Mainland is RMB. Almost all of the Group's operating activities are carried out in Chinese Mainland with most of the transactions denominated in RMB. The cash and loans held by the Company and Hong Kong subsidiaries are denominated in HKD and the functional currency of these entities are HKD. The Group considers the risk of movements in exchange rates to be insignificant.

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. The Group's interest-bearing assets mainly include deposits at bank. The Group's floating rate borrowings will be affected by fluctuation of prevailing market interest rates and will expose the Group to cash flow interest rate risk.

To mitigate the risk, the Group has maintained fixed and floating rate debts. To match with underlying risk faced by the Group, the level of fixed rate debt for the Group is decided after taking into consideration the potential impact of higher interest rates, interest cover and the cash flow cycles of the Group's businesses and investments.

At the end of the reporting periods, if interest rates had been increased or decreased by 50 (2024: 50) basis points and all other variables were held constant, the loss for the year of the Group would have increased or decreased by approximately HK\$22,405,000 (2024: HK\$27,096,000) resulting from the change in the finance costs of bank and other borrowings after considering the impact of interest capitalisation.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The credit risk of the Group's financial assets, which comprise cash and bank balances, restricted bank balances, trade receivables and other receivables, arises from default of the counterparty, with the maximum exposure equal to the carrying amounts of these instruments.

Trade receivables and other receivables

In respect of rental income from leasing properties, sufficient rental deposits are held to cover potential exposure to credit risk. An ageing analysis of the receivables is closely monitored to minimise any credit risk associated with these receivables.

For the other receivables from third parties and related parties, the counterparties primarily have strong financial position and management considers the credit risk is not high. The Group maintains frequent communications with these counterparties and consider that the expected credit risks of them are minimal in view of the history of cooperation with them and forward-looking information.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(b) Credit risk (continued)

Trade receivables and other receivables (continued)

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rate, the Group considers historical loss rates for each category of debtors and adjusts for forward looking macroeconomic data.

As at 31 December 2025 and 2024, management consider other receivables and non-trade receivables due from related companies as low credit risk as counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The Group assessed that the expected credit losses for these receivables are immaterial.

Restricted bank balances and cash and bank balances

The identified impairment loss of restricted bank balances and cash and bank balances was immaterial as the counterparties are banks with high credit-ratings assigned by international credit-rating agencies or state-owned banks in the Chinese Mainland.

As stated in Note 25 regarding the guarantee provided by the Group, upon default in mortgage payments by any of these purchasers and the Group responsibility for repaying the outstanding mortgage payments, the Group is entitled to take over the legal titles and possession of the related properties and to sell the properties to recover any amounts paid by the Group to the banks. Therefore, the Group's credit risk is significantly reduced. Nevertheless, the net realisable values of the relevant properties are subject to the fluctuation of the property market in general, the Group assesses at the end of each reporting period the liabilities based on the current estimates of future cash flows. As at 31 December 2025 and 2024, no provision on the guarantees to banks had been made in the consolidated financial statements.

(c) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility.

Management of the Group has carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the end of the reporting period. Based on this forecast, the directors of the Company have determined that adequate liquidity exists to finance the working capital and capital expenditure requirements of the Group during the forecast period. In preparing the cash flow forecast, the directors of the Company have considered historical cash requirements of the Group as well as other key factors, including the availability of loans financing from banks and related parties which may impact the operations of the Group in the twelve months following the end of the reporting period. The directors of the Company are of the opinion that the assumptions and sensitivities which are included in the cash flow forecast are reasonable. However, as with all assumptions in regard to future events, these are subject to inherent limitations and uncertainties and some or all of these assumptions may not be realised.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(c) Liquidity risk (continued)

Certain banking facilities of the Group are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as non-current at the end of the reporting period is set out below:

Loans	Carrying amount		Covenant(s)	Timing to comply with the covenant(s)
	2025 HK\$'000	2024 HK\$'000		
Loan A	4,339,832	4,319,600	Total debt to total asset ratio of the borrower (i.e. one subsidiary of the Group) shall be less than 120%.	At any time throughout the loan term
Loan B	4,008,809	4,319,600	Total debt to total asset ratio of the guarantor (The ultimate holding company) shall be less than 80%.	At any time throughout the loan term
Loan C	595,235	722,078	Total debt to total asset ratio of the borrower (i.e. one subsidiary of the Group) shall be less than 90%.	At any time throughout the loan term

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(c) Liquidity risk (continued)

	Within 1 year or on demand <i>HK\$'000</i>	More than 1 year but less than 2 years <i>HK\$'000</i>	More than 2 years but less than 5 years <i>HK\$'000</i>	More than 5 years <i>HK\$'000</i>	Total <i>HK\$'000</i>	Carrying amount at 31 December <i>HK\$'000</i>
2025						
Trade and bills payables	42,691	-	-	-	42,691	42,691
Financial liabilities included in other payables, accruals and provisions	3,006,306	-	16,568	-	3,022,874	3,022,874
Bank and other borrowings	1,836,558	477,235	4,980,589	4,801,951	12,096,333	10,264,902
Loans from related parties	5,679,442	2,109,413	859,525	-	8,648,380	8,003,948
Lease liabilities	6,958	278	-	-	7,236	6,702
	10,571,955	2,586,926	5,856,682	4,801,951	23,817,514	21,341,117
2024						
Trade and bills payables	44,976	-	-	-	44,976	44,976
Financial liabilities included in other payables, accruals and provisions	3,225,730	-	16,161	-	3,241,891	3,241,891
Bank and other borrowings	2,371,472	1,633,128	5,383,473	4,738,913	14,126,986	11,745,988
Loans from related parties	4,064,373	2,454,191	2,924,454	-	9,443,018	8,704,699
Lease liabilities	2,634	731	-	-	3,365	3,210
	9,709,185	4,088,050	8,324,088	4,738,913	26,860,236	23,740,764

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(d) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Fair value at 31 December	Fair value measurements as at 31 December 2025 categorised into		
	2025	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements				
Equity investments designated at fair value through other comprehensive income	36,579	–	–	36,579

	Fair value at 31 December	Fair value measurements as at 31 December 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements				
Equity investments designated at fair value through other comprehensive income	41,209	–	–	41,209

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial asset (2024: Nil).

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(d) Fair value estimation (continued)

The fair value of unlisted equity investments designated at fair value through other comprehensive income has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculate an appropriate price multiple, such as price to sales ("P/S") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a revenue measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding revenue measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For financial instrument in Level 3, prices are determined using valuation technique such as market-based valuation technique. Categorisation of fair value measures within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable inputs to the overall fair value measurement.

	Valuation techniques	Unobservable input		Sensitivity of fair value to the input
Equity investments designated at fair value through other comprehensive income	Market multiples	Average P/S multiple of peers	2.07 (2024: 1.92)	The higher the multiple, the higher the fair value

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	Total HK\$'000
At 1 January 2024	39,689
Net unrealised gain recognised in other comprehensive income during the year	1,520
At 31 December 2024 and 1 January 2025	41,209
Net unrealised loss recognised in other comprehensive income during the year	(4,630)
At 31 December 2025	36,579

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Financial risk management and financial instruments (continued)

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital by maintaining an appropriate gearing ratio based on its business development strategy, prevailing market environment and economic condition. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt, which includes current and non-current borrowings, and lease liabilities, less cash and cash equivalents and pledged deposits related to bank borrowing. The gearing ratios as at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Bank and other borrowings (Note 19)	10,264,902	11,745,988
Loans from fellow subsidiaries (Note 27(c))	3,861,180	4,663,713
Loans from the ultimate holding company (Note 27(c))	4,142,768	4,040,986
Lease liabilities	6,702	3,210
Less: cash and cash equivalents (Note 16)	(3,166,769)	(1,324,980)
Less: pledged deposit (Note 16(b))	–	(1,619,850)
Net debt	15,108,783	17,509,067
Total equity	3,778,528	4,345,821
Gearing ratio	399.86%	402.89%

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

29 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:

	2025 HK\$'000	2024 HK\$'000
Assets		
Non-current assets		
Property, plant and equipment	1,147	1,632
Right-of-use assets	658	1,234
Investments in subsidiaries	319,823	319,823
Equity investments designated at fair value through other comprehensive income	36,579	41,209
Amounts due from subsidiaries	3,947,107	4,220,159
Total non-current assets	4,305,314	4,584,057
Current assets		
Prepayments, deposits and other receivables	1,837	1,774
Restricted bank balances	170	166
Cash and cash equivalents	41,861	179,865
Total current assets	43,868	181,805
Total assets	4,349,182	4,765,862
Liabilities		
Current liabilities		
Bank borrowings	(438,000)	(850,000)
Other payables, accruals and provision	(44,625)	(21,307)
Lease liabilities	(411)	(1,352)
Total current liabilities	(483,036)	(872,659)
Net current liabilities	(439,168)	(690,854)
Total assets less current liabilities	3,866,146	3,893,203
Non-current liabilities		
Lease liabilities	(248)	–
Deferred tax liabilities	(109)	(204)
Total non-current liabilities	(357)	(204)
Total liabilities	(483,393)	(872,863)
Net assets	3,865,789	3,892,999
Equity		
Share capital	171,154	171,154
Reserves (Note)	3,694,635	3,721,845
Total equity	3,865,789	3,892,999

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

29 Statement of financial position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Fair value reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	1,688,606	140,234	2,039	1,877,232	3,708,111
Total comprehensive income for the year	–	–	1,520	12,214	13,734
At 31 December 2024 and 1 January 2025	1,688,606	140,234	3,559	1,889,446	3,721,845
Total comprehensive income for the year	–	–	(4,630)	(22,580)	(27,210)
At 31 December 2025	1,688,606	140,234	(1,071)	1,866,866	3,694,635

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Information about principal subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
廣州市番禺粵海房地產有限公司*	Chinese Mainland	RMB187,300,000	–	80	Property development
粵海科技(深圳)有限公司#	Chinese Mainland	US\$22,000,000	–	100	Property investment
廣東粵海置地集團有限公司#	Chinese Mainland	RMB4,000,000,000	–	100	Property development and investment
廣東粵海房地產開發有限公司*	Chinese Mainland	RMB308,000,000	–	100	Property development and investment
江門市粵海置地房地產投資有限公司*	Chinese Mainland	RMB530,000,000	–	100	Property development
珠海粵海置地有限公司*	Chinese Mainland	RMB930,000,000	–	100	Property development
江門粵海置地有限公司*	Chinese Mainland	RMB1,260,000,000	–	51	Property development
佛山粵海置地有限公司*	Chinese Mainland	RMB1,000,000,000	–	100	Property development
中山粵海置地有限公司*	Chinese Mainland	RMB1,470,000,000	–	97.6	Property development
惠陽粵海房產發展有限公司*	Chinese Mainland	RMB132,010,581	–	100	Property development and investment
廣東粵海置地發展有限公司*	Chinese Mainland	RMB4,600,000,000	–	100	Property development
佛山粵海置地發展有限公司*	Chinese Mainland	RMB600,000,000	–	51	Property development

* The subsidiaries are limited liability companies.

The subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Particulars of Major Properties

31 December 2025

Investment Properties

Location	Use	Category of lease	Attributable interest of the Group
Commercial portion of Northwestern Land, Northern Land and Southern Land of the Shenzhen GDH City, 3008 Taibai Road, Luohu District, Shenzhen City, Guangdong, PRC	Commercial	Medium	100%
Commercial portion of Guangzhou Laurel House, Nos. 43-79 Zhuguang Road, Yuexiu District, Guangzhou City, Guangdong, PRC	Commercial	Medium	100%
Biao Ma Ling, Buji Town, Longgang District, Shenzhen City, Guangdong, PRC	Commercial	Medium	100%
A ring-pull can factory, 3008 Taibai Road, Luohu District, Shenzhen City, Guangdong, PRC	Commercial	Medium	100%
A clubhouse and a kindergarten, Huizhou Huiyang Lijiang Garden, Baiyun Second Road, Danshui, Huiyang District, Huizhou City, Guangdong, PRC	Commercial	Medium	100%

Particulars of Major Properties (continued)

31 December 2025

Properties Held For Sale Under Development

Location	Use	Site area (sq. m.)	Gross floor area (sq. m.)	Attributable interest of the Group
Zhuhai Laurel House West of Jinhui Road and North of Jinhe East Road, Jinwan District, Zhuhai City, Guangdong, PRC	Residential/ Commercial	66,090	167,278	100%
Zhongshan GDH City Tsuihang New District, Zhongshan City, Guangdong, PRC	Residential	98,811	247,028	97.64%
Jiangmen GDH City (Land No. 4 and 5) East of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong, PRC	Residential/ Business apartment/ Commercial	133,764	270,569	51%
Guangzhou GDH Future City Core Area of Baiyun New Town, Baiyun District, Guangzhou City, Guangdong, PRC	Residential/ Business apartment/ Commercial/ Offices	114,444	506,000	100%
Foshan One Mansion West Side of Fenjiang Road, North Side of Lujing Road and East Side of Luying West Street, Chancheng District, Foshan City, Guangdong, PRC	Residential/ Commercial/ Offices	40,642	118,122	51%

Particulars of Major Properties (continued)

31 December 2025

Completed Properties Held For Sale

Location	Use	Gross floor area (sq. m.)	Attributable interest of the Group
Northwestern Land and Northern Land of the Shenzhen GDH City 3008 Taibai Road, Luohu District, Shenzhen, Guangdong, PRC	Business apartment/ Commercial/ Offices	275,209*	100%
Jiangmen One Mansion West of Fengxiang Road, Southeast of the intersection of Chenyuan Road and Longteng Road, Pengjiang District, Jiangmen City, Guangdong, PRC	Residential/ Business apartment/ Commercial	164,216	100%
Jiangmen GDH City (Land No. 3) East of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong, PRC	Residential	122,331	51%
Foshan Laurel House West of Wenhua Road, South of Liming Second Road, Chancheng District, Foshan City, Guangdong, PRC	Residential	151,492	100%
Huizhou One Mansion Mamiao, Aotou, Dayawan District, Huizhou City, Guangdong, PRC	Residential/ Business apartment/ Commercial	92,094	100%

* Represents the gross floor area of the entire project, including the commercial portion.



粤海置地控股有限公司
GUANGDONG LAND HOLDINGS LIMITED