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**廣州富力地產股份有限公司**  
**GUANGZHOU R&F PROPERTIES CO., LTD.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 2777)**

**2025 ANNUAL RESULTS ANNOUNCEMENT**

The board of directors (the “Board”) of Guangzhou R&F Properties Co., Ltd. (the “Company” or “R&F”, together with its subsidiaries, the “Group”) is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2025. The annual results have been reviewed by the audit committee of the Company.

## CHAIRMAN'S STATEMENT

The 2025 financial year continued the gradual transition from prolonged volatility toward greater stability amid persistent global uncertainty arising from geopolitical tensions and trade disputes. Following the introduction of aggressive trade tariffs by certain countries in the first half of the year, governments adjusted macroeconomic policies to support domestic growth. These policy shifts had short- and medium-term impacts across industries, including the Chinese property sector. Given the disruptions and volatile operating environment, China's overall economy fared relatively well with gross domestic growth growing approximately 5% over the previous year and expected to continue into 2026.

Within the property sector, primary and secondary transaction activity showed steady improvement, capital market transactions increased modestly, and refinancing discussions became more frequent. Despite a strong push for new industries, such as technology and artificial intelligence, the Chinese Government has continued to emphasise stability and the long-term healthy development of the property market. In response to challenging operating conditions, most austerity measures – including monitoring under the “three red lines” framework – were removed, easing constraints on financial ratios and liquidity management. The continue removal of property specific austerity measures is a clear sign that the Chinese Government would like the property sector to return to an autonomy driven dynamic by fundamental supply and demand transactions and market prices.

Despite these policy adjustments, the property sector delivered subdued financial performance in 2025 as revenue from contracted sales lagged outflow expenses. While transaction volumes increased, they remained insufficient to signal a sustained recovery. Until there is greater clarity on transaction volumes and pricing trends, consumer confidence is likely to remain cautious. A sustainable recovery will depend on improvements in fundamental drivers such as supply and demand balance, end-user growth, purchasing power, and investor confidence, which in turn would support bank lending and refinancing activity. Traditional construction loan growth will also be a key indicator to signal bank confidence in corporate credit risk and consumer mortgage financing as property values stabilise.

Historically, capital market transactions – alongside construction lending – have been a critical driver of sector growth, supporting new project starts, employment creation, pre-sales, and reinvestment of cash flows. However, following the global financial crisis, COVID-related disruptions, and widespread sector distress, capital market activity has been limited, largely confined to state-owned enterprises and investment-grade issuers. While capital market participation is expected to recover, this is likely to lag improvements in underlying sector fundamentals.

## Update on US Dollar Senior Notes Restructuring under a Scheme of Arrangement

A significant portion of the Group's indebtedness comprises USD-denominated senior notes issued through offshore subsidiaries. Following the sector downturn in 2021 and the subsequent shutdown of refinancing markets, the Group undertook its first major liability management exercise in 2022. This resulted in the successful restructuring of all ten tranches of senior notes through a consent solicitation process. The completion of the restructuring opened opportunities for the Group to explore alternatives for debt reduction and asset disposals, during which the Group disposed of development projects and completed assets. However, deteriorating operating conditions necessitated further measures to be taken, including a packaged asset sale and debt-to-asset swap at below debt face values, which reduced total debt exposure by a substantial amount.

In 2024, the Group commenced preparations for a second comprehensive restructuring of its remaining senior notes, which had consolidated into three tranches with differing maturities. After evaluating market conditions and peer restructuring outcomes, the Group determined that a court-sanctioned Scheme of Arrangement would be a more effective approach.

The Scheme was formally launched in December 2024 and received strong initial support. Following further engagement with investor groups, revisions were made in the second half of 2025 to take into consideration market feedback. The Scheme subsequently obtained more than 77% approval, enabling progression toward court approval and formal implementation.

The Scheme offers noteholders four alternatives:

- (i) an all-cash option at 5% of nominal value;
- (ii) debt to equity swap;
- (iii) new notes at a 50% discount to nominal value; and
- (iv) new notes with a ten-year maturity.

Consent fees are also offered to supporting creditors.

The advancement of the Scheme represented a key milestone in 2025 and establishes a clear objective for 2026: to materially strengthen the Group's financial profile and alleviate near-term liquidity pressure. Upon completion, a significant portion of senior notes will be extinguished at a substantial discount, while the process itself sends a positive signal to customers, lenders, and stakeholders regarding the Group's ability to navigate financial challenges. There are various major hurdles to overcome and procedures to complete but the overwhelming support from creditors is an injection of confidence to the Group.

## **The Outlook for 2026**

### ***Normalisation of operations and continued engagement with creditors***

There are less month-to-month volatility of contracted sales in 2025 than in 2024. This trend indicates increased market acceptance of sector-wide challenges and reduced sensitivity to company-specific completion risk. For 2026, contracted sales volumes are expected to remain under pressure, adjusted for seasonality and holidays, but prices should narrow to single digit percentage fluctuations with Tier-1 cities providing better support. Sustained stability in sales volume and prices would provide a foundation for broader sector normalisation.

In 2026, management will prioritise resolving onshore disputes in China and completing offshore liability management, including the Scheme. While noteholder support has been overwhelming, further work remains in finalising documentation, court processes, and addressing conflicting debt situations which are not without uncertainty. The Group has engaged experienced legal and financial advisors to support successful completion.

Within China, financial and legal disputes arising from liquidity constraints remain complex and time-consuming to resolve. Nevertheless, the Group continues to engage proactively with banks, investors, and counterparties to seek pragmatic solutions. In late 2025, the Group had success extending payment obligations on its domestic bonds and is optimistic it can continue to manage accordingly. Management is encouraged by the constructive engagement received to date, reflecting a shared interest in long-term value preservation.

### **Acknowledgements**

The resilience demonstrated during prolonged operating challenges reflects the commitment and professionalism of our Board and management team. I extend my sincere appreciation for their continued dedication and leadership. I also thank our long-term shareholders and investors for their patience and support. The Group remains committed to transparency and timely disclosure as we work toward improved stability and future milestones.

## CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan thousands unless otherwise stated)

		Year ended 31 December	
	Notes	2025	2024
Revenue	3	10,942,029	17,701,425
Cost of sales	6	<u>(12,570,875)</u>	<u>(18,525,325)</u>
<b>Gross loss</b>		<b>(1,628,846)</b>	<b>(823,900)</b>
Other income	4	862,567	245,664
Other losses – net	5	(1,128,281)	(3,666,451)
Selling and marketing costs	6	(737,010)	(1,060,940)
Administrative expenses	6	(3,405,604)	(3,428,724)
Net impairment losses on financial and contract assets		<u>(2,835,502)</u>	<u>(527,697)</u>
<b>Operating loss</b>		<b>(8,872,676)</b>	<b>(9,262,048)</b>
Finance costs – net	7	(4,951,973)	(5,908,871)
Share of results of joint ventures		(153,255)	4,133
Share of results of associates		<u>(3,391)</u>	<u>(108,590)</u>
<b>Loss before income tax</b>		<b>(13,981,295)</b>	<b>(15,275,376)</b>
Income tax expenses	8	<u>(2,620,101)</u>	<u>(2,513,614)</u>
<b>Loss for the year</b>		<b><u>(16,601,396)</u></b>	<b><u>(17,788,990)</u></b>
<b>Loss attributable to:</b>			
– Owners of the Company		(16,425,379)	(17,709,538)
– Non-controlling interests		<u>(176,017)</u>	<u>(79,452)</u>
		<b><u>(16,601,396)</u></b>	<b><u>(17,788,990)</u></b>
<b>Basic and diluted losses per share for loss attributable to owners of the Company</b> (expressed in RMB Yuan per share)	10	<b><u>(4.3773)</u></b>	<b><u>(4.7196)</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB Yuan thousands unless otherwise stated)

	Year ended 31 December	
	2025	2024
<b>Loss for the year</b>	<b>(16,601,396)</b>	(17,788,990)
<b>Other comprehensive (loss)/income, net</b>		
<i>Items that will not be reclassified to profit or loss</i>		
– Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	(4,241,967)	(226,690)
<i>Items that may be reclassified to profit or loss</i>		
– Share of other comprehensive income of joint ventures and associates accounted for using the equity method	409	1,348
– Reclassification of currency translation differences on disposal of foreign operations	–	113,934
– Currency translation differences	639,068	47,515
<b>Other comprehensive loss for the year, net of tax</b>	<b>(3,602,490)</b>	(63,893)
<b>Total comprehensive loss for the year</b>	<b>(20,203,886)</b>	(17,852,883)
<b>Total comprehensive loss attributable to:</b>		
– Owners of the Company	(20,027,869)	(17,773,431)
– Non-controlling interests	(176,017)	(79,452)
	<b>(20,203,886)</b>	(17,852,883)

## CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

		As at 31 December	
	Notes	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		19,102,130	20,576,442
Right-of-use assets		2,851,803	3,355,047
Investment properties		28,754,770	29,459,220
Intangible assets		477,678	512,896
Interests in joint ventures		7,348,144	7,548,961
Interests in associates		2,871,687	3,516,579
Deferred income tax assets		8,910,536	8,891,922
Financial assets at fair value through other comprehensive income (“FVOCI”)		102,617	4,343,684
Other financial assets		32,671	246,981
		<u>70,452,036</u>	<u>78,451,732</u>
<b>Current assets</b>			
Properties under development		108,466,895	122,211,099
Completed properties held for sale		35,170,458	41,764,488
Inventories		1,199,425	1,205,425
Trade and other receivables and prepayments	11	47,100,770	38,942,472
Contract assets		25,582	–
Tax prepayments		3,391,244	4,153,808
Restricted cash		2,103,024	3,076,424
Cash and cash equivalents		956,199	787,385
		<u>198,413,597</u>	<u>212,141,101</u>
<b>Total assets</b>		<u><b>268,865,633</b></u>	<u><b>290,592,833</b></u>

(All amounts in RMB Yuan thousands unless otherwise stated)

	<i>Notes</i>	<b>As at 31 December</b>	
		<b>2025</b>	<b>2024</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		3,752,367	3,752,367
Other reserves		9,658,111	9,095,322
(Accumulated losses)/retained earnings		<u>(17,516,611)</u>	<u>3,074,750</u>
		<b>(4,106,133)</b>	15,922,439
<b>Non-controlling interests</b>		<u><b>12,258,000</b></u>	<u>12,534,276</u>
<b>Total equity</b>		<u><b>8,151,867</b></u>	<u><b>28,456,715</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings		5,985,509	8,875,691
Lease liabilities		19,376	33,510
Deferred income tax liabilities		8,777,822	8,305,955
Other payables	12	<u>509,615</u>	<u>1,104,307</u>
		<u><b>15,292,322</b></u>	<u>18,319,463</u>
<b>Current liabilities</b>			
Accruals and other payables	12	104,968,116	101,044,115
Contract liabilities		21,122,544	23,530,371
Current income tax liabilities		25,542,780	24,695,455
Short-term borrowings		2,688,825	454,380
Current portion of long-term borrowings		90,698,592	93,687,778
Lease liabilities		14,125	19,369
Dividend payables		369,787	369,787
Derivative financial instruments		<u>16,675</u>	<u>15,400</u>
		<u><b>245,421,444</b></u>	<u>243,816,655</u>
<b>Total liabilities</b>		<u><b>260,713,766</b></u>	<u>262,136,118</u>
<b>Total equity and liabilities</b>		<u><b>268,865,633</b></u>	<u><b>290,592,833</b></u>

*(All amounts in RMB Yuan thousands unless otherwise stated)*

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Guangzhou R&F Properties Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

These consolidated financial statements are presented in RMB Yuan (RMB), unless otherwise stated. These consolidated financial statements were approved by the Board of Directors for issue on 31 March 2026.

### **2. SUMMARY OF ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

#### **2.1 Basis of preparation**

##### ***(a) Compliance with HKFRS Accounting Standards and HKCO***

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 of the Laws of Hong Kong (“HKCO”).

##### ***(b) Historical cost convention***

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of hotel buildings and financial assets at fair value through other comprehensive income, other financial assets and investment properties which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(All amounts in RMB Yuan thousands unless otherwise stated)

**(c) Going concern basis**

The Group incurred a loss attributable to the owners of the Company of RMB16.425 billion for the year ended 31 December 2025 and as of that date, the Group's current liabilities were in excess of current assets by approximately RMB47.008 billion. The Group's total bank borrowings, domestic bonds, senior notes and other borrowings (including short-term borrowings, long-term borrowings and current portion of long-term borrowings and accruals and other payables) amounted to RMB108.259 billion, of which RMB101.763 billion will be due for repayment within the next 12 months after the end of the reporting period while the Group has total cash including restricted cash of RMB3.059 billion only.

Moreover, as at 31 December 2025, the Group was unable to repay certain bank and other borrowings of RMB36.613 billion according to their scheduled repayment dates, and subsequent to 31 December 2025 and up to the date of approval of these consolidated financial statements, the Group was unable to repay certain bank and other borrowings of RMB6.554 billion that are due for repayment. As a result, bank borrowings and other borrowings with an aggregate principal amount of RMB84.221 billion was in default or cross-default. The Group has received certain demand letters, acceleration notices and legal letters with respect to these defaulted borrowings.

In view of the Group's tight liquidity position, the Group has failed to pay the interests of three series of senior notes with principal amount of RMB31.820 billion (approximately USD4.527 billion) starting from August 2024.

Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction disputes and other matters for which the Group has made provision. These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company (the "Directors") have carefully considered the Group's cash flow forecast for the next 18 months from 31 December 2025 and have given due consideration to the matters that give rise to significant doubt as to its ability to continue as a going concern, and accordingly, have come up with various plans and measures to ensure the Group to have sufficient financial resources to continue as a going concern and pay its debts when they fall due. The plans and measures that have been taken or will be taken that are expected to enable the Group to generate sufficient financial resources to meet its financial commitments as and when they fall due, include, but not limited to, the following:

*I. Offshore Restructuring*

- On 16 December 2024, the Company announced a restructuring proposal (the "Offshore Restructuring") for the restructuring of its offshore debt (the "In-Scope Debt") and the related terms of the restructuring support agreement (the "RSA"). The key terms of the Offshore Restructuring were set out in a restructuring term sheet appended to the RSA. The In-Scope Debt comprises three 6.5% Cash/7.5% PIK Senior Notes due in 2025, 2027 and 2028 respectively issued by Easy Tactic Limited (the "Notes Issuer"), a subsidiary of the Company, and any other financial indebtedness of the Group as designated by the Company, the Notes Issuer and R&F Properties (HK) Company Limited ("R&F (HK)", and together with the Company and the Notes Issuer, the "Transaction Companies") at their sole discretion.

*(All amounts in RMB Yuan thousands unless otherwise stated)*

As of the date of approval of these consolidated financial statements, the progress of the Offshore Restructuring is as follows:

- On 14 October 2025, the Transaction Companies entered into an amendment agreement to effect certain amendments to the RSA (the RSA as amended by the amendment agreement, the “Amended RSA”), including a revised restructuring term sheet in the form appended to the Amended RSA (the “Amended and Restated Restructuring Term Sheet”), which were considered beneficial to the interests of the scheme creditors and other stakeholders as a whole.
- As of 12 December 2025, scheme creditors representing over 77% of the aggregate outstanding principal amount of the In-Scope Debt have acceded to the Amended RSA. This is a significant milestone towards implementation of the Offshore Restructuring.
- As of the date of approval of these consolidated financial statements, the Offshore Restructuring is in progress. The Transaction Companies are fully committed to implementation of the Offshore Restructuring on the basis of the terms set out in the Amended and Restated Restructuring Term Sheet and are working closely with its advisors, as well as with key creditors and their advisors to advance the Offshore Restructuring, including the drafting and negotiation of the scheme documents and the new finance documents required for the implementation of the Offshore Restructuring. The Company intends to formally propose a scheme of arrangement to implement the Offshore Restructuring in 2026, and will endeavour to consummate the Offshore Restructuring by the end of 2026.

The Offshore Restructuring entails a significant deleveraging of the Group’s offshore indebtedness, which will enable the Company to better manage its operations and deliver long-term value for its stakeholders upon consummation.

Further details of the restructuring of the In-Scope Debt are set out in the announcements of the Company dated 16 December 2024, 23 January 2025, 28 February 2025, 31 March 2025, 16 May 2025, 31 July 2025, 12 September 2025, 26 September 2025, 10 October 2025, 14 October 2025, 14 November 2025 and 28 November 2025.

## *II. Onshore Restructuring*

- In view of the Company’s overall operating situation, the Company has proposed to offer a holistic restructuring of the Company’s domestic corporate bonds for the Company’s domestic bondholders (the “Onshore Restructuring”), including cash repurchase (現金購回), debt settlement with assets (以物抵債), debt offsetting by accounts receivable trust units (應收賬款信託份額抵債), debt offsetting by asset trust units (資產信託份額抵債), payment via equity economic income right (股票經濟收益權兌付) and full debt retention and long-term extension (全額留債長展期).
- In November 2025, the restructuring proposal in relation to one of the domestic bonds in the outstanding principal amount of approximately RMB1.68 billion has been passed in the relevant bondholders’ meeting. The Company will continue to advance the Onshore Restructuring by convening bondholders’ meetings for the remaining domestic bonds within the scope of the Onshore Restructuring.

*(All amounts in RMB Yuan thousands unless otherwise stated)*

- If the Onshore Restructuring plan can be smoothly implemented and completed, it will ease the Company's short-term debt repayment pressure, reduce the Company's debt ratio, optimize the debt structure, and improve the financial situation; at the same time, it will enable the Company to focus more on its core business, stabilize operations, and improve operational capabilities.

As of the date of these consolidated financial statements, the Onshore Restructuring is in progress. Further details of the Onshore Restructuring plan are set out in the announcements of the Company dated 10 September 2025 and 11 November 2025.

### *III. Other progress*

In addition to the above, during the year,

- the Group has been in active discussions with the relevant existing lenders to extend, refinance or restructure the Group's borrowings and has successfully extended certain borrowings;
- the Group will continue to seek suitable opportunities to dispose of the equity interest in certain project development companies to generate additional cash inflows;
- the Group has continued to seek for new sources of financing to address upcoming financial obligations and future operating cash flow requirements. These efforts are ongoing and take time to formulate or implement due to ongoing changes in market conditions;
- the Group has continued to use its best endeavours to reach a solution on the outstanding litigation of the Group. The Group is confident that it will be able to reach a solution to address the litigation cases but also dispute claims referred in litigation cases where the outcomes are not certain at this stage;
- the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts; and
- the Group has continued to make adjustments to control administrative costs and contain unnecessary capital expenditures to preserve liquidity as well as to actively assess additional measures to further reduce discretionary spending.

*(All amounts in RMB Yuan thousands unless otherwise stated)*

The Directors considered that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least 12 months from 31 December 2025. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

However, the validity of the going concern assumption depends upon the successful outcome of the Group's plans and measures, including:

- (i) the successful and timely formulation and implementation of the Offshore Restructuring and Onshore Restructuring plans;
- (ii) the successful negotiation with existing lenders to extend, refinance or restructure of the Group's borrowings and not to demand immediate repayment until the Group generated sufficient cash flows therefrom;
- (iii) the successful disposal of the equity interest in certain project development companies to generate additional cash inflows;
- (iv) the successful solution of ongoing litigation cases which have not yet reached a definite outcome;
- (v) the successful acceleration of the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and
- (vi) the successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharges its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(All amounts in RMB Yuan thousands unless otherwise stated)

**(d) New standards, interpretations and amendments first effect on 1 January 2025**

The Hong Kong Institute of Certified Public Accountants (the “HKICPA”) has issued new and amendments to HKFRS Accounting Standards that are first adopted for the current accounting period for the Group:

<b>Standards</b>	<b>Subject</b>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

None of these new and amendments to HKFRS Accounting Standards has a material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

**(e) New standards, interpretations and amendments HKFRS Accounting Standards that have been issued but are not yet effective**

The following new and amendments to HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

<b>Standards</b>	<b>Subject</b>	<b>Effective for annual periods beginning on or after</b>
Amendments HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is currently assessing the effect of these new accounting standards and amendments.

*(All amounts in RMB Yuan thousands unless otherwise stated)*

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

### **3. SEGMENT INFORMATION**

#### **(a) Description of segments and principal activities**

The chief operating decision-maker has been identified as the Executive Directors. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purpose of allocating resources and assessing performance.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and other related services. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of loss for the year.

(All amounts in RMB Yuan thousands unless otherwise stated)

**(b) Segment performance**

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2025 and the segment assets and liabilities at 31 December 2025 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Segment revenue	7,692,276	813,603	1,726,950	1,038,156	11,270,985
Inter-segment revenue	(67,731)	(181,603)	(19,983)	(59,639)	(328,956)
<b>Revenue from external customers</b>	<b>7,624,545</b>	<b>632,000</b>	<b>1,706,967</b>	<b>978,517</b>	<b>10,942,029</b>
Loss for the year	(15,265,265)	(293,273)	(260,879)	(781,979)	(16,601,396)
Finance costs – net	(4,371,506)	(195,602)	(27,758)	(357,107)	(4,951,973)
Share of results of joint ventures	(153,534)	–	–	279	(153,255)
Share of results of associates	11,893	–	–	(15,284)	(3,391)
Income tax (expenses)/credits	(2,808,073)	91,904	69,920	26,148	(2,620,101)
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	(237,776)	–	(406,761)	(312,942)	(957,479)
Amortisation of incremental costs for obtaining contracts with customers	(306,968)	–	–	–	(306,968)
Fair value change on other financial assets	–	–	–	(214,310)	(214,310)
Allowance for impairment losses of financial and contract assets	(2,820,044)	(1,852)	(6,562)	(7,044)	(2,835,502)
Fair value losses on investment properties – net of tax	–	(574,109)	–	–	(574,109)
<b>Segment assets</b>	<b>211,185,643</b>	<b>28,920,468</b>	<b>13,096,300</b>	<b>6,617,398</b>	<b>259,819,809</b>
Segment assets include:					
Interests in joint ventures	7,345,886	–	–	2,258	7,348,144
Interests in associates	2,805,759	–	–	65,928	2,871,687
Addition to non-current assets (other than financial instruments and deferred income tax assets)	25,201	–	2,796	49,791	77,788
<b>Segment liabilities</b>	<b>121,897,827</b>	<b>825,347</b>	<b>766,333</b>	<b>3,530,731</b>	<b>127,020,238</b>

(All amounts in RMB Yuan thousands unless otherwise stated)

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2024 and the segment assets and liabilities at 31 December 2024 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Segment revenue	11,519,096	1,008,309	4,432,575	1,129,680	18,089,660
Inter-segment revenue	(2,580)	(175,725)	(59,640)	(150,290)	(388,235)
<b>Revenue from external customers</b>	<u>11,516,516</u>	<u>832,584</u>	<u>4,372,935</u>	<u>979,390</u>	<u>17,701,425</u>
Loss for the year	<u>(12,881,369)</u>	<u>(414,004)</u>	<u>(3,619,016)</u>	<u>(874,601)</u>	<u>(17,788,990)</u>
Finance costs – net	(4,804,065)	(251,670)	(612,587)	(240,549)	(5,908,871)
Share of results of joint ventures	3,367	–	–	766	4,133
Share of results of associates	(106,550)	–	–	(2,040)	(108,590)
Income tax (expenses)/credits	(2,926,188)	154,035	254,763	3,776	(2,513,614)
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	(282,278)	–	(1,081,333)	(277,521)	(1,641,132)
Amortisation of incremental costs for obtaining contracts with customers	(587,728)	–	–	–	(587,728)
Fair value change on other financial assets	–	–	–	(143,766)	(143,766)
(Allowance for)/reversal of impairment losses of financial and contract assets	(366,239)	191	(165,214)	3,565	(527,697)
Fair value losses on investment properties – net of tax	–	(735,157)	–	–	(735,157)
<b>Segment assets</b>	<u>226,011,788</u>	<u>29,859,806</u>	<u>14,348,858</u>	<u>6,889,794</u>	<u>277,110,246</u>
Segment assets include:					
Interests in joint ventures	7,546,846	–	–	2,115	7,548,961
Interests in associates	3,436,825	–	–	79,754	3,516,579
Addition to non-current assets (other than financial instruments and deferred income tax assets)	<u>119,977</u>	<u>–</u>	<u>211,362</u>	<u>82,370</u>	<u>413,709</u>
<b>Segment liabilities</b>	<u>121,586,708</u>	<u>543,892</u>	<u>829,016</u>	<u>3,157,243</u>	<u>126,116,859</u>

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

(All amounts in RMB Yuan thousands unless otherwise stated)

Revenue from external customers broken down by location of the customer is shown in the table below:

	2025	2024
PRC	10,001,299	15,897,513
Other countries	<u>940,730</u>	<u>1,803,912</u>
Total	<u><u>10,942,029</u></u>	<u><u>17,701,425</u></u>

Revenues from the individual countries included in “other countries” are not material. There was no revenue derived from a single external customer accounting for 10% or more of the Group’s revenue for the year ended 31 December 2025 (2024: nil).

(c) **Segment assets**

The amounts provided to the Executive Directors with respect to segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group’s deferred income tax assets, financial assets at FVOCI and other financial assets are not considered to be segment assets but rather are managed on a central basis.

Reportable segments’ assets are reconciled to total assets as follows:

	2025	2024
Segment assets for reportable segments	259,819,809	277,110,246
Deferred income tax assets	8,910,536	8,891,922
Other financial assets	32,671	246,981
Financial assets at FVOCI	<u>102,617</u>	<u>4,343,684</u>
<b>Total assets per consolidated balance sheet</b>	<u><u>268,865,633</u></u>	<u><u>290,592,833</u></u>

Non-current assets, other than financial assets at FVOCI, other financial assets and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts) broken down by location of the assets, is shown in the following:

	2025	2024
PRC	58,298,606	61,789,684
Other countries	<u>3,107,606</u>	<u>3,179,461</u>
Total	<u><u>61,406,212</u></u>	<u><u>64,969,145</u></u>

Non-current assets in the individual countries included in “other countries” are not material.

(All amounts in RMB Yuan thousands unless otherwise stated)

**(d) Segment liabilities**

The amounts provided to the Executive Directors with respect to segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's deferred and current income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2025	2024
Segment liabilities for reportable segments	<b>127,020,238</b>	126,116,859
Deferred income tax liabilities	<b>8,777,822</b>	8,305,955
Current income tax liabilities	<b>25,542,780</b>	24,695,455
Short-term borrowings and current portion of long-term borrowings	<b>93,387,417</b>	94,142,158
Long-term borrowings	<b>5,985,509</b>	8,875,691
	<hr/>	<hr/>
<b>Total liabilities per consolidated balance sheet</b>	<b>260,713,766</b>	<b>262,136,118</b>
	<hr/> <hr/>	<hr/> <hr/>

**4. OTHER INCOME**

	2025	2024
Interest income	<b>114,515</b>	44,855
Other operating income	<b>721,371</b>	172,666
Forfeited deposits from customers	<b>17,916</b>	17,326
Dividends income from financial assets at FVOCI	<b>3,262</b>	3,424
Others	<b>5,503</b>	7,393
	<hr/>	<hr/>
	<b>862,567</b>	<b>245,664</b>
	<hr/> <hr/>	<hr/> <hr/>

(All amounts in RMB Yuan thousands unless otherwise stated)

## 5. OTHER LOSSES – NET

	2025	2024
Fair value losses on investment properties – net	(764,114)	(1,001,147)
Gains on disposals of subsidiaries	–	871,490
(Losses)/gains on disposal of certain equity interests in associates and joint ventures	(243,398)	310,991
Losses on disposals of property, plant and equipment	(141,496)	(4,438)
Losses on disposals of right-of-use assets	(145,078)	–
Losses on derecognition of then subsidiaries	(143,111)	(2,761,707)
Fair value losses on other financial assets	(214,310)	(143,766)
Allowance for impairment losses of goodwill	–	(11,699)
Allowance for impairment losses of property, plant and equipment	(533,261)	(264,372)
Allowance for impairment losses of interests in joint ventures and associates	(151,759)	–
Modification gains on domestic bonds	1,428,126	–
Others	(219,880)	(661,803)
	<u>(1,128,281)</u>	<u>(3,666,451)</u>

## 6. EXPENSES BY NATURE

Expenses by nature comprising cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	2025	2024
Cost of properties sold	8,445,654	14,063,332
Provision for impairment of properties under development and completed properties held for sale	3,122,766	2,642,951
Employee benefit expenses	1,398,840	1,759,229
Depreciation of property, plant and equipment and right-of-use assets	919,679	1,597,027
Business taxes and other levies	286,565	464,828
Advertising costs	15,619	26,016
Office expenses	88,025	168,610
Amortisation of intangible assets	37,800	44,105
Short-term lease payments and low-value lease payments	10,539	12,208
Auditors' remuneration	5,950	6,860
Others	2,382,052	2,229,823
	<u>16,713,489</u>	<u>23,014,989</u>

(All amounts in RMB Yuan thousands unless otherwise stated)

## 7. FINANCE COSTS – NET

	2025	2024
Interest expenses:		
– bank borrowings	3,845,473	4,490,707
– domestic bonds	1,005,359	1,142,297
– senior notes	2,003,593	2,234,666
– other borrowings	1,712,939	1,817,166
– lease liabilities	3,035	11,218
	<u>8,570,399</u>	9,696,054
Net foreign exchange losses	(640,837)	321,870
Less: finance costs capitalised	<u>(2,977,589)</u>	<u>(4,109,053)</u>
	<u><u>4,951,973</u></u>	<u><u>5,908,871</u></u>

## 8. INCOME TAX EXPENSES

	2025	2024
Current income tax		
– Hong Kong profit tax (Note (a))	–	28
– enterprise income tax (Note (b))	(107,659)	300,738
– PRC land appreciation tax (Note (c))	2,298,843	1,633,819
Deferred income tax	<u>428,917</u>	<u>579,029</u>
Total income tax expenses	<u><u>2,620,101</u></u>	<u><u>2,513,614</u></u>

Notes:

### (a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have estimated assessable profit for the year (2024: 16.5%).

### (b) Enterprise income tax

Enterprise income tax is computed according to the relevant laws and regulations enacted in the countries where the Group operated and generated taxable income.

In respect of the applicable income tax rates for the year ended 31 December 2025, the companies in the PRC, Cambodia, Malaysia were primarily taxed at 25%, 20% and 24% (2024: 25%, 20% and 24%) on their taxable profits, respectively.

### (c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including costs of land use rights and development and construction expenditures.

(All amounts in RMB Yuan thousands unless otherwise stated)

## 9. DIVIDENDS

No dividends were declared in 2025 (2024: nil). The Board does not recommend the payment of any final dividends for the year ended 31 December 2025 (2024: nil).

## 10. BASIC AND DILUTED LOSSES PER SHARE

Losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Loss attributable to owners of the Company	<u>(16,425,379)</u>	<u>(17,709,538)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>3,752,367</u>	<u>3,752,367</u>
Losses per share (RMB per share)	<u><u>(4.3773)</u></u>	<u><u>(4.7196)</u></u>

There were no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024, thus diluted losses per share were the same as basic losses per share.

## 11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
Trade receivables – net ( <i>Note (a)</i> )	2,135,748	2,581,977
Other receivables – net	20,340,012	18,353,581
Prepayments	3,282,506	3,823,579
Capitalised costs to obtain contracts	767,277	941,877
Due from joint ventures	4,106,425	3,739,791
Due from associates	11,360,526	1,865,435
Amounts due from then subsidiaries	<u>5,108,276</u>	<u>7,636,232</u>
Total	<u><u>47,100,770</u></u>	<u><u>38,942,472</u></u>

The carrying amounts of trade and other receivables approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

Note:

(a) Trade receivables

	2025	2024
Trade receivables – current portion		
Due from third parties	1,913,265	2,391,726
Due from joint ventures	437,669	414,395
Due from associates	16,660	9,939
Due from entities jointly controlled by major shareholders of the Company and other related parties of the Company	<u>12</u>	<u>–</u>
Total	2,367,606	2,816,060
Less: loss allowance	<u>(231,858)</u>	<u>(234,083)</u>
	<u><b>2,135,748</b></u>	<u><b>2,581,977</b></u>

Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of residential properties are required to settle the balances within 90 days as specified in the sale and purchase agreements. Purchasers of certain office and commercial units are required to settle the outstanding balances within 12 months as specified in the sale and purchase agreements. The ageing analysis of trade receivables is as follows:

	2025	2024
Up to 1 year	784,343	1,500,543
1 year to 2 years	655,328	199,582
2 years to 3 years	107,868	378,323
Over 3 years	<u>820,067</u>	<u>737,612</u>
	<u><b>2,367,606</b></u>	<u><b>2,816,060</b></u>

(All amounts in RMB Yuan thousands unless otherwise stated)

## 12. ACCRUALS AND OTHER PAYABLES

	2025	2024
Amounts due to joint ventures	11,877,934	8,856,003
Amounts due to associates	389,302	399,946
Amounts due to entities jointly controlled by major shareholders and other related parties of the Company	174,181	175,408
Amounts due to major shareholders	996,926	967,290
Amounts due to then subsidiaries	623,551	498,825
Amounts due to a shareholder of certain joint ventures	7,695,967	6,973,048
Construction payables ( <i>Note (a)</i> )	34,717,787	40,301,870
Other payables and accrued charges ( <i>Notes (b) and (c)</i> )	49,002,083	43,976,032
	<hr/>	<hr/>
Total	105,477,731	102,148,422
Less: non-current portion	(509,615)	(1,104,307)
	<hr/>	<hr/>
Current portion	<u>104,968,116</u>	<u>101,044,115</u>

### Notes:

- (a) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis is presented.
- (b) The balance mainly represents interest payables, accruals, salary payables and other taxes payable.
- (c) The carrying amounts of accruals and other payables approximate their fair values.

## 13. DERECOGNITION OF THEN SUBSIDIARIES

On 13 January 2023, a facility agreement for a principal amount of USD540,417,000 (the “Trillion Glory Loan”) was entered into by, among others, Trillion Glory Limited (“Trillion Glory”), a subsidiary of the Company, as borrower, Noble Ease Limited (“Noble Ease”) and R&F (HK), both subsidiaries of the Company, as guarantors, the Company as one of the obligors, Serica Agency Limited (“Security Agent”) as agent and security agent, and the lenders named therein. The Trillion Glory Loan was due on 31 October 2023, after which standstill deeds were signed and demand notices were served to Trillion Glory and R&F (HK).

On 8 July 2024 and 19 August 2024, Trillion Glory and R&F (HK) each received a winding-up petition filed by Seatown Private Credit Master Fund (the “Petitioner” and one of the lenders holding 18% of the outstanding principal amount of the Trillion Glory Loan), at the High Court of the Hong Kong Special Administrative Region of the PRC in relation to the non-repayment of the Petitioner’s pro-rata share of the principal amount of the Trillion Glory Loan, together with accrued interest.

*(All amounts in RMB Yuan thousands unless otherwise stated)*

On 3 September 2024, Trillion Glory, Noble Ease (collectively named “Noble Ease Group”) and R&F (HK), each received a notice from the Security Agent, on behalf of the lenders and pursuant to the terms of the facility agreement of the Trillion Glory Loan, regarding the appointment of Chan Leung Lee and Yuen Tsz Chun of Frank Forensic and Corporate Recovery Limited, as joint and several receivers (the “Receiver(s)”) in respect of the assets subject to security created in favour of the Security Agent, including, among others, equity interest in Noble Ease and Trillion Glory held by R&F (HK) and Noble Ease respectively and assets of Trillion Glory. Trillion Glory holds the entire equity interest of a wholly-owned subsidiary of the Company which indirectly holds 68 hotels and 1 office building in the PRC (the “Target Assets”). The management of the Group proactively communicates and works with the lenders of the Trillion Glory Loan for an overall settlement plan and the withdrawal of the winding-up petitions for Trillion Glory and R&F (HK).

Accordingly, the board of directors considered that the Group lost the control over Noble Ease Group under HKFRS 10 “Consolidated Financial Statements” on 3 September 2024 and Noble Ease Group was derecognised as then subsidiaries and the equity interest in Noble Ease Group was then classified as financial asset at fair value through other comprehensive income and was included as “Equity interest in an entity at fair value through other comprehensive income” on the consolidated balance sheet.

On 17 July 2025, the board of directors received a notice from the Receiver that the entire equity interests of the Noble Ease Group is no longer within the Group and that the Receiver would resign as the Receiver over the secured property under the Trillion Glory Loan. Accordingly, the board of directors considered the financial asset at fair value through other comprehensive income is unlikely recoverable and fully derecognised during the year ended 31 December 2025.

Notwithstanding the above, there is a keepwell deed from the Company and corporate guarantees provided by certain subsidiaries of the Group remain in place with respect to the Trillion Glory Loan.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The below sections set out an extract of the independent auditor's report by BDO Limited, the external auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2025:

### **DISCLAIMER OF OPINION**

We do not express an opinion on the consolidated financial statements of the Group due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effects on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Multiple Uncertainties Relating to Going Concern**

As disclosed in Note 2.1(c) to the consolidated financial statements, the Group incurred a loss attributable to the owners of the Company of RMB16.425 billion for the year ended 31 December 2025 and as of that date, the Group's current liabilities were in excess of current assets by approximately RMB47.008 billion. The Group's total bank borrowings, domestic bonds, senior notes, other borrowings (including short-term borrowings, long-term borrowings and current portion of long-term borrowings and accruals and other payables amounted to RMB108.259 billion, of which RMB101.763 billion will be due for repayment within the next twelve months after the end of the reporting period while the Group's total cash including restricted cash amounted to only RMB3.059 billion only.

Moreover, as at 31 December 2025, the Group was unable to repay certain bank and other borrowings of RMB36.613 billion according to their scheduled repayment dates, and subsequent to 31 December 2025 and up to the date of approval of these consolidated financial statements, the Group was unable to repay certain bank and other borrowings of RMB6.554 billion that are due for repayment. As a result, bank and other borrowings with an aggregate principal amount of RMB84.221 billion was in default or cross-default. The Group has received demand letters, acceleration notices and legal letters with respect to these default borrowings.

In view of the Group's tight liquidity position, the Group has failed to pay the interests of three series of senior notes with principal amount of RMB31.820 billion (approximately USD4.527 billion) starting from August 2024.

Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction dispute and other matters for which the Group has made provision.

These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the Directors have carefully considered the Group's cash flow forecast for the next 18 months from 31 December 2025 (the "Cash Flow Forecast") and have given due consideration to the matters that give rise to significant doubt as to its ability to continue as a going concern, and accordingly, have come up with various plans and measures to ensure the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. The plans and measures that have been taken or will be taken that are expected to enable the Group to generate sufficient financial resources to meet its financial commitments as and when they fall due, include, but not limited to, those set out in the Note 2.1(c) to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation of these plans and measures including, but not limited to:

- 1) the successful and timely formulation and implementation of the Offshore Restructuring and Onshore Restructuring plans (as defined in Note 2.1(c));
- 2) the successful negotiation with the existing lenders to extend, refinance or restructure of the Group's borrowings;
- 3) the successful disposal of the Group's equity interest in certain project development companies to generate additional cash inflows;
- 4) the successful reaching a solution on the litigations which have not yet reached a definite outcome;
- 5) the successful acceleration of the pre-sales and sales of its properties under development and completed properties, and the collection of outstanding sales proceeds and other receivables; and
- 6) the successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in Note 2.1(c) to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

## BUSINESS REVIEW

### Contracted Sales

The Group's total contracted sales in 2025 were approximately RMB14.21 billion with 1,873,600 sq.m. sold. The contracted sales were generated from 179 projects in 102 cities of 26 provinces (including municipalities and autonomous regions) and 3 overseas countries. On a provincial and regional basis, contracted sales of Guangdong, Overseas, Shanxi, Beijing, Shaanxi, Inner Mongolia, Hainan, Shandong, Hebei and Tianjin were the highest top 10, which contributed approximately RMB11.14 billion of contracted sales, accounting for approximately 78% of total contracted sales of the Group. In terms of city, contracted sales of tier-1 and tier-2 cities accounted for 59% of total contracted sales. Tier-3 and below cities contributed 28% of total contracted sales and overseas contributed 13%. On the type of property basis, 57% of the total contracted sales were generated from high-rise residential properties, 6% from villas and 37% from commercial properties and others, including office, apartment and retail properties, etc..

Details of the Group's 2025 total contracted sales by geographical distribution are set out below:

<b>Region</b>	<b>Approximate total value (RMB million)</b>	<b>Approximate total saleable area sold (Thousand sq.m.)</b>
Northwestern China	3,705.8	436.8
Northern China	3,393.3	882.6
Southern China	2,811.7	116.3
Overseas	1,861.5	101.0
Eastern China	982.4	163.4
Hainan	611.3	47.7
Southwestern China	477.7	59.0
Central Southern China	365.1	66.8
<b>Total</b>	<b>14,208.8</b>	<b>1,873.6</b>

Details of the Group's top 10 provinces and regions with the highest total contracted sales in 2025 are set out below:

<b>Area</b>	<b>Approximate total value (RMB million)</b>	<b>Approximate total saleable area sold (Thousand sq.m.)</b>
Guangdong Province	2,812.0	116.3
Overseas	1,860.9	101.8
Shanxi Province	1,570.4	172.9
Beijing	1,046.1	130.2
Shaanxi Province	894.5	98.7
Inner Mongolia	763.3	119.5
Hainan Province	611.5	47.9
Shandong Province	586.0	95.5
Hebei Province	526.8	485.3
Tianjin	473.0	56.9
<b>Total</b>	<b>11,144.5</b>	<b>1,425.0</b>

### Properties under Development

By the end of 2025, the Group's total GFA under development was approximately 7,514,000 sq.m. and the total saleable area is approximately 5,616,000 sq.m., details of which are set out below:

<b>Area</b>	<b>Approximate total GFA (sq.m.)</b>	<b>Approximate total saleable area (sq.m.)</b>
Southern China	2,637,000	1,866,000
Northwestern China	2,023,000	1,524,000
Northern China	951,000	711,000
Eastern China	503,000	391,000
Central Southern China	333,000	264,000
Southwestern China	253,000	205,000
Hainan	76,000	75,000
Overseas	660,000	526,000
<b>Sub-total</b>	<b>7,436,000</b>	<b>5,562,000</b>
Investment Properties	78,000	54,000
<b>Total</b>	<b>7,514,000</b>	<b>5,616,000</b>

## Land Bank

During the year, the total saleable area of the new land was approximately 31,000 sq.m.. As at 31 December 2025, the Group's total land bank was approximately 45,863,000 sq.m. in GFA and approximately 34,749,000 sq.m. in saleable area, distributed across 80 cities and regions across China and overseas. Details as below:

<b>Location</b>	<b>Approximate total GFA (sq.m.)</b>	<b>Approximate total saleable area (sq.m.)</b>
<b>Development Properties</b>		
Northern China	11,645,000	8,935,000
Northwestern China	10,637,000	7,857,000
Southern China	6,231,000	5,099,000
Southwestern China	4,187,000	3,217,000
Eastern China	3,813,000	2,876,000
Central Southern China	2,553,000	1,721,000
Hainan	1,929,000	1,803,000
Overseas	3,406,000	2,036,000
<b>Sub-total</b>	<b>44,401,000</b>	<b>33,544,000</b>
Investment Properties	1,462,000	1,205,000
<b>Total</b>	<b>45,863,000</b>	<b>34,749,000</b>

## Investment Properties

The Group's investment properties portfolio mainly located in tier-1 and tier-2 cities, including Grade-A office buildings, shopping malls, various retail properties and theme park etc.. The Group's investment properties portfolio as at 31 December 2025 is approximately 3,022,100 sq.m. in total GFA, among which total GFA of investment properties under operation is approximately 1,871,100 sq.m., and total GFA of investment properties under development or planning is approximately 1,151,000 sq.m..

## Hotel Operation

As of 31 December 2025, the Group has 22 self-build hotels, with total GFA of approximately 1,110,560 sq.m. and 7,513 hotel rooms. The 22 hotels are managed by well-known hotel management groups such as Marriott International, Inc., InterContinental Hotels Group, Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Accor Hotels.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group is mainly derived from property development, rental of investment properties and hotel operation. In 2025, due to the continued downturn in the real estate industry in the PRC, the Group's revenue from property development decreased by 34% to RMB7.625 billion, from RMB11.517 billion in the previous year. The revenue for the year was based on the delivery of 1,065,000 sq.m., which was 37% lower than the delivery of 1,693,000 sq.m. in the previous year. Overall average selling price was approximately RMB7,160 per sq.m. (2024: RMB6,800 per sq.m.).

Rental income from property investment decreased by 24% to RMB632 million for the year, from RMB833 million in 2024. Revenue from hotel operations declined by 61% to RMB1.707 billion from RMB4.373 billion in the previous year. The significant decrease in hotel revenue was mainly due to the derecognition of then subsidiaries in September 2024.

### Cost of sales

Cost of sales of the Group primarily represents the costs directly incurred for the Group's property development activities. The component of cost of sales includes land and construction costs, capitalised finance costs and levy taxes. In 2025, cost of sales of the Group was RMB12.571 billion, representing a decrease of 32% when compared with RMB18.525 billion in the previous year. The decrease in cost of sales was in line with the reduction in revenue.

During the year, land and construction costs made up 86% of the total costs of property development. In terms of costs per sq.m., land and construction costs was approximately RMB5,660 per sq.m. (2024: RMB5,430 per sq.m.). Capitalised interest included in the cost of sales amounted to RMB829 million (2024: RMB1.568 billion), 11% as a percentage of revenue from sale of properties. The cost of sales also included RMB156 million (2024: RMB243 million) as levy taxes.

### Gross Profit Margin

The Group recorded a gross loss of RMB1.629 billion for the year ended 31 December 2025, compared to a gross loss of RMB824 million in the previous year. The gross loss incurred for the year was mainly due to a provision of approximately RMB3.123 billion for inventory impairment. Excluding the provision for inventory impairment, the gross profit margin for property development was 8.0%, compared to 4.4% in 2024.

## **Other Income and Other Losses – net**

In 2025, other income and other losses – net mainly comprised interest income, fair value losses on investment properties, impairment losses of property, plant and equipment, losses on the disposal of certain equity interests in an associate, gains from domestic bonds restructuring, and losses on derecognition of then subsidiaries. During the year, the Group recorded a net loss of RMB266 million under other income and other losses (2024: net loss of RMB3.421 billion).

## **Selling and Marketing Costs and Administrative Expenses**

During the year, the Group's selling and marketing costs decreased by 31%, from RMB1.061 billion in 2024 to RMB737 million. Administrative expenses dropped from RMB3.429 billion in 2024 to RMB3.406 billion. These decreases were primarily due to the stringent cost control measures implemented by the Group to address liquidity pressures. Personnel costs remained the largest component of administrative expense.

## **Finance Costs – net**

Finance costs – net, representing interest expenses incurred during the year after deducting amounts capitalised to development costs, decreased by 16% to RMB4.952 billion (2024: RMB5.909 billion). Total interest expenses incurred during the year decreased from RMB9.696 billion in the previous year to RMB8.570 billion, in line with the decrease in total borrowings. Including RMB829 million charged to the cost of sales related to capitalised interest, the total finance costs incurred during the year amounted to RMB5.781 billion (2024: RMB7.477 billion).

## **Income Tax Expenses**

Income tax expenses of the Group primarily include land appreciation tax (LAT) and enterprise income tax. For the year ended 31 December 2025, total income tax expenses were RMB2.620 billion (2024: RMB2.514 billion). Out of the amount, LAT accounted for RMB2.299 billion (2024: RMB1.634 billion), while enterprise income tax represented a credit of RMB108 million (2024: RMB301 million).

## **Profitability**

The Group recorded a net loss of RMB16.601 billion for the year ended 31 December 2025 as compared to a net loss of RMB17.789 billion for the year ended 31 December 2024. The net loss for the year was primarily due to: (i) the continued downturn in the real estate industry in the PRC, which resulted in a decrease in revenue generated from property development; and (ii) impairment provision for properties under development, completed properties held for sale and other fixed assets.

## Financial Resources, Liquidity and Liabilities

As at 31 December 2025, the Group's total cash including amounts restricted for specified usage was RMB3.059 billion (31 December 2024: RMB3.864 billion), of which 74% was denominated in Renminbi and 26% was denominated in other currencies (mainly in US dollar, HK dollar, Australian dollar, Malaysian Ringgit and British pound).

As at 31 December 2025, the Group's total borrowing was RMB99.373 billion (31 December 2024: RMB103.018 billion), of which due within 1 year, between 1 and 5 years and over 5 years were amounted to RMB93.387 billion, RMB3.731 billion and RMB2.255 billion respectively. The total borrowings were made up of financing from sources which included (i) bank borrowings, (ii) senior notes, (iii) domestic bonds, and (iv) trust loans and other borrowings, each accounted for 44%, 32%, 12%, 12% respectively (31 December 2024: 45%, 31%, 12%, 12% respectively).

During the year ended 31 December 2025, bank loans repaid in the year amounted to RMB6.111 billion while new bank loans of RMB3.791 billion were procured. The effective interest rate of the total bank loan portfolio at 31 December 2025 was 5.80% (2024: 5.64%).

The Group conducts its business primarily in Renminbi and non-Renminbi borrowings accounted for approximately 33% of total borrowings. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2025, the Group has not entered into any foreign exchange hedging transactions.

As for interest rate, RMB bank loans were at normally stable floating interest rates benchmarked to rates published by the People's Bank of China. The fixed rate senior notes, domestic bonds and other borrowings further reduced interest rate exposure and therefore no interest rate hedging arrangements had been put in place.

## **OTHER INFORMATION**

### **Future Plans for Material Investments or Capital Assets**

The Group did not have future plans for material investments or capital assets as at 31 December 2025.

### **Employee and Emolument Policies**

To optimize the Group's business, as of 31 December 2025, the Group had approximately 10,946 employees (31 December 2024: 21,819). The total staff costs incurred were approximately RMB1.399 billion during the financial year ended 31 December 2025. The Company's emolument policy is to ensure that the remuneration offered to employees including executive directors and senior management is based on skill, knowledge, responsibilities and involvement in the Company's business affair. The remuneration of executive directors is also linked with business performance and profitability of the Company and the market conditions. Directors and senior management would not be involved in deciding their own remuneration.

### **Annual General Meeting and Closure of Register of Members**

The 2025 annual general meeting ("AGM") of the Company will be held on Friday, 29 May 2026 and the notice of AGM will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Friday, 29 May 2026, the register of members of the Company will be closed from Friday, 22 May 2026 to Friday, 29 May 2026, both days inclusive. In order for the shareholders to qualify for attending and voting at the AGM, all the share transfer documents should be lodged for registration with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 21 May 2026.

### **Final Dividend**

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

### **Update on Implementation of Action Plan to Resolve Auditor's Disclaimer of Opinion on the Annual Consolidated Financial Statements**

References are made to the annual report of the Company for the year ended 31 December 2024 ("FY2024") published on 29 April 2025 (the "2024 Annual Report") and the announcements of the Company dated 30 June 2025, 30 September 2025 and 31 December 2025 (the "Update Announcements").

As disclosed in the 2024 Annual Report, the auditor of the Company did not express an opinion on the consolidated financial statements of the Group for FY2024 (the “Disclaimer of Opinion”) due to multiple uncertainties relating to going concern, the details of which are set out on pages 39 to 42 of the 2024 Annual Report.

The Company had proposed to implement the action plan as set out on pages 51 to 52 of the 2024 Annual Report (the “Action Plan”) to address the Disclaimer of Opinion. The Company provided updates on the implementation of the Action Plan during the period from 29 April 2025 to 31 December 2025 in the Update Announcements, and wishes to provide further updates (i) to the status of the Disclaimer of Opinion; and (ii) on the implementation of such Action Plan up to the date of this announcement in note 2.1(c) to the consolidated financial statements in this announcement.

The Board will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company’s shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

### **Purchase, Redemption or Sale of Listed Securities of the Company**

The Company has redeemed a total principal amount of RMB9.2632 million domestic bonds in 2025. As at 31 December 2025, the outstanding aggregate principal amount of domestic bonds of the Company was RMB12.196 billion.

Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities.

### **Compliance with the Model Code for Securities Transactions by Directors and Supervisors of the Company**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) laid out in Appendix C3 to the Listing Rules as the code of conduct for directors and supervisors in any dealings in the Company’s securities. The Company has made specific enquiries of each director and supervisor, each of whom has confirmed their compliance with the Model Code during the financial year ended 31 December 2025.

### **Compliance with the Corporate Governance Code**

The Company is committed to good corporate governance practices, believing that they enhance shareholder value. The corporate governance practices adopted by the Company place a focus on maintaining a high-quality board, effective internal controls, a high level of transparency and full accountability to shareholders. Throughout the year ended 31 December 2025, the Company complied with all relevant laws and the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

## **Scope of Work of BDO Limited**

The figures in respect of this announcement of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereon for the year ended 31 December 2025 have been agreed by the Company's external auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by BDO in this respect did not constitute an assurance engagement and consequently no opinion or conclusion assurance has been expressed by BDO on this announcement.

## **Audit Committee**

The audit committee of the Company was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. The audit committee is delegated by the Board to be responsible for reviewing the accounting policies and practices adopted by the Group as well as reviewing internal control, risk management and financial reporting matters of the Group. There were no disagreements from the audit committee or the external auditors on the accounting policies adopted by the Company.

The audit committee currently comprises Mr. Wong Chun Bong (chairman of the audit committee) and Mr. Zheng Ercheng who are independent non-executive directors of the Company and Ms. Li Helen who is a non-executive director of the Company. The audit committee has reviewed the audited annual results of the Company for the year ended 31 December 2025.

By Order of the Board  
**Guangzhou R&F Properties Co., Ltd.**  
**Li Sze Lim**  
*Chairman*

Hong Kong, 31 March 2026

*As at the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Hui, Mr. Xiang Lijun and Mr. Zhao Feng; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong.*

\* *For identification purpose only*