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**POWERLONG**

宝龙

**POWERLONG REAL ESTATE HOLDINGS LIMITED**

**寶龍地產控股有限公司**

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

**(Stock Code: 1238)**

**(1) 2025 ANNUAL RESULTS ANNOUNCEMENT; AND  
(2) ADOPTION OF THE AMENDED AND RESTATED  
MEMORANDUM AND ARTICLES OF ASSOCIATION**

**SUMMARY OF RESULTS**

**For the year ended 31 December 2025**

- Contracted sales amounted to approximately RMB7,272 million. Contracted sales area amounted to approximately 667,082 square meters.
- Revenue amounted to approximately RMB22,637 million, representing a decrease of approximately 12.1% as compared with the corresponding period in 2024.
- Rental income and income from provision of commercial operational services and residential property management services amounted to approximately RMB4,213 million, representing a decrease of approximately 1.9% as compared with the corresponding period in 2024.
- The effective interest rate decreased from 5.46% in 2024 to 5.09% in 2025, which has declined for two consecutive years.

The board (the “**Board**”) of directors (the “**Directors**”) of Powerlong Real Estate Holdings Limited (the “**Company**” or “**Powerlong**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows.

## CONSOLIDATED BALANCE SHEET

		<b>31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>5,162,387</b>	6,284,630
Investment properties	4	<b>74,527,594</b>	77,269,444
Intangible assets		<b>3,059</b>	4,282
Goodwill		<b>20,640</b>	20,640
Investments accounted for using the equity method		<b>6,502,082</b>	8,565,449
Deferred income tax assets		<b>2,290,353</b>	2,409,599
Financial assets at fair value through other comprehensive income		<b>46,462</b>	47,963
		<b>88,552,577</b>	94,602,007
<b>Current assets</b>			
Properties under development		<b>23,800,969</b>	44,714,925
Completed properties held for sale		<b>19,058,916</b>	15,023,720
Contract assets		<b>192,883</b>	159,738
Trade receivables	5	<b>1,374,947</b>	1,477,684
Other receivables		<b>23,430,217</b>	23,230,120
Prepayments		<b>3,424,675</b>	3,450,176
Prepaid taxes		<b>1,449,149</b>	1,813,757
Financial assets at fair value through profit or loss		<b>10,110</b>	9,373
Restricted cash		<b>1,872,738</b>	1,431,604
Cash and cash equivalents		<b>5,368,987</b>	6,103,770
		<b>79,983,591</b>	97,414,867
<b>Total assets</b>		<b>168,536,168</b>	192,016,874

		<b>31 December</b>	
		<b>2025</b>	2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		36,779	36,779
Other reserves		1,759,271	2,167,906
Retained earnings		<u>24,930,156</u>	<u>30,831,900</u>
		<b>26,726,206</b>	33,036,585
<b>Non-controlling interests</b>		<u>13,428,491</u>	<u>16,362,094</u>
		<b>40,154,697</b>	49,398,679
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	6	20,832,253	31,541,550
Lease liabilities		515,898	1,181,343
Deferred income tax liabilities		<u>6,030,331</u>	<u>6,802,609</u>
		<b>27,378,482</b>	39,525,502
<b>Current liabilities</b>			
Borrowings	6	34,222,683	26,179,508
Trade and other payables	7	39,497,965	39,520,893
Contract liabilities		9,466,485	20,024,086
Current income tax liabilities		17,731,624	17,298,802
Lease liabilities		<u>84,232</u>	<u>69,404</u>
		<b>101,002,989</b>	103,092,693
<b>Total liabilities</b>		<u>128,381,471</u>	<u>142,618,195</u>
<b>Total equity and liabilities</b>		<u>168,536,168</u>	<u>192,016,874</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>22,637,190</b>	25,757,351
Cost of sales	8	<b>(21,333,392)</b>	(23,410,105)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>1,303,798</b>	2,347,246
Fair value losses on investment properties – net	4	<b>(4,193,334)</b>	(3,326,616)
Selling and marketing costs	8	<b>(418,428)</b>	(667,954)
Administrative expenses	8	<b>(1,112,647)</b>	(1,169,936)
Net impairment losses on financial assets		<b>(226,177)</b>	(258,264)
Other income and gains – net	9	<b>64,204</b>	423,597
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(4,582,584)</b>	(2,651,927)
Finance costs – net	10	<b>(1,038,036)</b>	(1,994,601)
Share of losses of investments accounted for using the equity method		<b>(663,469)</b>	(13,400)
		<hr/>	<hr/>
<b>Loss before income tax</b>		<b>(6,284,089)</b>	(4,659,928)
Income tax expense	11	<b>(560,777)</b>	(838,524)
		<hr/>	<hr/>
<b>Loss for the year</b>		<b>(6,844,866)</b>	(5,498,452)
		<hr/>	<hr/>
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<b>17</b>	5,024
		<hr/>	<hr/>
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax		<b>(1,126)</b>	(1,769)
		<hr/>	<hr/>
<b>Total other comprehensive (expense)/income for the year, net of tax</b>		<b>(1,109)</b>	3,255
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		<b>(6,845,975)</b>	(5,495,197)
		<hr/>	<hr/>

		<b>Year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(5,886,744)</b>	(5,765,033)
Non-controlling interests		<b>(958,122)</b>	266,581
		<b><u>(6,844,866)</u></b>	<b><u>(5,498,452)</u></b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		<b>(5,887,853)</b>	(5,761,778)
Non-controlling interests		<b>(958,122)</b>	266,581
		<b><u>(6,845,975)</u></b>	<b><u>(5,495,197)</u></b>
Loss per share for loss attributable to owners of the Company for the year (expressed in RMB cents per share)			
– Basic and Diluted	<i>12</i>	<b><u>(142.2)</u></b>	<b><u>(139.2)</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Powerlong Real Estate Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 18 July 2007 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in property development, property investment, provision of commercial operational services, provision of residential property management services and other property development related services in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company, the Company’s immediate holding company is Skylong Holdings Limited, and its ultimate holding company is Skylong Family Limited, both of which are companies incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Company is Mr. Hoi Kin Hong, the Chairman and an executive director of the Company.

The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 14 October 2009.

These consolidated financial statements are presented in thousand Renminbi (“**RMB’000**”), unless otherwise stated.

## 2 BASIS OF PREPARATION

### (i) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance (“**HKCO**”)

These consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the HKCO.

### (ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets carried at fair value and investment properties which are carried at fair value.

### (iii) Going concern basis

For the year ended 31 December 2025, the Group incurred a loss attributable to owners of the Company of approximately RMB5,887 million. As at 31 December 2025, the Group had borrowings in total of approximately RMB55,055 million, out of which approximately RMB34,223 million was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB7,242 million. As at 31 December 2025, the Group had certain indebtedness, including senior notes, corporate bonds, commercial mortgage backed securities and bank and other borrowings, with an aggregated carrying amount of approximately RMB23,569 million that were defaulted or cross defaulted.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing and have considered the Group's cash flow projections prepared by management for a period of not less than 12 months from the end of the reporting period. The following plans and measures are formulated with the objective to mitigate the Group's liquidity pressure and address its indebtedness.

- On 10 October 2025, the Company entered into a restructuring support agreement ("**RSA**") with an ad hoc group of holders ("**AHG**") of the various existing notes issued or guaranteed by the Company and the existing loans entered into or guaranteed by the Group (the "**Scheme Debt**") to the restructuring of the Scheme Debt ("**Restructuring**") for a holistic management solution for the Company's offshore indebtedness ("**Holistic Solution**"), which consists of one or a combination of different options at the selection of the creditors of the Company with respect to the Scheme Debt ("**Scheme Creditors**") for the satisfaction of the restructuring consideration, with an objective to address the current liquidity issues. As at 19 December 2025 (being the date of the extended consent fee deadline), holders of over 85.48% of the Scheme Debt have submitted letters to accede to the RSA.

Under the terms and conditions in connection with the Restructuring, one of the options for satisfaction of the restructuring consideration involves, amongst other things, the disposal or pledge of the shares of Powerlong Commercial Management Holdings Limited, a subsidiary of the Company, the shares of which are listed on the Stock Exchange (stock code: 9909) ("**Powerlong CM**") by the Company to fund, fully or partially, a total cash amount of US\$40 million. On 27 January 2026, the wholly owned subsidiary of the Company, Powerlong Real Estate (BVI) Holdings Limited (the "**Seller**") , entered into the share purchase agreement (the "**Agreement**") with Prime Capital Investment Limited relating to the disposal of the 160,725,000 shares in the issued share capital of Powerlong CM (the "**Target Shares**") for the disposal by the Seller of the Target Shares, on and subject to the terms and conditions set out in the Agreement, at an aggregate consideration of HK\$360,827,625 (the "**Proposed Disposal**"). The Proposed Disposal was duly passed by the shareholders at the extraordinary general meeting held on 18 March 2026.

In addition, at the convening hearing held on 17 March 2026, the High Court of the Hong Kong Special Administrative Region has directed the Company to convene a meeting of the Scheme Creditors for the purpose of approving (with or without modification) a proposed scheme of arrangement under sections 670, 673 and 674 of the Companies Ordinance (Cap.622) to be made between the Company and the Scheme Creditors.

- A restructuring proposal for six onshore corporate bonds and assets-backed securities issued by Shanghai Powerlong Industrial Development (Group) Co. Ltd, a subsidiary of the Company, has been considered and approved at a meeting of the relevant bondholders in January 2026.
- 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;
- The Group will continue to seek for suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher tier cities that make them relatively more attractive to potential buyers and retain a higher value in current market conditions; and
- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

Taking into account the above plans and measures, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

Nevertheless, the Group's ability to continue as a going concern depends, among other things, on (i) the successful implementation of the offshore Restructuring and the Holistic Solution pursuant to the RSA and the related scheme of arrangement, including completion of the Proposed Disposal of shares in Powerlong CM; (ii) the successful implementation of the approved restructuring proposals for the Group's onshore corporate bonds and asset backed securities; (iii) the execution of the Group's sales and pre\_sales strategies and its ability to accelerate cash collection from property sales and other receivables; and (iv) the Group's continued ability to dispose of selected project interests and to implement cost\_control and capital expenditure reduction measures to preserve liquidity.

Should the Group be unable to operate as a going concern, 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 of the Group for the year ended 31 December 2025.

**(iv) New and amendments to HKFRS Accounting Standard that is mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS 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.

**(v) Amendments to HKFRS Accounting Standards that are not mandatory for the current year**

The Group has not early applied the following amendments to HKFRS Accounting Standard that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments) <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments) <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard) <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (amendments) <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### ***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

### **3 SEGMENT INFORMATION**

The executive directors, as the chief operating decision-makers (“CODM”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, commercial operation and residential property management and other property development related businesses. Other property development related businesses are mainly operations of hotels. As the CODM considers most of the Group’s consolidated revenue and results are attributable to the market in the PRC and the Group’s consolidated assets are substantially located in the PRC, no geographical information is presented.

There is no single customer contributing over 10% of total sales of the Group for both years.

Revenue consists of sales of properties, rental income of investment properties, income from provision of commercial operational services and residential property management services and other property development related businesses. Revenue of the year consists of the following:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Sales of properties	<b>17,532,604</b>	20,543,711
Rental income of investment properties	<b>1,828,222</b>	1,907,744
Income from provision of commercial operational services and residential property management services	<b>2,384,713</b>	2,386,694
Income of other property development related businesses	<b>891,651</b>	919,202
	<b>22,637,190</b>	<b>25,757,351</b>
Revenue from contracts with customers		
– At a point in time	<b>17,839,101</b>	20,873,233
– Over time	<b>2,969,867</b>	2,976,374
	<b>20,808,968</b>	23,849,607
Revenue from other sources – rental income	<b>1,828,222</b>	1,907,744
	<b>22,637,190</b>	<b>25,757,351</b>

- (a) Segment results represent the performance for each segment without fair value gain/(losses) on financial assets, unallocated operating costs, finance costs – net and income tax expense. The segment results and other segment items for the year ended 31 December 2025 are as follows:

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Commercial operation and residential property management <i>RMB'000</i>	Other property development related businesses <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	17,532,604	2,065,210	2,607,608	897,901	23,103,323
Inter-segment revenue	–	(236,988)	(222,895)	(6,250)	(466,133)
Revenue from external customers	<u>17,532,604</u>	<u>1,828,222</u>	<u>2,384,713</u>	<u>891,651</u>	<u>22,637,190</u>
Segment (loss)/gain	(2,623,759)	(2,506,297)	411,994	(102,565)	(4,820,627)
Fair value gains on financial assets at fair value through profit or loss					3,037
Unallocated operating costs					(428,463)
Finance costs – net					<u>(1,038,036)</u>
Loss before income tax					(6,284,089)
Income tax expense					<u>(560,777)</u>
Loss for the year					<u>(6,844,866)</u>
Depreciation and amortisation recognised as expenses	47,429	–	18,866	213,087	279,382
Fair value losses on investment properties – net ( <i>Note 4</i> )	–	4,124,439	68,895	–	4,193,334
Impairment losses on properties under development and completed properties held for sale - net	5,937,983	–	–	–	5,937,983
Share of post-tax losses of joint ventures	491,913	–	14	–	491,927
Share of post-tax losses/(profits) of associates	<u>172,322</u>	<u>–</u>	<u>–</u>	<u>(780)</u>	<u>171,542</u>

The segment results and other segment items included in the profit for the year ended 31 December 2024 are as follows:

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Commercial operation and residential property management <i>RMB'000</i>	Other property development related businesses <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	20,543,711	2,150,525	2,617,305	922,638	26,234,179
Inter-segment revenue	–	(242,781)	(230,611)	(3,436)	(476,828)
Revenue from external customers	<u>20,543,711</u>	<u>1,907,744</u>	<u>2,386,694</u>	<u>919,202</u>	<u>25,757,351</u>
Segment (loss)/profit	(455,466)	(1,769,332)	253,415	(295,417)	(2,266,800)
Fair value losses on financial assets at fair value through profit or loss					(621)
Unallocated operating costs					(397,906)
Finance costs – net					<u>(1,994,601)</u>
Loss before income tax					(4,659,928)
Income tax expense					<u>(838,524)</u>
Loss for the year					<u>(5,498,452)</u>
Depreciation and amortisation recognised as expenses	107,836	–	11,813	242,803	362,452
Fair value losses on investment properties – net ( <i>Note 4</i> )	–	3,224,888	101,728	–	3,326,616
Impairment losses on properties under development and completed properties held for sale – net	5,333,846	–	–	–	5,333,846
Share of post-tax losses/(profit) of joint ventures	65,232	–	(36)	–	65,196
Share of post-tax (profits) of associates	<u>(51,302)</u>	<u>–</u>	<u>–</u>	<u>(494)</u>	<u>(51,796)</u>

Sales between segments are carried out in accordance with the terms of the underlying agreements. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

- (b) Segment assets, liabilities and interests in joint ventures and associates as at 31 December 2025 and capital expenditure for the year then ended are as follows:

	Property development RMB'000	Property investment RMB'000	Commercial operation and residential property management RMB'000	Other property development related businesses RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	70,480,442	72,905,454	5,901,030	11,352,809	(5,147,367)	155,492,368
Other assets						<u>13,043,800</u>
Total assets						<u>168,536,168</u>
Segment assets include:						
Interests in joint ventures	3,450,184	–	993	–	–	3,451,177
Interests in associates	3,013,906	–	–	36,999	–	3,050,905
Segment liabilities	33,457,320	2,588,885	2,326,693	5,627,614	(5,147,367)	38,853,145
Other liabilities						<u>89,528,326</u>
Total liabilities						<u>128,381,471</u>
Capital expenditure	12,807	2,412,848	3,850	105,288	–	<u>2,534,793</u>

Segment assets, liabilities and interests in joint ventures and associates as at 31 December 2024 and capital expenditure for the year then ended are as follows:

	Property development RMB'000	Property investment RMB'000	Commercial operation and residential property management RMB'000	Other property development related businesses RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	92,882,080	75,290,007	5,982,795	11,140,498	(7,105,163)	178,190,217
Other assets						<u>13,826,657</u>
Total assets						<u>192,016,874</u>
Segment assets include:						
Interests in joint ventures	4,489,869	–	807	–	–	4,490,676
Interests in associates	4,038,553	–	–	36,220	–	4,074,773
Segment liabilities	46,338,948	2,491,915	2,581,534	5,772,116	(7,105,163)	50,079,350
Other liabilities						<u>92,538,845</u>
Total liabilities						<u>142,618,195</u>
Capital expenditure	29,164	3,123,580	11,771	194,382	–	<u>3,358,897</u>

Segment assets are reconciled to total assets as follows:

	<b>31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Segment assets	<b>155,492,368</b>	178,190,217
Other assets		
– Prepaid taxes	<b>1,449,149</b>	1,813,757
– Deferred income tax assets	<b>2,290,353</b>	2,409,599
– Unallocated cash and cash equivalents and restricted cash	<b>63,463</b>	70,320
– Other receivables from related parties	<b>9,107,697</b>	9,392,729
– Unallocated property and equipment	<b>61,994</b>	62,024
– Other corporate assets	<b>14,572</b>	20,892
– Financial assets at fair value through other comprehensive income	<b>46,462</b>	47,963
– Financial assets at fair value through profit or loss	<b>10,110</b>	9,373
Total assets	<b><u>168,536,168</u></b>	<u>192,016,874</u>

Segment liabilities are reconciled to total liabilities as follows:

	<b>31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Segment liabilities	<b>38,853,145</b>	50,079,350
Other liabilities		
– Current income tax liabilities	<b>17,731,624</b>	17,298,802
– Deferred income tax liabilities	<b>6,030,331</b>	6,802,609
– Current borrowings	<b>34,222,683</b>	26,179,508
– Non-current borrowings	<b>20,832,253</b>	31,541,550
– Other payables to related parties	<b>7,536,251</b>	8,897,216
– Other corporate liabilities	<b>3,175,184</b>	1,819,160
Total liabilities	<b><u>128,381,471</u></b>	<u>142,618,195</u>

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, properties under development, completed properties held for sale, contract assets, receivables and cash and cash equivalents.

Segment liabilities consist of operating liabilities.

Capital expenditure comprises additions to property and equipment and investment properties.

#### 4 INVESTMENT PROPERTIES

	Completed investment properties <i>RMB'000</i>	Investment properties under construction <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2025</b>			
Opening net book amount	66,358,759	10,910,685	77,269,444
Additions	–	2,412,848	2,412,848
Transfer from property and equipment	257,235	–	257,235
Transfer to completed properties held for sale	–	(154,243)	(154,243)
Transfers	1,446,067	(1,446,067)	–
Fair value losses – net	(3,902,763)	(290,571)	(4,193,334)
Disposals	(1,064,356)	–	(1,064,356)
	<b>63,094,942</b>	<b>11,432,652</b>	<b>74,527,594</b>
At 31 December 2025	<b>63,094,942</b>	<b>11,432,652</b>	<b>74,527,594</b>
<b>Year ended 31 December 2024</b>			
Opening net book amount	67,614,472	11,332,367	78,946,839
Additions	–	3,123,580	3,123,580
Transfers	1,841,722	(1,841,722)	–
Fair value losses – net	(3,062,845)	(263,771)	(3,326,616)
Disposals	(34,590)	(1,439,769)	(1,474,359)
	<b>66,358,759</b>	<b>10,910,685</b>	<b>77,269,444</b>
At 31 December 2024	<b>66,358,759</b>	<b>10,910,685</b>	<b>77,269,444</b>

#### 5 TRADE RECEIVABLES

	31 December 2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables ( <i>Note (a)</i> )	1,747,777	1,952,254
– Third parties	1,685,995	1,886,774
– Related parties	61,782	65,480
Less: loss allowance ( <i>Note (b)</i> )	(372,830)	(474,570)
	<b>1,374,947</b>	<b>1,477,684</b>

- (a) The majority of the Group's revenue are derived from sales of properties and rental income. Proceeds in respect of sales of properties and rental income are to be received in accordance with the terms of related sales and purchase agreements and rental contracts.

The ageing analysis of trade receivables as at the respective balance sheet date is as follows:

	31 December 2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	374,960	499,512
Over 90 days and within 180 days	211,598	356,482
Over 180 days and within 365 days	407,840	402,385
Over 365 days	753,379	693,875
	<b>1,747,777</b>	<b>1,952,254</b>

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB372,830,000 was made against the gross amounts of trade receivables (2024: RMB474,570,000).

The closing loss allowance for trade receivables reconcile to the opening loss allowance as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
At 1 January	<b>474,570</b>	313,462
Provision for impairment	<b>28,730</b>	235,560
Receivables written off during the year as uncollectible	<b>(13,555)</b>	(66,647)
Amount reversed	<b>(116,915)</b>	(7,805)
	<hr/>	<hr/>
At 31 December	<b>372,830</b>	474,570
	<hr/>	<hr/>

- (c) As at 31 December 2025 and 2024, the fair value of trade receivables approximated their carrying amounts.

## 6 BORROWINGS

	<b>31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Borrowings included in non-current liabilities:		
Senior notes	<b>15,301,100</b>	15,638,997
Corporate bonds	<b>6,339,995</b>	6,298,743
Commercial mortgage backed securities	<b>2,112,135</b>	2,123,840
Assets-backed securities	<b>206,762</b>	206,749
Bank borrowings	<b>28,602,010</b>	31,005,152
– secured	<b>28,514,217</b>	30,915,141
– unsecured	<b>87,793</b>	90,011
Other borrowings – secured	<b>2,478,634</b>	2,392,417
Less: current portion of non-current borrowings	<b>(34,208,383)</b>	(26,124,348)
	<hr/>	<hr/>
	<b>20,832,253</b>	31,541,550
	<hr/>	<hr/>
Borrowings included in current liabilities:		
Other borrowings – Secured	<b>14,300</b>	55,160
Add: Current portion of long-term borrowings	<b>34,208,383</b>	26,124,348
	<hr/>	<hr/>
	<b>34,222,683</b>	26,179,508
	<hr/>	<hr/>
Total borrowings	<b>55,054,936</b>	57,721,058
	<hr/>	<hr/>

7 TRADE AND OTHER PAYABLES

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables ( <i>Note (a)</i> )	<b>11,034,352</b>	11,599,907
– Related parties	<b>19,662</b>	23,704
– Third parties	<b>10,866,162</b>	11,414,899
– Notes payable – third parties	<b>148,528</b>	161,304
Other payables and accruals	<b>21,697,605</b>	22,228,862
– Related parties	<b>7,536,251</b>	8,897,216
– Non-controlling interests	<b>5,160,916</b>	3,826,267
– Third parties	<b>9,000,438</b>	9,505,379
Payables for retention fee	<b>810,630</b>	810,978
Value-added tax received in advance from customers	<b>853,604</b>	1,692,865
Interest payable	<b>3,728,422</b>	1,950,039
Payables for acquisition of land use rights	<b>22,079</b>	23,517
Other taxes payable	<b>1,351,273</b>	1,214,725
	<b>39,497,965</b>	39,520,893

- (a) The ageing analysis of trade payables as at 31 December 2025 and 2024 based on invoice date is as follows:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	<b>4,048,309</b>	6,110,914
Over 90 days and within 180 days	<b>2,270,458</b>	2,812,376
Over 180 days and within 365 days	<b>1,875,733</b>	2,032,526
Over 365 days	<b>2,839,852</b>	644,091
	<b>11,034,352</b>	11,599,907

## 8 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cost of properties sold – including construction cost, land cost and interest cost	<b>18,661,714</b>	20,657,747
Staff costs (including directors' emoluments)	<b>1,332,292</b>	1,426,548
Employee benefit expenditure – including directors' emoluments	<b>1,424,165</b>	1,586,828
Less: capitalised in properties under development, investment properties under construction and construction in progress	<b>(91,873)</b>	(160,280)
Advertising costs	<b>286,388</b>	578,629
Subcontracting costs	<b>537,790</b>	519,335
Hotel operations expenses	<b>410,282</b>	416,187
Depreciation and amortisation	<b>279,382</b>	362,452
– Property and equipment	<b>220,713</b>	296,110
– Right-of-use assets	<b>56,603</b>	63,723
– Intangible assets	<b>2,066</b>	2,619
Utilities	<b>273,258</b>	289,938
Office related expenses	<b>31,998</b>	56,124
Donations	<b>21</b>	246
Rental expenses	<b>69,963</b>	33,311
Auditor's remuneration	<b>5,591</b>	3,400

## 9 OTHER INCOME AND GAINS/(LOSSES) – NET

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Exchange gains/(losses) – net	<b>31,047</b>	(81,345)
Gains/(losses) on disposal of joint ventures and associates	<b>15,527</b>	(74,441)
Fair value gains/(losses) on financial assets at fair value through profit or loss	<b>3,037</b>	(621)
Gains on disposal of subsidiaries	<b>75,351</b>	–
(Losses)/gains on disposal of property and equipment	<b>(33,537)</b>	84,675
(Losses)/gains on disposal of investment properties	<b>(37,843)</b>	500,091
Others	<b>10,622</b>	(4,762)

## 10 FINANCE COSTS – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest expense:		
Borrowings	3,207,070	3,565,932
Lease liabilities	35,447	173,598
	<u>3,242,517</u>	<u>3,739,530</u>
Less: finance costs capitalised	(1,576,391)	(2,075,225)
Foreign exchange (gains)/losses on financing activities – net	(578,442)	409,726
	<u>1,087,684</u>	<u>2,074,031</u>
Interest income of bank deposits	(49,648)	(79,430)
Finance costs – net	<u>1,038,036</u>	<u>1,994,601</u>

## 11 INCOME TAX EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax:		
PRC corporate income tax	573,386	826,681
PRC land appreciation tax	640,048	469,617
	<u>1,213,434</u>	<u>1,296,298</u>
Deferred income tax:		
PRC corporate income tax	(651,893)	(452,926)
PRC land appreciation tax	(764)	(4,848)
	<u>(652,657)</u>	<u>(457,774)</u>
	<u>560,777</u>	<u>838,524</u>

### PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the group entities located in Mainland China is 25%.

### PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

## PRC land appreciation tax (“LAT”)

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate, except for certain group companies which calculate the LAT based on deemed tax rates in accordance with the approved taxation method obtained from tax authorities.

## Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company’s subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

## Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profits in Hong Kong for the years ended 31 December 2025 and 2024. The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

## 12 LOSS PER SHARE

### (a) Basic

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

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	<u>(5,886,744)</u>	<u>(5,765,033)</u>
Weighted average number of ordinary shares in issue (thousand shares)	<u>4,140,403</u>	<u>4,140,403</u>
Basic loss per share (RMB cents per share)	<u>(142.2)</u>	<u>(139.2)</u>

### (b) Diluted

Since there was no dilutive potential ordinary shares during the year ended 31 December 2025, diluted loss per share is equal to basic loss per share (year ended 31 December 2024: same).

## 13 DIVIDENDS

No final dividend in respect of the year ended 31 December 2025 was proposed by the Board (year ended 31 December 2024: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

In 2025, in the face of the intricate and complex international environment, the economic operation of the People's Republic of China (the "PRC") was generally stable while making progress steadily. New achievements were made in high-quality development, with steady development of new quality productive forces, demonstrating strong resilience. The conditions supporting and fundamental trend underlying the long-term positive economic outlook remained unchanged. The real estate industry continued its overall trend of adjustment. Under the general policy keynote of stabilizing the property market and persistently fostering reversal of the downturn and stabilization of the market, the industry gradually moved from a stage of intense adjustments towards stabilization and recovery. Throughout the year, the market exhibited a development trend characterized by "stabilizing sales volume and prices, structural differentiation, and reshaping of expectations." On the policy front, the flexible framework of "city-specific policies" was maintained, with a sustained focus on stimulating demand. At the national level, core supportive policies such as minimum down payment ratios and mortgage interest rates were optimized. Many localities lifted restrictions on purchases, loans and sales, comprehensively optimizing the support for home purchases with provident fund, provision of subsidies for home purchases or housing vouchers and so forth, thereby effectively lowering the barriers and costs of home purchases. Concurrently, efforts were advanced in urban renewal and the renovation of old urban residential communities, releasing both rigid and upgraders' housing needs through multiple channels. On the enterprise front, the core focus remained on guarding against and resolving risks and ensuring timely delivery of products. The real estate financing coordination mechanism continued to expand its coverage and enhance its efficiency. The normalized management of "white-list" projects more effectively channeled funding into high-quality projects, facilitating precise financial support for the reasonable financing needs of real estate projects and alleviating liquidity pressures on real estate enterprises. Real estate enterprises assessed the situation, concentrated their layouts in core cities, strengthened their product strength and service capabilities, discharging corporate responsibilities and fostering the transformation of the real estate market towards high-quality development.

### **BUSINESS REVIEW**

For the year ended 31 December 2025, the Group conducted its business activities in the following major business segments, namely (i) property development; (ii) property investment; (iii) commercial operation and residential property management; and (iv) other property development related businesses. During the year under review, property development remained as the main source of revenue of the Group.

## Property Development

Faced with the current complex economic environment and multiple challenges presented by the intense adjustments of the real estate industry in China, the Group is working relentlessly to ensure the timely delivery of its property development projects so as to protect the interests of home buyers and to secure cash resources for sustainable development. For the year ended 31 December 2025, the contracted sales of the Group together with its associates and joint ventures amounted to approximately Renminbi (“RMB”) 7,272 million (2024: approximately RMB12,787 million). In 2025, the contracted sales area of the Group together with its associates and joint ventures amounted to 667,082 square meters (2024: 1,152,192 square meters).

Set forth below is the distribution of the Group’s contracted sales during the year ended 31 December 2025:

Distribution	For the year ended 31 December 2025		
	Sales area <i>sq.m.</i>	Sales amount <i>RMB’000</i>	Average selling price <i>RMB/sq.m.</i>
Commercial	169,138	1,401,994	8,289
Residential	497,944	5,870,255	11,789
Total	<u>667,082</u>	<u>7,272,249</u>	<u>10,902</u>

## Property Investment and Commercial Operational and Residential Property Management

To generate a stable and recurring income, the Group has also retained and operated certain commercial properties for leasing. As at 31 December 2025, the Group had an aggregate gross floor area (“GFA”) of approximately 8,322,130 square meters (2024: approximately 8,312,181 square meters) held as investment properties (including properties completed and under construction), which remained relatively stable as compared with 2024.

During the year ended 31 December 2025, the Group (together with its associates and joint ventures) completed and commenced operation of three new shopping malls, with the successful opening of Wuyishan Powerlong Plaza on 30 May 2025, Yuyao Powerlong Plaza on 19 December 2025 and Nanjing Jiangning Powerlong Plaza on 29 December 2025. As at 31 December 2025, the Group held and managed 65 shopping malls and managed 7 asset-light shopping malls, with the number of shopping malls in operation held and the floor area in operation and management both being amongst the forefront of the industry.

## Hotel Business

The Group continued to develop its hotel business as a source of its long-term recurring income with core businesses in operating international brand hotels and self-operated brand chain hotels.

As at 31 December 2025, the Group owned seven international brand hotels, namely Le Meridien Shanghai Minhang (上海閔行寶龍艾美酒店), Radisson Blu Shanghai Pudong Jinqiao (上海寶龍麗笙酒店), Radisson Exhibition Center Shanghai (上海國展寶龍麗筠酒店), Hotel W Xiamen (廈門W酒店), Four Points by Sheraton Taicang Suzhou (蘇州太倉寶龍福朋喜來登酒店), Four Points by Sheraton Chengyang Qingdao (青島城陽寶龍福朋喜來登酒店) and Wyndham Grand Plaza Royale Powerlong Fuyang (阜陽寶龍溫德姆至尊豪廷大酒店), and also owned and operated ten self-owned brand chain hotels, namely ARTELS Anxi Quanzhou (泉州安溪寶龍藝築酒店), ARTELS+ Fuyang Hangzhou (杭州富陽藝悅酒店), ARTELS+ Collection Lingang Shanghai (上海臨港藝悅精選酒店), ARTELS+ Collection Hechuan Chongqing (重慶合川藝悅精選酒店), ARTELS+ Wujing Shanghai (上海吳涇藝悅酒店), ARTELS+ Xinxiang (新鄉藝悅酒店), JUNTELS Binjiang Hangzhou (杭州濱江藝珺酒店), ARTELS+ Collection Yancheng (鹽城寶龍藝悅精選酒店), JUNTELS Tai'an (泰安寶龍藝珺酒店), and JUNTELS Pan'an Jinhua (金華磐安寶龍藝珺酒店).

## **Land Bank**

The Group will adhere to the “1+N” development strategy, focusing on the Yangtze River Delta while paying attention to and exploring other premium regions that offer opportunities. In key regional hubs, the Group will strengthen market tracking and research, adhere to more precise and fine-tuned product positioning, and strictly comply with the principle of value investment in acquiring land bank.

As at 31 December 2025, the Group had a quality land bank amounting to a total GFA of approximately 13.57 million square meters, of which approximately 10.34 million square meters were completed properties held for sale and properties under development and construction and approximately 3.23 million square meters were properties held for future development. The land bank under development will be used for the development of large-scale commercial and residential properties with quality residential properties, serviced apartments, office buildings and hotels. As at 31 December 2025, approximately 56.9% of the land bank of the Group was located in the Yangtze River Delta region.

## **OUTLOOK**

Into 2026, it is envisaged that the real estate market will transition from “reversing the downturn and stabilizing” to “enhancing quality and efficiency”. Continuous efforts will focus on “controlling incremental supply, reducing inventory, and optimizing supply” to consolidate the trend of progress amidst stability, better coordinate development and security, and proactively yet prudently mitigate risks in key areas. To stabilize the real estate market, policies will deepen the foundational institutional construction of the new real estate development model, continue the approach of “city-specific policies” to optimize regulation, explore multiple channels to revitalize inventory commodity housing, encourage the acquisition of inventory commodity housing for affordable housing purposes, and deepen the reform of the housing provident fund system. Emphasis will be placed on strengthening housing security for newly-married and first-birth families, and supporting the upgraders’ needs of families with multiple children. On the industry front, urban renewal will be advanced with high quality, steadily promoting the transformation of urban villages and dilapidated houses, revitalizing inventory land and idle housing facilities, and promoting the construction of safe, comfortable, green and intelligent “good houses” in an orderly manner, implementing a dual enhancement initiative for both housing quality and property service

quality. Efforts to cater to the reasonable needs for enterprise-side financing will continue with more refined implementation. While managing the debt risks of real estate enterprises, the role of the “ensuring timely delivery of products” white-list mechanism will be further leveraged to continuously ease liquidity pressure. Real estate enterprises will adhere to the bottom line of “ensuring timely delivery of products and stabilizing operation”, closely follow the guidance of enhancing quality and efficiency, deepen refined management, continuously uplift product and service quality, and actively explore new models of development that match their own strengths, thereby contributing to the stable, healthy, and high-quality development of the real estate industry.

Faced with the challenges and opportunities presented by intense adjustments in the real estate industry in China, the Group has united with concerted efforts and proposed a five-year development strategy at the beginning of 2026, themed “reinvigorate Powerlong, co-create a new era” (再創寶龍，共啟新元). With “reinvigorate Powerlong” as the corporate strategic goal, the Group has constructed a “dual-core, dual-wing” (雙核雙翼) business system, namely “commerce + property” and “capital + innovation”, to promote integrated and coordinated development. Guided by the “three good strategy” (三好戰略) as the core directive, namely good cities, good projects and good teams, the Group is building an “agile organization” and adhering to four principles: value focus, closed-loop accountability, self-driven collaboration and intelligent iteration, to ensure efficient execution. The Group has deployed “five key strategic initiatives” (五大戰役): reducing debt burden, refining operations, innovating content, strengthening capital and energizing the organization, as the key strategic focus for future development. The release of this five-year strategy marks a new starting point for the Group’s march towards high-quality development. Focusing on key priorities for 2026, the property segment will continue to advance debt restructuring and optimize asset structure to create room for the Group’s development; enhance sales capabilities to accelerate the sell-through of large-scale projects and bulk transactions; continuously accelerate the pace of revitalizing and completing projects; and improve product strength to create quality projects that meet market demand. The commercial segment will focus on the five key initiatives (五大攻堅戰) of “space creation, smart operations, customer delight, growth, and talent” (造場、智營、悅客、增長、人才), aiming to create attractive commercial spaces and enhance spatial experiences; promote smart operations to improve management efficiency; enhance consumer loyalty through both hardware and software improvements and emotional connection; explore diversified growth paths to increase the value of commercial assets. The hotel and commercial office segment will strive to build benchmark projects, explore diversified and replicable operation models, expand its business territory, and enhance asset returns. Amidst a challenging macro environment, the Group will always adhere to prudent operations and firmly act as a responsible enterprise. All employees will keep in mind the corporate mission of “creating space full of love” and integrate the pursuit of quality into every detail. On the sales front, the Group will break through performance bottlenecks with the courage to solve problems; on the operations front, we will build differentiated competitive advantages; on the innovation front, we will explore new business growth points; and on the talent front, we will inject fresh blood into the corporate development. All employees are steadfast in their confidence, united in their efforts, and fully committed to promoting the implementation of the strategy, continuously contributing to the Group’s stable and sustainable development and the virtuous cycle of the industry.

The Group will continue to adhere to prudent expansion of its premium land bank and adhere to the “1+N” development strategy, focusing on the Yangtze River Delta while paying attention to and exploring other premium regions that offer opportunities, so as to lay a solid foundation for its sustainable and healthy operation and high-quality sustainable development. In key regional hubs, the Group will strengthen market tracking and research, adhere to more precise and fine-tuned product positioning, and strictly comply with the principle of value investment in acquiring land bank.

The Group will continue to integrate and consolidate its advantageous resources and strive to implement its plan of high-quality opening within the year. Powerlong Commercial Management Holdings Limited (“**Powerlong CM**”), a subsidiary of the Group, has adopted “Deliver Quality Products, Refine Operations, Enhance Efficiency of Assets and Strengthen Organization” as its development strategy. Focusing on “good cities, good projects, and good teams”, Powerlong CM will deepen its presence in the core regions of Jiangsu, Zhejiang, Shanghai and Fujian. Centred on the “one core, two wings” business system, with “operational excellence” (極致運營) at its core, driven by “content ecosystem + smart technology” (內容生態+智能科技), and through the five key initiatives of “space creation, smart operations, customer delight, growth, and talent” (造場、智營、悅客、增長、人才), Powerlong CM aims to achieve a profound transformation from “space operation” (空間運營) to “value creation” (價值創造). In 2026, Powerlong CM will take the “Five Dimensions and Ten Key Initiatives” (五大維度十件大事) as its core work priorities: cultivating spaces to build a benchmark matrix, implementing multi-dimensional initiatives such as precise upgrading of business formats, revitalizing the brand mix, remodeling visitor flow lines, and recreating spatial experiences to continuously enhance the core competitiveness and market appeal of our commercial properties, achieving a dual improvement in asset value and consumer experience; technology empowerment to upgrade operational efficiency, comprehensively strengthening the foundational construction of the smart commercial systems, leveraging data-driven intelligent analysis and visual applications to shift towards a “data-driven” approach, adhering to the parallel advancement of technological innovation and lean management to comprehensively elevate operational quality and efficiency and boost core competitiveness; focus on customers to renew service experience, building three core management systems frameworks of operational quality, customer service and marketing to continuously enhance customer loyalty and brand affinity, achieving the value transformation and long-term monetisation of “foot traffic – customer retention – incremental value” (流量–留量–增量); diversified expansion to activate growth potential, implementing differentiated tenant sourcing strategy and precise controls, continuously expanding commercial asset-light projects, seizing opportunities to expand into third-party property management projects, thereby broadening revenue channels and growth paths to build a sustainable foundation for profit growth; constructing a foundation with talent and strengthening organizational mindset, deepening creation of a dynamic organization characterized by “agility, openness, and resilience” (敏捷開放抗風險), activating organizational momentum and the value of talent, strengthening the construction of the top-ranking team, so as to develop a strong talent base for corporate development, and create a commercial space that can breathe, is warm and is capable of providing emotional value.

In active response to liquidity pressure, the Group will continue to adopt a series of liquidity management measures, expedite collection of sales proceeds and other receivables, extend the debt maturity of certain borrowings, continually optimize financing structure, lower financing costs, revitalize inventory assets, strengthen asset management, uplift occupancy rate and rental rate, streamline organizational structure to enhance efficiency, control operating expenses and administrative costs, continue to stabilize its operations, ensure the timely delivery of property development projects, and secure cash resources for the sustainable development of the Group. The Company, its financial advisor China International Capital Corporation Hong Kong Securities Limited and its legal advisor Sidley Austin will work with the Company's creditors and their advisers to proactively explore all feasible options to pursue a holistic solution to the current liquidity issues, with an aim to formulate, in a more responsible way, a holistic debt solution that is possible to execute and implement, resolve debt risks and promote the steady operation of the Company.

The Group will continue to proactively promote the parallel development of both its talents and the enterprise, anchoring the goal of coordinated growth between its workforce and the business. Emphasis will be placed on cultural development, encouraging employees to activate their individual potential, identify their value proposition, and empowering them to achieve self-growth and elevate their personal value. Through process optimization and re-engineering, the Group will remove efficiency barriers to comprehensively enhance organizational efficiency. By constructing multi-dimensional incentive mechanisms, the Group will stimulate team cohesion. The Group will continue to uphold a human resources strategy of “unlocking potential and pooling of talent”, continuously establishing a broad platform for talent development and creating growth opportunities. The objective is to empower the enterprise's high-quality development with its talent, and in turn, leverage the enterprise's growth to support the realization of talent value, striving wholeheartedly to foster the mutual growth and benefits among the enterprise and its talents.

Adhering to the initial intention of being a corporate citizen with social responsibilities, the Group will uphold its commitment to being a responsible enterprise and following a path of high-quality sustainable development. It will adhere to the corporate mission of “creating space full of love”, follow the corporate values of “simple, truthful, prosper together, forward forever”, and continue to live up to the corporate philosophy of “honest, modest, innovative and devoted”. It will firmly gather the wisdom and power of all fellow folks of Powerlong, with the same goals and paths and embracing difficulties, to contribute to fostering the steady and healthy development and virtuous cycle of the industry, with a view to continually creating further values for the corporation, the society and the country.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group mainly comprises income of property sales, rental income from investment properties, income from provision of commercial operational services and residential property management services and income from other property development related businesses. For the year ended 31 December 2025, the Group recorded a total revenue of approximately RMB22,637 million (2024: approximately RMB25,757 million), representing a decrease of approximately 12.1% as compared with the corresponding period in 2024. This was attributable to the decrease in revenue from property sales.

#### *Income of Property Sales*

During the year ended 31 December 2025, the Group strictly complied with its original schedule for the completion and delivery of the corresponding projects. The revenue from projects sold and delivered for the year ended 31 December 2025 amounted to approximately RMB17,533 million (2024: approximately RMB20,543 million), representing a decrease of approximately 14.7% as compared with the corresponding period in 2024. This was mainly attributable to the decrease in the delivery of residential properties and commercial properties.

Set forth below are the details regarding the properties sold and delivered during the year ended 31 December 2025:

		For the year ended 31 December 2025		
		GFA sold and delivered (sq.m.)	Amount sold and delivered (RMB million)	Average selling price (RMB/sq.m.)
Yangtze River Delta	Commercial	200,919	1,820	9,058
	Residential	396,371	5,499	13,873
Hainan	Commercial	22,482	101	4,492
	Residential	289,697	3,598	12,420
Greater Bay Area	Commercial	10,819	92	8,504
	Residential	66,173	960	14,507
Others	Commercial	94,318	665	7,051
	Residential	320,055	4,798	14,991
	Total	<u>1,400,834</u>	<u>17,533</u>	<u>12,516</u>
	Commercial	328,538	2,678	8,151
	Residential	<u>1,072,296</u>	<u>14,855</u>	<u>13,853</u>

### *Rental Income from Investment Properties and Income from Provision of Commercial Operational Services and Residential Property Management Services*

For the year ended 31 December 2025, the Group recorded rental income after elimination of intra-group transactions from investment properties of approximately RMB1,828 million (2024: approximately RMB1,908 million), representing a decrease of approximately 4.2% as compared with the corresponding period in 2024.

For the year ended 31 December 2025, income from provision of commercial operational services and residential property management services was mainly derived from projects developed by the Group and other third parties. The net income after elimination of intra-group transactions amounted to approximately RMB2,385 million (2024: approximately RMB2,387 million), representing a decrease of approximately 0.1% as compared with the corresponding period in 2024.

For the year ended 31 December 2025, the Group's rental income from investment properties and income from provision of commercial operational services and residential property management services totalled approximately RMB4,213 million (2024: approximately RMB4,295 million), representing a decrease of approximately 1.9% as compared with the corresponding period in 2024.

### *Income from Other Property Development Related Businesses*

Income from other property development related businesses mainly comprises income from hotel operations and the provision of consultation services. For the year ended 31 December 2025, the Group recorded an income after elimination of intra-group transactions from other property development related businesses of approximately RMB891 million (2024: approximately RMB919 million), representing a decrease of approximately 3.0% as compared with the corresponding period in 2024, mainly attributable to the decline in demand for hotels caused by economic downturn and consumption downgrade.

### **Cost of Sales**

Cost of sales mainly represents the direct cost related to the property development business of the Group. It comprises cost of land use rights, construction costs, decoration costs and other costs. Cost of sales for the year ended 31 December 2025 amounted to approximately RMB21,333 million (2024: approximately RMB23,410 million), representing a decrease of approximately 8.9% as compared with the corresponding period in 2024, which was mainly due to the decrease in the total properties sold and delivered, leading to a decrease in the total costs.

## **Gross Profit and Gross Profit Margin**

For the year ended 31 December 2025, gross profit amounted to approximately RMB1,304 million (2024: approximately RMB2,347 million), representing a decrease of approximately 44.4% as compared with the corresponding period in 2024, which was mainly due to the decrease in revenue from property sales and the provision for impairment of the relevant property projects based on the principle of prudence as a result of the severe operating environment in the real estate industry. Gross profit margin decreased by 3.3 percentage points from 9.1% for the year ended 31 December 2024 to 5.8% for the year ended 31 December 2025, which was mainly attributable to the increase in the provision for impairment for the relevant property projects based on the principle of prudence as a result of the severe operating environment in the real estate industry.

## **Fair Value Losses on Investment Properties**

For the year ended 31 December 2025, the Group recorded revaluation losses on investment properties of approximately RMB4,193 million as compared with revaluation losses of approximately RMB3,327 million for the corresponding period in 2024. The fair value losses increased by approximately RMB866 million as compared with the corresponding period in 2024, mainly due to the continued downward trend of the real estate industry and insufficient socio-economic domestic demand, leading to the decrease in demand for shopping malls leasing.

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

The Group's selling and marketing costs and administrative expenses for the year ended 31 December 2025 amounted to approximately RMB1,531 million (2024: approximately RMB1,838 million), representing a decrease of approximately 16.7% as compared with the corresponding period in 2024, which was mainly attributable to the decrease in the scale of projects sales and management. The Group will continue to exercise stringent control over expenses and costs whilst striving to continue with the Group's business expansion.

## **Share of Losses of Investments Accounted for Using the Equity Method**

For the year ended 31 December 2025, share of post-tax losses of investments accounted for using the equity method amounted to approximately RMB663 million as compared with the share of post-tax losses of investments accounted for using the equity method of approximately RMB13 million for the corresponding period in 2024. The share of post-tax losses of investments accounted for using the equity method increased by approximately RMB650 million as compared with the corresponding period in 2024, mainly due to the increase in net losses from joint ventures and associates.

## **Income Tax Expenses**

The Group's income tax expenses for the year ended 31 December 2025 amounted to approximately RMB561 million (2024: approximately RMB839 million), representing a decrease of approximately 33.1% as compared with the corresponding period in 2024, primarily due to the decrease in PRC corporate income tax expenses.

## Losses Attributable to Owners of the Company

For the year ended 31 December 2025, the Group recorded loss attributable to owners of the Company of approximately RMB5,887 million (2024: loss attributable to owners of the Company of approximately RMB5,765 million).

For the year ended 31 December 2025, basic losses per share was approximately RMB142.2 cents (2024: basic losses per share of approximately RMB139.2 cents).

Core losses (excluding the fair value gains/(losses) on investment properties, revaluation gains/(losses) on completed properties held for sale transferred to investment properties and foreign exchange gains/(losses) on financing activities during the year under review)<sup>(Note)</sup> for the year ended 31 December 2025 amounted to approximately RMB4,278 million (2024: core losses of approximately RMB2,594 million).

Core losses attributable to owners of the Company (excluding the fair value gains/(losses) on investment properties, revaluation gains/(losses) on completed properties held for sale transferred to investment properties and foreign exchange gains/(losses) on financing activities during the year under review)<sup>(Note)</sup> for the year ended 31 December 2025 amounted to approximately RMB3,684 million (2024: core losses attributable to owners of the Company of approximately RMB3,084 million).

*(Note: The Group believes that the presentation of core earnings/losses, being a non-HKFRS measure, will facilitate the evaluation of financial performance of the Group by excluding potential impact of certain non-operating and non-recurring items. Such non-HKFRS measure may be defined differently from similar terms used by other companies. The Group's presentation of this non-HKFRS measure should not be construed as an inference that the Group's future results will be unaffected by these items.)*

## LIQUIDITY AND FINANCIAL RESOURCES

### Cash Position

The long-term funding and working capital required by the Group are primarily derived from income generated from core business operations, bank borrowings and cash proceeds raised from issuance of bonds, which were used as working capital and for investment in property development projects.

The Group's cash and cash equivalents and restricted cash amounted to approximately RMB7,242 million in total as at 31 December 2025 (2024: approximately RMB7,535 million), representing a decrease of approximately 3.9% as compared with the end of 2024.

### Borrowings

Total borrowings of the Group as at 31 December 2025 was approximately RMB55,055 million (2024: approximately RMB57,721 million), representing a decrease of approximately 4.6% as compared with the end of 2024. The Group's borrowings comprise bank and other borrowings of approximately RMB31,095 million, corporate bonds of approximately RMB6,340 million, commercial mortgage backed securities (the "CMBS") of approximately RMB2,112 million, assets-backed securities (the "ABS") of approximately RMB207 million and senior notes of approximately RMB15,301 million.

Out of the total borrowings, approximately RMB34,223 million was repayable within one year, while approximately RMB20,832 million was repayable after one year.

### **Net Gearing Ratio**

As at 31 December 2025, the Group had a net gearing ratio (which is calculated on the basis of total borrowings less cash and cash equivalents and restricted cash over total equity) of approximately 119.1% (31 December 2024: approximately 101.6%).

### **Borrowing Cost**

Total interest expenses for the year ended 31 December 2025 amounted to approximately RMB3,243 million (2024: approximately RMB3,740 million), representing a decrease of approximately 13.3% as compared with the end of 2024. The decrease was mainly due to the decrease in total borrowings of the Group as compared with the corresponding period in 2024. The effective interest rate decreased from 5.46% for 2024 to 5.09% for 2025, mainly due to the Group's tightened control over finance costs. The Group will continue to enhance its stringent control over finance costs.

### **Credit Policy**

Trade receivables mainly arose from sale and leasing of properties. Receivables in relation to sale and leasing of properties are therefore settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements, respectively.

### **Pledge of Assets**

As at 31 December 2025, the Group pledged its property and equipment, land use rights, investment properties, properties under construction, completed properties held for sale and restricted cash with carrying amount of approximately RMB53,635 million (2024: approximately RMB60,665 million) to secure borrowings of the Group. The total secured bank and other borrowings and CMBS as at 31 December 2025 amounted to approximately RMB33,119 million (2024: approximately RMB35,487 million). The ABS of RMB207 million were secured by the trade receivables of the Group. The senior notes issued by the Company were guaranteed and secured by share pledges of certain non-PRC subsidiaries and non-PRC joint ventures of the Group.

### **Contingent Liabilities**

As at 31 December 2025, the Group had no significant contingent liabilities.

## Financial Guarantees

The face value of the financial guarantees provided by the Group is analysed as below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	9,749,564	16,166,946
Guarantees for borrowings of joint ventures and associates	679,905	764,050
	<u>10,429,469</u>	<u>16,930,996</u>

## Commitments

### (1) Commitments for property development expenditures

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contracted but not provided for – Property development activities	6,534,536	7,046,342
	<u>6,534,536</u>	<u>7,046,342</u>

### (2) Leases commitments

As at 31 December 2025, the Group did not have any material short-term lease commitment.

## FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is RMB. As at 31 December 2025, the Group's financial assets or liabilities denominated in currencies other than RMB were mainly borrowings denominated in United States dollar, Hong Kong dollar or Macau Pataca, in the total amount of approximately RMB24,717 million. Fluctuation of the exchange rate of RMB against United States dollar, Hong Kong dollar or Macau Pataca could affect the Group's results of operations. Further, any depreciation of RMB would adversely affect the value of any dividends the Group pays to the shareholders of the Company (the "Shareholders") outside of the PRC. The Group currently does not engage in any hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

## **SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS**

As disclosed in the Company's circular dated 12 January 2026, on 23 December 2025 the Group entered into a cooperation agreement pursuant to which 上海瑞龍投資管理有限公司 (Shanghai Ruilong Investment Management Co. Ltd.) agreed to dispose of 100% equity interest in 杭州華展房地產開發有限公司 (Hangzhou Huazhan Real Estate Development Co. Ltd.) (which holds Hangzhou Binjiang Powerlong City and the JUNTELS Binjiang Hangzhou hotel) to 上海聯商壹號商業管理有限公司 (Shanghai Lianshang No.1 Commercial Management Co.,Ltd.) for an initial consideration of RMB1,000 million, subject to adjustment. The relevant transaction was approved at the extraordinary general meeting of the Company dated 29 January 2026. Save as disclosed in this announcement, the Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group had not authorised any plans for other material investments or additions of capital assets as at 31 December 2025.

## **EMPLOYEES AND EMOLUMENT POLICY**

For the year ended 31 December 2025, the Group employed a total of 7,446 full-time employees (2024: 8,152 employees). The total staff costs of the Group for the year ended 31 December 2025 amounted to approximately RMB1,424 million. The Group reviews the remuneration policies and packages on a regular basis and makes necessary adjustments commensurate with the remuneration level in the industry. In relation to staff training, the Group also provides different types of programs for its staff to improve their skills and develop their respective expertise.

## **EVENTS AFTER THE REPORTING PERIOD**

On 10 October 2025, the Company entered into the RSA in relation to the Restructuring. The Restructuring and the Scheme have received broad support from the creditors. As announced by the Company on 19 December 2025, creditors holding over 85.48% of the Scheme Debt had submitted letters to accede to the RSA as of such date.

Under the terms and conditions in connection with the Restructuring, the restructuring consideration will consist of one or a combination of various options in accordance with the Scheme Creditors' selection, which involves, amongst other things, the disposal or pledge of Powerlong CM shares by the Company to fund, fully or partially, a total cash amount of US\$40 million.

On 27 January 2026, the Group entered into a share purchase agreement to dispose of 160,725,000 shares (representing 25% of the total issued share capital) of Powerlong CM to Prime Capital Investment Limited for an aggregate cash consideration of HK\$360,827,625. The relevant transaction was approved at the extraordinary general meeting of the Company dated 18 March 2026. Details of which are set out in the circular of the Company dated 25 February 2026.

Furthermore, at the convening hearing held on 17 March 2026, the Court has directed:

- (1) the Company be at liberty to convene meetings for each class of the Scheme Creditors for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement to be made between the Company and the Scheme Creditors; and
- (2) the substantive hearing of the petition at which the Court will determine whether or not to sanction the Scheme be held at 11 a.m. (Hong Kong time) on 17 June 2026 at the High Court of Hong Kong.

## **DIVIDEND**

The Board resolved not to recommend the payment of any final dividend for the year ended 31 December 2025.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company for the year ended 31 December 2025 (the “**Annual General Meeting**”) is proposed to be held on Friday, 12 June 2026. A notice convening the Annual General Meeting will be published and despatched in the 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**”) in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders’ rights to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 8 June 2026.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code. Specific enquiry has been made by the Company to all the Directors who have confirmed compliance with the required standard set out in the Model Code for the year ended 31 December 2025. No incident of non-compliance was noted by the Company throughout the year ended 31 December 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

## **CORPORATE GOVERNANCE**

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has applied the principles of the Corporate Governance Code of Appendix C1 of the Listing Rules (the "**Corporate Governance Code**") and adopted the code provisions set out in part 2 of the Corporate Governance Code as its own code to govern its corporate governance practices. The Directors are of the view that the Company complied with all code provisions set out in the Corporate Governance Code for the year ended 31 December 2025, except for the deviation from the code provision C.1.7 of the Corporate Governance Code.

As stipulated in code provision C.1.7 of the Corporate Governance Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The director liability insurance taken out by the Company for the Directors has lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

Further information on the corporate governance practices of the Company will be set out in the Company's annual report for the year ended 31 December 2025.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "**Audit Committee**") pursuant to the requirements under Rule 3.21 of the Listing Rules. The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan. Mr. Au Yeung Po Fung is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2025 and considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

## **AUDITOR**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's external auditor, KTC Partners CPA Limited ("**KTC Partners**") to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by KTC Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by KTC Partners on this announcement.

KTC Partners shall retire at the forthcoming Annual General Meeting, at which a resolution will be proposed for the re-appointment of KTC Partners as the auditor of the Company for a term of office until the conclusion of the next annual general meeting of the Company.

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

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025 which has included an emphasis of matter paragraph, but without modification of opinion.

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2.1 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately RMB5,887 million. As at 31 December 2025, the Group had borrowings in total of approximately RMB55,055 million, out of which approximately RMB34,223 million was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB7,242 million. As at 31 December 2025, the Group had certain indebtedness, including senior notes, corporate bonds, commercial mortgage backed securities and bank and other borrowings, with an aggregated carrying amount of approximately RMB23,569 million that were defaulted or cross defaulted. These conditions, along with the current situation as set forth in note 2.1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2025 and up to the date of this announcement, the Company has maintained a sufficient public float of more than 25% of the total number of issued shares of the Company as required under the Listing Rules.

## **PUBLICATION OF THE 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The annual report of the Company for the year ended 31 December 2025 will be made available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.powerlong.com](http://www.powerlong.com)) in due course.

## **ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes to amend the existing amended and restated memorandum of association and articles of association of the Company (the “**Existing Memorandum and Articles**”) to, among others, reflect the Stock Exchange’s proposals and related rule amendments concerning (a) the introduction of a treasury shares regime; (b) the further expansion of the paperless listing regime and other rule amendments (including the use of electronic means for the giving and receipt of shareholder instructions); and (c) the implementation of an uncertificated securities market, by adopting the necessary enabling and consequential provisions (the “**Proposed Amendments**”).

The Board proposes to effect the Proposed Amendments by way of adoption of the third amended and restated memorandum of association and articles of association (the “**Amended and Restated Memorandum and Articles**”) in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The adoption of the Amended and Restated Memorandum and Articles to incorporate the Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution to be proposed at the Annual General Meeting. Prior to the passing of such special resolution at the Annual General Meeting, the Existing Memorandum and Articles shall remain valid.

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles, together with a notice convening the Annual General Meeting will be despatched to the Shareholders in due course.

## APPRECIATION

The year marked the sixteenth anniversary of the Company's listing on the Main Board of the Stock Exchange. In tandem with the overall development of China's real estate market and the continual achievement of the operating goals of the Group, Powerlong has also achieved leap-frog enhancement in its corporate governance and value creation, which would not have been possible without the strenuous support of the community at large. On behalf of the Board, I would like to express my gratitude to the Shareholders, investors, customers and business partners for their trust and support, and to staff members of the Group for their devotion and perseverance. The Group will remain firm on its beliefs, continue to provide products and services of ever better quality to its customers, create better return for its Shareholders and investors, and create better value for the society.

By order of the Board  
**Powerlong Real Estate Holdings Limited**  
**Hoi Kin Hong**  
*Chairman*

Hong Kong, 30 March 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping and Mr. Zhang Hong Feng; the non-executive Director of the Company is Ms. Hoi Wa Fan; and the independent non-executive Directors of the Company are Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan.*