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## **LONGFOR GROUP HOLDINGS LIMITED**

**龍湖集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 960)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025**

#### **FINANCIAL SUMMARY**

- Consolidated revenue of the Company for 2025 was RMB97.31 billion. Among that, revenue of property development was RMB70.54 billion; revenue of property operation was RMB14.19 billion; revenue of property service was RMB12.58 billion. Total revenue from property operation and property service was RMB26.77 billion, and represented 27.5% of total consolidated revenue.
- In 2025, profit attributable to owners of the Company was RMB1.02 billion. Excluding effects of fair value changes of investment properties and other derivative financial instruments, core net loss attributable to owners of the Company was RMB1.70 billion. The core net profit of property operation and property service was RMB7.92 billion, continuously contributing stable profit.
- In 2025, basic earnings per share attributable to owners of the Company was RMB0.15. Excluding effects of fair value changes of investment properties and other derivative financial instruments, core basic loss per share attributable to owners of the Company was RMB0.25. In addition to the payment of interim dividend of RMB 0.07 per share for 2025, which was declared on August 29, 2025, the Board resolved not to declare payment of a final dividend for the year 2025.
- As of the end of 2025, the consolidated total borrowing of the Company was RMB152.81 billion, representing a decrease of RMB23.51 billion as compared to the end of last year. Cash in hand was RMB29.20 billion, and equity attributable to owners of the Company was RMB162.81 billion. The net debt to equity ratio (net debt divided by total equity) was 52.2%. The average finance cost was 3.51% per annum and the average contract borrowing period was 12.12 years.

## ANNUAL RESULTS

The board of directors (the “Board”) of Longfor Group Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended December 31, 2025 with comparative figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	<b>97,308,631</b>	127,474,948
Cost of sales		<b><u>(87,873,770)</u></b>	<u>(107,063,877)</u>
Gross profit		<b>9,434,861</b>	20,411,071
Other income	3	<b>622,917</b>	1,080,056
Other gains and losses	4	<b>(641,160)</b>	738,477
Lease liability charges		<b>(807,786)</b>	(777,884)
Change in fair value of investment properties		<b>4,699,132</b>	4,758,637
Change in fair value of other derivative financial instruments		<b>(182,057)</b>	456,906
Selling and marketing expenses		<b>(3,037,552)</b>	(4,233,593)
Administrative expenses		<b>(3,528,091)</b>	(4,463,910)
Finance costs	5	<b>(84,434)</b>	(84,836)
Share of results of associates		<b>(197,910)</b>	238,798
Share of results of joint ventures		<b><u>(1,039,840)</u></b>	<u>606,802</u>
Profit before taxation		<b>5,238,080</b>	18,730,524
Income tax expense	6	<b><u>(4,190,548)</u></b>	<u>(6,605,449)</u>
Profit for the year		<b><u>1,047,532</u></b>	<u>12,125,075</u>
Profit attributable to:			
Owners of the Company		<b>1,021,850</b>	10,401,171
Non-controlling interests		<b><u>25,682</u></b>	<u>1,723,904</u>
		<b><u>1,047,532</u></b>	<u>12,125,075</u>

		2025	2024
	NOTES	RMB'000	RMB'000
Profit for the year		<u>1,047,532</u>	<u>12,125,075</u>
Other comprehensive expense:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>138,852</u>	<u>(707,333)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net fair value (loss) gain on hedging instruments		(764,027)	786,194
Gain (loss) on hedging instruments reclassified to profit or loss		<u>423,800</u>	<u>(538,742)</u>
		<u>(340,227)</u>	<u>247,452</u>
Total other comprehensive expense		<u>(201,375)</u>	<u>(459,881)</u>
Total comprehensive income for the year		<u>846,157</u>	<u>11,665,194</u>
Total comprehensive income attributable to:			
Owners of the Company		820,475	9,941,290
Non-controlling interests		<u>25,682</u>	<u>1,723,904</u>
		<u>846,157</u>	<u>11,665,194</u>
Earnings per share, in RMB cents			
Basic	9	<u>15</u>	<u>158</u>
Diluted	9	<u>15</u>	<u>157</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2025**

	<i>NOTES</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>224,058,628</b>	210,924,077
Property, plant and equipment		<b>1,768,466</b>	2,284,187
Right-of-use assets		<b>574,287</b>	599,452
Goodwill		<b>3,834,757</b>	3,834,757
Intangible assets		<b>1,599,077</b>	1,804,514
Interests in associates		<b>12,922,891</b>	14,459,115
Interests in joint ventures		<b>16,615,697</b>	18,313,904
Equity instruments designated at FVTOCI		<b>4,450,428</b>	5,446,521
Derivative financial instruments		<b>313,335</b>	434,163
Deferred taxation assets		<b>13,242,632</b>	12,534,350
		<b><u>279,380,198</u></b>	<u>270,635,040</u>
<b>CURRENT ASSETS</b>			
Inventories of properties		<b>176,866,197</b>	220,995,189
Other inventories		<b>53,093</b>	50,119
Deposits paid for acquisition of properties held for development		<b>1,874,121</b>	2,166,354
Accounts and other receivables, deposits and prepayments	<i>10</i>	<b>22,026,689</b>	23,924,771
Contract cost		<b>1,837,604</b>	1,805,967
Amounts due from non-controlling interests		<b>59,599,688</b>	65,234,520
Amounts due from associates		<b>3,260,332</b>	3,514,750
Amounts due from joint ventures		<b>8,279,752</b>	12,715,315
Taxation recoverable		<b>13,483,570</b>	14,627,951
Derivative financial instruments		–	555,741
Pledged bank deposits		<b>1,839,177</b>	1,464,493
Bank balances and cash		<b>27,361,936</b>	47,951,575
		<b><u>316,482,159</u></b>	<u>395,006,745</u>

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Accounts and other payables and accrued charges	<i>11</i>	<b>51,242,976</b>	59,902,852
Contract liabilities		<b>73,127,537</b>	91,847,431
Amounts due to non-controlling interests		<b>10,648,550</b>	16,916,556
Amounts due to associates		<b>6,011,501</b>	7,313,549
Amounts due to joint ventures		<b>8,237,303</b>	8,736,311
Taxation payable		<b>20,259,446</b>	24,166,248
Financial liabilities at FVTPL		<b>54,069</b>	56,229
Lease liabilities - due within one year		<b>1,319,338</b>	1,541,078
Bank and other borrowings - due within one year		<b>15,794,719</b>	30,244,198
Derivative financial instruments		–	13,579
Other derivative financial instrument		<b>13,681</b>	139,369
		<u><b>186,709,120</b></u>	<u>240,877,400</u>
<b>NET CURRENT ASSETS</b>		<u><b>129,773,039</b></u>	<u>154,129,345</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>409,153,237</b></u>	<u>424,764,385</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>615,595</b>	601,435
Reserves		<b>162,194,258</b>	160,829,627
Equity attributable to owners of the Company		<b>162,809,853</b>	161,431,062
Non-controlling interests		<b>74,192,698</b>	84,045,749
<b>TOTAL EQUITY</b>		<u><b>237,002,551</b></u>	<u>245,476,811</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred consideration payable		–	1,268
Financial liabilities at FVTPL		<b>18,200</b>	18,200
Lease liabilities - due after one year		<b>11,811,961</b>	12,400,041
Bank and other borrowings - due after one year		<b>127,694,240</b>	136,561,264
Senior notes - due after one year		<b>9,320,357</b>	9,516,516
Derivative financial instruments		<b>217,134</b>	116,097
Other derivative financial instruments		<b>2,059</b>	108,038
Deferred taxation liabilities		<b>23,086,735</b>	20,566,150
		<u><b>172,150,686</b></u>	<u>179,287,574</u>
		<u><b>409,153,237</b></u>	<u>424,764,385</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025**

### **1. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS**

#### **Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no 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.

### **2. SEGMENT INFORMATION**

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) (i.e., the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

The Group is organised into business units based on their types of activities, based on which information is prepared and reported to the Group’s CODM for the purposes of resource allocation and assessment of performance. The Group’s operating segments under IFRS 8 Operating Segments are identified as three main operations:

- Property development: this segment represents the development and sales of office and commercial premises and residential properties. The Group’s activities in this regard are carried out in the PRC.
- Property operation: this segment represents the lease of investment properties, which are self-developed or under subleases by the Group to generate rental income and to gain from the appreciation in the properties’ values in the long term. Currently the Group’s investment property portfolio mainly comprises shopping malls and rental housing and are all located in the PRC.
- Property service: this segment mainly represents the income generated from property management service and entrusted construction and others. Currently the Group’s activities in this regard are carried out in the PRC.

In the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. Certain components of asset management have been reclassified in property operation, rather than in property services as in prior years. Prior year segment disclosures have been represented to conform with the current year’s presentation.

**(a) Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the revenue, results, assets and liabilities attributable to each operating segment on the following basis:

Segment assets include all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of deposits paid for acquisition of properties held for development, interests in associates and joint ventures, equity instruments designated at FVTOCI, deferred taxation assets, taxation recoverable, derivative financial instruments and other corporate assets. Other corporate assets are not allocated to the operating segments because they are head office assets or assets which are managed centrally by the Group. The investment properties included in segment assets are stated at cost when assessed by the CODM.

Segment liabilities include accounts payables and accrued expenditure on construction, lease liabilities, contract liabilities, deferred consideration payable and financial liabilities at FVTPL but exclude taxation payable, deferred taxation liabilities, bank and other borrowings, senior notes, derivative financial instruments, other derivative financial instruments and other corporate liabilities. Other corporate liabilities are not allocated to the operating segment because they are head office liabilities or liabilities which are managed on a group basis.

Revenue and expenses are allocated to the operating segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is adjusted earnings before interest, other income, other gains and losses, taxes, depreciation and amortisation, share of results of associates and joint ventures, change in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments and finance costs ("Adjusted Earnings"), where "interest" includes investment income and "depreciation" includes impairment losses on non-current assets. To arrive at Adjusted Earnings of each segment, the segment earnings are further adjusted for items not specifically attributed to individual segments, such as directors' emoluments, auditor's remuneration and other head office or corporate administration costs.

For the measurement of segment assets and results, property, plant and equipment and certain right-of-use assets are allocated to segments while their corresponding depreciation and amortisation are not allocated to segments.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment sales) and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar service.

Information regarding the Group's operating and reportable segments is set out below.

	Year ended December 31, 2025			
	Property development RMB'000 (Note 1)	Property operation RMB'000 (Note 2)	Property service RMB'000 (Note 3)	Total RMB'000
Revenue from external customers	70,535,868	14,186,393	12,586,370	97,308,631
Inter-segment revenue	–	–	4,564,564	4,564,564
Segment revenue	<u>70,535,868</u>	<u>14,186,393</u>	<u>17,150,934</u>	<u>101,873,195</u>
Segment profit (Adjusted Earnings)	<u>(8,140,181)</u>	<u>8,837,682</u>	<u>4,892,022</u>	<u>5,589,523</u>
Segment assets	189,284,653	177,146,590	11,900,520	378,331,763
Segment liabilities	<u>99,248,209</u>	<u>19,490,215</u>	<u>4,878,518</u>	<u>123,616,942</u>
	Year ended December 31, 2024			
	Property development RMB'000 (Note 1)	Property operation RMB'000 (Note 2)	Property service RMB'000 (Note 3)	Total RMB'000
Revenue from external customers	100,766,610	13,957,183	12,751,155	127,474,948
Inter-segment revenue	–	–	5,234,473	5,234,473
Segment revenue	<u>100,766,610</u>	<u>13,957,183</u>	<u>17,985,628</u>	<u>132,709,421</u>
Segment profit (Adjusted Earnings)	<u>1,322,878</u>	<u>8,801,219</u>	<u>5,275,497</u>	<u>15,399,594</u>
Segment assets	233,461,559	172,302,323	11,548,171	417,312,053
Segment liabilities	<u>118,379,244</u>	<u>23,910,851</u>	<u>4,252,875</u>	<u>146,542,970</u>

Notes:

1. Substantially all of the Group's revenue from property development is recognised at a point in time.
2. All of the revenue from property operation is recognised over time.
3. During the year ended December 31, 2025, the amount of revenue from property service recognised at a point in time and recognised over time are RMB1,404,271,000 (December 31, 2024: RMB2,073,090,000) and RMB 11,182,099,000 (December 31, 2024: RMB10,678,065,000) respectively.

*Other segment information*

In addition to receiving segment information concerning segment profit, the CODM is provided with information concerning the Group's consolidated amount of interests in associates and related share of results, interests in joint ventures and related share of results, change in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments, other income, other gains and losses, finance costs from borrowings, depreciation and amortisation and impairment losses (if any) which are not allocated to operating segments.

(b) **Reconciliations of segment revenues, profit or loss, assets and liabilities**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue</b>		
Segment revenue	<b>101,873,195</b>	132,709,421
Elimination of inter-segment revenue	<b>(4,564,564)</b>	(5,234,473)
Consolidated revenue	<b><u>97,308,631</u></b>	<u>127,474,948</u>
<b>Profit</b>		
Segment profit	<b>5,589,523</b>	15,399,594
Other income	<b>622,917</b>	1,080,056
Other gains and losses	<b>(641,160)</b>	738,477
Change in fair value of investment properties	<b>4,699,132</b>	4,758,637
Change in fair value of other derivative financial instruments	<b>(182,057)</b>	456,906
Finance costs	<b>(84,434)</b>	(84,836)
Share of results of associates	<b>(197,910)</b>	238,798
Share of results of joint ventures	<b>(1,039,840)</b>	606,802
Depreciation and amortisation	<b>(152,639)</b>	(184,191)
Unallocated expenses	<b>(3,375,452)</b>	(4,279,719)
Consolidated profit before taxation	<b><u>5,238,080</u></b>	<u>18,730,524</u>
<b>Assets</b>		
Segment assets	<b>378,331,763</b>	417,312,053
Cumulative change in fair value of investment properties	<b>53,931,305</b>	48,493,665
Interests in associates	<b>12,922,891</b>	14,459,115
Interests in joint ventures	<b>16,615,697</b>	18,313,904
Equity instruments designated at FVTOCI	<b>4,450,428</b>	5,446,521
Deposits paid for acquisition of properties held for development	<b>1,874,121</b>	2,166,354
Deferred taxation assets	<b>13,242,632</b>	12,534,350
Derivative financial instruments	<b>313,335</b>	989,904
Taxation recoverable	<b>13,483,570</b>	14,627,951
Unallocated head office and other assets	<b><u>100,696,615</u></b>	<u>131,297,968</u>
Consolidated total assets	<b><u>595,862,357</u></b>	<u>665,641,785</u>
<b>Liabilities</b>		
Segment liabilities	<b>123,616,942</b>	146,542,970
Taxation payable	<b>20,259,446</b>	24,166,248
Deferred taxation liabilities	<b>23,086,735</b>	20,566,150
Bank and other borrowings	<b>143,488,959</b>	166,805,462
Senior notes	<b>9,320,357</b>	9,516,516
Derivative financial instruments	<b>217,134</b>	129,676
Other derivative financial instruments	<b>15,740</b>	247,407
Unallocated head office and other liabilities	<b><u>38,854,493</u></b>	<u>52,190,545</u>
Consolidated total liabilities	<b><u>358,859,806</u></b>	<u>420,164,974</u>

(c) **Revenue from major product and services**

The following is an analysis of the Group's revenue from its properties sold, properties self-developed or under subleases for investment and services provided:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Property development	<b>70,535,868</b>	100,766,610
Property service	<b>12,586,370</b>	12,751,155
	<hr/>	<hr/>
Revenue from contract with customers	<b>83,122,238</b>	113,517,765
Rental income	<b>14,186,393</b>	13,957,183
	<hr/>	<hr/>
Total revenue	<b>97,308,631</b>	127,474,948
	<hr/>	<hr/>

(d) **Leases**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
For operating leases:		
Lease payments that are fixed (including those under subleases)	<b>13,526,766</b>	13,250,665
Variable lease payments that do not depend on an index or a rate	<b>659,627</b>	706,518
	<hr/>	<hr/>
Total revenue arising from leases	<b>14,186,393</b>	13,957,183
	<hr/>	<hr/>

(e) **Geographical information**

The following table sets out information about the Group's revenue from external customers by cities in the PRC, based on the location at which the properties are sold, properties are invested or under subleases and services are provided. Information about its non-current assets is analysed by geographical location of assets.

	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Huaxi	<b>16,567,546</b>	31,779,696	<b>35,398,756</b>	33,072,475
Zhejiang	<b>16,165,035</b>	9,886,495	<b>34,991,168</b>	34,237,543
Huanan	<b>15,517,550</b>	10,558,336	<b>12,910,866</b>	15,186,208
Husu	<b>15,367,048</b>	27,864,927	<b>58,120,123</b>	57,850,775
Chongqing	<b>11,234,504</b>	14,870,298	<b>44,378,124</b>	43,492,918
Huabei	<b>9,423,825</b>	15,492,412	<b>31,269,444</b>	31,330,824
Huazhong	<b>6,399,803</b>	10,075,771	<b>19,564,247</b>	15,357,090
Dongbei	<b>5,582,875</b>	5,827,700	<b>3,646,333</b>	3,661,391
Other cities in the PRC	<b>1,050,445</b>	1,119,313	<b>21,094,742</b>	18,030,782
	<b><u>97,308,631</u></b>	<u>127,474,948</u>	<b><u>261,373,803</u></b>	<u>252,220,006</u>

*Note:* Non-current assets excluded financial instruments and deferred taxation assets.

No revenue from transaction with a single external customer amounts to 10% or more of the Group's revenue.

### 3. OTHER INCOME

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	<b>394,550</b>	556,502
Government subsidies ( <i>Note a</i> )	<b>88,058</b>	144,898
Penalty income ( <i>Note b</i> )	<b>18,174</b>	121,280
Consultancy income ( <i>Note c</i> )	<b>107,411</b>	255,071
Sundry income	<b>14,724</b>	2,305
Total	<b><u>622,917</u></b>	<u>1,080,056</u>

*Notes:*

- (a) The amount represents the grants received from the relevant PRC government to encourage the investments in specific regions. The subsidies are unconditional and granted on a discretionary basis to the Group during the year.
- (b) It represents penalty received from property buyers who did not execute sales and purchase agreements on property sales and from tenants who early terminated tenancy agreements.
- (c) The amount represents the consultancy services provided to the Group's joint ventures and associates and independent third parties in relation to the property development projects.

#### 4. OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Losses) gains on disposal and written-off of property, plant and equipment	(73,053)	12,735
Net exchange gains (losses) ( <i>Note</i> )	423,819	(538,753)
Reclassification of fair value (losses) gains of hedging instruments from hedging reserve	(423,800)	538,742
Gain on repurchase of senior notes and bonds	–	858,493
Loss on disposal of interest in a joint venture	(82,469)	–
(Losses) gains on disposal of subsidiaries	(97,678)	144,634
Others	(387,979)	(277,374)
	<u>(641,160)</u>	<u>738,477</u>

*Note:* It represents exchange difference arising from the translation of bank balances, bank borrowings and senior notes denominated in foreign currencies of Hong Kong Dollar (“HKD”) or United States Dollar (“USD”).

#### 5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	(4,930,457)	(7,041,168)
Interest expense on senior notes	(392,011)	(449,844)
	<u>(5,322,468)</u>	<u>(7,491,012)</u>
Less: Amount capitalised to properties under development for sales and investment properties under development	5,238,034	7,406,176
	<u>(84,434)</u>	<u>(84,836)</u>

Borrowing costs capitalised arose on the general borrowing pool of the Group and were calculated by applying a capitalisation rate of 3.51% (2024: 4.00%) per annum for the year ended December 31, 2025, to expenditure on the qualifying assets.

## 6. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
EIT	(578,671)	(2,426,160)
Hong Kong Profits Tax	(18,853)	(57,782)
Withholding tax on distributed earnings	(241,967)	(386,824)
LAT	<u>(1,914,943)</u>	<u>(2,625,085)</u>
	<u>(2,754,434)</u>	<u>(5,495,851)</u>
Overprovision in prior years:		
EIT ( <i>Note a</i> )	57,098	136,111
LAT ( <i>Note b</i> )	<u>273,370</u>	<u>1,063,522</u>
	<u>330,468</u>	<u>1,199,633</u>
Deferred taxation		
Current year	<u>(1,766,582)</u>	<u>(2,309,231)</u>
	<u>(4,190,548)</u>	<u>(6,605,449)</u>

### Notes:

- (a) The assessment and computation of EIT payable in respect of certain subsidiaries which held completed property projects were finalised which differed from the management's estimation on EIT in prior years, resulting in an overprovision of EIT in respect of prior years. During the years ended December 31, 2025 and 2024, preferential tax rate has been granted to certain PRC subsidiaries for calculation of EIT in prior years, resulting to an overprovision of EIT in respect of prior years.
- (b) The actual appreciation amount of certain property projects had been finalised and the development plan for certain property projects had been revised in which the revised estimated or final appreciation amount was different with the appreciation amount made in prior years, resulting in an overprovision of LAT in respect of prior years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain of the Company's subsidiaries operating in the PRC are eligible for exemption from PRC EIT for both years.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of most of the jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group has not made relevant disclosures of qualitative and quantitative information about the Group's exposure to the Pillar Two income taxes.

## 7. PROFIT FOR THE YEAR

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	<b>8,009</b>	8,408
Cost of property inventories included in cost of sales	<b>75,036,249</b>	94,639,941
Depreciation of property, plant and equipment	<b>90,381</b>	118,380
Depreciation of right-of-use assets	<b>28,777</b>	33,109
Amortisation of intangible assets	<b>205,496</b>	204,860
Write-down of inventories of properties to net realisable value	<b>2,357,271</b>	992,477
Staff costs		
Directors' emoluments (including equity-settled share-based payments)	<b>125,688</b>	139,076
Other staff costs		
Retirement benefit contributions	<b>303,328</b>	354,509
Equity-settled share-based payments	<b>430,904</b>	475,943
Other staff costs	<b>1,879,057</b>	2,873,825
Total staff costs	<b>2,738,977</b>	3,843,353
Less: Amount capitalised to properties under development for sales and investment properties under development	<b>(210,363)</b>	(422,649)
	<b>2,528,614</b>	3,420,704
Minimum lease income from investment properties	<b>(13,526,766)</b>	(13,250,665)
Contingent rental income	<b>(659,627)</b>	(706,518)
Less: direct expenses that generated rental income	<b>3,288,381</b>	3,420,493
	<b>(10,898,012)</b>	(10,536,690)

## 8. DIVIDENDS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Dividends recognised as distribution during the year:		
Interim dividend recognised in respect of 2025 of RMB0.07 (2024: RMB0.22) per share	<b>492,914</b>	1,515,396
Final dividend paid in respect of 2024 of RMB0.10 (2024: in respect of 2023 of RMB0.23) per share	<u><b>698,718</b></u>	<u>1,559,579</u>
	<u><b>1,191,632</b></u>	<u>3,074,975</u>

In respect of the final dividend for the year ended December 31, 2024, RMB181,367,000 has been paid in cash and the remaining portion has been settled by way of 54,451,730 new fully paid shares of the Company on September 26, 2025.

The interim dividend for the period ended June 30, 2025 will be settled partially in cash and partially in shares of the Company on April 30, 2026.

Subsequent to the end of the reporting period, the directors of the Company have resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (2024: final dividend of RMB688,816,000, representing RMB0.10 per share, in respect of the year ended December 31, 2024).

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	<u><b>1,021,850</b></u>	<u>10,401,171</u>

	2025 ‘000	2024 ‘000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<b>6,789,071</b>	6,595,311
Effect of dilutive potential ordinary shares in respect of – Share options and share awards	<u>26,479</u>	<u>13,951</u>
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	<u><b>6,815,550</b></u>	<u>6,609,262</u>

The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for both years have been arrived at after deducting the shares held in trust for the Company by two independent trustees under the share award scheme of the Company.

During the year ended December 31, 2025, certain share award schemes are not included in the calculation of diluted earnings per share.

#### 10. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Trade receivables ( <i>Note a</i> )		
– Contract with customers	<b>4,801,302</b>	4,704,800
– Rental	<u>140,042</u>	<u>94,330</u>
	<b>4,941,344</b>	4,799,130
Other receivables, net of allowance for doubtful debts ( <i>Note b</i> )	<b>6,033,620</b>	6,380,180
Advances to contractors	<b>1,819,954</b>	2,154,044
Prepaid value added tax and other taxes	<b>9,221,724</b>	10,572,425
Prepayments and utilities deposits	<u>10,047</u>	<u>18,992</u>
	<u><b>22,026,689</b></u>	<u>23,924,771</u>

*Notes:*

- (a) Trade receivables are mainly arisen from sales of properties, property operation and rendering of services. Considerations in respect of sales of properties are paid by customers in accordance with the terms of the related sales and purchase agreements. For property operation, rental income are paid by tenants within two months from invoice date in accordance with the terms in the tenancy agreements. Service income is received in accordance with the terms of the relevant service agreements.

As at January 1, 2024, trade receivables from contract with customers amounted to RMB4,497,620,000.

The following is an aged analysis of trade receivables presented based on dates of delivery of goods and dates of demand notes.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 60 days	<b>3,135,966</b>	3,346,340
61 - 180 days	<b>908,401</b>	882,905
181 - 365 days	<b>378,663</b>	359,562
1 - 2 years	<b>466,499</b>	168,043
2 - 3 years	<b>38,133</b>	30,960
Over 3 years	<b>13,682</b>	11,320
	<b><u>4,941,344</u></b>	<u>4,799,130</u>

As at December 31, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,537,543,000 (2024: RMB2,790,464,000) which are past due as at the reporting date. Out of the past due balances, RMB896,978,000 (2024: RMB569,886,000) had been past due 90 days or more and are not considered as in default as those balances are mainly with those property customers with satisfactory payment records for property management fee, and those banks with good credit quality and pending for completing their mortgage procedures and other property customers with outstanding consideration from property sales.

- (b) Other receivables mainly comprise rental deposits, receivables of refund of the deposits for land auction, deposits for construction work, temporary payments and miscellaneous project-related deposits paid which are refundable within one year.

## 11. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables and accrued expenditure on construction ( <i>Note a</i> )	<b>37,168,552</b>	40,560,546
Dividend payables	<b>537,205</b>	1,514,840
Other payables and accrued charges ( <i>Note b</i> )	<b>11,956,052</b>	13,337,202
Value added tax payables	<b>1,463,882</b>	4,372,087
Consideration payable for business combination	<b>117,285</b>	119,445
	<b><u>51,242,976</u></b>	<u>59,904,120</u>
Less: consideration payable due after one year shown under non-current liabilities	<u>–</u>	<u>(1,268)</u>
Amount due within one year shown under current liabilities	<b><u>51,242,976</u></b>	<u>59,902,852</u>

*Notes:*

- (a) Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress certified by the Group. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an aged analysis of trade payables, based on the invoice date and issuance date of each bill, at the end of the reporting period:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 60 days	<b>7,209,766</b>	7,400,145
61 - 180 days	<b>6,168,574</b>	6,273,556
181 - 365 days	<b>5,246,477</b>	5,469,068
1 - 2 years	<b>2,036,348</b>	4,559,787
2 - 3 years	<b>1,530,974</b>	989,784
Over 3 years	<b>592,184</b>	528,918
	<b><u>22,784,323</u></b>	<u>25,221,258</u>

- (b) Other payables and accrued charges comprise mainly tax received and payable to the government on behalf of customers, accrued salaries and accrued staff welfare.

## CHAIRMAN’S STATEMENT

On behalf of the Board of Directors, I am pleased to present to our shareholders the full-year business review and outlook for the year ended December 31, 2025, of Longfor Group Holdings Limited (the “Company”, together with the subsidiaries, collectively the “Group”).

In 2025, amid profound adjustments, China’s real estate sector accelerated its transition towards a new development model. The focus of urban development has shifted decisively from greenfield expansion to enhancing the quality of existing assets. Confronted by the cyclical challenges inherent in this transition, Longfor maintained an unwavering strategic focus. We have adhered to strict financial discipline, prioritized cash flow management, continuously optimized our balance sheet, and honed our operational and service capabilities, thereby building strong momentum for the Group’s sustainable, long-term growth.

In recent years, Longfor has steadily and systematically reduced its debt, achieving prudent deleveraging and reducing interest-bearing debt, alongside a fundamental optimization of our debt structure. As of year-end 2025, the Group’s interest-bearing debt stood at RMB 152.8 billion, the average contract borrowing period exceeded 12 years, and the average finance cost decreased to 3.51%. Approximately 90% of this debt was bank financing, a clear testament to the creditworthiness we have established by consistently honoring our commitment to “zero payment defaults, zero extensions, and zero breaches”. More crucially, underpinned by this robust financial foundation, the Group has generated positive operating cash flow after capital expenditures for three consecutive years. This established model of “low leverage, low financing costs, and positive cash flow generation” has given us the strategic flexibility to navigate cycles and advance our transformation.

At this new stage of industry and corporate development, our core business segments, centered on the construction, operation, and servicing of spaces, are deepening collaboration and advancing in synergy. Together, they are dedicated to creating better living environments for cities and customers, strengthening our role as a trusted, long-term urban partner.

Our property development business has proactively adapted to market dynamics, focusing on inventory reduction while aligning precisely with market demand. Operationally, we maintained the discipline of living within our means, prudently balancing sales volume and pricing. In project delivery, we upheld our “Four Excellences” system—“Excellent Community, Excellent Neighborhood, Excellent Home, and Excellent Service”—delivering approximately 70,000 quality homes on schedule in 2025, honoring our commitments to customers through continuous improvements in delivery execution.

Our property operation generated revenue of RMB 14.2 billion in 2025 and have become a core growth engine and a resilient pillar supporting the Group’s long-term development. The commercial investment business currently operates nearly 100 shopping malls, maintaining a high occupancy rate of 97%. Through ongoing capital investments, we revitalized existing assets via scenographic upgrades and tenant-mix optimization, effectively enhancing both the consumer experience and the asset value.

Our asset management business has focused on operational efficiency and leveraging synergies across diversified formats. The newly launched “Hybrid Space” street-commerce format, together with our long-term rental apartments and other businesses, unlocked spatial synergies and delivered concurrent improvements in asset quality and profitability.

Against the backdrop of rising expectations for service quality, our property services segment—the bridge that connects us with customers and creates enduring value—grew in importance. Longfor Intelligent Living, remained committed to its service-centric philosophy, has strategically focused its portfolio of over 2,100 managed projects to ensure premium service quality. Through standardized and digitalized operations, we have continuously enhanced service responsiveness and management precision.

Longfor Smart Construction, as a practitioner of “smart construction,” leveraged full-cycle development management and quality control systems to deliver over 2.9 million square meters of projects in 2025. It has also built strong capabilities in complex scenarios such as project revitalization and urban renewal, providing partners with stable and reliable professional support.

We firmly believe that a company’s future depends on the depth and quality of its connection with customers. The continually evolving “Longfor” app has become the central hub of our “One Longfor” ecosystem, integrating services for tens of millions of customers. Beyond efficient service integration, the platform provides a systematic mechanism for customer feedback and response. This transforms customer insights into a driving force for product and service iteration, forming a closed loop from listening and feedback to improvement. This is not only a steadfast practice of our “For You Forever” philosophy, but also a solid foundation for building our new development model.

The industry is entering a new phase where intrinsic corporate capabilities are of paramount importance. With a robust financial foundation and sustained cash flow generation, Longfor is well-positioned for the future. We will further advance our strategic transformation and strengthen our core capabilities through refined operations and enhanced services, boosting efficiency through digitalization and AI-driven innovation, and building a customer-centric value ecosystem. Through these efforts, we aim to forge a more resilient, sustainable, and high-quality path of development.

Finally, on behalf of the Board, I would like to extend my sincere gratitude to our shareholders, customers, and the wider community for your continued support.

**Longfor Group Holdings Limited**  
**Chen Xuping**  
*Chairman*

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROPERTY DEVELOPMENT

In 2025, revenue from property development business of the Group was RMB70.54 billion. The Group delivered 5.925 million square meters of property in gross floor area (GFA) terms. Recognized average selling price was RMB11,904 per square meter in 2025.

*Table 1: Breakdown of property development revenue of the Group in 2025*

Region	Revenue		Total GFA	
	2025 <i>RMB million</i>	2024 <i>RMB million</i>	2025 <i>'000 Sqm</i>	2024 <i>'000 Sqm</i>
Yangtze River Delta	<b>21,811</b>	26,617	<b>1,302</b>	1,620
Western China	<b>15,713</b>	34,221	<b>1,538</b>	2,566
Southern China	<b>14,812</b>	11,632	<b>1,013</b>	857
Pan Bohai Rim	<b>14,064</b>	20,493	<b>1,513</b>	1,949
Central China	<b>4,136</b>	7,804	<b>559</b>	627
Total	<b>70,536</b>	100,767	<b>5,925</b>	7,619

In 2025, the Group achieved contracted sales of RMB63.16 billion with sales of total GFA of 5.186 million square meters. Average selling price of GFA sold was RMB12,179 per square meter. Contracted sales from Western China, Yangtze River Delta, Pan Bohai Rim, Southern China and Central China were RMB18.24 billion, RMB17.17 billion, RMB15.21 billion, RMB6.80 billion and RMB5.74 billion respectively, accounting for 28.9%, 27.2%, 24.1%, 10.8% and 9.0% of the contracted sales of the Group, respectively.

Table 2: Details of contracted sales of the Group in 2025

Region	Contracted sales		Total GFA	
	2025 RMB million	2024 RMB million	2025 '000 Sqm	2024 '000 Sqm
Western China	<b>18,244</b>	27,469	<b>1,576</b>	2,248
Yangtze River Delta	<b>17,174</b>	29,063	<b>1,077</b>	1,487
Pan Bohai Rim	<b>15,213</b>	19,482	<b>1,434</b>	1,659
Southern China	<b>6,795</b>	15,497	<b>600</b>	1,010
Central China	<b>5,736</b>	9,605	<b>499</b>	720
Total	<b>63,162</b>	101,116	<b>5,186</b>	7,124

As at December 31, 2025, the Group had sold but unrecognized contracted sales of RMB99.1 billion (with an area of approximately 8.06 million square meters).

## PROPERTY OPERATION

The Group has been intensifying the management of its properties based on its coverage in first and second-tier cities in China. Currently, the property operation business of the Group are mainly commercial investments and assets management. For commercial investments, the Group has adhered to its strategy of asset light and asset heavy model while steadily facilitating its presence in core cities. Urban shopping malls under the brand name of “Paradise Walk” is the main product line. For assets management, it encompasses six major divisions, including rental housing branded as “Goyoo”, dynamic commercial pedestrian precinct branded as “Hybrid Space”, serviced apartment branded as “Hsiafei Mansion”, industrial office branded as “Blue Engine”, maternity and children’s hospital branded as “Youyou Baobei”, and elderly residence branded as “Ever Spring” with an aim to offer customers more diverse products and services. In particular, “Goyoo”, the rental housing, aiming to provide new generations with comprehensive rental housing services, has commenced operation in several high-magnitude cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Chongqing, Wuhan and Nanjing.

In 2025, the income of the Group's property operation business was RMB14.19 billion, representing an increase of 1.6% as compared to last year. The rental income from commercial investments and asset management accounted for 79.0% and 21.0% of the total rental income respectively. The gross profit margin of the property operation business was 75.6%, representing an increase of 1.4% as compared to last year, in which the gross profit margin of commercial investments and asset management grew 1.8% and 0.2% respectively. As at December 31, 2025, the Group has shopping malls totaling 10.50 million square meters in GFA (14.03 million square meters in GFA including parking space) that had commenced operation with income of RMB11.21 billion recorded, representing a growth of 4.0% as compared to last year. The overall occupancy rate of the shopping malls was 96.8%. Rental housing are constantly being iterated, boasting a leading position in the industry in terms of its scales with the occupancy rate of 94.1%. The occupancy rate of the portions of rental housing which have commenced operation for more than six months was 95.7%.

Due to the rental increase of shopping malls in operation, continuous investments in shopping malls under construction and the development of rental housing Goyoo, the valuation gain of investment properties of the Group amounted to RMB4.70 billion in 2025.

## **PROPERTY SERVICE**

The Group has continued to improve its service capability and service chain. Currently, the Group's property service business mainly comprises property management service and smart construction. Property management service mainly includes five major divisions, namely residential property services, commercial property services, home decoration, selected products, and house rental and sales, covering 13 business types, including residential, commercial, office, industrial parks, corporate headquarters, urban services, hospitals and public venues. Smart construction integrates the Group's full industry development experience and digital technology capabilities, leveraging on the synergies of the core businesses to offer customers with full-industry, full-cycle, digital "one-stop solutions", which mainly comprise product and service modules, including construction management, planning and design as well as smart decoration.

In 2025, the total income generated from the property service business of the Group was RMB12.58 billion, representing a decrease of 1.3% as compared to last year. The gross profit margin of the property service business was 28.3%. In 2025, the income from property management service was RMB11.23 billion. Smart construction business has spread to Beijing, Shanghai, Chengdu, Chongqing, Xi'an, Hangzhou and other core first and second tier cities, and it has continued to focus on deep cultivation and achieve high-quality development.

## **COST CONTROL**

In 2025, benefiting from the Group's continuous focus on organization and business efficiency improvement and high quality talents, the Group's share of administrative expenses to development contracted sales and property operation and property service income was 3.9%. To enhance the brand influence of the Group, the selling expenses as a percentage to development contracted sales and property operation and property service income was 3.4%.

## **INCOME TAX EXPENSE**

Income tax expense includes PRC enterprise income tax and land appreciation tax. In 2025, the enterprise income tax expense and land appreciation tax of the Group were RMB2.55 billion and RMB1.64 billion, respectively. The total income tax expenses for the period amounted to RMB4.19 billion.

## **PROFITABILITY**

In 2025, the Group's core net profit margin was -2.4%, and core net profit margin attributable to owners of the Company was -1.7%.

## **LAND BANK REPLENISHMENT**

As at December 31, 2025, the Group's total land bank was 22.35 million square meters or 17.32 million square meters on an attributable basis. The average unit land cost was RMB4,132 per square meter. In terms of regional breakdown, the land bank in Pan Bohai Rim, western China, central China, Yangtze River Delta and southern China accounted for 41.0%, 30.4%, 11.3%, 10.7% and 6.6% of total land bank, respectively.

In 2025, the Group acquired new land bank with total GFA of 377,000 square meters or 265,000 square meters on an attributable basis. Average cost of acquisition on an attributable basis was RMB9,272 per square meter. In terms of regional breakdown, the newly acquired area in western China, Yangtze River Delta and southern China accounted for 50.9%, 33.7% and 15.4% of the total GFA of the newly acquired land bank, respectively.

Subsequent to the reporting period<sup>#</sup>, the Group acquired new land bank with a total GFA of 184,000 square meters or 184,000 square meters on an attributable basis. In terms of regional breakdown, the newly acquired areas are located in Pan Bohai Rim and Yangtze River Delta.

<sup>#</sup> As of March 12, 2026

The geographic spread of the land bank of the Group was as follows:

*Table 3: Breakdown of the land bank of the Group*

<b>Region</b>	<b>Total GFA</b> <i>'000 sqm</i>	<b>% of Total</b>	<b>Attributable</b>	
			<b>GFA</b> <i>'000 sqm</i>	<b>% of Total</b>
Pan Bohai Rim	9,160	41.0%	8,156	47.0%
Western China	6,803	30.4%	4,919	28.4%
Central China	2,522	11.3%	1,585	9.2%
Yangtze River Delta	2,383	10.7%	1,606	9.3%
Southern China	1,477	6.6%	1,056	6.1%
	22,345	100%	17,322	100%

Table 4: Land acquisitions in 2025

Region	Project	City	Attributable Interest %	Total GFA '000 sqm	Attributable GFA '000
Western China	Li Jia Jinshan Temple A41-5 Plot	Chongqing	100%	26	26
	Yun Yan A Plot	Guiyang	100%	98	98
	Shizishan Street Plot	Chengdu	43%	31	13
	Wannianchang 19-Mu Plot	Chengdu	51%	37	19
	<b>Subtotal</b>			<b>192</b>	<b>156</b>
Yangtze River Delta	Fengxian Paradise Walk North Plot	Shanghai	50%	64	32
	Hoston South Plot	Suzhou	30%	63	19
	<b>Subtotal</b>			<b>127</b>	<b>51</b>
Southern China	Guangming District Matian Subdistrict Plot Shenzhen		100%	58	58
	<b>Subtotal</b>			<b>58</b>	<b>58</b>
	<b>Total</b>			<b>377</b>	<b>265</b>

The details of the land bank acquired by the Group subsequent to the reporting period<sup>#</sup> are as follows:

*Table 5: Land acquisitions subsequent to the period<sup>#</sup>*

Region	Project	City	Attributable Interest %	Total GFA '000 sqm	Attributable GFA '000 sqm
Pan Bohai Rim	Jiaozhou Haomen Plot – Commercial	Qingdao	100%	8	8
	Jianzhou Haomen Plot – Residential	Qingdao	100%	109	109
	<b>Subtotal</b>			<b>117</b>	<b>117</b>
Yangtze River Delta	Xinwu District Boxiwei Plot	Wuxi	100%	67	67
	<b>Total</b>			<b>184</b>	<b>184</b>

<sup>#</sup> As of March 12, 2026

## FINANCIAL POSITION

As at December 31, 2025, the Group's consolidated total borrowings amounted to RMB152.81 billion. Cash in hand was RMB29.20 billion\*. Net debt to equity ratio (net debt divided by total equity) was 52.2%. Liabilities to asset ratio (ex. Pre-sale Deposits)\*\* was 54.7%. The credit rating of the Group was BB- by Standard & Poor, Ba3 by Moody's, BB- by Fitch, and AAA by CCXR\*\*\*.

\* Of them, regulated pre-sale funds amounted to RMB9.37 billion

\*\*  $Liabilities\ to\ asset\ ratio\ (ex.\ Pre\text{-}sale\ Deposits) = (total\ liabilities - Pre\text{-}sale\ Deposits) / (total\ assets - Presale\ Deposits)$

\*\*\* The ratings given by CCXR were for the rating on Chongqing Longhu Development Co., Ltd., a major subsidiary of the Company in Mainland China.

Approximately 90.0% of the Group's total borrowings were denominated in RMB, while 10.0% were denominated in foreign currencies. The Group maintains its borrowings in foreign currencies in a low proportion with all exchange rate swap so as to control the risk in exchange losses.

Approximately RMB19.66 billion of the Group's consolidated borrowings were with fixed interest rates ranging from 3.4% to 4.5% per annum, depending on the term of the loans, and the other loans were quoted at floating rates. As of December 31, 2025, the fixed interest debt as a percentage of total debt was 13% (December 31, 2024: 21%).

The Group's average finance cost was 3.51% per annum. The average contract borrowing period was 12.12 years. The unsecured debt as a percentage of total debt was 23.8%. The debt due within one year was RMB15.79 billion, accounting for 10.3% of total debt. Excluding regulated pre-sale funds and restricted capital, cash to short-term debt multiple was 1.14X.

## **EMPLOYEES AND COMPENSATION POLICY**

The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. The total compensation of employees consisted of base salary, cash bonus and share-based rewards. The distribution of cash bonus is assessed and determined based on a combination of factors, such as the Group's actual performance against its targets and the scores gained on the balanced scorecard of its subsidiaries.

## **REVIEW AND OUTLOOK**

In 2025, macroeconomic policies continued to provide strong support for stabilising the industry, with nationwide new home sales reaching RMB8.4 trillion, a year-on-year decrease of 12.6%. As policies aimed at stabilising the market, optimising supply and mitigating risks continued to take effect, the market bottom gradually solidified, and the industry entered a new phase of quality development and improvement of existing assets.

By being committed to establishing a high-quality development model, the Group centers on three business segments of property development, property operation and property service and firmly pursue the synergies between five major business divisions, namely property development, commercial investment, asset management, property management service, and smart construction. In the face of profound industry restructuring, the Group has consistently prioritised customer needs, continuously refined its organisational structure and maintained stable and orderly overall operations supported by a diversified business portfolio and prudent financial strategies.

In terms of property development, the Group achieved contracted sales of RMB63.16 billion for the year, with tier-1 and tier-2 cities contributing approximately 90%. In the face of market challenges, the Group adopted a production-to-sales strategy, flexibly adjusting project launch schedules to ensure cash flow security. In 2026, the Group will continue to focus on inventory reduction, actively revitalise existing assets, and further enhance product competitiveness through a customer-centric approach.

Regarding commercial investment for the year, 13 new shopping malls were brought into operation during the year, five of which were light-asset projects. As at the end of the period, Longfor Commercial has 99 shopping malls in operation with an occupancy rate of 97%. During the year, Longfor Commercial actively renovate and enhance its existing projects, focusing on spatial renewal, brand optimisation and enhanced experiential environments, and carry out detailed adjustments and operational optimisations at selected key Paradise Walks. The rental income of 2025 was RMB 11.21 billion, representing a 4% year-on-year increase. In 2026, the Company plans to open approximately nine new shopping malls in cities such as Hangzhou, Chengdu and Changsha, adopting a balanced asset-light and asset-heavy strategy to ensure steady development.

The Group's asset management brand, "Longfor Asset Management", encompasses six core business segments: long-term rental apartments, industrial offices, serviced apartments, dynamic commercial pedestrian precinct, maternity and children's hospital, and elderly residence. It generated revenue of RMB2.98 billion for the year. Among these, the long-term rental apartment brand "Goyoo" continued to enhance product quality and optimise its asset portfolio, generating rental income of RMB2.48 billion for the year, with an occupancy rate of 94% at year-end. Furthermore, the dynamic commercial pedestrian precinct brand "Hybrid Space" opened four new projects in Shanghai, Hangzhou, Hefei and Chengdu during the year, with an average occupancy rate of approximately 93%, whilst the operational capabilities of its existing assets continued to improve.

As for property management service, Longfor Intelligent Living generated revenue of RMB11.23 billion for the year, with approximately 360 million square metres of area under management at year-end. During the year, Longfor Intelligent Living continued to strengthen its security systems, upgrade equipment and facilities, and enhance service quality. Leveraging its smart space management platform, Longfor Intelligent Living achieved precise service delivery and efficient response, thereby consolidating its capability to provide high-quality space services across multiple property types.

The Group's smart construction brand, "Longfor Smart Construction", leverages its multi-business development experience and digital technology capabilities to provide clients with one-stop, full-cycle smart construction services, generating annual revenue of RMB1.3 billion. With a focus on diversified urban space creation, Longfor Smart Construction will continue to specialise in planning and design, construction management and smart decoration, whilst continuously strengthening its full-cycle, multi-business service capabilities.

Looking ahead, the Group will remain steadfast in its core strategy of high-quality development. It will continue to pursue a prudent financial management strategy, steadily reduce debt scale, maintain positive operating cash flow, and continue to drive the transformation of its business model by leveraging its operations and services to drive growth.

## **FINAL DIVIDEND**

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: RMB0.10 per share).

## **ANNUAL GENERAL MEETING**

The AGM is to be held on Thursday, June 18, 2026 and the notice of AGM will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Thursday, June 18, 2026 all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, June 12, 2026.

## **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of three independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters including the review of the Group’s audited consolidated results for the year ended December 31, 2025.

## **CORPORATE GOVERNANCE**

The Company recognises the importance of corporate transparency and accountability. We are committed in achieving a high standard of corporate governance and leading the Group to attain better results and enhance company value with effective corporate governance procedures. Throughout this year, the Company has adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 to the Listing Rules, except with the following deviation:

Following the appointment of Mr. Chen Xuping as the Chairman of the Board with effect from October 28, 2022, Mr. Chen Xuping assumes the dual roles of the Chairman of the Board and the Chief Executive Officer of the Company. This deviates from code provision C.2.1 of the Code, which requires that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. After evaluating the development of the Group and taking into account the experience of Mr. Chen Xuping, the Board was of the opinion that it is in the best interest of the Company at the present stage for vesting the roles of the Chairman of the Board and the Chief Executive Officer of the Company in the same person as it helps to facilitate the execution of the Group’s development strategies. The Board will nevertheless review this structure from time to time for accommodating and facilitating the development of the Company.

## **COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES**

The Company has adopted a code of conduct regarding the Company’s securities transactions of directors (the “Securities Code”) on no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules. All Directors confirmed that they have complied with the required standard set out in the Securities Code during the year ended December 31, 2025.

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

During the year, the trustee of the Restricted Share Award Scheme purchased on the Stock Exchange a total of 8,826,449 shares at a total consideration of approximately RMB79,054,000 pursuant to the terms of the trust deed under the Restricted Share Award Scheme.

Other than the aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year (including the sale of treasury shares, if any). As at December 31, 2025, the Company did not hold any treasury shares (as defined in the Listing Rules).

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

This results announcement has been published on the Company's website ([www.longfor.com](http://www.longfor.com)) and on the dedicated website for issuer information of the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be posted on the above websites in due course.

By Order of the Board  
**Longfor Group Holdings Limited**  
**Chen Xuping**  
*Chairman*

Hong Kong, March 27, 2026

*As at the date of this announcement, the Board comprises nine members: Mr. Chen Xuping, Mr. Zhao Yi, Mr. Zhang Xuzhong and Ms. Shen Ying who are executive directors; Ms. Sun Jiahui who is non-executive director; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Leong Chong who are independent non-executive directors.*