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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)

**POSSIBLE TRANSACTIONS IN CONNECTION WITH THE
HOLISTIC SOLUTION INVOLVING, AMONG OTHERS,
(1) ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE;
(2) VERY SUBSTANTIAL DISPOSAL IN RELATION
TO THE TRANSFER;
AND
NOTICE OF EGM**

Unless the context otherwise requires, capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 10 to 43 of this circular. A notice convening the EGM to be held at Yin Long Hall 2, 2nd Floor, Le Meridien Shanghai Minhang, No. 3199 Cao Bao Road, Minhang District, Shanghai, PRC on Friday, 12 June 2026 at 10:30 a.m., or immediately after the conclusion of the annual general meeting of the Company held at the same venue at 10:00 a.m. (whichever is the later), is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed and published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.powerlong.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 10:30 a.m. on Wednesday, 10 June 2026 (Hong Kong Time)) or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form shall not preclude Shareholders from attending, speaking and voting in person at the EGM or at any adjournment thereof if they so wish, and in such event the proxy form shall be deemed to be revoked.

28 May 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	10
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — FINANCIAL INFORMATION OF POWERLONG CM .	II-1
APPENDIX III — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP ...	III-1
APPENDIX IV — MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP	IV-1
APPENDIX V — GENERAL INFORMATION	V-1
NOTICE OF THE EXTRAORDINARY GENERAL MEETING	EGM-1

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Additional Participating Creditor”	a person holding a beneficial and/or legal interest (as applicable) as principal in the In-Scope Debt who has agreed to be bound by the terms of the RSA as a Participating Creditor in accordance with the RSA
“AHG”	an ad hoc group of holders of the In-Scope Debt as constituted from time to time and notified to the Company who are advised by the AHG advisors
“Announcements”	collectively, the announcements of the Company dated 13 October 2025, 28 November 2025, 19 December 2025, 27 January 2026, 18 March 2026, 20 April 2026, 12 May 2026 and 14 May 2026
“Board”	the board of Directors
“Business Day”	any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York, London, the PRC, Hong Kong and/or Macau (or in any other place in which payments on the New Notes are to be made) are authorised by law or governmental regulation to close
“Cash Sweep”	the cash sweep relating to certain disposal of assets set out in the RSA Term Sheet
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Company”	Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), a company incorporated with limited liability under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 1238)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules

DEFINITIONS

“Consent Fee”	with respect to each Participating Creditor, subject to and in accordance with the terms of the RSA, an amount in cash equal to 0.15% of the aggregate principal amount of the Eligible Participating Debt held by such Participating Creditor as of the Record Time (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Consent Fee Deadline”	5:00 p.m. Hong Kong time on 19 December 2025
“Conversion Price”	the conversion price per Share (subject to adjustments) in respect of the Mandatory Convertible Bonds
“Conversion Share(s)”	the Shares to be issued upon conversion of the Mandatory Convertible Bonds
“Court”	the High Court of Hong Kong
“Designated Account”	an offshore account which shall be subject to an offshore account control agreement, with conditions and other details to be agreed between the Company and the Majority Scheme Creditors
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Shares contemplated under the Share Purchase Agreement
“Disposal Circular”	the circular of the Company dated 25 February 2026
“Disposal Shares”	the 160,725,000 Powerlong CM Shares subject to the Disposal, accounting for 25% of the outstanding Powerlong CM Shares
“EGM”	the extraordinary general meeting of the Company to be convened and held at Yin Long Hall 2, 2nd Floor, Le Meridien Shanghai Minhang, No. 3199 Cao Bao Road, Minhang District, Shanghai, PRC on Friday, 12 June 2026 at 10:30 a.m., or immediately after the conclusion of the annual general meeting of the Company held at the same venue at 10:00 a.m. (whichever is the later), for the Shareholders to consider and, if thought fit, to approve by way of poll, the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the Issue of the Conversion Shares) and the Transfer

DEFINITIONS

“Eligible Participating Debt”	a Participating Debt which was made subject to the RSA by a Participating Creditor on or prior to the Consent Fee Deadline
“Exchange Price”	the exchange price per Exchange Share
“Exchange Shares”	a maximum of 32.4% (calculated based on the share capital of Powerlong CM as of the date of the RSA) of the outstanding Powerlong CM Shares (to the extent that such shares are held, whether directly or indirectly, by the Company) reserved by the Company (i.e. 208,299,600 Powerlong CM Shares), which shall be exchanged for any portion or all of such Scheme Creditors’ claims at the Scheme Creditors’ election
“Existing Loans”	certain loan facilities to which the Company is an obligor
“Existing Notes”	the senior notes issued or guaranteed by the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holistic Solution”	holistic management solution for the Company’s offshore indebtedness involving the Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Scheme”	the scheme of arrangement proposed by the Company to be effected pursuant to sections 670, 673 and 674 of the Companies Ordinance, for the purpose of implementing the Restructuring as contemplated under the RSA and the RSA Term Sheet
“Independent Third Party(ies)”	a person or entity who (and in respect of an entity, whose ultimate beneficial owner(s)) is independent of and not connected with the Company and its connected persons
“Initial Participating Creditors”	the Scheme Creditors signing the RSA as at the date of the RSA, which include the members of the AHG

DEFINITIONS

“In-Scope Debt”	the Existing Notes and the Existing Loan under the Scheme, the details of which are set out in Schedule I of the RSA Term Sheet
“Issue of Mandatory Convertible Bonds”	the issue of the Mandatory Convertible Bonds subject to the occurrence of and on the Restructuring Effective Date
“Issue of New Loan”	the issue of the New Loan subject to the occurrence of and on the Restructuring Effective Date
“Issue of New Notes”	the issue of the New Notes subject to the occurrence of and on the Restructuring Effective Date
“Latest Practicable Date”	27 May 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“Major Restructuring Document”	the Scheme Documents (including the scheme of arrangement, account holder letter form(s), creditor proxy forms, and any solicitation packet), the indentures, facility agreement, intercreditor agreement, account control agreements, custodian agreements, security documents and monitoring agent engagement terms in relation to the New Notes, the Mandatory Convertible Bonds, the New Loan, and any definitive document for the exchange of the Powerlong CM Shares that are part of the Option 2 entitlement
“Majority Scheme Creditors”	Scheme Creditors collectively holding at least 75% in value of the aggregate voting scheme claims held by all Scheme Creditors who are voting (either in person, by authorized representative or by proxy) at the relevant time (for the avoidance of doubt, excluding the existing common depositary, existing notes trustee and existing facility agent who are not allowed to vote, with respect to any of their own claims in their respective capacities under the existing debt documents)

DEFINITIONS

“Mandatory Conversion Suspension Event”	among others, (i) until such default is discontinued or waived, any failure by the Company to make the principal payment when the same becomes due and payable, upon acceleration, redemption or otherwise in accordance with the terms under the Mandatory Convertible Bonds; or (ii) the Shares cease to be listed or admitted for trading, or are suspended for trade for more than 60 consecutive trading days on the Stock Exchange (or if applicable, such other recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in)
“Mandatory Convertible Bond(s)”	mandatory convertible bonds convertible into the Shares
“New Loan”	new loan allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet
“New Long Term Notes”	new long term notes allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet
“New Medium Term Notes”	new medium term notes allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, in an aggregate principal amount equal to 50% of any portion or all of the Scheme Creditors’ claims at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet
“New Notes”	the New Medium Term Notes and the New Long Term Notes
“Option 1 Cash”	Option 1 of the Scheme Consideration as set out in the RSA and the RSA Term Sheet, being cash in an aggregate amount equal to 12% of any portion or all of the Scheme Creditors’ claims at the Scheme Creditors’ election

DEFINITIONS

“Option 2”	Option 2 of the Scheme Consideration as set out in the RSA and the RSA Term Sheet, being Powerlong CM Shares currently held by the Company which shall be exchanged for any portion or all of the Scheme Creditor’s claims at the Scheme Creditor’s election, as may be adjusted in accordance with the Scheme Creditors’ selection, at the Exchange Price of HK\$15 per share (provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong CM between the date of the RSA and the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments in respect of such exchange price)
“Participating Creditors”	the Initial Participating Creditors to the RSA as at the date of the RSA or Additional Participating Creditors, but excludes any Participating Creditors that have exercised their right to terminate the RSA in accordance with its terms
“Participating Debt”	at any time, with respect to a Participating Creditor, the aggregate principal amount of the In-Scope Debt set out in the relevant Participating Debt Notice then most recently delivered by that Participating Creditor, as modified from time to time by any increase/decrease notices (as applicable) delivered by the Participating Creditors to the information agent in accordance with the terms of the RSA
“Participating Debt Notice”	a notice substantially in the form set out in the RSA
“Powerlong BVI Holding”	Powerlong Real Estate (BVI) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company as at the Latest Practicable Date
“Powerlong CM”	Powerlong Commercial Management Holdings Limited (寶龍商業管理控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability, whose shares are listed on the Stock Exchange (stock code: 9909)
“Powerlong CM Group”	Powerlong CM and its subsidiaries

DEFINITIONS

“Powerlong CM Share(s)”	the ordinary shares in the issued share capital of Powerlong CM
“PRC”	the People’s Republic of China
“Record Time”	the time designated, and publicly announced, by the Company for the determination of claims of Scheme Creditors for the purposes of voting at each Scheme Meeting, i.e. 7 May 2026
“Regulation S”	Regulation S under the Securities Act
“Remaining Group”	the Group upon completion of the Disposal and the Transfer
“Restructuring”	the restructuring of the In-Scope Debt, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the RSA Term Sheet and to be implemented by way of the Restructuring Documents
“Restructuring Documents”	all documents, agreements and instruments necessary to implement the Restructuring in accordance with the RSA and the RSA Term Sheet
“Restructuring Effective Date”	the day on which all claims relating to the In-Scope Debt against (among others) the Company will be cancelled and relevant guarantees and securities granted in connection with the In-Scope Debt will be released and the applicable restructuring consideration will be distributed to the Scheme Creditors, with all conditions precedent as set out in the RSA Term Sheet having been either satisfied or waived (as applicable)
“RMB”	Renminbi, the lawful currency of the PRC
“RSA”	the restructuring support agreement dated 10 October 2025 entered into by, among others, the Company and members of the AHG, including the RSA Term Sheet
“RSA Longstop Date”	30 September 2026 or such later date as may be agreed between the Company and the Majority Scheme Creditors in writing

DEFINITIONS

“RSA Term Sheet”	the restructuring term sheet as set out in Schedule 6 to the RSA, a copy of which was appended to the announcement of the Company dated 13 October 2025
“Scheme(s)”	(i) the Hong Kong Scheme; and/or (ii) a scheme of arrangement, or similar process in such other jurisdiction as may be needed to implement the Restructuring, as determined at the Company’s discretion to be necessary, after having consulted with the AHG and/or the AHG’s advisor in good faith
“Scheme Consideration”	the scheme consideration to be distributed to the Scheme Creditors on the Restructuring Effective Date, which consists of one or a combination of following options at the Scheme Creditor’s selection as set out in the RSA Term Sheet, including (i) Option 1 Cash; (ii) the Exchange Shares; (iii) the Mandatory Convertible Bonds; (iv) the New Medium Term Notes; (v) the New Long Term Notes; and (vi) the New Loan, in exchange for the discharge and release of the relevant In-Scope Debt claims of the Scheme Creditors against the Company
“Scheme Creditor(s)”	creditor(s) of the Company with respect to the In-Scope Debt
“Scheme Documents”	the composite documents to be circulated by the Company to the Scheme Creditors in relation to the Scheme
“Scheme Meeting(s)”	in respect of a Scheme, a meeting of Scheme Creditors convened pursuant to a convening order to vote on that Scheme (and any adjournment of such meeting)
“Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary shares in the issued share capital of the Company

DEFINITIONS

“Share Purchase Agreement”	the share purchase agreement dated 27 January 2026 entered into between Powerlong BVI Holding and Prime Capital Investment Limited in relation to the Disposal
“Shareholder(s)”	holders of the Shares
“Specific Mandate”	the specific mandate to be granted by the Shareholders at the EGM to issue the Mandatory Convertible Bonds and the Conversion Shares upon conversion of the Mandatory Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the same subsidiary guarantors of the In-Scope Debt and certain subsidiaries of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transfer”	the transfer of the Exchange Shares by the Company to the Scheme Creditors, which forms part of the Scheme Consideration pursuant to the RSA and is subject to the occurrence of and on the Restructuring Effective Date
“Trust Deed”	the trust deed governing the Mandatory Convertible Bonds
“United States”	The United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.



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)

Executive Directors:

Mr. Hoi Kin Hong (*Chairman*)
Mr. Hoi Wa Fong (*Chief Executive Officer*)
Mr. Xiao Qing Ping
Mr. Zhang Hong Feng

Registered Office:

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Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Non-executive Director:

Ms. Hoi Wa Fan

Principal Place of Business in Hong Kong:

Room 1901, 19/F, Lee Garden One

Independent non-executive Directors:

Mr. Au Yeung Po Fung
Dr. Mei Jian Ping
Dr. Ding Zu Yu
Ms. Liu Xiao Lan

33 Hysan Avenue

Causeway Bay

Hong Kong

28 May 2026

To the Shareholders

Dear Sir or Madam,

**POSSIBLE TRANSACTIONS IN CONNECTION WITH THE
HOLISTIC SOLUTION INVOLVING, AMONG OTHERS,
(1) ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE;
(2) VERY SUBSTANTIAL DISPOSAL IN RELATION
TO THE TRANSFER;
AND
NOTICE OF EGM**

1. INTRODUCTION

References are made to the Announcements and the Disposal Circular in relation to, among others, the Holistic Solution, the Scheme and the RSA.

The purpose of this circular is to provide you with, among others, (i) further details of the Issue of Mandatory Convertible Bonds, including the issue of the Conversion Shares

LETTER FROM THE BOARD

upon conversion of the Mandatory Convertible Bonds under the Specific Mandate; (ii) further details of the Transfer; (iii) the financial information of Powerlong CM and the Remaining Group as required by Chapters 4 and 14 of the Listing Rules, (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM.

2. RSA

On 10 October 2025, the Company entered into the RSA with the AHG members. As at the Latest Practicable Date, the Participating Creditors holding approximately 85.48% of the aggregate outstanding principal amount of the In-Scope Debt have acceded to the RSA. By such accession, the Participating Creditors have undertaken to take all such actions as are necessary to, among other things, vote in favour of each Scheme in respect of the aggregate outstanding principal amount of all the In-Scope Debt held by them at the Record Time at the Scheme Meeting(s).

The Restructuring is conditional upon, inter alia, the following conditions being satisfied, or waived in accordance with the RSA, prior to or on the Restructuring Effective Date:

- (a) the obtaining of all relevant authorisations, approvals (regulatory or otherwise) or other consents as are necessary for the Restructuring to take effect;
- (b) the obtaining of the relevant court sanction order(s) in respect of the Scheme and the Scheme becoming effective in accordance with its terms;
- (c) the settlement in full of the Consent Fee on or prior to the Restructuring Effective Date;
- (d) the settlement in full of such portion of professional fees associated with the Restructuring that the Company is obligated to pay on or prior to the Restructuring Effective Date (including such portion of legal fees and expenses of the legal advisers to the AHG);
- (e) each Major Restructuring Document being in an agreed form;
- (f) compliance by the Company with the terms of the RSA Term Sheet in all material aspects;
- (g) the establishment of the Designated Account for the purposes of the Cash Sweep;
- (h) the maintenance of listing of the Powerlong CM Shares and the Shares on the Stock Exchange;
- (i) the settlement in full of such portion of the AHG work fee that is due and payable on or prior to the Restructuring Effective Date;
- (j) the Company announcing the expected Restructuring Effective Date; and
- (k) the satisfaction of each of the other conditions precedent contained in the Scheme Documents.

LETTER FROM THE BOARD

The Restructuring Effective Date shall occur on the date on which all outstanding In-Scope Debt will be cancelled and relevant guarantees and securities granted in connection with the In-Scope Debt will be released in accordance with the terms of the Scheme and the Scheme Consideration will be distributed to the Scheme Creditors, with all conditions precedent having been either satisfied or waived (as applicable). The Restructuring Effective Date shall be no later than 30 September 2026 or such later date as may be agreed in writing between the Company and the Majority Scheme Creditors, and shall occur as soon as reasonably practicable and within ten Business Days of the conditions precedent being satisfied or waived.

As at the Latest Practicable Date, save for the conditions precedent as set out in above paragraphs (f) and (h) which had been satisfied (but subject to ongoing satisfaction prior to or on the Restructuring Effective Date), none of the other conditions had been satisfied or waived (as applicable).

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.

The Scheme was approved by the requisite majority of the Scheme Creditors at the Scheme Meeting held on 12 May 2026. As at the Record Time, the number of Scheme Creditors was more than 450. The largest holder of the In-Scope Debt is a fund, which held approximate 8.3% of the In-Scope Debt amounted to US\$2,899,553,768 as at the Record Time. The Company will now proceed to seek the approval and sanction of the Court in respect of the Scheme. The petition seeking sanction of the Scheme will be heard at 11 a.m. (Hong Kong time) on 17 June 2026 at the Court.

Options for the Scheme Creditors under the Scheme

As set out in the Announcements, the Company proposed to implement the Holistic Solution through the Scheme(s) to compromise the In-Scope Debt through the Scheme(s). The Scheme involves, as part of the Scheme Consideration and in exchange for the discharge and release of the relevant In-Scope Debt claims by the Scheme Creditors at the Scheme Creditors' election by the following ways:

- (i) Option 1 – the Option 1 Cash:

Cash payment equal to 12% of the claims apportioned to this option, subject to a maximum cap of US\$40 million;

- (ii) Option 2 – the Exchange Shares:

Details set out under the heading “4. THE TRANSFER” below;

- (iii) Option 3 – the Mandatory Convertible Bonds:

Details set out under the heading “3. ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE” below;

LETTER FROM THE BOARD

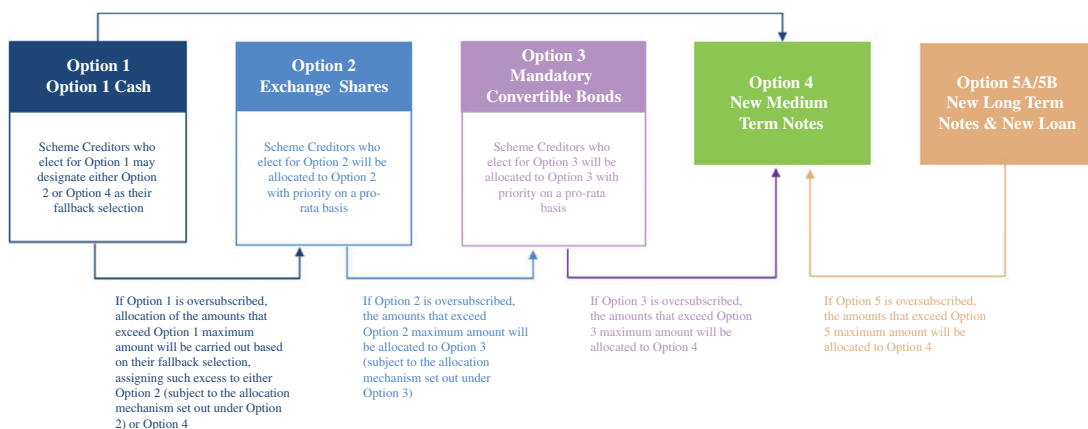
(iv) Option 4 – the New Medium Term Notes:

A principal amount of the New Medium Term Notes to be issued equal to 50% of the Scheme Creditors’ claims apportioned to Option 4, a tenor of 5.5 years and interest of 2.0% p.a. (payment-in-kind for the first 3 years and in cash thereafter). Option 4 is the default option with no cap; and

(v) Option 5 – the New Long Term Notes and the New Loan:

The maximum aggregate amount for Option 5 is US\$500,000,000. New Long Term Notes or New Loan (8-year tenor) will be issued to Scheme Creditors. They have a tenor of 8 years and interest of 1.5% p.a. (partially payment in kind settlement for the first 5 years).

Selection by Scheme Creditors is subject to the following reallocation mechanism in case any of Options 1, 2, 3 or 5 is oversubscribed:



3. ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Subject to the occurrence of and on the Restructuring Effective Date, the Company will issue the Mandatory Convertible Bonds in the aggregate principal amount of up to US\$1,200,000,000, which are convertible into an aggregate of up to 4,074,782,608 Conversion Shares based on the Conversion Price at HK\$2.3 per Share and the fixed exchange rate of US\$1 = HK\$7.81.

The principal terms of the Mandatory Convertible Bonds are set out below:

Issuer : The Company

Original Issue Date : The Restructuring Effective Date (the “Original Issue Date”)

LETTER FROM THE BOARD

- Original principal amount** : Up to US\$1,200,000,000
- Maturity date** : 18 months after the Original Issue Date, subject to any optional conversion.
- Interest** : Nil
- Mandatory conversion** : The Mandatory Convertible Bonds remaining outstanding as of the date falling 20 business days prior to the maturity date shall be automatically and mandatorily converted into the Conversion Shares in accordance with the terms of the Mandatory Convertible Bonds.

If any Mandatory Conversion Suspension Event has occurred and is continuing, all mandatory conversions shall be suspended, and the mandatory conversion of the Mandatory Convertible Bonds into the Conversion Shares shall be deferred until the date on which the Company gives notice to the trustee that such Mandatory Conversion Suspension Event ceases to be continuing in accordance with the terms and conditions of the Trust Deed.

- Voluntary conversion** : At any time (A) during the period commencing on the Original Issue Date (inclusive) and ending on the date falling seven (7) business days after the Original Issue Date (inclusive), (B) during the period commencing on the date that is three (3) months after the Original Issue Date (or, if that date is not a business day, the business day immediately before that date) and ending on the date falling seven (7) business days after that commencement date, and thereafter (C) during each period commencing on the date falling three (3) months after the commencement date of the prior period (or, if that date is not a business day, the business day immediately before that date) and ending on the date falling seven (7) business days after that commencement date, and (D) finally, during the seven (7) business day period ending on the date falling twenty (20) business days prior to the maturity date, holders of the Mandatory Convertible Bonds may convert any Mandatory Convertible Bond held by such holder into Shares by delivering a conversion notice in accordance with terms of the Mandatory Convertible Bonds.

LETTER FROM THE BOARD

Conversion price : Initially at HK\$2.3 per Share, provided that, to the extent there are any events occurring between the date of the RSA and the date of the Restructuring Effective Date which would have triggered adjustments to the Conversion Price had they occurred after the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments to the Conversion Price.

The Conversion Price of HK\$2.3 per Share represents:

- (a) a premium of approximately 654.10% over the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 9 October 2025, being the last trading day prior to the signing of the RSA on 10 October 2025;
- (b) a premium of approximately 936.04% over the closing price of HK\$0.222 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (c) a premium of approximately 877.89% over the average closing price of HK\$0.2352 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the Latest Practicable Date.

The Conversion Price was determined after arm's length negotiations between the Company and the AHG after taking into account, among other things, the Share price performance and the assessment of acceptability of the Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure. The Conversion Price is at a premium to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 9 October 2025, being the last trading day prior to the signing of the RSA on 10 October 2025, is value accretive for existing Shareholders and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Adjustment events : Subject to the terms of the Mandatory Convertible Bonds, the Conversion Price shall be subject to adjustment in the following events:

- (i) *Consolidation, Subdivision, Redesignation or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

- (ii) *Capitalisation of Profits or Reserves*:

- (1) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any scrip dividend) and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

LETTER FROM THE BOARD

B is the aggregate nominal amount of the issued Shares immediately after such issue.

- (2) In the case of an issue of Shares by way of a scrip dividend where the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the current market price per Share on the date of announcement of the terms of such scrip dividend exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such scrip dividend multiplied by a fraction of which (a) the numerator is the amount of the whole, or the relevant part, of the relevant cash dividend for which Shareholders have elected to receive as Shares issued by way of scrip dividend and (b) the denominator is the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the current market price per Share on the date of such announcement; and

LETTER FROM THE BOARD

C is the aggregate nominal amount of Shares issued by way of such scrip dividend.

- (iii) *Capital Distributions:* If and whenever the Company shall pay or make any capital distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under paragraph (ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such capital distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the current market price per Share on the date on which the capital distribution is first publicly announced; and

B is the fair market value per Share.

- (iv) *Rights Issues of Shares or Options over Shares:* If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 85% of the current market price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate number of Shares in issue immediately before such announcement;

LETTER FROM THE BOARD

B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

- (v) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the current market price per Share on the date on which such issue or grant is publicly announced; and

B is the fair market value per Share on the date of such announcement of the portion of the rights attributable to one Share.

LETTER FROM THE BOARD

- (vi) *Issues at less than Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in paragraph (iv) above) any Shares (other than Shares issued on the exercise of conversion rights, upon mandatory conversion or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in paragraph (iv) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 85% of the current market price on the date of the first public announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such current market price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

LETTER FROM THE BOARD

- (vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph, if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in paragraphs (iv), (v) or (vi) above) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity, shall issue any securities (other than the Mandatory Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 85% of the current market price on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such current market price per Share on the date of such announcement; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

LETTER FROM THE BOARD

(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (vii) above (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 85% of the current market price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Share on the date of such announcement or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an independent financial advisor considers appropriate (if at all) for any previous adjustment under this paragraph or paragraph (vii) above.

LETTER FROM THE BOARD

- (ix) *Other Offers to Shareholders:* If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (iv), (v), (vi) or (vii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the current market price per Share on the date on which such issue, sale or distribution is publicly announced; and

B is the fair market value of the portion of the rights attributable to one Share.

- (x) *Other Events:* If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in the terms of the Mandatory Convertible Bonds, the Company shall, at its own expense, consult an independent financial advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the independent financial advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Company's equity caused by such events or circumstances.

LETTER FROM THE BOARD

In the adjustment event provisions of the terms of the Mandatory Convertible Bonds, where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under the terms of the Mandatory Convertible Bonds have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of the terms of the Mandatory Convertible Bonds as may be advised by the independent financial advisor to be in its opinion appropriate to give the intended result.

Maximum number of Conversion Shares to be issued : Assuming the maximum principal amount of the Mandatory Convertible Bonds is converted in full at the Conversion Price of HK\$2.3 per Share, an aggregate of up to 4,074,782,608 Conversion Shares will be issued based on the fixed exchange rate of US\$1 = HK\$7.81, which represent:

- (a) approximately 98.42% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (b) approximately 49.60% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares.

The Conversion Shares, upon full conversion and based on the par value of HK\$0.01 per Share, have an aggregate nominal value of up to HK\$40,747,826.08.

Guarantee : The Mandatory Convertible Bonds shall be guaranteed by the Subsidiary Guarantors which are wholly-owned subsidiaries of the Company.

Collaterals : The Mandatory Convertible Bonds shall be secured by the following collaterals on a pari passu basis:

- (a) first ranking security over all Powerlong CM Shares (but excluding any Exchange Shares and Disposal Shares) held by or attributable to the Company as of the Restructuring Effective Date;

LETTER FROM THE BOARD

- (b) first ranking security over the Designated Account;
- (c) first ranking security over 100% of the shares in Starlong (HK) 2 Limited; and
- (d) first ranking security over 100% of the shares in Starlong (HK) 5 Limited.

At any time after the Mandatory Convertible Bonds have become due and payable in accordance with the Trust Deed, the trustee shall, upon request in writing by the holders of not less than 25% in principal amount of the Mandatory Convertible Bonds then outstanding or upon the direction by an extraordinary resolution of the holders of the Mandatory Convertible Bonds, take such proceedings against the Company, the Subsidiary Guarantors and/or the chargors as it may think fit to enforce the collaterals in accordance with the terms of the relevant intercreditor agreement and security documents but, in each case, it will not be bound to do so unless the trustee shall have been indemnified, pre-funded and/or secured to its satisfaction.

The Designated Account will be set up for the purpose of the Cash Sweep. As the assets under the Cash Sweep accounted for an insignificant portion of the carrying value of the total assets of the Group as at 31 December 2025, the enforcement of the underlying security over these assets will not have a material adverse effect on the Group's operations and financial positions.

Starlong (HK) 2 Limited is a company incorporated in Hong Kong and is principally engaged in investment holdings. Starlong (HK) 2 Limited holds 100% of a PRC project company which is principally engaged in the development of a commercial complex in Luoyang city, Henan, the PRC.

LETTER FROM THE BOARD

Starlong (HK) 5 Limited is a company incorporated in Hong Kong and is principally engaged in investment holdings. Starlong (HK) 5 Limited holds 100% of a PRC project company which is principally engaged in the development of a commercial complex in Yancheng city, Jiangsu, the PRC.

The financial information of Starlong (HK) 2 Limited and Starlong (HK) 5 Limited only accounted for an insignificant part of the Group, in case if they are enforced by creditors, the financial and operational impact on the Group is insignificant. For illustration purposes only, the total assets of Starlong (HK) 2 Limited and Starlong (HK) 5 Limited in aggregate accounted for less than 0.16% of that of the Group as at 31 December 2025.

In the event of any enforcement of the collaterals, the Company's balance sheet and operational income from such properties will be affected. It is expected that in such event, the Company will recognise a reduction in liabilities, and the differences between the collaterals' book value and actual value while enforcing such collaterals will be recognised as the profit or loss arising from the Restructuring, subject to the annual audit by the Company's auditors. The financial impact is also subject to the market situation and variable factors.

The collaterals will be provided by the Company for the benefit of the holders of the Mandatory Convertible Bonds, who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, are Independent Third Parties. In the event of enforcement of the collaterals, the Company will comply with the relevant Listing Rules.

LETTER FROM THE BOARD

Redemption events

: (a) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, each Mandatory Convertible Bond will be converted into Shares at the Conversion Price on the maturity date by way of mandatory conversion, provided that no Mandatory Conversion Suspension Event has occurred and is continuing as at the maturity date.

(b) Optional redemption

Subject to the terms of the Mandatory Convertible Bonds, on giving not less than 15 business days' notice to the holders of the Mandatory Convertible Bonds, the trustee and the principal agent (which notice shall be irrevocable), the Company may redeem all or any part of the Mandatory Convertible Bonds on the date specified in the notice at 100% of the principal amount of the Mandatory Convertible Bonds to be redeemed as at such date, at any time.

(c) Redemption for taxation reason

Subject to the terms of the Mandatory Convertible Bonds, at any time the Company may, having given not less than 15 business days' notice to the holders of the Mandatory Convertible Bonds, the trustee and the principal agent (which notice shall be irrevocable) redeem all but not some only of the Mandatory Convertible Bonds at their principal amount as at such date if (i) the Company (or if the guarantees were called, any Subsidiary Guarantor) has or will become obliged to pay additional taxation amounts as a result of any change in, or amendment to, the laws or regulations of the relevant jurisdictions, and (ii) such obligation cannot be avoided by the Company (or the relevant Subsidiary Guarantor) taking reasonable measures available to it.

LETTER FROM THE BOARD

- Ranking** : The Conversion Shares, when allotted and issued to a holder, shall rank pari passu in all respects with the Shares in issue on the date on which such holder is registered as such in the Company's register of members.
- Voting rights** : The holder(s) of the Mandatory Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.
- Transfer restrictions** : The Mandatory Convertible Bonds will be transferable in accordance with the Trust Deed, subject to applicable restrictions under the Securities Act and Regulation S. However, the Mandatory Convertible Bonds will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Mandatory Convertible Bonds will be offered and sold only (i) in offshore transactions outside the United States in reliance on Regulation S or (ii) pursuant to another exemption.
- Listing** : Application will be made for the listing and quotation of the Mandatory Convertible Bonds on the SGX-ST or another recognised stock exchange.

Application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Conversion Shares.

The Mandatory Convertible Bonds will become due and payable upon (i) their stated maturity to the extent they are not converted into Shares including where the Mandatory Conversion Suspension Event is continuing or conversion cannot be effected in accordance with the terms of the Mandatory Convertible Bonds or applicable law, (ii) the occurrence of an event of default (as described below) followed by acceleration by the trustee or requisite bondholders, or (iii) any applicable redemption date including where the Mandatory Convertible Bonds are redeemed pursuant to any optional redemption, tax redemption or other redemption provisions therein. Events of default under the terms of the Mandatory Convertible Bonds include, among others, non-payment, breach of covenants, cross-default or cross-acceleration of other indebtedness, insolvency or liquidation events and enforcement proceedings. In each such case, the Company is required to make payment in accordance with the Trust Deed.

LETTER FROM THE BOARD

Specific Mandate

The Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM. In the event that the Issue of Mandatory Convertible Bonds is not completed within 12 months after the date of approval of the resolution for the grant of the Specific Mandate at the EGM, the Company will take necessary actions to comply with the applicable Listing Rules, including but not limited to seeking a new specific mandate from the Shareholders where appropriate.

The Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM.

4. THE TRANSFER

Subject to the occurrence of the Restructuring Effective Date, Powerlong CM Shares currently held by the Company will be exchanged for any portion or all of such Scheme Creditor's claims at such Scheme Creditor's election, as may be adjusted in accordance with the Scheme Creditors' selection, at an exchange price of HK\$15 per share, provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong CM between the date of the RSA and the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments in respect of such exchange price. There is no specific adjustment formula provided under the RSA. The consideration of the Transfer is the relevant Scheme Creditor's claims (in whole or in part, at that creditor's election) in exchange for Powerlong CM Shares held by the Company.

The Company will reserve the Exchange Shares, being 208,299,600 existing Powerlong CM Shares, for the exchange contemplated by Option 2 of the Scheme Consideration. As at the Latest Practicable Date, the Exchange Shares represent 32.4% of the Powerlong CM Shares in issue. The maximum amount of Option 2 of the Scheme Consideration shall be the value of the Exchange Shares at the Exchange Price of HK\$15 per Powerlong CM Share. Based on the fixed exchange rate of US\$1 = HK\$7.81, the maximum consideration of the Transfer is approximately US\$400,063,252.

Other than the Transfer, as part of the Restructuring, the Company has also conditionally agreed to dispose of the Disposal Shares, being 160,725,000 Powerlong CM Shares, pursuant to the Share Purchase Agreement at a consideration of HK\$360,827,625, in order to fund the maximum amount of the Option 1 Cash, being US\$40,000,000.

The Share Purchase Agreement was approved by the independent Shareholders at the extraordinary general meeting of the Company convened and held on 18 March 2026. Upon completion of the Disposal, Powerlong CM will remain a non-wholly owned subsidiary of the Company and its financial results, assets and liabilities will continue to be consolidated with the results of the Company. Prime Capital Investment Limited settled 20% of the consideration under the Disposal in April 2026 and planned to settle the remaining consideration by the end of June 2026. Completion of the Disposal is expected

LETTER FROM THE BOARD

to take place by the end of June 2026. Details of the Share Purchase Agreement and the transactions contemplated thereunder are set out in the Disposal Circular.

Assuming that the Exchange Shares will be transferred to the Scheme Creditors, there is no other change in the Company's interest in Powerlong CM Shares and there is no change in the issued share capital of Powerlong CM, following completion of the Disposal and the Transfer, the Company's interest in Powerlong CM Shares will be reduced to approximately 5.6% and the Company will continue to hold such interest.

Basis for determining the Exchange Price

The Exchange Price of HK\$15 per Powerlong CM Share was determined after arms' length negotiations between the Company and the AHG after taking into account, among other things, the share price performance of Powerlong CM and the assessment of acceptability of the Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure.

Powerlong CM Shares traded mainly between HK\$2.10 and HK\$2.40 prior to the entering into the RSA, making the HK\$15 per Share equivalent to roughly a six-fold premium over then prevailing market prices. The determination of the Exchange Price was not based on short term trading levels of Powerlong CM Shares, but took into account the stable operations and financial performance of Powerlong CM as compared with the distressed Company, and with reference to the terms determined in the previous restructuring of the Company as announced on 23 February 2024.

The Company's restructuring is not expected to adversely impact Powerlong CM's business. As a recurring income property management business, Powerlong CM's cash flow stability supports a valuation methodology using higher forward multiples and control premiums. Following completion of the Disposal and the Transfer, Prime Capital Investment Limited will become the largest shareholder of Powerlong CM, holding a 25% stake under the Disposal Shares, and thus the Company will no longer be a substantial shareholder of Powerlong CM. Powerlong CM is expected to face reduced pressure from the Company's debt issues and be at low risk of significant equity enforcement, thereby maintaining a relatively sustainable capital structure.

The Company considers that the Exchange Price of HK\$15 per Powerlong CM Share, which is significantly above the prevailing market trading price, will not adversely affect Shareholders' interests.

LETTER FROM THE BOARD

Financial information of Powerlong CM

The following financial information is extracted from the 2024 annual report and the 2025 annual report of Powerlong CM:

	For the year ended 31 December		
	2023	2024	2025
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2,635,746	2,617,305	2,607,608
Profit before tax	611,688	330,940	325,227
Profit after tax	452,391	224,385	231,975
			As at
			31 December 2025
			<i>(audited)</i>
			<i>RMB'000</i>
Net assets value			3,453,117

Financial and operational effects of the Transfer

Upon completion of the Disposal and the Transfer, Powerlong CM will cease to be a subsidiary of the Group, and cease to be consolidated into the Group's financial statements.

Upon completion of the Transfer, pursuant to the transfer of the Exchange Shares by the Company to the Scheme Creditors at the Exchange Price of HK\$15 per Powerlong CM Share, and based on the net assets of Powerlong CM as at 31 December 2025, the Group is expected to record a decrease in assets of approximately RMB5,528 million, a decrease in liabilities of approximately RMB5,177 million and a reduction in non-controlling interests of approximately RMB2,054 million. Consequently, a gain of approximately RMB1,703 million will be recognised in the statement of profit or loss arising from the Restructuring, all of which are subject to the annual audit by the Company's auditors.

The Disposal and the Transfer are not expected to have any material impact on the Group's operations. The Group (excluding the Powerlong CM Group) and the Powerlong CM Group have been managed independently by separate management teams. Upon completion of the Disposal and the Transfer, all existing business arrangements and agreements between the Group and the Powerlong CM Group will continue in full force and effect in accordance with their respective terms. Accordingly, the Directors do not expect the Disposal and the Transfer to affect the operations of Powerlong CM or the continuity of the existing business relationship between the Group and the Powerlong CM Group. The Directors are of the view that the Disposal and the Transfer will not have any material adverse effect on the Group's day-to-day operations.

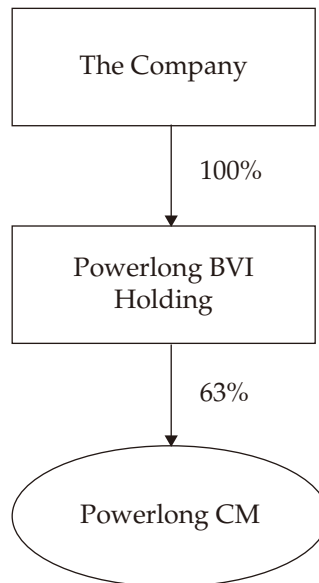
LETTER FROM THE BOARD

On the basis that the Exchange Price of HK\$15 per Powerlong CM Share is significantly above the prevailing market trading price, and that the Transfer, as part of the Restructuring, will effectively reduce the Company's liabilities and optimise its asset structure, the Board considers that the Transfer is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Shareholding structure of Powerlong CM

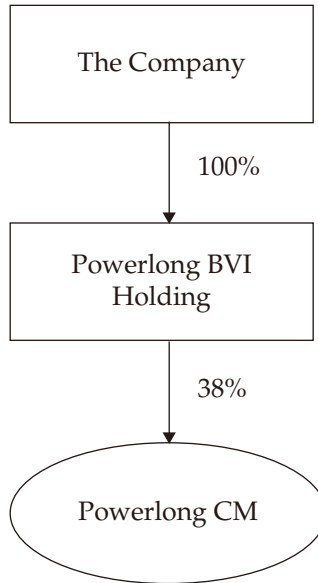
The simplified shareholding structure of Powerlong CM immediately before and after completion of the Disposal and the Transfer is set out below.

- (i) *Immediately before the Disposal and the Transfer (as at the Latest Practicable Date)*

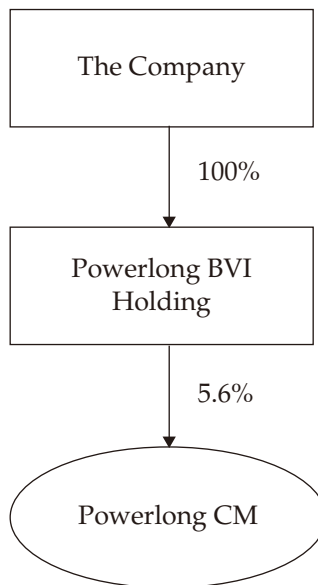


LETTER FROM THE BOARD

(ii) *Immediately upon completion of the Disposal but before completion of the Transfer*



(iii) *Immediately upon completion of the Disposal and the Transfer*



5. INFORMATION ON THE PARTIES

Information on Powerlong CM

Powerlong CM is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 9909). Powerlong CM and its subsidiaries are a leading service provider principally engaged in commercial operational services and residential property management services in the PRC.

Information on Powerlong BVI Holding

Powerlong BVI Holding is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, it is wholly-owned by the Company.

Information on the Company

The Company is a real estate enterprise listed on the main board of the Stock Exchange, specializing in the development and operation of high-quality, large-scale, multi-functional commercial and residential complexes. The Group's commercial projects cover the series of "Powerlong One Mall", "Powerlong City", "Powerlong Plaza" and "Powerlong Land", while its residential projects cover various formats including middle and high class commodity housings and villas, complemented by high-standard office buildings, hotel and apartment projects with comprehensive service support. With its diversified and multi-dimensional business scope, the Group has been improving the retail supporting facilities and thereby enhancing the quality of local cities. The Group is also engaged in the hotel operation business in the PRC.

Information on Prime Capital Investment Limited

Prime Capital Investment Limited is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, Mr. Hoi Chin Ho Kalsou (son of Mr. Hoi Wa Fong and grandson of Mr. Hoi Kin Hong, both of whom are executive Directors) ultimately holds 51% and Ms. Hoi Wa Lam (cousin of Mr. Hoi Wa Fong and Ms. Hoi Wa Fan, a non-executive Director) ultimately holds 49% of the issued shares of Prime Capital Investment Limited.

LETTER FROM THE BOARD

6. REASONS FOR AND BENEFITS OF THE POSSIBLE ISSUE OF MANDATORY CONVERTIBLE BONDS IN CONNECTION WITH THE HOLISTIC SOLUTION

Since the fourth quarter of 2020, Chinese property developers and the capital markets that have funded the growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending of mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete and deliver projects, has resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has also limited sources of funding for property developers to address upcoming maturities.

Due to various challenges from the macroeconomy, the real estate industry, the credit environment and multiple waves of the COVID-19 pandemic, the Group faced unprecedented challenges and operational pressures during the years 2021, 2022 and 2023. Despite unremitting efforts and taking proactive measures to ensure stable cash flow, the Group has experienced a precipitous decline in sales since the first quarter of 2022. Although a series of supportive policies have been put forward by regulators starting the second half of 2022 and during the course of 2023, recovery of developers already in financial distress has been slow and limited so far. With the market demand remaining weak, the exact timing of recovery is still uncertain. Against the backdrop of the adverse market conditions, the Group anticipates that the market condition in the real estate sector will remain under pressure in 2026.

Based on the Company's annual report for the year ended 31 December 2025 which contains the audited consolidated annual results of the Group for the year ended 31 December 2025, the Group's total borrowings were approximately RMB55,055 million as at 31 December 2025. The Group's borrowings comprised bank and other borrowings of approximately RMB31,095 million, corporate bonds of approximately RMB6,340 million, commercial mortgage backed securities of approximately RMB2,112 million, assets-backed securities 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. Further details of the indebtedness situation of the Group as at 31 December 2025, are set out in the annual report of the Company for the year ended 31 December 2025 and published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.powerlong.com) on 27 April 2026.

The Restructuring aims to, among others, extend the maturity profile, lower the interest rates and decrease the cash portion of the interest payment expenses in short term, thus provide the Company with more time to recover from the current liquidity pressure.

LETTER FROM THE BOARD

Indebtedness and the Holistic Solution

The Company has been working diligently with its professional advisors to progress on the Holistic Solution in order to formulate a viable restructuring plan aimed at addressing its liquidity constraints, securing the sustainable operations of the Group and protecting the interests of all stakeholders. Since the lapse of the former restructuring plan in February 2025, the Company continued its efforts for a further holistic restructuring of its offshore indebtedness through scheme of arrangement in Hong Kong. After extended negotiations, and having considered the interests of all stakeholders of the Group, the Company and the AHG entered into the RSA, and the Company announced the proposed terms of the Restructuring to offshore creditors, on 10 October 2025. The proposed Restructuring is intended to respect creditors' existing rights and treat all creditors fairly, secure a long-term sustainable capital structure to further stabilise operations of the Group, and protect the rights and interest of all of its stakeholders.

The Holistic Solution will be implemented through the Scheme, the effect of which is that once the Scheme becomes effective, all the In-Scope Debt claims of the Scheme Creditors will be discharged and extinguished and the Scheme Creditors will not be allowed to make any claim against the Company in respect of their In-Scope Debt.

The purpose of the Issue of Mandatory Convertible Bonds and the Transfer is for the implementation of the Scheme, which offers Scheme Creditors incentives in the form of Scheme Consideration in exchange for extending the maturity profiles of the Group's debts, thereby reducing the overall debt pressure of the Group and enabling the Group to better manage its business operations. The Issue of Mandatory Convertible Bonds will also increase the capital base through the issue of new Shares and help the Company achieve a sustainable capital structure when the Mandatory Convertible Bonds are converted into the Conversion Shares. No proceeds will be received by the Group from the Issue of the Mandatory Convertible Bonds and the Transfer. The Scheme will alleviate the current debt pressure of the Group, provide the Group with additional time to meet its repayment obligations and improve liquidity of the Group.

In light of the above, having considered the benefits of implementing the Holistic Solution and the terms of the debt restructuring proposed by the Company in 2024, the Directors consider that the terms and conditions of the Issue of Mandatory Convertible Bonds and the Transfer are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

7. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities in the past 12 months immediately before the Latest Practicable Date.

LETTER FROM THE BOARD

8. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company: (a) as at the Latest Practicable Date; (b) immediately upon full conversion of the Mandatory Convertible Bonds for a total principal amount of up to US\$1,200,000,000 at the Conversion Price of HK\$2.3 per Share, assuming that: (i) there is no other change in the issued share capital of the Company; (ii) no adjustment to the Conversion Price from the Latest Practicable Date up to the date of the full conversion of the Mandatory Convertible Bonds; and (iii) all the Scheme Creditors have chosen Option 3 (Mandatory Convertible Bonds), and being allocated on a pro-rata basis in proportion to their respective In-Scope Debt, based on the In-Scope Debt as at the Record Time at the fixed exchange rate of US\$1 = HK\$7.81; and (c) immediately upon full conversion of the Mandatory Convertible Bonds for a total principal amount of up to US\$1,200,000,000 at the Conversion Price of HK\$2.3 per Share, assuming that: (i) there is no other change in the issued share capital of the Company; (ii) no adjustment to the Conversion Price from the Latest Practicable Date up to the date of the full conversion of the Mandatory Convertible Bonds; (iii) the largest group of holders of the Mandatory Convertible bonds have chosen option 3 (Mandatory Convertible Bonds) for all part of their respective In-Scope Debt and the total amount of the Mandatory Convertible bonds being chosen under Option 3 by all Scheme Creditors is US\$1,200,000,000 based on the In-Scope Debt as at the Record Time at the fixed exchange rate of US\$1 = HK\$7.81.

	(a) As at the Latest Practicable Date		(b) Immediately upon full conversion of the Mandatory Convertible Bonds at the Conversion Price of HK\$2.3 per Share based on the assumptions stated above		(c) Immediately upon full conversion of the Mandatory Convertible Bonds at the Conversion Price of HK\$2.3 per Share based on the assumptions stated above	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
<i>Directors/Shareholders</i>						
Mr. Hoi Kin Hong (Note 2)	1,827,871,000	44.15	1,827,871,000	22.25	1,827,871,000	22.25
Mr. Hoi Wa Fong (Note 3)	598,071,400	14.44	598,071,400	7.28	598,071,400	7.28
Ms. Hoi Wa Fan (Note 4)	288,093,000	6.96	288,093,000	3.51	288,093,000	3.51
Wason Holdings Limited	249,523,000	6.03	249,523,000	3.04	249,523,000	3.04
Largest group of holders of the Mandatory Convertible Bonds (Note 5)	-	-	N/A	N/A	1,722,865,626	20.97
<i>Public Shareholders (Note 6)</i>						
Largest group of holders of the Mandatory Convertible Bonds (Note 5)	-	-	713,019,629	8.68	N/A	N/A
Other holders of Mandatory Convertible Bonds	-	-	3,361,762,979	40.92	2,351,916,982	28.63
Other Shareholders	1,176,844,600	28.42	1,176,844,600	14.32	1,176,844,600	14.32
Total	4,140,403,000	100	8,215,185,608	100	8,215,185,608	100

LETTER FROM THE BOARD

Notes:

1. The shareholding percentages are rounded to two decimal places. As at the Latest Practicable Date, the Company has no treasury shares.
2. Mr. Hoi Kin Hong, being a Director, has interests in 1,827,871,000 Shares within the meaning of Part XV of the SFO, of which (i) 2,800,000 Shares are interests of spouse, and (ii) 1,825,071,000 Shares are held by Skylong Holdings Limited, which is wholly-owned by Skylong Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor.
3. Mr. Hoi Wa Fong, being a Director, has interests in 598,071,400 Shares within the meaning of Part XV of the SFO, of which (i) 503,400 Shares are interests of spouse, and (ii) 597,568,000 Shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor.
4. Ms. Hoi Wa Fan, being a Director, has interests in 288,093,000 Shares within the meaning of Part XV of the SFO, of which (i) 61,470,000 Shares are beneficially held by Ms. Hoi Wa Fan, (ii) 209,444,000 Shares are beneficially held by Walong Holdings Limited and (iii) 17,179,000 Shares are beneficially held by Mantong (HK) Trading Co., Ltd. Walong Holdings Limited and Mantong (HK) Trading Co., Ltd are wholly and beneficially owned by Ms. Hoi Wa Fan.
5. The Largest group of holders of the Mandatory Convertible Bonds represented 9 funds held through an institutional investor.
6. Public Shareholders as defined under Rule 8.24 of the Listing Rules.

As at the Latest Practicable Date, based on the disclosure of interests filings on the Company that are publicly available on the Disclosure of Interests Online (DION) System, no Scheme Creditor has reported any notifiable interest in 5% or more of the Shares of the Company under Part XV of the SFO. Assuming in the extreme case that the largest group of holders of the Mandatory Convertible bonds have chosen option 3 (Mandatory Convertible Bonds) for all part of their respective In-Scope Debt as illustrated in (c) of the above table, upon full conversion of the Mandatory Convertible Bonds, other than the largest group of holders of the Mandatory Convertible Bonds who will hold approximately 20.97% of the Shares, none of the other holders of the Mandatory Convertible Bonds will become a substantial shareholder of the Company. Under this scenario, the Shares held by public shareholders will be approximately 42.95% based on the shareholding structure of the Company as at the Latest Practicable Date. Although there is no restriction on the exercise of the conversion rights to ensure that there is sufficient public float of the Shares and the Scheme Creditor is not required to make a general offer under the Takeovers Code upon the exercise of the same under the terms of the Mandatory Convertible Bonds, based on currently available information and barring unforeseen circumstances, the Company is of the view that conversion of the Mandatory Convertible Bonds will not result in the Company failing to meet the public float requirements under the Listing Rules and will not result in any Scheme Creditor who is a holder of the Mandatory Convertible Bonds becoming obliged to make a mandatory general offer for all the issued shares of the Company under the Takeovers Code upon the exercise of their conversion right under the Mandatory Convertible Bonds. In order to ensure the minimum public float is met upon conversion of the Mandatory Convertible Bonds, when the conversion period begins, the Company will monitor its public float on a continuous basis and use its best efforts to ensure the conversion of the Mandatory Convertible Bonds will not cause the public float of the Company to drop below the prescribed public float requirement. The Company will implement a comprehensive monitoring mechanism to ensure compliance with the minimum public float requirement

LETTER FROM THE BOARD

under the Listing Rules during the conversion of the Mandatory Convertible Bonds. Upon receipt of any conversion notice, the Company will conduct a pre-clearance assessment, including a fully diluted shareholding analysis, to ascertain that the public float will remain at or above 25% immediately after conversion. Where a proposed conversion would result in a potential shortfall in public float, the Company will engage with the bondholder to coordinate the timing and size of the conversion, including implementing partial or staged conversions where appropriate. Where necessary, the Company will also consider alternative measures, such as arranging placements to independent investors on behalf of bondholders or facilitating disposals by non-public shareholders, to ensure that the public float requirement is maintained at all times.

9. INFORMATION ON THE IN-SCOPE DEBT UNDER THE SCHEME

The Scheme Creditors comprise the persons who hold beneficial interests as principal in, or who are the lenders under, the following In-Scope Debt as at the Record Time for the Scheme:

- (a) the New York law-governed 4.0% senior notes due July 2022 (ISIN: XS2368100033, Common Code: 236810003) (the “**July 2022 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the July 2022 Notes outstanding is US\$4,105,000;
- (b) the New York law-governed 7.125% senior notes due November 2022 (ISIN: XS2078556342, Common Code: 207855634) (the “**November 2022 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the November 2022 Notes outstanding is US\$20,652,000;
- (c) the New York law-governed 6.95% senior notes due July 2023 (ISIN: XS2030333384, Common Code: 203033338) (the “**July 2023 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the July 2023 Notes outstanding is US\$18,515,000;
- (d) the New York law-governed 4.0% senior notes due July 2024 (ISIN: XS2500700633, Common Code: 250070063) (the “**July 2024 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the July 2024 Notes outstanding is US\$186,959,700;
- (e) the New York law-governed 7.125% senior notes due January 2026 (ISIN: XS2500700716, Common Code: 250070071) (the “**January 2026 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the January 2026 Notes outstanding is US\$279,348,000;
- (f) the New York law-governed 6.95% senior notes due December 2025 (ISIN: XS2647488878, Common Code: 264748887) (the “**December 2025 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the December 2025 Notes outstanding is US\$401,485,000;
- (g) the New York law-governed 6.25% senior notes due August 2024 (ISIN: XS2213954766, Common Code: 221395476) (the “**August 2024 Notes**”) issued

LETTER FROM THE BOARD

by the Company. As at the Latest Practicable Date, the aggregate principal amount of the August 2024 Notes outstanding is US\$500,000,000;

- (h) the New York law-governed 5.95% senior notes due April 2025 (ISIN: XS2250030090, Common Code: 225003009) (the “**April 2025 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the April 2025 Notes outstanding is US\$535,000,000;
- (i) the New York law-governed 4.9% senior notes due May 2026 (ISIN: XS2341882913, Common Code: 234188291) (the “**May 2026 Notes**”) issued by the Company. As at the Latest Practicable Date, the aggregate principal amount of the May 2026 Notes outstanding is US\$200,000,000;
- (j) the New York law-governed 6.5% senior notes due August 2024;
- (k) certain Hong Kong law-governed facilities of the Company; and
- (l) a Macau law-governed loan facility agreement dated 17 December 2019 entered into between Bank of China Limited Macao Branch as lender, Pengye Enterprise Management (Macau) Limited as borrower and the Company as guarantor (the “**BOC Loan**”).

The In-Scope Debt is defined by reference to the similarity of creditors’ rights. As the Scheme Creditors’ legal rights are substantially similar, the Company considers that a single class of In-Scope Debt is properly constituted. The Company currently has no intention to include any additional debt as In-Scope Debt in the Scheme. As at the Record Time, the aggregate principal amount of the In-Scope Debt amounted to approximately US\$2,899,553,768.

Other Debts outside the Scheme

Upon completion of the Restructuring, the Company will achieve a reduction in its outstanding debt obligations and also shift the Company’s current liabilities to non-current liabilities. The Scheme will result in the Group having a more sustainable capital structure that will allow it to comply with its debt obligations and liabilities, and to trade on a going-concern basis and deliver long-term value for all of its stakeholders.

Excluding the In-Scope Debt within the Scheme, the Company still had debts amounted to approximately US\$878.9 million as at 31 December 2025, which shall be handled via bilateral negotiations. As of the Latest Practicable Date, some of them with the aggregate principal amount of approximately US\$786.16 million had been restructured with extended maturities, to be serviced by the cash flow of underlying assets of the Group. The Company will continue to negotiate with the relevant creditors regarding the extension of repayment terms of the remaining out-of-scope debts.

10. LISTING RULES IMPLICATIONS

Issue of Mandatory Convertible Bonds under Specific Mandate

The Conversion Shares will be issued under the Specific Mandate to be sought from the Shareholders at the EGM. The Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM. The issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Conversion Shares.

The Transfer

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transfer, when aggregated with the Disposal, is more than 75%, the Transfer constitutes a very substantial disposal for the Company which is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

11. EGM

The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use in connection with the EGM is enclosed herewith. Shareholders who intend to appoint a proxy to attend the EGM shall complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:30 a.m. on Wednesday, 10 June 2026 (Hong Kong Time)) or any adjournment thereof (as the case may be). Completion and delivery of the proxy form will not preclude you from attending, speaking and voting at the EGM or at any adjournment thereof should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM will be taken by poll.

For determining shareholders' eligibility to attend, speak and vote at the EGM, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend, speak and vote at the EGM, unregistered holders of shares of the Company shall ensure that 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. The record date for determining the Shareholders' entitlement to attend and vote at the EGM is Friday, 12 June 2026.

LETTER FROM THE BOARD

The Company reviewed the identity of the Scheme Creditors based on the report provided by the information agent appointed by the Company in relation to the Scheme and the RSA, together with the information provided by the relevant creditors, none of them is a connected person of the Company under the Listing Rules. The Company has also requested its connected persons to confirm that none of them hold the In-Scope Debts. Further, at the Scheme Meeting, the Company conducted further verification of the voting participants to ensure that none of them is a connected person of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, each of the Scheme Creditors is independent of the Company and not connected persons of the Company. No Shareholder was required to abstain from voting for the resolution to approve the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds), the Transfer, and the transactions contemplated respectively thereunder at the EGM. The Company does not expect that any additional creditors to be included in the Scheme (if any) would be a connected person of the Company. Notwithstanding the above, if there are any other offshore loans or any additional creditors participating in the Scheme, the Company will review the identity of the relevant creditors and obtain further confirmation from its connected persons as appropriate.

12. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

13. RECOMMENDATIONS

The Board is of the view that the terms of the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds), the Transfer and the transactions contemplated respectively thereunder, which have been agreed after arm's length negotiations, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution for approving the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds), the Transfer and the transactions contemplated respectively thereunder to be proposed at the EGM.

LETTER FROM THE BOARD

Completion of the transactions set out in this circular is subject to the fulfilment or waiver of the conditions precedent as set out in this circular. The transactions set out in this circular may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

Yours faithfully,
By order of the Board
Powerlong Real Estate Holdings Limited
HOI Kin Hong
Chairman

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2023, 2024 and 2025 (the “**Audited Financial Statements**”) are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.powerlong.com), and are accessible via the following hyperlinks:

- the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”) published on 22 April 2024 (pages 69 to 176):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200869.pdf>

<https://www.powerlong.com/download.action?moudelKey=reportNote&fileName=20240422163228ARlr.pdf>

- the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”) published on 28 April 2025 (pages 71 to 174):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042801257.pdf>

<https://www.powerlong.com/download.action?moudelKey=reportNote&fileName=20250428164533Jrih.pdf>

- the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”) published on 27 April 2026 (pages 74 to 176):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0427/2026042701304.pdf>

<https://www.powerlong.com/download.action?moudelKey=reportNote&fileName=20260427165058z0LB.pdf>

The Audited Financial Statements (but not any other part of the 2023 Annual Report, the 2024 Annual Report, the 2025 Annual Report) are incorporated by reference into this circular and form part of this circular.

INDEBTEDNESS

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of this indebtedness statement for inclusion in this circular, the indebtedness of the Group was as follows:

1 STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, details of the Group's indebtedness and contingent liabilities (unaudited) were as follows:

Borrowings

As at 30 April 2026, the Group had outstanding borrowings of approximately RMB53,012 million, details of which are as follows:

	(unaudited) RMB'000
Secured bank and other borrowings	29,327,460
Unsecured bank and other borrowings	89,873
Senior notes	14,939,733
Corporate bonds	6,336,537
Assets-backed securities	206,573
Commercial mortgage-backed securities	2,112,135

The above secured bank and other borrowings were secured by the property and equipment, land use rights, investment properties, properties under construction, completed properties held for sale and restricted cash of the Group and shares of certain subsidiaries of the Group as at 30 April 2026. Assets-backed securities were secured by trade receivables of the Group. The senior notes issued by the Company were guaranteed and secured by the pledge of shares in certain non-Chinese subsidiaries and non-Chinese joint ventures of the Group.

As at 30 April 2026, 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 RMB25,033 million that were defaulted or cross-defaulted.

Lease liabilities

As at 30 April 2026, the Group had unaudited outstanding lease liabilities of approximately RMB423 million.

Contingent liabilities

The Group provided guarantees in respect of bank mortgage loans taken out by purchasers of the Group's sale properties and joint liability guarantees for certain borrowings granted to the Group's joint ventures and associates for project development purpose. For guarantees provided in respect of residential properties, the guarantees are released upon the issuance of real estate ownership certificate of the properties concerned. As at 30 April 2026, such unaudited guarantees amounted to approximately RMB9,765 million.

Save for the aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group had no outstanding debt securities (issued and outstanding, and authorised or otherwise created but unissued), term loans, bank overdrafts and loans, other borrowings or similar indebtedness, acceptance liabilities or acceptance credits, receivables, mortgages, charges, hire purchase commitments, guarantees, or other material contingent liabilities as at the close of business on 30 April 2026.

To the best of the Directors' knowledge, there has been no material adverse change in the Group's indebtedness position and contingent liabilities since 30 April 2026.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

WORKING CAPITAL

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, that after taking into account the effects of the Restructuring Documents and the transactions contemplated thereunder, the financial resources available to the Group, cash generated from future operations, the existing cash and bank balances of the Group, and available credit facilities, the Group will have sufficient working capital to meet its present requirements for at least 12 months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

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.

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 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.

The following is the text of a report received from the Company's reporting accountants, KTC Partners CPA Limited, for the purpose of incorporation in this circular.



**REPORT ON REVIEW OF UNAUDITED HISTORICAL FINANCIAL INFORMATION
OF POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)**

To the Board of Directors of Powerlong Real Estate Holdings Limited

Introduction

We have reviewed the unaudited historical financial information of Powerlong Commercial Management Holdings Limited (the “**Target Company**”) set out on pages II-3 to II-38 which comprise the unaudited statement of financial position as at 31 December 2023, 2024 and 2025, and the related unaudited statement of profit or loss and other comprehensive income, unaudited statement of changes in equity and unaudited statement of cash flows for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”) and certain explanatory notes (the “**Unaudited Historical Financial Information**”). The Unaudited Historical Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by Powerlong Real Estate Holdings Limited (the “**Company**”) in connection with the disposal of 25% of issued shares in the Target Company (the “**Disposal**”) and the proposed transfer of the Exchange Shares by the Company to the Scheme Creditors (the “**Transfer**”, together with the Disposal, the “**Disposal and Transfer**”) in accordance with rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company (the “**Directors**”) are responsible for the preparation and presentation of the Unaudited Historical Financial Information of the Target Company in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information and rule 14.68(2)(a)(i) of the Listing Rules. The Directors are also responsible for such internal control as management determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error. The Unaudited Historical Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” or an interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibility is to express a conclusion on this Historical Financial

Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Unaudited Historical Financial Information. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) "Engagements to Review Historical Financial Statements" ("**HKSRE 2400 (Revised)**") and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the HKICPA. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Target Company for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Chow Yiu Wah, Joseph

Audit Engagement Director

Practising Certificate number: P04686

Hong Kong, 28 May 2026

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	2,635,746	2,617,305	2,607,608
Cost of services	6	<u>(1,748,725)</u>	<u>(1,783,353)</u>	<u>(1,793,912)</u>
Gross profit		887,021	833,952	813,696
Selling and marketing expenses	6	(78,589)	(128,476)	(110,212)
Administrative expenses	6	(222,944)	(174,375)	(281,154)
Other income and other losses – net	8	55,734	35,894	44,293
Gain on early termination of lease		–	–	86,185
Gain on disposal of a subsidiary		–	–	47,666
Loss on de-consolidation of a subsidiary		–	–	(1,113)
Provision for claim	22	–	–	(38,187)
Impairment losses on financial assets – net		(48,344)	(219,441)	(232,429)
Impairment losses on investment properties	13	–	–	(2,210)
Impairment loss on investment in an associate		–	–	(12,388)
Investment gain/(loss) – net		<u>(1,248)</u>	<u>(629)</u>	<u>3,038</u>
Operating profit		591,630	346,925	317,185
Finance costs	9	<u>(42,470)</u>	<u>(70,673)</u>	<u>(33,711)</u>
Finance income	9	<u>61,584</u>	<u>51,477</u>	<u>38,633</u>
Finance income/(costs) – net		19,114	(19,196)	4,922
Share of results of joint ventures		(52)	35	(14)
Share of results of associates		<u>996</u>	<u>3,176</u>	<u>3,134</u>
Profit before income tax		611,688	330,940	325,227
Income tax expenses	10	<u>(159,297)</u>	<u>(106,555)</u>	<u>(93,252)</u>
Profit and total comprehensive income for the year		<u>452,391</u>	<u>224,385</u>	<u>231,975</u>

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)
Profit and total comprehensive income attributable to:				
– Shareholders of the Target Company		452,952	216,016	233,516
– Non-controlling interests		<u>(561)</u>	<u>8,369</u>	<u>(1,541)</u>
		<u>452,391</u>	<u>224,385</u>	<u>231,975</u>
Earnings per share for profit attributable to shareholders of the Target Company for the year (expressed in RMB cents per share)				
– Basic and diluted earnings per share	11	<u>71.33</u>	<u>33.89</u>	<u>36.32</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December			
		2023	2024	2025	
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		(Unaudited)	(Unaudited)	(Unaudited)	
Assets					
Non-current assets					
	Property and equipment	12	45,753	45,307	30,768
	Financial assets at fair value through profit or loss		9,890	9,261	9,999
	Investment properties	13	749,749	972,085	463,244
	Deferred income tax assets		92,127	158,198	187,903
	Goodwill	14	20,640	20,640	20,640
	Intangible assets		6,752	4,281	3,058
	Investments in joint ventures		772	807	993
	Investments in associates		54,516	50,859	41,605
			<u>980,199</u>	<u>1,261,438</u>	<u>758,210</u>
Current assets					
	Inventories		9,602	10,620	9,001
	Operating lease and trade receivables	15	412,357	413,173	421,132
	Prepayments and other receivables	16	328,939	223,583	148,885
	Current income tax recoverable		161	134	134
	Cash and bank balances	17	3,881,880	4,131,562	4,478,046
			<u>4,632,939</u>	<u>4,779,072</u>	<u>5,057,198</u>
	Total assets		<u><u>5,613,138</u></u>	<u><u>6,040,510</u></u>	<u><u>5,815,408</u></u>

	Notes	As at 31 December		
		2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Equity				
Share capital and share premium	18	967,206	1,004,400	1,014,085
Other reserves	19	120,223	29,869	23,617
Shares held for shares award scheme		(44)	–	–
Retained earnings		1,965,883	2,181,899	2,415,415
		<u>3,053,268</u>	<u>3,216,168</u>	<u>3,453,117</u>
Capital and reserves attributable to shareholders of the Target Company				
Non-controlling interests		<u>4,271</u>	<u>8,640</u>	<u>6,899</u>
Total equity		<u>3,057,539</u>	<u>3,224,808</u>	<u>3,460,016</u>
Liabilities				
Non-current liabilities				
Deferred income tax liabilities		1,235	722	1,281
Lease liabilities	21(a)	<u>931,103</u>	<u>1,187,789</u>	<u>524,152</u>
		<u>932,338</u>	<u>1,188,511</u>	<u>525,433</u>
Current liabilities				
Trade and other payables	22	1,097,366	1,028,913	1,168,201
Advances from lessees		22,087	37,828	33,968
Current income tax liabilities		138,223	203,259	262,599
Lease liabilities	21(a)	<u>64,550</u>	<u>82,909</u>	<u>81,671</u>
Contract liabilities	5(b)	<u>301,035</u>	<u>274,282</u>	<u>283,520</u>
		<u>1,623,261</u>	<u>1,627,191</u>	<u>1,829,959</u>
Total liabilities		<u>2,555,599</u>	<u>2,815,702</u>	<u>2,355,392</u>
Total equity and liabilities		<u>5,613,138</u>	<u>6,040,510</u>	<u>5,815,408</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity shareholders of the Target Company							Total equity RMB'000 (Unaudited)
	Share capital RMB'000 (Unaudited) (Note 18)	Share premium RMB'000 (Unaudited) (Note 18)	Shares held for shares award scheme RMB'000 (Unaudited)	Other reserves RMB'000 (Unaudited) (Note 19)	Retained earnings RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non- controlling interests RMB'000 (Unaudited)	
Balance at 1 January 2023	5,747	1,038,193	(95)	171,326	1,512,931	2,728,102	8,027	2,736,129
Comprehensive income								
Profit for the year	-	-	-	-	452,952	452,952	(561)	452,391
Total comprehensive income	-	-	-	-	452,952	452,952	(561)	452,391
Transactions with owners								
Shares Award Scheme and Share Incentive Scheme - value of employee services	-	-	-	45,120	-	45,120	-	45,120
Dividends	-	(172,906)	-	-	-	(172,906)	(3,195)	(176,101)
Vesting of awarded shares	-	96,172	51	(96,223)	-	-	-	-
Balance at 31 December 2023 and 1 January 2024	5,747	961,459	(44)	120,223	1,965,883	3,053,268	4,271	3,057,539
Comprehensive income								
Profit for the year	-	-	-	-	216,016	216,016	8,369	224,385
Total comprehensive income	-	-	-	-	216,016	216,016	8,369	224,385

Attributable to equity shareholders of the Target Company								
	Share capital	Share premium	Shares held for shares award scheme	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Note 18)	(Note 18)		(Note 19)				
Transactions with owners								
Shares Award Scheme and Share Incentive Scheme - value of employee services								
	-	-	-	(65,181)	-	(65,181)	-	(65,181)
Issue of ordinary shares	-	12,021	44	-	-	12,065	-	12,065
Dividends	-	-	-	-	-	-	(4,000)	(4,000)
Vesting of awarded shares	-	25,173	-	(25,173)	-	-	-	-
Balance at 31 December 2024 and 1 January 2025	<u>5,747</u>	<u>998,653</u>	<u>-</u>	<u>29,869</u>	<u>2,181,899</u>	<u>3,216,168</u>	<u>8,640</u>	<u>3,224,808</u>
Comprehensive income								
Profit for the year	-	-	-	-	233,516	233,516	(1,541)	231,975
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,516</u>	<u>233,516</u>	<u>(1,541)</u>	<u>231,975</u>
Transactions with owners								
- Derecognition of non-controlling interests on disposal/de-consolidation of subsidiary								
	-	-	-	-	-	-	8,420	8,420
Shares Award Scheme and Share Incentive Scheme - value of employee services								
	-	-	-	3,433	-	3,433	-	3,433
Dividends	-	-	-	-	-	-	(8,620)	(8,620)
Vesting of awarded shares	-	9,685	-	(9,685)	-	-	-	-
Balance at 31 December 2025	<u>5,747</u>	<u>1,008,338</u>	<u>-</u>	<u>23,617</u>	<u>2,415,415</u>	<u>3,453,117</u>	<u>6,899</u>	<u>3,460,016</u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December		
		2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows of operating activities				
Cash generated from operations		682,096	474,761	487,900
PRC corporate income tax paid		(195,295)	(108,076)	(63,058)
Net cash generated from operating activities		<u>486,801</u>	<u>366,685</u>	<u>424,842</u>
Cash flows of investing activities				
Purchases of property and equipment		(44,062)	(11,475)	(3,850)
Net proceeds from disposals of property and equipment		1,112	108	1,354
Purchases of intangible assets		(640)	(296)	(1,213)
Net proceeds from disposals of intangible assets		–	148	370
Deposits (paid to)/refunded from a third party for the exclusive sales right for sales of shop		222,040	(3,907)	(5,071)
Dividends from associates		–	6,833	–
Investment in a joint ventures		–	–	(200)
Net proceeds from disposals of financial assets at fair value through profit or loss		–	–	2,300
Disposal of a subsidiary		–	–	(6,413)
De-consolidation of a subsidiary		–	–	(3,216)
Net cash used in investing activities		<u>178,450</u>	<u>(8,589)</u>	<u>(15,939)</u>
Cash flows of financing activities				
Proceeds from issues of shares and other equity securities		–	12,065	–
Dividends paid to non-controlling interests		(172,906)	(4,000)	(8,620)
Principal elements and interest expenses of lease payments	21(b)	(75,089)	(120,857)	(71,399)
Net cash used in financing activities		<u>(247,995)</u>	<u>(112,792)</u>	<u>(80,019)</u>

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)
Increase in cash and cash equivalents		417,256	245,304	328,884
Cash and cash equivalents at the beginning of year		3,450,788	3,866,722	4,108,793
Foreign exchanges on cash and cash equivalents		<u>(1,322)</u>	<u>(3,233)</u>	<u>(323)</u>
Cash and cash equivalents at end of year	17	<u><u>3,866,722</u></u>	<u><u>4,108,793</u></u>	<u><u>4,437,354</u></u>

NOTES TO THE UNAUDITED HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “**Target Company**”) was established in the Cayman Islands on 25 March 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Target Company’s registered office is Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Target Company and its subsidiaries (the “**Target Group**”) are primarily engaged in the holding of investment properties to generate rental income and the provision of commercial operational services and residential property management services in the People’s Republic of China (the “**PRC**”).

The Target Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019.

The Target Company is a subsidiary of Powerlong Real Estate Holdings Limited (the “**Company**”) (together with its subsidiaries collectively referred to as the “**Group**”).

On 10 October 2025, the Company entered into the Restructuring Support Agreement (**RSA**) with members of the Ad Hoc Group (**AHG**). The RSA encompasses the disposal of 25% of issued shares in the Target Company (the “**Disposal**”) and the transfer of the Exchange Shares from the Company to the Scheme Creditors (the “**Transfer**”). The Disposal and the Transfer shall collectively be referred to as the “**Disposal and Transfer**”. Upon completion of the Disposal and Transfer, the Target Company will no longer be a subsidiary of the Group and will cease to be consolidated in the Group’s financial statements.

The Unaudited Historical Financial Information are presented in thousand Renminbi (“**RMB’000**”), which is the functional currency of the Target Company.

2 BASIC OF PREPARATION

The Unaudited Historical Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company as set out in its annual report for the year ended 31 December 2025 (“**2025 Annual Report**”) which conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), throughout the Relevant Periods. The Unaudited Historical Financial Information has been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Unaudited Historical Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements” nor a complete condensed interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and that it should be read in connection with the 2025 Annual Report.

3 AMENDMENTS TO HKFRSS IN ISSUE BUT NOT YET EFFECTIVE

The Target Company has not early applied the following amendments to HKFRSs that have been issued but are not yet effective, in these condensed financial statements:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ³
Annual Improvements to HKFRSs	Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³

- 1 Effective for annual periods beginning on or after a date to be determined
- 2 Effective for annual periods beginning on or after 1 January 2026
- 3 Effective for annual periods beginning on or after 1 January 2027

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the results and financial position of the Target Company.

4 SEGMENT INFORMATION

The Target Group has two business segments:

– **Commercial operational services**

The Target Group is engaged in the provision of (a) market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Target Group leased certain retail commercial properties leased from third parties located in proximity to the shopping malls that are under management by the Target Group, and sub-leased them for long-term rental yield.

– **Residential property management services**

The Target Group provides residential property management services for residential properties, serviced apartments and office building, including pre-sale management services and other value-added services to property developers, property owners and residents.

- (a) Segment results represent the profit earned by each segment without other income and other losses – net, gain on early termination of lease, gain on disposal of a subsidiary, loss on de-consolidation of a subsidiary, provision for claim, unallocated operating costs, finance costs, finance income, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Target Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2023

	Commercial operational services <i>RMB'000</i> (Unaudited)	Residential property management services <i>RMB'000</i> (Unaudited)	Target Group <i>RMB'000</i> (Unaudited)
Gross segment revenue	2,137,390	498,356	2,635,746
Revenue from contracts with customers	1,960,880	498,356	2,459,236
– at a point in time	19,906	–	19,906
– over time	1,940,974	498,356	2,439,330
Revenue from other sources			
– rental income	176,510	–	176,510
Segment results	622,327	121,513	743,840
Other income and other losses – net			55,734
Unallocated operating costs			(207,944)
Interest expense			(42,470)
Interest income			61,584
Share of results of joint ventures			(52)
Share of results of associates			996
Profit before income tax			611,688
Income tax expenses			(159,297)
Profit for the year			<u>452,391</u>
Amounts included in the measure of segment results:			
Depreciation and amortisation	82,094	4,078	86,172
Impairment losses on financial assets	35,469	12,875	48,344

For the year ended 31 December 2024

	Commercial operational services <i>RMB'000</i> (Unaudited)	Residential property management services <i>RMB'000</i> (Unaudited)	Target Group <i>RMB'000</i> (Unaudited)
Gross segment revenue	2,140,138	477,167	2,617,305
Revenue from contracts with customers	1,933,683	477,167	2,410,850
– at a point in time	32,345	–	32,345
– over time	1,901,338	477,167	2,378,505
Revenue from other sources			
– rental income	206,455	–	206,455
Segment results	313,636	62,112	375,748
Other income and other losses – net			35,894
Unallocated operating costs			(64,717)
Finance costs			(70,673)
Finance income			51,477
Share of results of joint ventures			35
Share of results of associates			3,176
Profit before income tax			330,940
Income tax expenses			(106,555)
Profit for the year			<u>224,385</u>
Amounts included in the measure of segment results:			
Depreciation and amortisation	114,038	3,287	117,325
Impairment losses on financial assets – net	156,599	62,842	219,441

For the year ended 31 December 2025

	Commercial operational services <i>RMB'000</i> (Unaudited)	Residential property management services <i>RMB'000</i> (Unaudited)	Target Group <i>RMB'000</i> (Unaudited)
Gross segment revenue	2,099,133	508,475	2,607,608
Revenue from contracts with customers	1,898,744	508,475	2,407,219
– at a point in time	33,133	–	33,133
– over time	1,865,611	508,475	2,374,086
Revenue from other sources			
– rental income	200,389	–	200,389
Segment results	211,981	47,790	259,771
Other income and other losses – net			44,293
Gain on early termination of lease			86,185
Gain on disposal of a subsidiary			47,666
Loss on de-consolidation of a subsidiary			(1,113)
Provision for claim			(38,187)
Unallocated operating costs			(81,430)
Finance costs			(33,711)
Finance income			38,633
Share of results of joint ventures			(14)
Share of results of associates			3,134
Profit before income tax			325,227
Income tax expenses			(93,252)
Profit for the year			<u>231,975</u>
Amounts included in the measure of segment results:			
Depreciation and amortisation	75,705	1,710	77,415
Impairment losses on financial assets – net	189,523	42,906	232,429
Impairment losses on investment properties	2,210	–	2,210
Impairment loss on investment in an associate	12,388	–	12,388

- (b) The following is the analysis of the Target Group's segment assets and liabilities and capital expenditure for the year then ended:

As at 31 December 2023

	Commercial operational services	Residential property management services	Elimination	Target Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	1,674,099	246,848	(7,070)	1,913,877
Other assets				<u>3,699,261</u>
Total assets				<u><u>5,613,138</u></u>
Segment liabilities	2,122,495	280,461	(7,070)	2,395,886
Other liabilities				<u>159,713</u>
Total liabilities				<u><u>2,555,599</u></u>
Amounts included in the measure of segment assets:				
Capital expenditure	<u>114,374</u>	<u>1,749</u>	<u>-</u>	<u>116,123</u>

As at 31 December 2024

	Commercial operational services	Residential property management services	Elimination	Target Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	1,601,230	280,619	(7,026)	1,874,823
Other assets				<u>4,165,687</u>
Total assets				<u><u>6,040,510</u></u>
Segment liabilities	2,274,910	335,487	(7,026)	2,603,371
Other liabilities				<u>212,331</u>
Total liabilities				<u><u>2,815,702</u></u>
Amounts included in the measure of segment assets:				
Capital expenditure	<u>334,950</u>	<u>2,050</u>	<u>-</u>	<u>337,000</u>

As at 31 December 2025

	Commercial operational services RMB'000 (Unaudited)	Residential property management services RMB'000 (Unaudited)	Elimination RMB'000 (Unaudited)	Target Group RMB'000 (Unaudited)
Segment assets	869,206	368,257	(6,778)	1,230,685
Other assets				<u>4,584,723</u>
Total assets				<u><u>5,815,408</u></u>
Segment liabilities	1,649,647	411,895	(6,778)	2,054,764
Other liabilities				<u>300,628</u>
Total liabilities				<u><u>2,355,392</u></u>
Amounts included in the measure of segment assets:				
Capital expenditure	<u>40,971</u>	<u>1,536</u>	<u>-</u>	<u>42,507</u>

Segment assets are reconciled to total assets as follows:

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Segment assets	1,913,877	1,874,823	1,230,685
Other assets			
Current income tax recoverable	161	134	134
Deferred income tax assets	92,127	158,198	187,903
Unallocated cash and bank balances	3,540,749	3,946,383	4,343,973
Unallocated property and equipment	1,046	45	116
Other corporate assets	55,288	51,666	42,598
Financial assets at fair value through profit and loss	<u>9,890</u>	<u>9,261</u>	<u>9,999</u>
Total assets	<u><u>5,613,138</u></u>	<u><u>6,040,510</u></u>	<u><u>5,815,408</u></u>

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Segment liabilities	2,395,886	2,603,371	2,054,764
Other liabilities			
Current income tax liabilities	138,223	203,259	262,599
Deferred income tax liabilities	1,235	722	1,281
Other corporate liabilities	20,255	8,350	36,748
Total liabilities	<u>2,555,599</u>	<u>2,815,702</u>	<u>2,355,392</u>

The amounts provided to the CODM with respect to segment 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, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverables, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment, investment properties and intangible assets.

5 REVENUE

(a) Revenue of the Target Group is as follows:

	Year ended 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Types of services			
<i>Rental income:</i>			
– Commercial property lease services (iv)	176,510	206,455	200,389
<i>Revenue from contracts with customers within the scope of HKFRS 15:</i>			
– Market research and positioning, business tenant sourcing, opening preparation services	100,019	70,480	54,255
– Commercial operation and management services	1,860,861	1,863,203	1,844,489
– Commercial operation service during the operation stage	742,437	716,482	692,040
– Commercial property management service	1,118,424	1,146,721	1,152,449
– Commercial operational services	1,960,880	1,933,683	1,898,744
– Pre-sale management services	9,160	1,189	1,057
– Property management services	376,162	378,759	409,141
– Other value-added services	113,034	97,219	98,277
– Residential property management services	498,356	477,167	508,475
	<u>2,635,746</u>	<u>2,617,305</u>	<u>2,607,608</u>
Types of customers			
External third party customers (i)	2,242,728	2,360,512	2,372,738
Fellow subsidiaries (ii)	368,313	230,611	222,895
Other related parties (iii)	24,705	26,182	11,975
	<u>2,635,746</u>	<u>2,617,305</u>	<u>2,607,608</u>

- (i) External third party customers represented independent third parties.
- (ii) For the year ended 31 December 2023, revenue arising from the Remaining Powerlong Group and other entities controlled by Mr. Hoi (the “**Fellow Subsidiaries**”) contributed 14.0% of the Target Group’s revenue (2024: 8.8%) (2025: 8.5%).
- (iii) Other related parties represented associates or jointly controlled entities of the Remaining Powerlong Group.
- (iv) The owner leases the retail commercial properties as a whole to the Target Group at a certain price, and all income and costs of project operation are borne by the Target Group. For each of the years ended 31 December 2023, 2024 and 2025, commercial property lease services represent sub-lease services income of the Target Group.

(b) Liabilities related to contracts with customers

	As at		As at 31 December	
	1 January	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Contract liabilities	229,322	301,035	274,282	283,520

Contract liabilities of the Target Group mainly arose from the advance payments made by the customers while the underlying services are yet to be provided.

(i) Revenue recognised in relation to contract liabilities.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the year			
– Commercial operational services	187,294	216,719	176,511
– Residential property management services	42,028	72,048	94,656
	229,322	288,767	271,167

(ii) Unsatisfied performance obligations

For commercial operational services and residential property management services, the Target Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customers of the Target Group's performance to date, on a monthly or quarterly basis. The Target Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify several months in advance to the Target Group that the services are no longer required.

For other value-added services are rendered over a short period of time and there is no unsatisfied performance obligation at the end of respective periods.

6 EXPENSES BY NATURE

	Year ended 31 December		
	2023	2024	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Employee and other labour costs (Note 7)	882,235	771,152	848,821
Outsourcing staff costs	390,018	385,212	406,871
Utilities	249,319	279,860	271,989
Short-term lease expenditure (Note 21(b))	205,733	261,903	276,820
Depreciation and amortisation	86,172	117,325	77,415
Promotion and advertising expenses	72,272	102,529	81,987
Travelling and entertainment expenses	18,459	19,380	16,595
Office expenses	19,442	25,678	24,407
Taxes and other levies	10,100	9,528	11,441
Professional fees	23,480	11,500	34,571
Variable lease payments (Note 21(b))	19,280	33,311	64,113
Cost of inventories sold	17,385	27,506	28,094
Auditor's remuneration			
– Audit services	2,295	1,150	1,780
Others	54,068	40,170	40,374
	<u>2,050,258</u>	<u>2,086,204</u>	<u>2,185,278</u>
Total of costs of services, selling and marketing expenses and administrative expenses			

7 STAFF COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Wages and salaries	694,120	678,507	685,805
Social insurance expenses (Note (a))	104,577	114,976	120,024
Housing benefits	36,086	37,123	35,664
Other employee benefits (Note (b))	2,332	5,727	3,895
Share-based payments	45,120	(65,181)	3,433
	<u>882,235</u>	<u>771,152</u>	<u>848,821</u>

- (a) Employees of the Target Group in the PRC are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Target Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary, subject to certain ceiling, and as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.
- (b) Other employee benefits mainly include meal, travelling and transportation allowances.

8 OTHER INCOME AND OTHER LOSSES – NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Other income			
Penalty income (<i>Note (a)</i>)	22,242	25,725	48,387
Government grants (<i>Note (b)</i>)	26,860	8,387	8,465
Others	7,954	5,015	3,114
	<u>57,056</u>	<u>39,127</u>	<u>59,966</u>
Other losses			
Foreign exchange losses	(1,322)	(3,233)	(323)
Penalty expenses (<i>Note (a)</i>)	–	–	(15,350)
	<u>(1,322)</u>	<u>(3,233)</u>	<u>(15,673)</u>
	<u>55,734</u>	<u>35,894</u>	<u>44,293</u>

(a) Penalty income mainly represented the forfeited deposits from tenants due to the premature termination of contracts and penalty expenses mainly represented penalties relating to legal dispute.

(b) Government grants mainly represented rewards and tax refunds from local government without attached conditions.

9 FINANCE INCOME/(COSTS) – NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
<i>Interest expense in respect of:</i>			
Lease liabilities (<i>Note 21(b)</i>)	(43,677)	(70,673)	(33,711)
Others	1,207	–	–
	<u>(42,470)</u>	<u>(70,673)</u>	<u>(33,711)</u>
<i>Interest income in respect of:</i>			
Bank deposits	61,584	51,477	38,633
	<u>61,584</u>	<u>51,477</u>	<u>38,633</u>
Finance income/(costs) – net	<u>19,114</u>	<u>(19,196)</u>	<u>4,922</u>

10 INCOME TAX EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax expense			
– PRC corporate income tax	181,716	173,139	122,398
Deferred income tax credits			
– PRC corporate income tax	(22,419)	(66,584)	(29,146)
	<u>159,297</u>	<u>106,555</u>	<u>93,252</u>

The effective income tax rate was 26.04%, 32.20% and 28.67% for each of the years ended 31 December 2023, 2024 and 2025.

PRC corporate income tax

Income tax provision of the Target Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%.

Overseas income tax

The Target Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Target Company is not subject to any income tax. The Target Company's subsidiaries in the BVI were incorporated under the International Business Companies Act (as amended) of the BVI and are exempted from BVI income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Target Company and the Target Group did not have assessable profit in Hong Kong during the year ended 31 December 2023 (2024: nil) (2025: nil). The profit of the Target Group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

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.

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Target Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2023, 2024 and 2025.

	Year ended 31 December		
	2023 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)
Earnings (RMB'000)			
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Target Company)	<u>452,952</u>	<u>216,016</u>	<u>233,516</u>
Number of shares ('000)			
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>634,978</u>	<u>637,419</u>	<u>642,900</u>
Basic and diluted earnings per share (RMB cents per share)	<u><u>71.33</u></u>	<u><u>33.89</u></u>	<u><u>36.32</u></u>

(b) Diluted

Diluted earnings per share for three years were the same as the basic earnings per share as there was no potential ordinary shares in issue for 2023, 2024 and 2025.

12 PROPERTY AND EQUIPMENT

	Leasehold improvement RMB'000 (Unaudited)	Motor vehicles RMB'000 (Unaudited)	Furniture, fitting and equipment RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Year ended 31 December 2023				
Opening net book amount	–	614	12,368	12,982
Additions	37,900	150	6,012	44,062
Disposals	–	(139)	(973)	(1,112)
Depreciation charge	(2,834)	(252)	(7,093)	(10,179)
Closing net book amount	35,066	373	10,314	45,753
As at 31 December 2023				
Cost	37,900	5,643	41,479	85,022
Accumulated depreciation	(2,834)	(5,270)	(31,165)	(39,269)
Net book amount	35,066	373	10,314	45,753
Year ended 31 December 2024				
Opening net book amount	35,066	373	10,314	45,753
Additions	8,416	18	3,041	11,475
Disposals	–	(13)	(95)	(108)
Depreciation charge	(6,204)	(205)	(5,404)	(11,813)
Closing net book amount	37,278	173	7,856	45,307
As at 31 December 2024				
Cost	46,316	5,421	37,826	89,563
Accumulated depreciation	(9,038)	(5,248)	(29,970)	(44,256)
Net book amount	37,278	173	7,856	45,307
Year ended 31 December 2025				
Opening net book amount	37,278	173	7,856	45,307
Additions	1,939	15	1,896	3,850
Disposals	–	–	(1,354)	(1,354)
Derecognised upon disposal/de-consolidation of subsidiaries	–	–	(235)	(235)
Depreciation charge	(14,649)	(135)	(2,016)	(16,800)
Closing net book amount	24,568	53	6,147	30,768
As at 31 December 2025				
Cost	48,255	5,140	37,946	91,341
Accumulated depreciation	(23,687)	(5,087)	(31,799)	(60,573)
Net book amount	24,568	53	6,147	30,768

13 INVESTMENT PROPERTIES

	Leased commercial properties- right-of-use assets <i>RMB'000</i> (Unaudited)	Investment properties <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Year ended 31 December 2023			
Opening net book amount	751,872	–	751,872
Additions	71,421	–	71,421
Depreciation charge	(73,544)	–	(73,544)
Closing net book amount	749,749	–	749,749
As at 31 December 2023			
Cost	1,202,204	–	1,202,204
Accumulated depreciation	(452,455)	–	(452,455)
Net book amount	749,749	–	749,749
Year ended 31 December 2024			
Opening net book amount	749,749	–	749,749
Additions	325,229	–	325,229
Depreciation charge	(102,893)	–	(102,893)
Closing net book amount	972,085	–	972,085
As at 31 December 2024			
Cost	1,293,671	–	1,293,671
Accumulated depreciation	(321,586)	–	(321,586)
Net book amount	972,085	–	972,085
Year ended 31 December 2025			
Opening net book amount	972,085	–	972,085
Additions	–	37,444	37,444
Derecognised upon disposal of a subsidiary	(352,224)	–	(352,224)
Derecognised upon early termination of lease	(133,302)	–	(133,302)
Depreciation charge	(58,185)	(364)	(58,549)
Impairments	(2,210)	–	(2,210)
Closing net book amount	426,164	37,080	463,244
As at 31 December 2025			
Cost	731,836	37,444	769,280
Accumulated depreciation	(303,462)	(364)	(303,826)
Impairments	(2,210)	–	(2,210)
Net book amount	426,164	37,080	463,244

14 GOODWILL

No impairment provision on goodwill was recognised as at 31 December 2023, 2024 and 2025.

15 OPERATING LEASE AND TRADE RECEIVABLES

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Operating lease receivables (<i>Note (a)</i>)			
– Third parties	29,064	15,937	13,410
Trade receivables (<i>Note (a)</i>)			
– Related parties (<i>Note 23(d)</i>)	215,952	371,819	537,525
– Third parties	245,629	262,604	304,072
	<u>461,581</u>	<u>634,423</u>	<u>841,597</u>
Less: loss allowance (<i>Note (b)</i>)	<u>(78,288)</u>	<u>(237,187)</u>	<u>(433,875)</u>
	<u><u>412,357</u></u>	<u><u>413,173</u></u>	<u><u>421,132</u></u>

- (a) The Target Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts. Generally, no credit period is granted.

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the trade receivables due from related parties based on the demand note dates is as follows:

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Within 1 year	215,952	264,149	197,389
1-2 years	–	107,670	340,136
	<u>215,952</u>	<u>371,819</u>	<u>537,525</u>

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the operating lease and trade receivables due from third parties based on the demand note dates is as follows:

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Within 1 year	177,401	141,537	125,221
1-2 years	53,313	65,227	75,456
2-3 years	25,213	33,085	58,694
Over 3 years	18,766	38,692	58,111
	<u>274,693</u>	<u>278,541</u>	<u>317,482</u>

- (b) The Target Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2023, a provision of RMB78,288,000 (2024: RMB237,187,000) (2025: RMB433,875,000) was made against the gross amounts of operating lease and trade receivables.
- (c) As at 31 December 2023, 2024 and 2025, the operating lease and trade receivables were denominated in RMB, and the fair values approximated their carrying amounts.

16 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other receivables			
– Payments on behalf of tenants or residents (Note (a))	10,877	21,254	15,549
– Related parties (Note 23(d))	7,731	11,704	12,867
– Deposit paid to a related company (Note (b) and Note 23(d))	198,000	198,000	198,000
– Deposit paid to a third party (Note (c))	83,687	3,013	3,105
– Others	4,202	15,930	3,779
	<u>304,497</u>	<u>249,901</u>	<u>233,300</u>
Less: loss allowance	<u>(27,911)</u>	<u>(88,453)</u>	<u>(124,194)</u>
	<u>276,586</u>	<u>161,448</u>	<u>109,106</u>
Prepayments			
– Third parties (Note (d))	30,702	37,186	18,991
– Related parties (Note 23(d))	21,651	24,949	20,788
	<u>52,353</u>	<u>62,135</u>	<u>39,779</u>
	<u>328,939</u>	<u>223,583</u>	<u>148,885</u>

- (a) Amounts mainly represented the payments of utility fees on behalf of tenants or residential communities.
- (b) Amounts represented a refundable deposit paid to a related company which is part of Remaining Powerlong Group for the exclusive sales right of car park spaces in the PRC held by this related company.
- (c) Amounts represented a refundable deposit paid to a third party for the exclusive sales right of shops in the PRC held by this third party.
- (d) Amounts mainly represented the prepaid utility expenses for the Target Group.
- (e) The balances of prepayments and other receivables were all denominated in RMB.

17 CASH AND BANK BALANCES

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash at banks and in hand (<i>Note (a)</i>)	3,881,880	4,131,562	4,478,046
Restricted cash – others	(15,158)	(22,769)	(40,692)
Cash and cash equivalents	<u>3,866,722</u>	<u>4,108,793</u>	<u>4,437,354</u>

- (a) Cash and bank balances were denominated in the following currencies:

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
RMB	3,870,606	4,110,047	4,387,599
HK\$	11,274	21,503	13,118
US\$	–	12	77,329
	<u>3,881,880</u>	<u>4,131,562</u>	<u>4,478,046</u>

18 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares (Unaudited)	Share capital <i>HK\$'000</i> <i>RMB'000</i> (Unaudited) (Unaudited)		Share premium <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)	Shares held for Shares Award Scheme <i>RMB'000</i> (Unaudited)
Authorised						
As at 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	2,000,000,000	20,000	17,905	–	17,905	–
Issued						
As at 31 December 2022 and 1 January 2023	642,900,000	6,429	5,747	1,038,193	1,043,940	(95)
Dividends	–	–	–	(172,906)	(172,906)	–
Vesting of awarded shares	–	–	–	96,172	96,172	51
As at 31 December 2023	642,900,000	6,429	5,747	961,459	967,206	(44)
Issued						
As at 31 December 2023 and 1 January 2024	642,900,000	6,429	5,747	961,459	967,206	(44)
Issue of ordinary shares	–	–	–	12,021	12,021	44
Vesting of awarded shares	–	–	–	25,173	25,173	–
As at 31 December 2024	642,900,000	6,429	5,747	998,653	1,004,400	–
Issued						
As at 31 December 2024 and 1 January 2025	642,900,000	6,429	5,747	998,653	1,004,400	–
Vesting of awarded shares	–	–	–	9,685	9,685	–
As at 31 December 2025	642,900,000	6,429	5,747	1,008,338	1,014,085	–

19 OTHER RESERVES

	Statutory reserves RMB'000 (Unaudited) (Note (a))	Shares Award Scheme and Shares Incentive Scheme – value of employee services RMB'000 (Unaudited) (Note (b))	Total reserves RMB'000 (Unaudited)
Balance at 1 January 2023	23,617	147,709	171,326
Shares Award Scheme and Shares Incentive Scheme – value of employee services	–	45,120	45,120
Vesting of awarded shares	–	(96,223)	(96,223)
Balance at 31 December 2023	<u>23,617</u>	<u>96,606</u>	<u>120,223</u>
Balance at 1 January 2024	23,617	96,606	120,223
Shares Award Scheme and Shares Incentive Scheme – value of employee services	–	(65,181)	(65,181)
Vesting of awarded shares	–	(25,173)	(25,173)
Balance at 31 December 2024	<u>23,617</u>	<u>6,252</u>	<u>29,869</u>
Balance at 1 January 2025	23,617	6,252	29,869
Shares Award Scheme and Shares Incentive Scheme – value of employee services	–	3,433	3,433
Vesting of awarded shares	–	(9,685)	(9,685)
Balance at 31 December 2025	<u>23,617</u>	<u>–</u>	<u>23,617</u>

(a) Statutory reserves

Pursuant to the relevant laws and regulations in the PRC and the provision of the articles of association of the Target Group's subsidiaries, the Target Group's subsidiaries which are registered in the PRC shall appropriate certain percentage of profit after tax (after offsetting any accumulated losses brought forward from prior years) calculated under the accounting principles generally applicable to the PRC enterprises to reserve funds. Depending on the nature, the reserve funds can be used to set off accumulated losses of the subsidiaries or distribute to owners in form of bonus issue.

(b) Shares Award Scheme and Shares Incentive Scheme reserves*Shares Award Scheme*

On 24 November 2020, the Target Company's shareholders approved and adopted a shares award scheme ("**Shares Award Scheme**") and the Target Company has appointed Tricor Trust (Hong Kong) Limited as the trustee (the "**Trustee**") to assist with the administration of the awarded shares and Elitelong Holdings Limited, a wholly-owned subsidiary of the Trustee, as nominee. On

4 December 2020, the Board of the Target Company approved a new issuance of 11,250,000 ordinary shares to the Elitelong Holdings Limited.

Eritelong Holdings Limited was set up as a special vehicle for the purpose of holding the ordinary shares allotted and issued by the Target Company. As the Target Company has the power to direct the relevant activities of Elitelong Holdings Limited and can derive benefits from the contributions of the grantees, therefore, Elitelong Holdings Limited is consolidated by the Target Company and the 11,250,000 shares of the Target Company that it held are presented as a deduction in equity as shares held for the Shares Award Scheme reserve. Elitelong Holdings Limited was dissolved on 19 November 2025.

Under the terms of the Shares Award Scheme, when the vesting conditions are fulfilled, the Awarded Shares shall be vested 50% in June 2023 and 50% in June 2025 respectively.

In June 2023, 5,625,000 Awarded Shares were vested.

On 1 November 2024, Mr. Chen resigned from his position as an executive Director and the chief executive officer of the Target Company. Under the terms of the Shares Award Scheme, the remaining 5,625,000 Awarded Shares which were not yet vested as at that date will no longer be transferred to Mr. Chen.

The Awarded Shares have an aggregate nominal value of HK\$112,500 and a fair value of HK\$226,688,000 based on the price of HK\$20.15 on grant date (equivalent to approximately RMB192,446,000). For the year ended 31 December 2023, an expense of RMB34,837,000 was recognised in relation to the Shares Award Scheme. For the year ended 31 December 2024, an expense of RMB16,880,000 was recognised in relation to the Shares Award Scheme, an expense of RMB84,405,000 was reversed in relation to the cancellation of 5,625,000 Awarded Shares due to the resignation of Mr. Chen.

Shares Incentive Scheme

On 19 July 2019, 8,778 shares were issued and allotted to Huihong Management (PTC) Limited ("**Huihong Management**") at par value as to 10% of the Target Company's equity interest before the listing of the Target Company. Huihong Management was incorporated in the BVI as a special purpose vehicle to hold shares to be granted to eligible grantees under a share incentive scheme ("**Share Incentive Scheme**") to be adopted at least six months after the Listing, which is consolidated by the Target Company.

On 10 December 2019, the Target Company increased its authorized share capital to HK\$20,000,000 by the creation of 1,962,000,000 additional shares of nominal value of HK\$0.01 each. Pursuant to the written resolutions passed by the shareholders on 10 December 2019, the Target Company was authorized to capitalise HK\$4,499,122.22 standing to the credit of the share premium account of the Target Company by applying such sum in paying up in full at par 449,912,222 shares for issue and allotment to the respective shareholders. Accordingly, the numbers of shares held by Huihong Management increased from 8,778 to 45,000,000, i.e. 10% of the Target Company's equity interest before the listing.

On 21 September 2022, as the grant date, the Target Company has resolved to transfer, and the eligible grantees have to subscribe for 25,000,000 shares from Huihong Management, at the subscription price of RMB1.1111 per share upon the terms and subject to the conditions under the Shares Incentive Scheme. These shares ("**Incentive Shares**") shall then transfer to eligible grantees after the relevant vesting conditions are fulfilled.

Under the terms of the Shares Incentive Scheme, when the vesting conditions are fulfilled, the Incentive Shares shall be vested 100%. As at 31 December 2023, total number of 12,463,000 shares (2024: 21,428,000 shares) (2025: 27,558,000 shares) were subscribed by and transferred to the grantees.

For the year ended 31 December 2023, an expense of RMB10,283,000 was recognised in relation to the Shares Incentive Scheme (2024: RMB2,344,000) (2025: RMB3,433,000).

20 DIVIDENDS

The 2022 final dividend of HK\$96,435,000 (equivalent to approximately RMB87,924,000) and the 2023 interim dividend of HK\$96,435,000 (equivalent to approximately RMB88,910,000) were paid in 2023.

No final dividend for the year ended 31 December 2024 and no interim dividend for the six months ended 30 June 2024 were paid, declared or proposed, nor has any dividend been proposed since the end of the reporting period.

No dividend was paid or declared by the Target Company for the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period.

21 LEASES

(a) Amounts recognised in the consolidated statement of financial position

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Leased properties for sub-lease to tenants			
– Leased commercial properties (<i>Note 13</i>)	749,749	972,085	463,244
Lease liabilities			
– Current	64,550	82,909	81,671
– Non-current	931,103	1,187,789	524,152
	<u>995,653</u>	<u>1,270,698</u>	<u>605,823</u>

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income

	Year ended 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation charge			
Commercial properties (<i>Note 13</i>)	73,544	102,893	58,185
Interest expense (included in finance costs (<i>Note 9</i>))	43,677	70,673	33,711
Variable lease payments (included in cost of services (<i>Note 6</i>))	19,280	33,311	64,113
Short-term lease expenditure for car parks and common areas and advertising spaces (<i>Note 6</i>)	205,733	261,903	276,820
Gain on early termination of lease	–	–	86,185
Cash outflows for lease payments (including principal elements and relevant interest expense)	75,089	120,857	71,399

22 TRADE AND OTHER PAYABLES

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Trade payables			
– Related parties (<i>Note 23(d)</i>)	595	510	8
– Third parties	<u>173,923</u>	<u>153,773</u>	<u>174,135</u>
	<u>174,518</u>	<u>154,283</u>	<u>174,143</u>
Other payables			
– Related parties (<i>Note 23(d)</i>)	141,117	136,050	190,461
– Receipts on behalf of tenants or residents (<i>Note (a)</i>)	84,243	73,735	87,727
– Payables for promotion fees on behalf of owners of the commercial properties (<i>Note (b)</i>)	66,985	35,473	37,100
– Deposits received (<i>Note (c)</i>)	534,787	535,312	531,649
– Provision for claim	–	–	38,187
– Others	<u>11,404</u>	<u>8,350</u>	<u>3,640</u>
	<u>838,536</u>	<u>788,920</u>	<u>888,764</u>
Accrued payroll	71,389	68,508	74,730
Other tax payables	<u>12,923</u>	<u>17,202</u>	<u>30,564</u>
	<u>1,097,366</u>	<u>1,028,913</u>	<u>1,168,201</u>

- (a) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (b) The balance represented the receipts on behalf of owners of commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (c) Amounts mainly represented deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.
- (d) As at 31 December 2023, 2024 and 2025, the carrying amounts of trade and other payables approximated their fair values.

- (e) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Within 1 year	161,689	138,993	160,768
1 to 2 years	9,931	6,175	3,809
2 to 3 years	1,940	6,755	5,181
over 3 year	958	2,360	4,385
	<u>174,518</u>	<u>154,283</u>	<u>174,143</u>

Generally, no credit period is granted.

- (f) Trade and other payables (excluding accrued payroll and other tax payables) were denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
RMB	<u>1,013,054</u>	<u>943,203</u>	<u>1,062,907</u>

23 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue arising from provision of services (Note (ii))			
– Entities controlled by Mr. Hoi	368,313	230,611	222,895
– Entities jointly controlled by Mr. Hoi	24,705	26,182	11,975
	<u>393,018</u>	<u>256,793</u>	<u>234,870</u>
Office leasing expenditure			
– Entities controlled by Mr. Hoi	2,292	3,196	–
	<u>2,292</u>	<u>3,196</u>	<u>–</u>
Short-term lease expenditure for car parks, common areas and advertising spaces			
– Entities controlled by Mr. Hoi	198,001	243,883	249,945
– Entities jointly controlled by Mr. Hoi	485	3,811	4,693
	<u>198,486</u>	<u>247,694</u>	<u>254,638</u>
Purchase of low-value consuming goods and others			
– Entities controlled by the Mr. Hoi	1,251	852	1,193
	<u>1,251</u>	<u>852</u>	<u>1,193</u>
Purchase of information technology services			
– Entities jointly controlled by the Mr. Hoi	14,338	7,351	6,071
	<u>14,338</u>	<u>7,351</u>	<u>6,071</u>

(i) All of the transactions above were carried out in the normal course of the Target Group's business and on terms as agreed between the transacting parties.

(ii) The provision of services mainly comprised of revenue from commercial operational services and residential properties management services.

(b) Free trademark license agreement

On 8 August 2019, a trademark licencing agreement was entered into between the Target Group and Powerlong Group Development Co., Ltd. (寶龍集團發展有限公司, "Powerlong Group Development"), pursuant to which Powerlong Group Development agreed to irrevocably and unconditionally grant to the Target Group the right to (i) use; and/or (ii) sub-license to a third party due to operational needs arising from its usual and ordinary course of business and other activities, certain trademarks registered in the PRC for a perpetual term commencing from the date of the trademark licensing agreement on a royalty-free basis.

(c) **Key management compensation**

Compensations for key management is set out below.

	Year ended 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	3,431	2,828	5,765

(d) **Balances with related parties**

	As at 31 December		
	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Trade receivables			
– Entities controlled by Mr. Hoi (<i>Note (ii)</i>)	211,748	350,580	520,733
– Entities jointly controlled by Mr. Hoi	4,204	21,239	16,792
Less: loss allowance	–	(155,640)	(314,343)
	<u>215,952</u>	<u>216,179</u>	<u>223,182</u>
Prepayments (trade) (<i>Note(i)</i>)			
– Entities jointly controlled by Mr. Hoi	21,651	24,949	20,788
	<u>21,651</u>	<u>24,949</u>	<u>20,788</u>
Other receivables			
– Entities controlled by Mr. Hoi (<i>Note (ii)</i>)	204,974	207,074	208,578
– Entities jointly controlled by Mr. Hoi	757	2,630	2,289
Less: loss allowance	–	(87,780)	(123,315)
	<u>205,731</u>	<u>121,924</u>	<u>87,552</u>
Trade payables			
– Entities controlled by Mr. Hoi (<i>Note (ii)</i>)	595	510	8
	<u>595</u>	<u>510</u>	<u>8</u>
Other payables (trade)			
– Entities controlled by Mr. Hoi (<i>Note (ii)</i>)	129,490	129,632	183,574
– Entities jointly controlled by Mr. Hoi	11,627	6,418	6,887
	<u>141,117</u>	<u>136,050</u>	<u>190,461</u>
Contract liabilities			
– Entities controlled by Mr. Hoi (<i>Note (ii)</i>)	39,524	6,546	9,105
– Entities jointly controlled by Mr. Hoi	3,373	4,665	2,122
	<u>42,897</u>	<u>11,211</u>	<u>11,227</u>

(i) The prepayments were in relation to a cooperation in information technology development with a joint venture of the Target Group.

(ii) Those balances belonged to the Remaining Powerlong Group.

Trade receivables, other receivables, trade payables, other payables and contract liabilities due from/to related parties were unsecured, interest-free and repayable on demand.

24 CONTINGENCIES

As at 31 December 2023, 2024 and 2025, the Target Group did not have any significant contingent liabilities.

25 COMMITMENTS

As at 31 December 2023, 2024 and 2025, the Target Group's future aggregate minimum lease payments under non-cancellable short-term leases arrangements were RMB nil.

The following is the text of a report received in relation to the Unaudited Pro Forma Financial Information of the Remaining Group received from KTC Partners CPA Limited, for the purpose of inclusion in this circular.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Board of Directors of Powerlong Real Estate Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Powerlong Real Estate Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") excluding Powerlong Commercial Management Holdings Limited (the "**Target Company**") prepared by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of balance sheet as at 31 December 2025, the unaudited pro forma consolidated statement of comprehensive income for the year ended 31 December 2025, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages III-5 to III-18 of the circular issued by the Company dated 28 May 2026 in connection with the disposal of 25% of issued shares of the Target Company (the "**Disposal**") and the proposed transfer of the Exchange Shares by the Company to the Scheme Creditors (the "**Transfer**", together with the Disposal, the "**Disposal and Transfer**") and the issue of Mandatory Convertible Bonds to the Scheme Creditors (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-5 to III-18 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal and Transfer and the issue of Mandatory Convertible Bonds on the Group's financial position as at 31 December 2025 and the Group's financial performance and cash flows for the year ended 31 December 2025 as if the Disposal and Transfer and the issue of Mandatory Convertible Bonds had taken place at 31 December 2025 and 1 January 2025, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows have been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2025, on which an independent auditor's report with an unqualified opinion was issued with inclusion of a paragraph for material uncertainty related to going concern.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management ("HKSQM") 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 31 December 2025 or/and 1 January 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Chow Yiu Wah, Joseph

Audit Engagement Director

Practising Certificate Number: P04686

Hong Kong, 28 May 2026

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**1. Introduction**

The following is an illustrative unaudited pro forma consolidated balance sheet as at 31 December 2025, unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2025 of the Group (as defined in this circular) excluding the Target Company (as defined in this circular) (hereinafter referred as the “**Remaining Group**”) (the “**Unaudited Pro Forma Financial Information**”) which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal and Transfer (as defined in this circular) and the issue of Mandatory Convertible Bonds to the Scheme Creditors as if the Disposal and Transfer and the issue of Mandatory Convertible Bonds had been completed on 31 December 2025 for the unaudited pro forma consolidated balance sheet, and on 1 January 2025 for the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the Directors in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to AG 7 issued by the HKICPA for illustrative purposes only, based on their judgments and a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, it may not give a true picture of the financial results and cash flows for the year ended 31 December 2025 as if the Disposal and Transfer and the issue of Mandatory Convertible Bonds had taken place at 31 December 2025 and 1 January 2025, and financial position as at 31 December 2025 of the Remaining Group had the Disposal and Transfer and the issue of Mandatory Convertible Bonds been completed as at the specified dates or any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this Circular, the published annual report of the Group for the year ended 31 December 2025, the financial information of the Target Company and its subsidiaries (the “**Target Group**”) as set out in Appendix II to this Circular, the Company’s announcement dated 14 May 2026 and other financial information included elsewhere in this Circular.

2. Unaudited Pro forma Consolidated Statement of Balance Sheet of the Remaining Group at 31 December 2025

	Audited consolidated balance sheet of the Group as at 31 December 2025						Unaudited pro forma consolidated balance sheet of the Remaining Group as at 31 December 2025
	RMB'000	RMB'000	Pro forma adjustments		RMB'000	RMB'000	
	Note 1(a)	Note 2	Note 6	Note 7(a)	Note 5	Note 8	
Assets							
Non-current assets							
Property and equipment	5,162,387	(30,768)	-	-	-	-	5,131,619
Investment properties	74,527,594	(463,244)	-	-	-	-	74,064,350
Intangible assets	3,059	(3,058)	-	-	-	-	1
Goodwill	20,640	(20,640)	-	-	-	-	-
Investments accounted for using the equity method	6,502,082	(42,598)	-	286,913	-	-	6,746,397
Deferred income tax assets	2,290,353	(187,903)	106,625	-	-	-	2,209,075
Financial assets at fair value through other comprehensive income	46,462	-	-	-	-	-	46,462
	<u>88,552,577</u>	<u>(748,211)</u>	<u>106,625</u>	<u>286,913</u>	<u>-</u>	<u>-</u>	<u>88,197,904</u>
Current assets							
Properties under development	23,800,969	-	-	-	-	-	23,800,969
Completed properties held for sale	19,058,916	(9,001)	-	-	-	-	19,049,915
Contract assets	192,883	-	-	-	-	-	192,883
Trade receivables	1,374,947	(421,132)	216,218	-	-	-	1,170,033
Other receivables	23,430,217	(109,106)	270,176	-	-	-	23,591,287
Prepayments	3,424,675	(39,779)	9,105	-	-	-	3,394,001
Prepaid taxes	1,449,149	(134)	-	-	-	-	1,449,015
Financial assets at fair value through profit or loss	10,110	(9,999)	-	-	-	-	111
Restricted cash	1,872,738	(40,692)	-	-	-	-	1,832,046
Cash and cash equivalents	5,368,987	(4,437,354)	-	-	325,907	-	1,257,540
	<u>79,983,591</u>	<u>(5,067,197)</u>	<u>495,499</u>	<u>-</u>	<u>325,907</u>	<u>-</u>	<u>75,737,800</u>
Total assets	<u>168,536,168</u>	<u>(5,815,408)</u>	<u>602,124</u>	<u>286,913</u>	<u>325,907</u>	<u>-</u>	<u>163,935,704</u>

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP

	Audited consolidated balance sheet of the Group as at 31 December 2025					Unaudited pro forma consolidated balance sheet of the Remaining Group as at 31 December 2025	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 1(a)	Note 2	Note 6	Note 7(a)	Note 5	Note 8	
			Pro forma adjustments				
Equity							
Equity attributable to owners of the Company							
Share capital	36,779	-	-	-	-	-	36,779
Other reserves	1,759,271	-	-	-	(537,372)	-	1,221,899
Retained earnings	24,930,156	-	(319,874)	1,703,295	-	7,440,555	33,754,132
	<u>26,726,206</u>	<u>-</u>	<u>(319,874)</u>	<u>1,703,295</u>	<u>(537,372)</u>	<u>7,440,555</u>	<u>35,012,810</u>
Non-controlling interests	13,428,491	-	-	(2,054,293)	863,279	-	12,237,477
Total equity	<u>40,154,697</u>	<u>-</u>	<u>(319,874)</u>	<u>(350,998)</u>	<u>325,907</u>	<u>7,440,555</u>	<u>47,250,287</u>
Liabilities							
Non-current liabilities							
Borrowings	20,832,253	-	-	-	-	-	20,832,253
Lease liabilities	515,898	(524,152)	8,254	-	-	-	-
Deferred income tax liabilities	6,030,331	(1,281)	-	-	-	-	6,029,050
	<u>27,378,482</u>	<u>(525,433)</u>	<u>8,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,861,303</u>
Current liabilities							
Borrowings	34,222,683	-	-	(2,822,105)	-	(8,434,560)	22,966,018
Trade and other payables	39,497,965	(1,202,169)	904,639	-	-	-	39,200,435
Contract liabilities	9,466,485	(283,520)	9,105	-	-	-	9,192,070
Current income tax liabilities	17,731,624	(262,599)	-	-	-	-	17,469,025
Lease liabilities	84,232	(81,671)	-	-	-	-	2,561
Derivative financial instruments	-	-	-	-	-	994,005	994,005
	<u>101,002,989</u>	<u>(1,829,959)</u>	<u>913,744</u>	<u>(2,822,105)</u>	<u>-</u>	<u>(7,440,555)</u>	<u>89,824,114</u>
Total liabilities	<u>128,381,471</u>	<u>(2,355,392)</u>	<u>921,998</u>	<u>(2,822,105)</u>	<u>-</u>	<u>(7,440,555)</u>	<u>116,685,417</u>
Total equity and liabilities	<u>168,536,168</u>	<u>(2,355,392)</u>	<u>602,124</u>	<u>(3,173,103)</u>	<u>325,907</u>	<u>-</u>	<u>163,935,704</u>

3. Unaudited Pro forma Consolidated Statement of Profit or Loss and other Comprehensive Income of the Remaining Group for the Year Ended 31 December 2025

	Audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2025					Unaudited pro forma consolidated statement of comprehensive income of the Remaining Group for the year ended 31 December 2025
	RMB'000	RMB'000	Pro forma adjustments		RMB'000	RMB'000
	Note 1(b)	Note 3	RMB'000 Note 4	RMB'000 Note 7(b)	Note 8	
Revenue	22,637,190	(2,607,608)	472,840	-	-	20,502,422
Cost of sales	(21,333,392)	1,793,912	(249,945)	-	-	(19,789,425)
Gross profit	1,303,798	(813,696)	222,895	-	-	712,997
Fair value losses on investment properties – net	(4,193,334)	2,210	-	-	-	(4,191,124)
Selling and marketing costs	(418,428)	110,212	(92,549)	-	-	(400,765)
Administrative expenses	(1,112,647)	281,154	(130,346)	-	-	(961,839)
Net impairment losses on financial assets	(226,177)	232,429	(285,600)	-	-	(279,348)
Other income and gains/(losses) – net	64,204	(141,882)	-	1,851,368	7,632,075	9,405,765
Operating loss	(4,582,584)	(329,573)	(285,600)	1,851,368	7,632,075	4,285,686
Finance costs – net	(1,038,036)	(4,922)	-	-	-	(1,042,958)
Share of losses of investments accounted for using the equity method	(663,469)	9,268	(19,402)	-	-	(673,603)
Loss before income tax	(6,284,089)	(325,227)	(305,002)	1,851,368	7,632,075	2,569,125
Income tax expenses	(560,777)	93,252	71,400	-	-	(396,125)
Loss for the year	(6,844,866)	(231,975)	(233,602)	1,851,368	7,632,075	2,173,000

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2025					Unaudited pro forma consolidated statement of comprehensive income of the Remaining Group for the year ended 31 December 2025
	RMB'000	RMB'000	Pro forma adjustments		RMB'000	RMB'000
	Note 1(b)	Note 3	Note 4	Note 7(b)	Note 8	
Other comprehensive income/(loss)						
Items that may be reclassified to profit or loss						
Currency translation differences	17	-	-	-	-	17
<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	(1,126)	-	-	-	-	(1,126)
Total other comprehensive income for the year, net of tax	<u>(1,109)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,109)</u>
Total comprehensive loss for the year	<u>(6,845,975)</u>	<u>(231,975)</u>	<u>(233,602)</u>	<u>1,851,368</u>	<u>7,632,075</u>	<u>2,171,891</u>
(Loss)/profit attributable to:						
Owners of the Company	(5,886,744)	(226,892)	(233,602)	1,851,368	7,632,075	3,136,205
Non-controlling interests	(958,122)	(5,083)	-	-	-	(963,205)
	<u>(6,844,866)</u>	<u>(231,975)</u>	<u>(233,602)</u>	<u>1,851,368</u>	<u>7,632,075</u>	<u>2,173,000</u>
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(5,887,853)	(226,892)	(233,602)	1,851,368	7,632,075	3,135,096
Non-controlling interests	(958,122)	(5,083)	-	-	-	(963,205)
	<u>(6,845,975)</u>	<u>(231,975)</u>	<u>(233,602)</u>	<u>1,851,368</u>	<u>7,632,075</u>	<u>2,171,891</u>

4. The Unaudited Pro forma Consolidated Statement of Cash Flows of the Remaining Group for the Year Ended 31 December 2025

	Audited consolidated statement of cash flows for the year ended 31 December 2025				Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2025
	RMB'000 Note 1(b)	RMB'000 Note 3	Pro forma adjustments RMB'000 Note 5		RMB'000 Note 9
Cash flows of operating activities					
Cash generated from operations	4,566,705	(487,900)	-	-	4,078,805
PRC corporate income tax paid	(291,625)	63,058	-	-	(228,567)
PRC land appreciation tax paid	(235,893)	-	-	-	(235,893)
Interest paid	(1,030,055)	-	-	-	(1,030,055)
Cash generated from operating activities	3,009,132	(424,842)	-	-	2,584,290
Cash flows of investing activities					
Net cash inflow in disposal of subsidiaries	153,897	-	-	(4,108,793)	(3,954,896)
Purchases of property and equipment	(129,397)	3,850	-	-	(125,547)
Purchases of intangible assets	(1,213)	1,213	-	-	-
Payments of construction fee and land use right of investment properties	(1,317,233)	-	-	-	(1,317,233)
Proceeds from disposal of property and equipment	541,600	(1,724)	-	-	539,876
Proceeds from disposal of investment properties	153,953	-	-	-	153,953
Proceeds from disposal of financial assets at fair value through profit or loss	2,300	(2,300)	-	-	-
Proceeds from disposal of joint ventures and associates	40,000	-	-	-	40,000
Dividend received from joint ventures and associates	674,035	-	-	-	674,035

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of cash flows for the year ended 31 December 2025				Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2025
	RMB'000	Pro forma adjustments			RMB'000
	Note 1(b)	Note 3	Note 5	Note 9	
Investments in joint ventures and associates	(26,324)	200	-	-	(26,124)
Cash advances made to joint ventures, associates and non-controlling interests	(3,395,360)	14,700	-	-	(3,380,660)
Collection of cash advances from joint ventures, associates and non-controlling interests	3,931,728	-	-	-	3,931,728
Interest received	49,648	-	-	-	49,648
Increased in bank deposit	(5,195)	-	-	-	(5,195)
Cash generated from/(used in) investing activities	672,439	15,939	-	(4,108,793)	(3,420,415)
Cash flows of financing activities					
Repayments of borrowings	(2,187,795)	-	-	-	(2,187,795)
Restricted cash released from borrowings	13,915	-	-	-	13,915
Cash advances from parties controlled by ultimate controlling shareholders	318,368	-	-	-	318,368
Cash advances from joint ventures, associates and non-controlling interests	1,012,202	-	-	-	1,012,202
Repayment of cash advances to parties controlled by ultimate controlling interests	(324,839)	-	-	-	(324,839)
Repayments of cash advances to joint ventures, associates and non-controlling interests	(3,136,098)	-	-	-	(3,136,098)

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP

	Audited consolidated statement of cash flows for the year ended 31 December 2025				Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2025
	RMB'000	Pro forma adjustments			RMB'000
	Note 1(b)	RMB'000 Note 3	RMB'000 Note 5	RMB'000 Note 9	
Changes in ownership interests in subsidiaries without change of control	183,810	-	334,141	-	517,951
Dividends paid	(217,226)	8,620	-	-	(208,606)
Principal elements and interest expenses of lease payments	(76,680)	71,399	-	-	(5,281)
Cash used in financing activities	(4,414,343)	80,019	334,141	-	(4,000,183)
Decrease in cash and cash equivalents	(732,772)	(328,884)	334,141	(4,108,793)	(4,836,308)
Cash and cash equivalents at beginning of year	6,103,770	(4,108,793)	-	4,108,793	6,103,770
Exchange losses on cash and cash equivalents	(2,011)	323	-	-	(1,688)
Cash and cash equivalents at end of the year	5,368,987	(4,437,354)	334,141	-	1,265,774

5. Notes to the Unaudited Pro Forma Financial Information of the Remaining Group

1. (a) The amounts are extracted from the audited consolidated balance sheet of the Group as at 31 December 2025 as set out in the published annual report of the Group for the year ended 31 December 2025.
- (b) The amounts are extracted from the audited consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2025 as set out in the published annual report of the Group for the year ended 31 December 2025.
2. The adjustment represents the exclusion of assets and liabilities attributable to the Target Group as at 31 December 2025 as set out in Appendix II to this circular as if the Disposal and Transfer had been completed on 31 December 2025 for the consolidated balance sheet of the Remaining Group. The amounts are extracted from the audited consolidated statement of financial position of the Target Group as at 31 December 2025 as set out in the published annual report of the Target Group.
3. The adjustment represents the exclusion of financial performance and cash flows of the Target Group for the year ended 31 December 2025 as set out in Appendix II to this circular as if the Disposal and Transfer had been completed on 1 January 2025 for the financial performance and cash flows of the Remaining Group. The amounts are extracted from the audited statement of profit or loss and other comprehensive income and audited statement of cash flows of the Target Group for the year ended 31 December 2025 set out in the published annual report of the Target Group and in Appendix II to this circular.
4. The adjustment represents related party transactions between the Target Group and the Remaining Group, which have been eliminated in the consolidated financial statements of the Group for the year ended 31 December 2025, and would not have been eliminated if the Disposal and Transfer had been completed on 1 January 2025.

5. Pro-forma impact on Other Reserves arising from the Disposal:

(a) As if the Disposal was completed on 31 December 2025:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	<i>(i)</i>	325,907
Less: Share of net assets of the Target Group as at 31 December 2025	<i>(ii)</i>	<u>(863,279)</u>
Net effect on Other Reserves arising from the Disposal		<u>(537,372)</u>

(b) As if the Disposal was completed on 1 January 2025:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	<i>(i)</i>	334,141
Less: Share of net assets of the Target Group as at 1 January 2025	<i>(iii)</i>	<u>(804,042)</u>
Net effect on Other Reserves arising from the Disposal		<u>(469,901)</u>

Notes:

- (i) The Share Purchase Agreement dated 27 January 2026 was entered into between Powerlong Real Estate (BVI) Holdings Limited (a wholly-owned subsidiary of the Company) as seller, and Prime Capital Investment Limited (a company incorporated in the British Virgin Islands with limited liability and connect person of the Company) as purchaser, for the disposal of the Disposal Shares by Powerlong Real Estate (BVI) Holdings Limited, on and subject to the terms and conditions set out in the Share Purchase Agreement, at an aggregate consideration of HK\$360,827,625. As at 1 January 2025 and 31 December 2025, the corresponding cash consideration amounted to RMB334,141,000 and RMB325,907,000 respectively. 20% of the consideration shall be payable by the purchaser in cash on the Upfront Payment Date and the remaining amount shall be payable in cash to the Company on the date of completion of the Disposal. Upon completion of the Disposal, the Company's holding of the Target Company (Powerlong CM) will decrease from approximately 63.0% to approximately 38.0%. The Target Company will remain a non-wholly owned subsidiary of the Company as the Company will remain the largest shareholder of the Target Company and retain the control of the board of the Target Company. As such, the Target Group's financial results, assets and liabilities will continue to be consolidated with the results of the Company.
- (ii) The amount represents the share of net assets of the Target Group calculated with reference to the net asset value of the Target Group as at 31 December 2025.
- (iii) The amount represents the share of net assets of the Target Group with reference to the net asset value of the Target Group as at 31 December 2024/1 January 2025 as set out in Appendix II to this circular.

6. The adjustment represents the reinstatement of intragroup balance between the Target Group and the Remaining Group, which have been eliminated in the consolidated financial statements of the Group for the year ended 31 December 2025.
7. Pro-forma gain on the Transfer:
- (a) As if the Transfer were completed on 31 December 2025:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	<i>(i)</i>	2,822,105
Less: Share of net assets of the Target Group as at 31 December 2025	<i>(ii)</i>	<u>(1,118,810)</u>
Net effect on the gain for the year and gain attributable to owners of the Company		<u>1,703,295</u>

- (b) As if the Transfer was completed on 1 January 2025:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	<i>(i)</i>	2,893,406
Less: Share of net assets of the Target Group as at 1 January 2025	<i>(iii)</i>	<u>(1,042,038)</u>
Net effect on the gain for the year and gain attributable to owners of the Company		<u>1,851,368</u>

Notes:

- (i) On 10 October 2025, the Company entered into the Restructuring Support Agreement (RSA) with members of the Ad Hoc Group (AHG). The RSA encompasses the disposal of 25% of issued shares of the Target Company and the transfer of the Exchange Shares (representing 32.4% of issued shares of the Target Company) from the Company to the Scheme Creditors. Pursuant to the RSA, Exchange Shares, which represent 208,299,600 Powerlong CM Shares, will be transferred by the Company to the Scheme Creditors at an Exchange Price of HK\$15 per Powerlong CM Share, the total Consideration will amount to approximately HK\$3,124,494,000. As at 1 January 2025 and 31 December 2025, the corresponding amounts equated to RMB2,822,105,000 and RMB2,893,406,000 respectively. The transfer of the Exchange Shares is the Option 2 of the scheme consideration to be distributed to the Scheme Creditors on the Restructuring Effective Date, which will be exchanged for any portion or all of such Scheme Creditor's claims at such Scheme Creditor's election. Upon completion of the Disposal and the Transfer, the Company's holding of the Target Company

(Powerlong CM) will decrease from approximately 38.0% to approximately 5.6%. The Target Company will cease to be a subsidiary of the Group, and cease to be consolidated into the Group's financial statements. The retained interest in the Target Company will be accounted for as an associate of the Company as the Company will cease to have control but still have significant influence over the board of the Target Company. Investment in this associate will be accounted for using the equity method of accounting.

- (ii) The amount represents the share of net assets of the Target Group calculated with reference to the net asset value of the Target Group as at 31 December 2025.
- (iii) The amount represents the share of net assets of the Target Group with reference to the net asset value of the Target Group as at 31 December 2024/1 January 2025 as set out in Appendix II to this circular.

8. Pro-forma gain on the Issue of Mandatory Convertible Bonds:

- (a) As if the Issue of Mandatory Convertible Bonds was completed on 31 December 2025:

	<i>Notes</i>	<i>RMB'000</i>
Fair value of Mandatory Convertible Bonds	<i>(i)</i>	994,005
Less: Debt offset amount as at 31 December 2025		<u>(8,434,560)</u>
Net effect on annual gains from issuance of Mandatory Convertible Bonds in satisfaction and discharge of relevant in-scope debts, and gains attributable to the Company's owners		<u><u>7,440,555</u></u>

- (b) As if the Issue of Mandatory Convertible Bonds was completed on 1 January 2025:

	<i>Notes</i>	<i>RMB'000</i>
Fair value of Mandatory Convertible Bonds	<i>(i)</i>	994,005
Less: Debt offset amount as at 1 January 2025		<u>(8,626,080)</u>
Net effect on annual gains from issuance of Mandatory Convertible Bonds in satisfaction and discharge of relevant in-scope debts, and gains attributable to the Company's owners		<u><u>7,632,075</u></u>

Note:

- (i) Pursuant to the RSA and subject to the occurrence of and on the Restructuring Effective Date, the Company will issue the Mandatory Convertible Bonds in the aggregate principal amount of up to US\$1,200,000,000, which are convertible into an aggregate of up to 4,074,782,608 Conversion Shares based on the Conversion Price at HK\$2.3 per Share and the fixed exchange rate of US\$1 = HK\$7.81. The equivalent offset debt amounts in relation to the outstanding principal amount of the relevant In-Scope Debt claims of the Scheme Creditors against the Company as at 1 January 2025 and 31 December 2025 shall be RMB8,626,080,000 and RMB8,434,560,000 respectively. The Mandatory Convertible Bonds have a conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own ordinary shares, which is treated as a conversion option derivative. Hence, the Mandatory Convertible Bonds contain both debt and derivative components.

At initial recognition, the derivative component is measured at fair value of RMB994,005,000 and presented as "derivative financial instruments" in the unaudited pro forma consolidated statement of balance sheet of the Remaining Group. For the Mandatory Convertible Bonds, as there is no excess of fair value of the convertible bonds over the amount initially recognised as the derivative component, the carrying amount of the host liability component at the bond issue date shall be nil. Consequently, this results in a net gain on issue of Mandatory Convertible Bonds for the debt offsetting which shall be recognised in profit or loss.

The fair value of the derivative component is determined by an independent qualified valuer, Guangzhou Zhongrui Asset Appraisal Co., Ltd., using the Monte-Carlo Simulation method. The derivative component is subsequently remeasured to fair value at the end of each reporting period.

9. Pro-forma net cash inflows:

As if the Issue of Mandatory Convertible Bonds, Disposal and Transfer was completed on 1 January 2025:

	<i>Notes</i>	<i>RMB'000</i>
Cash consideration for the Disposal	5(i)	334,141
Cash consideration for the Transfer	7(i)	–
Proceeds received from the Issue of Mandatory Convertible Bonds	8(i)	–
Less: Cash and cash equivalents held by the Target Group as at 1 January 2025		<u>(4,108,793)</u>
Net cash outflows for the Issue of Mandatory Convertible Bonds, Disposal and Transfer		<u>(3,774,652)</u>

10. The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group and the unaudited pro forma consolidated statement of cash flow of the Remaining Group.

11. No adjustment has been made to reflect any trading or other transactions of the Group entered into subsequent to 1 January 2025 for the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows and those entered into subsequent to 31 December 2025 for the unaudited pro forma consolidated balance sheet.

Upon completion of the Disposal and the Transfer, the Remaining Group will continue to carry on its existing businesses. Set out below is the management discussion and analysis of the Remaining Group for the years ended 31 December 2023, 2024 and 2025 prepared on the basis that Powerlong CM is not consolidated, and the Company has no ownership in Powerlong CM. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the years ended 31 December 2023, 2024 and 2025, respectively.

BUSINESS REVIEW

For the years ended 31 December 2023, 2024 and 2025, the Remaining Group conducted its business activities in the following major business segments, namely (i) property development; (ii) property investment; and (iii) other property development related businesses. During these periods, property development remained as the main revenue stream of the Remaining Group.

Property Development

For the years ended 31 December 2023, 2024 and 2025, (i) the contracted sales of the Remaining Group together with its associates and joint ventures amounted to approximately RMB27,524 million, RMB12,787 million and RMB7,272 million, respectively; and (ii) the contracted sales area of the Remaining Group together with its associates and joint ventures amounted to 1,979,982 square meters, 1,152,192 square meters and 667,082 square meters, respectively.

Set forth below is the distribution of the Remaining Group's contracted sales during the years ended 31 December 2023, 2024 and 2025:

	Commercial	Residential	Total
For the year ended			
31 December 2023			
Sales area (<i>sqm</i>)	728,176	1,251,806	1,979,982
Sales amount (<i>RMB'000</i>)	7,566,296	19,957,433	27,523,729
Average selling price (<i>RMB/sqm</i>)	10,391	15,943	13,901
For the year ended			
31 December 2024			
Sales area (<i>sqm</i>)	401,184	751,008	1,152,192
Sales amount (<i>RMB'000</i>)	3,147,349	9,639,675	12,787,024
Average selling price (<i>RMB/sqm</i>)	7,845	12,836	11,098
For the year ended			
31 December 2025			
Sales area (<i>sqm</i>)	169,138	497,944	667,082
Sales amount (<i>RMB'000</i>)	1,401,994	5,870,255	7,272,249
Average selling price (<i>RMB/sqm</i>)	8,289	11,789	10,902

Property Investment

To generate a stable and recurring income, the Remaining Group retained and operated certain commercial properties for leasing. As at 31 December 2023, 2024 and 2025, the Remaining Group had an aggregate GFA of approximately 8,215,509 square meters, 8,312,181 square meters and 8,322,130 square meters, respectively, held as investment properties (including properties completed and under construction).

The number of shopping malls held and managed by the Remaining Group as at 31 December 2023, 2024 and 2025 is set forth below:

	Shopping malls	Asset-light shopping malls	Total
As at 31 December 2023	62	8	70
As at 31 December 2024	62	9	71
As at 31 December 2025	65	7	72

Hotel Business

The Remaining Group developed 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.

The number of hotels owned and operated by the Remaining Group as at 31 December 2023, 2024 and 2025 is set forth below:

	International brand hotels	Self-owned brand chain hotels	Total
As at 31 December 2023	8	11	19
As at 31 December 2024	7	11	18
As at 31 December 2025	7	10	17

Land Bank

The Remaining Group adhered 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 Remaining Group strengthened market tracking and research, adhered to more precise and fine-tuned product positioning, and strictly complied with the principle of value investment in acquiring land bank.

The land bank of the Remaining Group as at 31 December 2023, 2024 and 2025 is set forth below:

	Properties under development <i>million sqm</i>	Properties held for future development <i>million sqm</i>	Total GFA of land bank <i>million sqm</i>
As at 31 December 2023	18.85	3.09	21.94
As at 31 December 2024	11.06	3.65	14.71
As at 31 December 2025	10.34	3.23	13.57

The land bank under development would 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 2023, 2024 and 2025, approximately 67.4%, 56.0% and 56.9%, respectively, of the land bank of the Remaining Group was located in the Yangtze River Delta region.

FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2023

	Property development RMB'000	Property investment RMB'000	Other property development related businesses RMB'000	The Remaining Group RMB'000
Gross segment revenue	17,737,075	2,014,263	1,090,987	20,842,325
Inter-segment revenue	–	–	(5,618)	(5,618)
Revenue from external customers	17,737,075	2,014,263	1,085,369	20,836,707
Segment (loss)/gain	524,037	(401,614)	(326,305)	(203,882)
Fair value losses on financial assets at fair value through profit or loss	–	–	–	(14,902)
Unallocated operating costs	–	–	–	(983,076)
Finance cost net	–	–	–	(1,370,188)
Loss before income tax	–	–	–	(2,572,048)
Income tax expense	–	–	–	(457,623)
Loss for the year	–	–	–	(3,029,671)
Amounts included in the measure of segments results:				
Depreciation and amortisation recognised as expenses	107,381	–	228,132	335,513
Fair value losses on investment properties net	–	1,709,427	–	1,709,427
Impairment losses on properties under development and completed properties held for sale net	4,007,038	–	–	4,007,038
Share of post-tax profits/(losses) of joint ventures	50,509	–	–	50,509
Share of post-tax profits/(losses) of associates	1,184,784	–	300	1,185,084

Revenue

Revenue of the Remaining Group mainly comprised income of property sales, rental income from investment properties and income from other property development related businesses. For the year ended 31 December 2023, the Remaining Group recorded a total revenue of approximately RMB20,837 million (2022: approximately RMB29,436 million), representing a decrease of approximately 29.2% as compared with the corresponding period in 2022. This was attributable to the decrease in revenue from property sales.

Cost of Sales

Cost of sales mainly represented the direct cost related to the property development of the Remaining Group. It comprised cost of land use rights, construction costs, decoration costs and other costs. Cost of sales for the year ended 31 December 2023 amounted to approximately RMB18,902 million (2022: approximately RMB19,953 million), representing a decrease of approximately 5.3% as compared with the corresponding period in 2022, 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 2023, gross profit amounted to approximately RMB1,935 million (2022: approximately RMB9,483 million), representing a decrease of approximately 79.6% as compared with the corresponding period in 2022, 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 amounted to 9.3%, representing a decrease of approximately 22.9 percentage points from 32.2% for the corresponding period in 2022, which was mainly attributable to the provision of 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 2023, the Remaining Group recorded revaluation losses on investment properties of approximately RMB1,709 million as compared with revaluation losses of approximately RMB88 million for the corresponding period in 2022. The fair value losses increased by approximately RMB1,621 million as compared with the corresponding period in 2022, mainly due to the continued downward trend of the real estate industry after the end of the COVID-19 pandemic and insufficient socio-economic domestic demand, leading to the decrease in demand for shopping malls leasing.

Selling and Marketing Costs and Administrative Expenses

The Remaining Group's selling and marketing costs and administrative expenses for the year ended 31 December 2023 amounted to approximately RMB2,179 million (2022: approximately RMB2,854 million), representing a decrease of approximately 23.7% as compared with the corresponding period in 2022, which was mainly attributable to the decrease in the scale of property sales.

Share of Profit of Investments Accounted for Using the Equity Method

For the year ended 31 December 2023, share of post-tax profit of investments accounted for using the equity method amounted to approximately RMB1,236 million (2022: approximately RMB616 million), representing an increase of approximately 100.6% as compared with the corresponding period in 2022, which was mainly due to the increase in net profit from joint ventures and associates.

Income Tax Expenses

The Remaining Group's income tax expenses for the year ended 31 December 2023 amounted to approximately RMB458 million (2022: approximately RMB2,383 million), representing a decrease of approximately 80.8% as compared with the corresponding period in 2022, primarily due to the decrease in PRC corporate income tax and PRC land appreciation tax expenses.

Profit/(Losses) Attributable to Owners of the Company

For the year ended 31 December 2023, the Remaining Group recorded loss attributable to owners of the Company of approximately RMB2,951 million (2022: profit attributable to owners of the Company of approximately RMB117 million), representing a turnaround as compared with the corresponding period in 2022.

FOR THE YEAR ENDED 31 DECEMBER 2024

	Property development RMB'000	Property investment RMB'000	Other property development related businesses RMB'000	The Remaining Group RMB'000
Gross segment revenue	20,543,711	2,154,823	922,638	23,621,172
Inter-segment revenue	–	–	(3,436)	(3,436)
Revenue from external customers	20,543,711	2,154,823	919,202	23,617,736
Segment (loss)/gain	(455,466)	(2,007,581)	(295,417)	(2,758,464)
Fair value losses on financial assets at fair value through profit or loss	–	–	–	8
Unallocated operating costs	–	–	–	(397,906)
Finance cost net	–	–	–	(1,975,405)
Loss before income tax	–	–	–	(5,131,767)
Income tax expense	–	–	–	(696,744)
Loss for the year	–	–	–	(5,828,511)
Amounts included in the measure of segments results:				
Depreciation and amortisation recognised as expenses	107,836	–	242,803	350,639
Fair value losses on investment properties net	–	3,326,616	–	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 profits/(losses) of joint ventures	(65,232)	–	–	(65,232)
Share of post-tax profits/(losses) of associates	48,127	–	494	48,621

Revenue

Revenue of the Remaining Group mainly comprised income of property sales, rental income from investment properties and income from other property development related businesses. For the year ended 31 December 2024, the Remaining Group recorded a total revenue of approximately RMB23,618 million (2023: approximately RMB20,837 million), representing an increase of approximately 13.3% as compared with the corresponding period in 2023. This was attributable to the increase in revenue from property sales.

Cost of Sales

Cost of sales mainly represented the direct cost related to the property development of the Remaining Group. It comprised cost of land use rights, construction costs, decoration costs and other costs. Cost of sales for the year ended 31 December 2024 amounted to approximately RMB21,874 million (2023: approximately RMB18,902 million), representing an increase of approximately 15.7% as compared with the corresponding period in 2023, which was mainly due to the increase in the total properties sold and delivered, leading to an increase in the total costs.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2024, gross profit amounted to approximately RMB1,744 million (2023: approximately RMB1,935 million), representing a decrease of approximately 9.9% as compared with the corresponding period in 2023. Gross profit margin decreased by 1.9 percentage points from 9.3% for the year ended 31 December 2023 to 7.4% for the year ended 31 December 2024. These changes were mainly attributable to the increase in the impairment provisions 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 2024, the Remaining Group recorded revaluation losses on investment properties of approximately RMB3,327 million as compared with revaluation losses of approximately RMB1,709 million for the corresponding period in 2023. The fair value losses increased by approximately RMB1,618 million as compared with the corresponding period in 2023, 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 Remaining Group's selling and marketing costs and administrative expenses for the year ended 31 December 2024 amounted to approximately RMB1,766 million (2023: approximately RMB2,179 million), representing a decrease of approximately 19.0% as compared with the corresponding period in 2023, which was mainly attributable to the decrease in the scale of projects sales.

Share of (Losses)/Profit of Investments Accounted for Using the Equity Method

For the year ended 31 December 2024, share of post-tax loss of investments accounted for using the equity method amounted to approximately RMB17 million, representing a turnaround as compared with the share of profit of investments accounted for using the equity method of approximately RMB1,236 million for the corresponding period in 2023, which was mainly due to the decrease in net profit from joint ventures and associates.

Income Tax Expenses

The Remaining Group's income tax expenses for the year ended 31 December 2024 amounted to approximately RMB697 million (2023: approximately RMB458 million), representing an increase of approximately 52.2% as compared with the corresponding period in 2023, primarily due to the impact of decrease in corporate income tax was outweighed by the effect of the decrease in deferred income tax.

Losses Attributable to Owners of the Company

For the year ended 31 December 2024, the Remaining Group recorded loss attributable to owners of the Company of approximately RMB6,013 million (2023: loss attributable to owners of the Company of approximately RMB2,951 million).

FOR THE YEAR ENDED 31 DECEMBER 2025

	Property development RMB'000	Property investment RMB'000	Other property development related businesses RMB'000	The Remaining Group RMB'000
Gross segment revenue	17,532,604	2,078,167	897,901	20,508,672
Inter-segment revenue	–	–	(6,250)	(6,250)
Revenue from external customers	17,532,604	2,078,167	891,651	20,502,422
Segment (loss)/gain	(2,623,759)	(2,697,170)	(102,565)	(5,423,494)
Fair value losses on financial assets at fair value through profit or loss	–	–	–	(1)
Unallocated operating costs	–	–	–	(428,463)
Finance cost net	–	–	–	(1,042,958)
Loss before income tax	–	–	–	(6,894,916)
Income tax expense	–	–	–	(396,125)
Loss for the year	–	–	–	(7,291,041)
Amounts included in the measure of segments results:				
Depreciation and amortisation recognised as expenses	47,429	–	213,087	260,516
Fair value losses on investment properties net	–	4,191,124	–	4,191,124
Impairment losses on properties under development and completed properties held for sale net	5,937,983	–	–	5,937,983
Share of post-tax profits/(losses) of joint ventures	(491,913)	–	–	(491,913)
Share of post-tax profits/(losses) of associates	(163,068)	–	780	(162,288)

Revenue

Revenue of the Remaining Group mainly comprised income from property sales, rental income from investment properties and income from other property development related businesses. For the year ended 31 December 2025, the Remaining Group recorded a total revenue of approximately RMB20,502 million (for the year ended 31 December 2024: approximately RMB23,618 million), representing a decrease of approximately 13.2% as compared with the corresponding period in 2024. This was mainly attributable to the decrease in revenue from property sales.

Cost of Sales

Cost of sales mainly represented the direct cost related to the property development of the Remaining Group. It comprised cost of land use rights, construction costs, decoration costs and other costs. For the year ended 31 December 2025, cost of sales amounted to approximately RMB19,789 million (for the year ended 31 December 2024: approximately RMB21,874 million), representing a decrease of approximately 9.5% as compared with the corresponding period in 2024, which was mainly due to the decrease in the GFA of properties sold and delivered.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2025, gross profit amounted to approximately RMB713 million (2024: approximately RMB1,744 million), representing a decrease of approximately 59.1% 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 3.9 percentage points from 7.4% for the year ended 31 December 2024 to 3.5% 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 Remaining Group recorded fair value losses of approximately RMB4,191 million (for the year ended 31 December 2024: fair value losses of approximately RMB3,327 million). The fair value losses increased by approximately RMB864 million as compared with the corresponding period in 2024, mainly due to the continued downward trend of the real estate market and insufficient socio-economic domestic demand, leading to the decrease in demand for shopping malls leasing.

Selling and Marketing Costs and Administrative Expenses

For the year ended 31 December 2025, the Remaining Group's selling and marketing costs and administrative expenses amounted to approximately RMB1,363 million (for the year ended 31 December 2024: approximately RMB1,766 million), representing a decrease of approximately 22.8% as compared with the corresponding period in 2024, which was mainly attributable to the decrease in the scale of projects sales.

Share of Losses of Investments Accounted for Using the Equity Method

For the year ended 31 December 2025, the Remaining Group recorded share of post-tax losses of investments accounted for using the equity method of approximately RMB654 million (for the year ended 31 December 2024: approximately RMB17 million). The share of losses of investments accounted for using the equity method increased by approximately RMB637 million as compared with the corresponding period in 2024, mainly due to the increase in net losses from joint ventures and associates.

Income Tax Expense

The Remaining Group's income tax expenses for the year ended 31 December 2025 amounted to approximately RMB396 million (2024: approximately RMB697 million), representing a decrease of approximately 43.2% as compared with the corresponding period in 2024, primarily due to the decrease in PRC corporate income tax expenses.

Loss Attributable to Owners of the Company

For the year ended 31 December 2025, the Remaining Group recorded loss attributable to owners of the Company of approximately RMB6,328 million (for the year ended 31 December 2024: loss attributable to owners of the Company of approximately RMB6,013 million).

LIQUIDITY AND FINANCIAL RESOURCES**Cash Position**

The long-term funding and working capital required by the Remaining 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 Remaining Group's cash and cash equivalents and restricted cash amounted to approximately RMB5,364 million, RMB3,404 million and RMB2,764 million in total as at 31 December 2023, 2024 and 2025, respectively.

Borrowings

Total borrowings of the Remaining Group as at 31 December 2023, 2024 and 2025 were approximately RMB58,820 million, RMB57,721 million, RMB55,055 million, respectively.

	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities:			
Senior notes	15,415,215	15,638,997	15,301,100
Corporate bonds	5,825,332	6,298,743	6,339,995
Commercial mortgage backed securities	2,177,484	2,123,840	2,112,135
Assets-backed securities	203,362	206,749	206,762
Bank borrowings	32,497,480	31,005,152	28,602,010
– secured	32,409,395	30,915,141	28,514,217
– unsecured	88,085	90,011	87,793
Other borrowings – secured	2,464,687	2,392,417	2,478,634
Less: current portion of non-current borrowings	<u>(29,146,806)</u>	<u>(26,124,348)</u>	<u>(34,208,383)</u>
	<u>29,436,754</u>	<u>31,541,550</u>	<u>20,832,253</u>
Borrowings included in current liabilities:			
Bank borrowings – secured	85,000	–	–
Other borrowings – secured	151,500	55,160	14,300
Current portion of non-current borrowings	<u>29,146,806</u>	<u>26,124,348</u>	<u>34,208,383</u>
	<u>29,383,306</u>	<u>26,179,508</u>	<u>34,222,683</u>
Total borrowings	<u><u>58,820,060</u></u>	<u><u>57,721,058</u></u>	<u><u>55,054,936</u></u>

Net Gearing Ratio

As at 31 December 2023, 2024 and 2025, the Remaining 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 112.5%, 125.0% and 150.0%, respectively.

Borrowing Cost

The total interest expenses of the Remaining Group for the years ended 31 December 2023, 2024 and 2025 and the effective interest rate as at 31 December 2023, 2024 and 2025 were as follows:

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expenses	4,475,058	3,668,857	3,208,806
Effective interest rate	6.48%	5.46%	5.09%

Pledge of Assets

As at 31 December 2023, 2024 and 2025, the Remaining 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 RMB78,831 million, RMB60,665 million and RMB53,635 million respectively to secure borrowings of the Remaining Group. The total secured bank and other borrowings and commercial mortgage backed securities as at 31 December 2023, 2024 and 2025 amounted to approximately RMB37,288 million, RMB35,487 million and RMB33,119 million, respectively.

As at 31 December 2023, 2024 and 2025, the asset-backed securities of RMB203 million, RMB207 million, and RMB207 million, respectively, were secured by the trade receivables of the Remaining 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 Remaining Group.

Contingent Liabilities

As at 31 December 2023, 2024 and 2025, save as disclosed in this appendix, the Remaining Group had no significant contingent liabilities.

Financial Guarantees

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Remaining Group's properties	18,800,618	16,166,946	9,749,564
Guarantees for borrowings of joint ventures and associates	1,373,057	764,050	679,905

Commitments**(1) Commitments for property development expenditures**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted but not provided for			
– Property development activities	8,428,038	7,046,342	6,534,536
– Acquisition of land use rights	1,476,172	–	–

As at 31 December 2023, 2024 and 2025, the Remaining Group did not have any material short-term lease commitments.

FOREIGN CURRENCY RISK

The Remaining Group primarily operates its business in the PRC. The currency in which the Remaining Group denominates and settles substantially all of its transactions is RMB. As at 31 December 2023, 2024 and 2025, the Remaining 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 RMB23,492 million, RMB24,189 million and RMB24,717 million, respectively.

Any depreciation of RMB would adversely affect the value of any dividends the Remaining Group pays to the Shareholders outside of the PRC. The Remaining Group did not engage in any hedging activities designed or intended to manage foreign exchange rate risk.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this appendix, the Remaining Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the years ended 31 December 2023, 2024 and 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this appendix, the Remaining Group had not authorised any plans for other material investments or additions of capital assets as at 31 December 2023, 2024 and 2025.

EMPLOYEES AND EMOLUMENT POLICY

For the years ended 31 December 2023, 2024 and 2025, the Remaining Group employed a total of 3,436, 2,586 and 1,929 full-time employees, respectively. The total staff costs of the Remaining Group for the years ended 31 December 2023, 2024 and 2025 amounted to approximately RMB1,105 million, RMB816 million, and RMB575 million, respectively.

The Remaining Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance. The Remaining 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 Remaining Group also provides different types of programs for its staff to improve their skills and develop their respective expertise.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, were as follows:

(i) Long position in shares and underlying shares of the Company

Name of Director	Number of ordinary shares				Total	Approximate percentage of holding ⁽¹⁾
	Personal interests	Interests of spouse	Interest of a controlled corporation	Other interests		
Mr. Hoi Kin Hong	/	2,800,000	/	1,825,071,000 ⁽²⁾	1,827,871,000	44.15%
Mr. Hoi Wa Fong	/	503,400	/	597,568,000 ⁽³⁾	598,071,400	14.44%
Mr. Xiao Qing Ping	911,700	/	/	/	911,700	0.02%
Mr. Zhang Hong Feng	184,300	/	/	/	184,300	0.004%
Ms. Hoi Wa Fan	61,470,000	/	226,623,000 ⁽⁴⁾	/	288,093,000	6.96%

Notes:

- The calculation of the percentages is based on the total number of 4,140,403,000 shares in issue as at the Latest Practicable Date.
- These shares are held by Skylong Holdings Limited, which is wholly-owned by Skylong Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor. By virtue of the SFO, Mr. Hoi Kin Hong is deemed to be interested in the Shares held under the Skylong Trust.

3. These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the Shares held under the Sky Infinity Trust.
4. These shares are held by Walong Holdings Limited and Mantong (HK) Trading Co., Ltd, which are wholly and beneficially owned by Ms. Hoi Wa Fan.

(ii) Long position in shares of associated corporations

Name of Director	Name of associated corporation	Number of ordinary shares				Total	Approximate percentage of holding ⁽¹⁾
		Personal interests	Beneficiary of a trust	Interest of a controlled corporation	Other interests		
Mr. Hoi Wa Fong	Powerlong CM	/	/	17,442,000 ⁽²⁾	1,500,000 ⁽³⁾	18,942,000	2.95%

Notes:

1. The calculation of the percentages is based on the total number of 642,900,000 shares in issue of Powerlong CM as at the Latest Practicable Date.
2. Huihong Management (PTC) Limited (“**Huihong Management**”), the trustee of the Huihong Trust, is wholly-owned by Mr. Hoi Wa Fong. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares of Powerlong CM held by Huihong Management.
3. These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares of Powerlong CM held under the Sky Infinity Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had, or were deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules.

3. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, other than the interests and short positions of certain directors and chief executives as disclosed under “2. DISCLOSURE OF INTERESTS OF DIRECTORS” above, the interests and short positions of persons in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO were as follows:

(i) Long position in shares of the Company

Name of Shareholder	Capacity/Nature of interests	Number of ordinary shares	Approximate percentage of holding ⁽¹⁾
TMF (Cayman) Ltd. ⁽²⁾⁽³⁾	Trustee	2,422,639,000	58.51%
Skylong Family Limited ⁽²⁾	Interest in controlled corporation	1,825,071,000	44.08%
Skylong Holdings Limited ⁽²⁾	Beneficial owner	1,825,071,000	44.08%
Sky Infinity Family Limited ⁽³⁾	Interest in controlled corporation	597,568,000	14.43%
Sky Infinity Holdings Limited ⁽³⁾	Beneficial owner	597,568,000	14.43%
Wason Holdings Limited	Beneficial owner	249,523,000	6.03%
Walong Holdings Limited	Beneficial owner	209,444,000	5.06%

Notes:

- The calculation is based on the total number of issued shares of the Company (i.e. 4,140,403,000 Shares) as at the Latest Practicable Date.
- Skylong Holdings Limited is wholly-owned by Skylong Family Limited, which in turn is wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor.
- Sky Infinity Holdings Limited is wholly-owned by Sky Infinity Family Limited, which in turn is wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor.

Save as disclosed above, as at the Latest Practicable Date, no other person had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under section 336 of the SFO.

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the business of the Group.

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their close associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and, insofar as the Directors were aware, no litigation or claims of material importance was pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contract (not being contracts entered in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and up to and including the Latest Practicable Date, which is or may be material:

- (i) the Share Purchase Agreement dated 27 January 2026 entered into between Powerlong Real Estate (BVI) Holdings Limited (a wholly-owned subsidiary of the Company) as seller, and Prime Capital Investment Limited as purchaser, for the disposal of the Disposal Shares by Powerlong Real Estate (BVI) Holdings Limited, on and subject to the terms and conditions set out in the Share Purchase Agreement, at an aggregate consideration of HK\$360,827,625.

10. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the experts who have given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
KTC Partners CPA Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letters, opinions, reports and/or advices (as the case may be) and/or references to its name, opinions, reports and/or letters (as the case may be) in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert named above:

- (a) had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) had no direct or indirect interest in any assets which had, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

11. MISCELLANEOUS

- (i) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (ii) The principal place of business of the Company in Hong Kong is situated at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (iii) The joint company secretaries of the Company are Ms. Hai Di and Ms. Leung Wai Yan. Ms. Leung Wai Yan has been an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the United Kingdom since 2009.
- (iv) The Company's share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (v) This circular and the accompanying form of proxy are prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

12. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.powerlong.com) for a period of 14 days from the date of this circular:

- (a) the Share Purchase Agreement;
- (b) the RSA (*Note*);
- (c) the report on review of unaudited historical financial information of Powerlong CM, the text of which is set out in Appendix II to this circular;
- (d) the report on the unaudited pro forma financial information of the Remaining Group issued by KTC Partners CPA Limited, the text of which is set out in Appendix III to this circular; and
- (e) the letter of consent referred to the paragraph headed “10. QUALIFICATION AND CONSENT OF EXPERT” in this appendix.

Note : In respect of the RSA, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) of the Listing Rules and paragraph 43(2)(c) of Appendix D1B to the Listing Rules (the “**Waiver**”), such that the redacted version of the RSA will be published on the websites of the Stock Exchange and the Company. The redacted information includes the identities, signatures and notice details of the parties to the RSA; and (ii) the specific number and/or amount of existing debt instruments or In-Scope Debt held by any Participating Creditor (the “**Redacted Information**”).

Certain Redacted Information, including the identities of the Initial Participating Creditors to the extent they identify natural persons, and the creditors’ notice particulars (names of contact persons, email addresses, telephone numbers and physical or office addresses), constitutes personal data under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “**PDPO**”). Public disclosure of such Redacted Information may constitute a possible breach of the PDPO.

Further, the Redacted Information is confidential and commercially sensitive, the disclosure of which would put the Company in breach of its contractual obligations under the RSA. The Directors consider that the Redacted Information is not material to Shareholders’ or the investing public’s assessment of the terms of the RSA or the Transfer, and the redaction of which will not mislead investors with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Company’s securities or the Transfer. As an alternative disclosure to certain In-Scope Debt, the Company has disclosed the aggregate principal amount of the In-Scope Debt, the indication of the number of Scheme Creditors and the holding of the In-Scope Debt by the largest Scheme Creditor in order for Shareholders to understand the size of the In-Scope Debt under the Scheme, which is more relevant to the Shareholders than the outstanding amount of each In-Scope Debt. The substantive commercial and legal terms of the RSA, including the restructuring terms, the undertakings and obligations of the parties, the consent fee provisions, the termination provisions and the RSA Term Sheet, remain fully disclosed in the redacted version of the RSA and in the Circular (including the aforementioned alternative disclosure regarding the In-Scope Debt), from which the Shareholders will be able to have sufficient information to assess and make an informed voting decision.

Accordingly, only the redacted version of the RSA will be published on the websites of the Stock Exchange and the Company, as documents on display, for a period of 14 days from the date of this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Powerlong Real Estate Holdings Limited (the “**Company**”) will be held at Yin Long Hall 2, 2nd Floor, Le Meridien Shanghai Minhang, No. 3199 Cao Bao Road, Minhang District, Shanghai, PRC on Friday, 12 June 2026 at 10:30 a.m., or immediately after the conclusion of the annual general meeting of the Company held at the same venue at 10:00 a.m. (whichever is the later), for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution of the Company.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 28 May 2026 (the “**Circular**”).

ORDINARY RESOLUTION

1. “**THAT**
 - (a) the Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder including but not limited to the issue of mandatory convertible bonds of the Company for a term of 18 months after the Original Issue Date which are convertible into ordinary shares of the Company pursuant to the terms of the Mandatory Convertible Bonds, details of which are set out in the Circular, be and are hereby generally and unconditionally approved, confirmed and ratified;
 - (b) the Transfer of the Exchange Shares, being 208,299,600 Powerlong CM Shares, in exchange for any portion or all of such Scheme Creditor’s claims at such Scheme Creditor’s election, as may be adjusted in accordance with the Scheme Creditors’ selection, at an exchange price of HK\$15 per share (subject to adjustment), by the Company to the Scheme Creditors, which forms part of the Scheme Consideration pursuant to the RSA and is subject to the occurrence of and on the Restructuring Effective Date, be and are hereby generally and unconditionally approved, confirmed and ratified;

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (c) any one Director, or any two Directors if the affixation of the common seal of the Company is necessary, be and is/are hereby generally and unconditionally authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents and take all such steps as the Director(s) in his/her/their discretion may consider necessary, appropriate, desirable and expedient to implement, give effect to or in connection with the Issue of Mandatory Convertible Bonds, the Transfer, and any of the transactions contemplated thereunder, including but not limited to, the Issue of Mandatory Convertible Bonds, and to agree to such variations, amendments or waivers of matters relating thereto as are, in the opinion of such Director(s), in the interest of the Company; and
- (d) the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot, issue and deal with the Conversion Shares.”

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

Hong Kong, 28 May 2026

Notes:

1. All resolution(s) at the meeting will be taken by poll (except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.powerlong.com>) in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

3. In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:30 a.m. on Wednesday, 10 June 2026 (Hong Kong Time)) or the adjourned meeting (as the case may be). Completion and delivery of the proxy form will not preclude you from attending, speaking and voting at the EGM or at any adjournment thereof should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.
4. For determining shareholders' eligibility to attend, speak and vote at the EGM, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend, speak and vote at the EGM, 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. The record date for determining the shareholders' entitlement to attend and vote at the EGM is Friday, 12 June 2026.
5. Please refer to the Circular for further details concerning the resolution set out in the above notice.
6. References to time and dates in this notice are to Hong Kong time and dates.
7. As at the date of this notice, Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping and Mr. Zhang Hong Feng are the executive Directors, Ms. Hoi Wa Fan is the non-executive Director, and Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan are the independent non-executive Directors.