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SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

A[illegible] A[illegible] A[illegible] 31 [illegible] 2025

The board ([illegible]) of directors ([illegible]) of Silver Grant International Holdings Group Limited ([illegible] or [illegible]), together with its subsidiaries, the [illegible]) is pleased to announce the consolidated results of the Group for the year ended 31 December 2025 ([illegible] **2025**) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 *HK$'000*	2024 *$'000*
Revenue	2	**96,459**	89,421
Direct operating expenses		**(10,000)**	(6,628)
		86,459	82,793
Other income, gains and losses	3	**44,325**	45,698
Change in fair value of financial assets at fair value through profit or loss		**(56,978)**	(88,057)
Impairment of financial assets, net		**(360,404)**	(102,257)
Administrative expenses		**(68,924)**	(105,930)
Change in fair value of investment properties		**(144,141)**	(72,301)
Finance costs	4	**(396,917)**	(439,055)
Share of losses of:			
– associates		**(73,774)**	(10,702)
– joint ventures		**(32,217)**	(112,325)
Loss before taxation	6	**(1,002,571)**	(802,136)
Taxation	5	**35,180**	17,567
Loss for the year		**(967,391)**	(784,569)
Loss attributable to:			
– Owners of the Company		**(945,682)**	(756,743)
– Non-controlling interests		**(21,709)**	(27,826)
		(967,391)	(784,569)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY ***(in HK cents)***	7		
– Basic and diluted		**(41.03)**	(32.83)

[illegible]

F[illegible] 31 D[illegible] 2025

	2025	2024
	HK$'000	*$'000*
[illegible]	**(967,391)**	(784,569)
[illegible] /([illegible]) [illegible]		
O her comprehen i e income/(lo) ha ma be recla ified o profi or lo in b eq en period :		
E change difference on ran la ion of foreign opera ion		
S b idiarie	**17,203**	(30,916)
A ocia e and join en re	**30,558**	(33,302)
To al o her comprehen i e income/(lo) ha ma be recla ified o profi or lo in b eq en period	**47,761**	(64,218)
O her comprehen i e lo ha ill no be recla ified o profi or lo in b eq en period :		
Lo ari ing on proper re al a ion	**(1,646)**	(2,858)
Ne o her comprehen i e lo ha ill no be recla ified o profi or lo in b eq en period	**(1,646)**	(2,858)
[illegible] /([illegible]) [illegible]	**46,115**	(67,076)
[illegible]	**(921,276)**	(851,645)
To al comprehen i e lo a rib able o:		
O ner of he Compan	**(901,733)**	(796,241)
Non-con rolling in ere	**(19,543)**	(55,404)
	(921,276)	(851,645)

A 31 D 2025

		2025	2024
		HK$'000	*$'000*
In e men proper ie		**1,908,783**	2,016,909
Proper , plan and eq ipmen		**75,858**	50,622
Righ -of- e a e		**19,154**	25,605
In ere in a ocia e		**189,442**	257,634
In ere in join en re		**875,772**	1,262,968
Amo n d e from an a ocia e		**400,378**	409,508
Amo n d e from join en re		**163,066**	202,742
Financial a e a fair al e hro gh profi or lo		**1,000**	1,640
To al non-c rren a e		**3,633,453**	4,227,628
Trade recei able	9	**10,428**	9,486
Depo i , prepa men and o her recei able		**594,120**	758,117
Amo n d e from join en re		**1,703**	1,630
Loan recei able		**1,628,023**	1,770,209
Financial a e a fair al e hro gh profi or lo		**218,448**	278,702
Re ric ed bank balance		**17,932**	8,518
Ca h and bank balance		**10,273**	4,908
To al c rren a e		**2,480,927**	2,831,570
Acc ed charge , ren al depo i and o her pa able		**1,010,891**	701,960
In ere -bearing bank and o her borro ing		**3,153,314**	3,411,554
Ta a ion pa able		**107,651**	107,089
Lea e liabili ie		**1,960**	2,873
To al c rren liabili ie		**4,273,816**	4,223,476
		(1,792,889)	(1,391,906)
		1,840,564	2,835,722

	2025	2024
	HK$’000	*$’000*
[illegible]		
Interest-bearing bank and other borrowings	**377,994**	34,166
Lease liabilities	**18,376**	23,183
Deferred tax liabilities	**107,868**	143,584
Total non-current liabilities	**504,238**	200,933
NET ASSETS	**1,336,326**	2,634,789
[illegible]		
Share capital	**3,626,781**	3,626,781
Reserves	**(2,232,243)**	(1,303,230)
[illegible]	**1,394,538**	2,323,551
Non-controlling interests	**(58,212)**	311,238
TOTAL EQUITY	**1,336,326**	2,634,789

[illegible]:

1.1 [illegible]

The Group recorded a net loss of approximately HK$967 million and HK$785 million respectively for two consecutive years ended 31 December 2025 and 2024. As at 31 December 2025, the Group had net current liabilities of approximately HK$1,793 million. By the end of the reporting period, the Group had cash and bank balances of approximately HK$10 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,153 million are due to be repaid within 12 months from the end of the reporting period, including borrowings of approximately HK$2,282 million which has not been repaid according to the scheduled repayment date before the end of the reporting period. In June 2024, a court order in the Chinese Mainland has been issued to freeze certain bank balances and other assets of the Group due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK$196 million ([illegible]). Up to the date of approval of these consolidated financial statements, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. The Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the aforesaid borrowings. The Directors of the Company are of the view that the frozen assets do not have material impact on the Group's financial position and operation. In addition, in June 2024, the Company entered into an agreement with an independent third party to assign all the rights, title, benefit and interests of the Company to, in and under the loan agreements in relation to 54 loans (the total outstanding principal amount and interest of which amounted to approximately HK$2,512 million as at 31 December 2025) advanced by the Group, which would allow the Group to substantially recover a large portion of the outstanding amount owed to the Group under such loans within a foreseeable timeframe and in a relatively short period of time upon completion.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of the financial assets investments, including equity investments and non-performing assets portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 12 months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables; (ii) the successful and timely implementation of the plans for the disposal of the financial assets investments; (iii) the continual support from the existing lenders of the Group such that the will not demand for immediate repayments of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

1.2 [illegible]

The financial information relating to the years ended 31 December 2025 and 2024 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the consolidated financial statements for the year ended 31 December 2025 to the Registrar of Companies in due course. The Company's auditor has reported on the consolidated financial statements of the Group for both years. For the year ended 31 December 2025 and 2024, the auditor's reports was qualified and contained a statement under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap.622); and the auditor's report did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance (Cap. 622). For details, please refer to the section headed "EXTRACT OF INDEPENDENT AUDITOR'S REPORT" in this announcement.

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance (Cap.622). They have been prepared under the historical cost convention, except for investment properties, leasehold land and buildings under property, plant and equipment and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

2.

An analysis of revenue is as follows:

	2025 *HK$'000*	2024 *$'000*
Gross rental income	**92,982**	89,421
Income from distributed photovoltaic power generation	**3,477**	-
	96,459	89,421

31 2025

	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
- Rental income		**92,982**		**92,982**
- Income from distributed photovoltaic power generation			**3,477**	**3,477**
		92,982	**3,477**	**96,459**
Segment (loss)/profit	**(392,010)**	**(80,075)**	**2,301**	**(469,784)**
Other unallocated income, gains and losses				**13,155**
Corporate expenses				**(44,350)**
Finance costs (other than interest on lease liabilities)				**(395,601)**
Share of losses of:				
- associates				**(73,774)**
- joint ventures				**(32,217)**
Loss before taxation				**(1,002,571)**
Taxation				**35,180**
Loss for the year				**(967,391)**

Year ended 31 December 2024

	Investment HK$'000	Property leasing HK$'000	Total HK$'000
Revenue			
– Rental income	–	89,421	89,421
Segment loss	(159,671)	(12,933)	(172,604)
Other unallocated income, gains and losses			12,653
Corporate expenses			(82,504)
Finance costs (other than interest on lease liabilities)			(436,654)
Share of losses of:			
– associates			(10,702)
– joint ventures			(112,325)
Loss before taxation			(802,136)
Taxation			17,567
Loss for the year			(784,569)

The Group's businesses operate in the two principal geographical areas – (i) Hong Kong and (ii) the People's Republic of China (“PRC”). In presenting information on the basis of geographical locations, revenue is based on the location of operations.

Revenue from external customers

	2025 ***HK$'000***	2024 *HK$'000*
PRC	**96,459**	89,421

Non-current assets

	2025	2024
	HK$’000	*HK$’000*
Hong Kong	**978**	2,332
PRC	**3,068,031**	3,611,406
	3,069,009	3,613,738

The non-current assets information above is based on the locations of the assets and excludes financial assets at fair value through profit or loss, amount due from an associate and amount due from joint ventures.

3. OTHER INCOME, GAINS AND LOSSES

An analysis of other income, gains and losses is as follows:

	2025	2024
	HK$’000	*HK$’000*
Interest income on:		
– bank deposits	**20**	59
– loan receivable	**23,436**	56,538
Net foreign exchange gain/(loss)	**95**	(1,051)
Net gain on disposal of property, plant and equipment	**–**	14
Net gain on disposal of investment properties	**4,637**	–
Gain/(loss) on disposal of financial assets at fair value through profit or loss	**1,801**	(25,283)
Gain on termination of lease	**–**	3,562
Other	**14,336**	11,859
	44,325	45,698

4. [illegible]

An anal i of finance co i a follo :

	2025	2024
	HK$'000	*$'000*
In ere on bank loan	**6,673**	10,893
In ere on o her loan	**388,928**	425,761
In ere on lea e liabili ie	**1,316**	2,401
	396,917	439,055

5. [illegible]

	2025	2024
	HK$'000	*$'000*
C rren :		
PRC Corpora e Income Ta ([illegible]) charge for he ear	**532**	10
PRC CIT nder-pro i ion in prior ear	**4**	
Deferred	**(35,716)**	(17,577)
To al a credi for he ear	**(35,180)**	(17,567)

No pro i ion for Hong Kong profi a ha been made a he Compan and i b idiarie in Hong Kong had no a e able profi or had inc rred a lo e d ring he ear ended 31 December 2025 (2024: Nil).

The a a ion charge of he PRC CIT for he ear ha been made ba ed on he Gro p' e ima ed a e able profi calc la ed in accordance i h he rele an income a la applicable o he Compan ' b idiarie in he PRC. Under he La of he PRC on Corpora e Income Ta ([illegible] –) and he Implemen a ion Reg la ion of he CIT La , he a ra e of he Compan ' b idiarie in he PRC a 25% for he ear ended 31 December 2025 (2024: 25%).

The i hholding a ari ing from di idend income recei ed from he Compan ' b idiarie in he PRC i calc la ed a 5%.

6. LOSS BEFORE TAXATION

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

	2025 *HK$'000*	2024 *$'000*
Auditor's remuneration	**4,000**	4,200
Change in fair value of financial assets at fair value through profit or loss	**56,978**	88,057
Depreciation of property, plant and equipment#	**4,620**	4,929
Depreciation of right-of-use assets#	**3,635**	3,719
Employee benefit expenses (including directors' and co-chief executive officers' remuneration)		
Wages and salaries	**42,750**	51,643
Pension scheme contributions (defined contribution scheme)*	**2,466**	2,198
	45,216	53,841
Rental income under operating leases for investment properties, less outgoings of HK$9,085,000 (2024: HK$6,628,000)	**(83,897)**	(82,793)
Income from distributed photovoltaic power generation, less outgoings of HK$915,000 (2024: Nil)	**(2,562)**	–
Impairment of financial assets, net	**360,404**	102,257
Impairment on interests in joint ventures^	**(69,385)**	–
Change in fair value of investment properties	**144,141**	72,301

\# Depreciation of property, plant and equipment and depreciation of right-of-use assets amounting to HK$683,000 (2024: Nil) and HK$191,000 (2024: Nil), respectively, for the new energy investment and operation are included in "Direct operating expenses" in the consolidated statement of profit or loss.

* There were no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

^ The impairment on interests in joint ventures is included in "Share of losses of joint ventures" in the consolidated statement of profit or loss.

7. [illegible]

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2025	2024
	HK$’000	*$’000*
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	**945,682**	756,743

	2025	2024
	in thousand	[illegible]
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**2,304,850**	2,304,850

No diluted loss per share has been presented as there were no potential dilutive shares outstanding for the year ended 31 December 2025 and 2024.

8. [illegible]

No dividend was paid or proposed for the year ended 31 December 2025 (2024: Nil).

9. [illegible]

The Group allows a credit period of 30 to 60 days to its trade customers.

The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated on the respective revenue recognition dates:

	2025	2024
	HK$’000	*$’000*
Within 1-2 months	**10,428**	9,486

The following is the extract of the Independent Auditor's Report from the auditor of the Company, ZHONGHUI ANDA CPA Limited:

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. Except for the matter described in the Basis for Disclaimer of Opinion section and the Other Matter section of our report, in all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

We draw attention to note 2.1 to the consolidated financial statements which mention that the Group recorded a net loss of approximately HK$967 million and HK$785 million respectively for two consecutive years ended 31 December 2025 and 2024. As at 31 December 2025, the Group had net current liabilities of approximately HK$1,793 million. By the end of the reporting period, the Group had cash and bank balances of approximately HK$10 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,153 million are due to be repaid within 12 months from the end of the reporting period, including borrowings of approximately HK$2,282 million which has not been repaid according to the scheduled repayment date before the end of the reporting period. Furthermore, as described in note 36 to the consolidated financial statements, as at 31 December 2025, the Group was involved in the litigation related to the other borrowing of the Group with a principal amount of approximately HK$196 million resulting in the freezing of several assets and demanding for immediate repayment. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, details of which are set out in note 2.1 to the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to the following material uncertainties.

(a) The successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables. As of the date of this report, the transaction has not been completed and is still in progress.

(b) The successful and timely implementation of the plans for the disposal of the financial assets investments. As of the date of this report, management was unable to provide us with sufficient information about the details of the plans. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to raise on a timely basis additional funding.

(c) The continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings. As of the date of this report, we were advised by management that such extension agreements or refinancing agreements are still under negotiation and no agreement has been signed. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the continual support from the existing lenders of the Group.

(d) The successful obtaining of new sources of financing as and when needed. As of the date of this report, we were advised by management that such new sources of financing are still at a preliminary stage and no viable financing plans have been submitted to the Board of Directors of the Company. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the additional funding.

In absence of sufficient appropriate audit evidence of the above, we were unable to ascertain whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

[illegible]

Had we not disclaimed our opinion regarding the matters described in the Basis for Disclaimer of Opinion section above, we would otherwise have qualified our opinion regarding the scope limitation on our audit relating to the matters detailed below.

Included in loan receivables and deposits, prepayments and other receivables on the consolidated statement of financial position as at 31 December 2025 and 2024 were loan receivables from different borrowers with an aggregate carrying amount of approximately HK$1,628 million and HK$1,535 million, net of loss allowance, and related loan interest receivables with an aggregate carrying amount of approximately HK$437 million and HK$399 million, net of loss allowance, respectively. In addition, included in other income, gains and losses and impairment of financial assets, net on the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024 were interest income of approximately HK$18 million and HK$55 million, and impairment losses reversed of approximately HK$73 million and HK$9 million in relation to the abovementioned loan receivables and loan interest receivables, respectively.

As disclosed in note 19 to the consolidated financial statements, the Company has established a special investigation committee to undertake investigation on matters pertaining to the loan transactions, including but not limited to, the commercial rationale of the loan transactions and the relationship between the Group and the borrowers. On 11 December 2024, the independent forensic investigation firm engaged by the special investigation committee issued the report of the forensic investigation. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the commercial rationale of the loan transactions, the relationship between the Group and the borrowers, and the relationship amongst the borrowers; (ii) whether the carrying amounts of the loan receivables and loan interest receivables were properly stated as at 31 December 2025 and 2024; and (iii) whether the impairment loss for these loan receivables and loan interest receivables for the years ended 31 December 2025 and 2024 was properly assessed and recognised based on the reasonable and supportable information in accordance with the applicable accounting standard and, consequently, whether the interest income from these loan receivables was properly recognised during the years ended 31 December 2025 and 2024.

Any adjustments to the figures as described above might have consequential effects on the financial position of the Group as at 31 December 2025 and 2024, and the financial performance of the Group for the years ended 31 December 2025 and 2024, and the related disclosures thereof in the consolidated financial statements.

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In re pec alone of he inabili o ob ain fficien appropria e a di e idence abo he appropria ene of he going concern ba i of acco n ing a de cribed in he Ba i for Di claimer of Opinion ec ion and he loan recei able and loan in ere recei able a de cribed in he O her Ma er ec ion of o r repor abo e:

e ere nable o de ermine he her adeq a e acco n ing record had been kep ; and

e ha e no ob ained all he informa ion or e plana ion ha , o he be of o r kno ledge and belief, are nece ar and ma erial for he p rpo e of he a di .–

The Gro p ha recorded a lo a rib able o o ner of he Compan of appro ima el HK$945,682,000 for Year 2025, a compared i h ha of appro ima el HK$756,743,000 for he ear ended 31 December 2024 (**2024**–). Ba ic lo per hare of he Compan a 41.03 HK cen for Year 2025 (Year 2024: 32.83 HK cen).

In Year 2025, he global econom con in ed o face r c ral adj men and geopoli ical ncer ain , and a generall charac eri ed b lo gro h and in en ified fragmen a ion.– The In erna ional Mone ar F nd foreca ed a ligh decline in global economic gro h, from 3.3% in Year 2024 o 3.2% in Year 2025. Ad anced economie ere e pec ed o achie e mode gro h of aro nd 1.5% o 1.9%, again he backdrop of major cen ral bank ' mone ar policie en ering in o an ea ing c cle. In con ra , a emerging marke and de eloping economie ha e main ained rela i el rong gro h momen m, heir economie ere e pec ed o gro a ra e ligh l e ceeding 4%. Geopoli ical en ion , rade pro ec ioni m, and he infl ence of rapid echnological ad ancemen , ch a he impac of ar ificial in elligence on he labo r marke , ere major rning poin hro gho he ear nder re ie . F r her, he lo do n in he pace of global di infla ion and he in en ifica ion of fragmen a ion acro region pre en ed ongoing challenge for cen ral bank . On he o her hand, China' econom main ained a able momen m in Year 2025. In he fir hree q ar er of he ear nder re ie , China' real GDP gre b 5.2% ear-on- ear, la ing a olid fo nda ion for achie ing i ann al arge . In Year 2025, he econom aggrega e of China reached RMB140 rillion, marking he cce f l concl ion of he 14 h Fi e-Year Plan. Regarding he policie , China implemen ed a moderna e ea ing + more aggre i e– macro polic mi , f r her in en if ing i e pan ionar fi cal polic , i h he defici ra io ri ing o 4%. D ring he ear nder re ie , ne q ali prod c i i – a promo ed o a more prominen ra egic po i ion. B foc ing on inno a ion and ind rial pgrading, China' econom i commi ed o hif ing from fac or-dri en o inno a ion-dri en, pro iding promi ing momen m for achie ing long- erm, high-q ali de elopmen .

In Year 2025, the photovoltaic industry in China has undergone deep adjustments due to the "involution" of overcapacity and price competition. In the first half of the year under review, key players in the supply chain of the photovoltaic industry faced substantial losses. Despite the challenges on the manufacturing side, a market-oriented consensus of "anti-involution" gradually emerged, signaling that the industry was entering a decisive phase of governance. In particular, the industry has undergone a critical transformation from a "price war" to "value reconstruction", laying the foundation for the clearance and healthy development of production capacity for the future. The domestic photovoltaic installation market remained robust with new on-grid capacity increasing 14% which year-on-year and reaching 317 GW in Year 2025, which enabled China to reinforce its leading global position in the industry. During the year under review, the Group has simultaneously promoted the business expansion of its new energy investment and operation business in the three sub-sectors of "photovoltaics, storage and charging" and the details of such business progress are set out in the section headed "New Energy Investment and Operation" below. While Beijing Lingjun New Energy Technology Company Limited* (北京靈駿新能源科技有限責任公司) ("Beijing Lingjun"), a joint venture of the Company principally engaged in the research and development, transfer and promotion of new energy technology, continued to report a loss for Year 2025, such loss had decreased from that for Year 2024, mainly due to the improved financial performance of the photovoltaic cell module project company invested by Beijing Lingjun during the year under review, as a result of the initiative undertaken by the project company to expand its research and development ("R&D") capability in photovoltaic battery technology during Year 2024.

In relation to the Group's investment in the traditional energy segment, Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited* (中海油氣(泰州)石化有限公司) ("Zhong Hai You Qi"), a joint venture of the Company principally engaged in the production and trading of petroleum and petrochemical products, continued to adhere to the principle of maximizing the value of its shareholders and focus on its annual production and operational targets in Year 2025. Owing to the stable demand for refined oil products during the year under review, Zhong Hai You Qi achieved a turnaround in its financial performance by achieving profitability in Year 2025 as compared with a loss in Year 2024.

* [illegible]

The ren al income from he Gro p' proper lea ing b ine d ring Year 2025 a appro ima el HK$92,982,000, repre en ing an increa e of appro ima el 4.0% a compared i h ha of appro ima el HK$89,421,000 d ring Year 2024. Thi a mainl d e o he Gro p' proper opera ion eam e ec ing effec i e opera ion ra egie and managing o main ain a able occ panc ra e de pi e a general decline in ren al ra e acro he o erall ren al marke , re l ing in a ligh increa e in ren al income. S ch re en e a deri ed from Ea Ga e Pla a, an in e men proper of he Gro p loca ed in Beijing, China, con i ing of apar men , hop , office and car park . De pi e he pre re on ren al acanc ra e and ren al le el in he rro nding hopping area of Ea Ga e Pla a in Year 2025, he Gro p' proper eam ha impro ed i er ice q ali , a rac ed enan and op imi ed he enan e perience hro gh a erie of ini ia i e , hereb impro ing he a i fac ion of e i ing enan and fo ering a more able c omer ba e. Moreo er, he proper managemen eam ac i el adap ed o he marke rend b e abli hing ocial media marke ing channel and le eraging on rele an pla form o promo e proper li ing and enhance brand a arene , effec i el increa ing he c omer con er ion ra e.

The Gro p ha made in e men in cer ain en erpri e in China hich are cla ified b he Gro p a financial a e a fair al e hro gh profi or lo . The Gro p ha in e ed RMB505,000,000 (eq i alen o appro ima el HK$559,247,000) in aggrega e in o a r (–) managed b Na ional Tr Co., L d.* (國民信託有限公司), hich hold a por folio of limi ed liabili par ner hip in e ing in proper de elopmen in e men in Zh o ho and Shen ang in he PRC. A a 31 December 2025, he NT Tr Scheme, i h i carr ing al e mea red a fair al e hro gh profi and lo amo n ing o appro ima el HK$117,234,000 (31 December 2024: HK$144,431,000) and repre en ing appro ima el 1.9% (31 December 2024: 2.0%) of he o al a e of he Gro p, con i ed he mo ignifican financial a e in e men of he Gro p. O of he lo of appro ima el HK$56,978,000 (Year 2024: HK$88,057,000) recorded b he Gro p in he change in fair al e of financial a e a fair al e hro gh profi and lo for Year 2025, a lo of appro ima el HK$30,471,000 (Year 2024: HK$82,634,000) a a rib able o he fair al e change of he NT Tr Scheme a a 31 December 2025. The Gro p did no recei e an di rib ion from he NT Tr Scheme d ring Year 2025 (Year 2024: Nil). Ba ed on he c rren in e men ra eg of he Gro p, i in ere in he NT Tr Scheme i held for rading and cla ified a a c rren a e in i con olida ed a emen of financial po i ion.

The Gro p in e in financial a e mainl for he p rpo e of genera ing re rn on apprecia ion of a e and in e men re rn . In order o op imi e he managemen of orking capi al and impro e he Gro p' financial po i ion, he Board belie e ha he di po al of e i ing financial a e , incl ding eq i in e men projec and non-performing a e por folio, ho ld be e pedi ed a he c rren age. The Gro p' in e men managemen eam reg larl re ie he la e progre of he e i ing projec and ac i el eek e i oppor ni ie and po en ial b er for ca h inflo . D ring Year 2025, he Gro p di po ed of financial a e in e men for appro ima el HK$11,657,000 (Year 2024: HK$35,833,000).

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[illegible]

Since Year 2024, the Group has commenced its diversification into the new energy business through the development, investment and operation of projects involving the generation of distributed photovoltaic power. Driven by its professional team, the Group has established a project management system based on its own characteristics and achieved remarkable results in project expansion. On 28 July 2025, (i) Taizhou Yinjian Energy Investment Co., Limited* (泰州銀建能源投資有限公司) ([illegible]), a wholly-owned subsidiary of the Company principally engaged in investment in the new energy business, including the investment and operation of new energy projects involving energy storage; (ii) NR Engineering Co., Ltd.* (南京南瑞繼保工程技術有限公司) ([illegible]), an independent third party; and (iii) Shanghai Hongming Construction (Group) Co., Ltd.* (上海弘明建設(集團)有限公司) ([illegible]), together with Nanrui Jibao, the [illegible]), an independent third party, entered into a construction contract ([illegible]), pursuant to which the Contractor agreed to carry out the design, onsite survey and construction of energy storage facilities which shall be equipped with 7.5MW/15MWh lithium iron phosphate systems and the related infrastructure at the petroleum and petrochemical product production plant of Zhong Hai You Qi (a joint venture of the Company) located in Taizhou City, Jiangsu Province, the PRC ([illegible]), at the contract price of approximately RMB14,200,000 (equivalent to approximately HK$15,609,000). The Construction Works would enable the Group to commence its business in the investment and development in the energy storage business in the PRC. Further details of the Construction Contract are set out in the Company's announcement dated 28 July 2025. As at 31 December 2025, the Group had eight distributed photovoltaic power generation projects in operation, with a total installed capacity of approximately 10.6MW. These projects are located in various regions and cities in the Guangdong and Hunan provinces, encompassing rooftop resources from a diverse range of premises, including hospitals, schools, hotels, factories and logistic parks. As at 31 December 2025, in addition to the energy storage project pursuant to the Construction Contract which was under construction, the Group also had one electric vehicle charging station project in operation and other energy storage projects under negotiation with various business partners. During the year under review, the Group started to generate revenue from its distributed photovoltaic power generation business, which amounted to approximately HK$3,477,000. By continuously putting "photovoltaic, storage and charging" projects into operation, the Group has been steadily laying a foundation for the development of its new energy investment and operation business.

* E[illegible]

[illegible]

Looking forward to the year ending 31 December 2026 (“**Year 2026**”), “fragmentation” will remain a key theme in the global economy. The U.S. economy is expected to maintain resilient growth by leveraging on advancement in technologies such as artificial intelligence and relatively strong consumption. In contrast, growth in other developed economies, such as the euro area, is likely to be more moderate following a shift toward easing policies. Emerging markets and developing economies will remain the major contributor to global growth, with the emerging economies in Asia expected to maintain their leading role. With Year 2026 marking the beginning year of China’s 15th Five-Year Plan, the Chinese economy is expected to experience steady growth, driven by structural reconstruction as the focus. Policy emphasis will shift from a short-term “risk response” approach to prioritising productivity and high-quality development. On the macro policy front, it is expected that the PRC government will continue to maintain a proactive fiscal policy alongside a prudent and loose monetary policy to create synergy that counter the ongoing downward pressure on the real estate market while supporting the expansion of domestic demand and structural transformation. The Group will firmly stand on the vast Chinese market and seize the golden opportunities presented by China’s policy transition to a greener, low-carbon economy to gain a stronger foothold in the new energy market. Facing the challenges and opportunities posed by the current low-interest rate environment in the country, the Group will fully mobilise its own resources, align with the national policies, deepen its strategic transformation, and accelerate the establishment of a new energy business framework that integrates “photovoltaic, storage and charging”.

[illegible]

The loss attributable to the owners of the Company increased by approximately 25.0% from approximately HK$756,743,000 for Year 2024 to approximately HK$945,682,000 for Year 2025 and the basic loss per share attributable to ordinary equity holders of the Company increased from 32.83 HK cents for Year 2024 to 41.03 HK cents for Year 2025, mainly due to the combined effects as follows:

(a) the increase in the Group’s impairment of financial assets, net, from approximately HK$102,257,000 for Year 2024 to approximately HK$360,404,000 for Year 2025, mainly attributable to the increases in the impairment loss provision in the amounts of approximately HK$99,156,000, approximately HK$197,111,000, approximately HK$19,295,000 and approximately HK$44,842,000 made by the Group on its loan receivables, loan interests and other receivables, amounts due from an associate and amounts due from joint ventures, respectively, under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Year 2025;

(b) the increase in the loss from the fair value of the investment properties of the Group from approximately HK$72,301,000 for Year 2024 to approximately HK$144,141,000 for Year 2025, mainly attributable to the decrease in the fair value of the Group's investment property located in Beijing as at 31 December 2025, as compared with that as at 31 December 2024;

(c) the increase in the Company's share of losses of associate from approximately HK$10,702,000 for Year 2024 to approximately HK$73,774,000 for Year 2025, mainly contributed by the increase in the Company's share of the loss of Guangzhou Ruifeng Investment Company Limited* (廣州瑞豐投資有限公司) ([illegible]), an associate of the Company principally engaged in investment holding, from approximately HK$1,000 for Year 2024 to approximately HK$73,774,000 for Year 2025, as a result of the decline in the performance of the real estate project held by Guangzhou Ruifeng in the PRC during the year under review;

(d) the decrease in the administrative expenses of the Group from approximately HK$105,930,000 for Year 2024 to approximately HK$68,924,000 for Year 2025, primarily attributable to (i) the reduction in the general expenses incurred by the Group following the cost control implemented by the Group during Year 2025; and (ii) the decrease in the Group's consultancy, legal and professional fees from approximately HK$20,108,000 for Year 2024 to approximately HK$9,934,000 for Year 2025, mainly due to the decrease in the consultancy and legal fees incurred by the Group in relation to its distressed assets portfolios in Year 2025;

(e) the decrease in the finance costs incurred by the Group from approximately HK$439,055,000 for Year 2024 to approximately HK$396,917,000 for Year 2025, which was mainly due to (i) the reduction in the interest rate of one of the loans granted by a financial institution to the Group by one-third during Year 2025; and (ii) a one-off surcharge on borrowing incurred by the Group during Year 2024, which was absent in Year 2025; and

(f) the decrease in the Company's share of losses of joint ventures from approximately HK$112,325,000 for Year 2024 to approximately HK$32,217,000 for Year 2025, primarily attributable to (i) the decrease in the Company's share of the loss of Beijing Lingjun, a joint venture of the Company, from approximately HK$32,065,000 for Year 2024 to approximately HK$15,905,000 for Year 2025, which was mainly caused by the initiative undertaken by the photovoltaic cell module project company invested by Beijing Lingjun to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai You Qi, a joint venture of the Company, of approximately HK$5,543,000 for Year 2025, as compared with its share of the loss of Zhong Hai You Qi of approximately HK$80,258,000 for Year 2024,

* E[illegible]

arising from the stable demand for refined oil products during the year under review; and (iii) the increase in the Company's share of the loss of Meizhou City Ji Shan Operation Management Company Limited* (梅州市集善經營管理有限公司) (–), a joint venture of the Company principally engaged in investment in urban renewal projects in China, from approximately HK$1,000 for Year 2024 to approximately HK$21,855,000 for Year 2025, mainly due to the continuing decline of the real estate market in the PRC during the year under review.

Revenue of the Group for Year 2025 amounted to approximately HK$96,459,000 (Year 2024: HK$89,421,000), representing an increase of approximately 7.9%, which was mainly due to (i) the increase in the rental income of the Group from approximately HK$89,421,000 for Year 2024 to approximately HK$92,982,000 for Year 2025, in light of the slight increase in the daily unit rental rate and occupancy rate of the rental property of the Group in Beijing, East Gate Plaza, during Year 2025; and (ii) the income from distributed photovoltaic power generation of approximately HK$3,477,000 (Year 2024: Nil) recorded by the Group for Year 2025.

The Group's impairment of financial assets, net, increased from approximately HK$102,257,000 for Year 2024 to approximately HK$360,404,000 for Year 2025, which was mainly attributable to the increase in the impairment loss provision in the amount of approximately HK$99,156,000, approximately HK$197,111,000, approximately HK$19,295,000 and approximately HK$44,842,000 made by the Group on its loan receivables, loan interests and other receivables, amount due from an associate and amount due from joint ventures, respectively, under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Year 2025.

The loss from the fair value of the investment properties of the Group increased from approximately HK$72,301,000 for Year 2024 to approximately HK$144,141,000 for Year 2025, mainly attributable to the decrease in the fair value of the Group's investment property located in Beijing as at 31 December 2025, as compared with that as at 31 December 2024.

The finance costs of the Group decreased from approximately HK$439,055,000 for Year 2024 to approximately HK$396,917,000 for Year 2025, which was mainly due to (i) the reduction in the interest rate of one of the loans granted by a financial institution to the Group by one-third during Year 2025; and (ii) a one-off surcharge on borrowing incurred by the Group during Year 2024, which was absent in Year 2025.

The increase in the Company's share of losses of associates from approximately HK$10,702,000 for Year 2024 to approximately HK$73,774,000 for Year 2025, was mainly contributed by the increase in the Company's share of the loss of Guangzhou Ruifeng, an associate of the Company, from approximately HK$1,000 for Year 2024 to approximately HK$73,774,000 for Year 2025, as a result of the decline in the performance of the real estate projects held by Guangzhou Ruifeng in the PRC during the year under review.

The Company's share of losses of joint ventures decreased from approximately HK$112,325,000 for Year 2024 to approximately HK$32,217,000 for Year 2025, which was primarily attributable to (i) the decrease in the Company's share of the loss of Beijing Lingjun, a joint venture of the Company, from approximately HK$32,065,000 for Year 2024 to approximately HK$15,905,000 for Year 2025, mainly caused by the initiatives undertaken by the photovoltaic cell module project company invested by Beijing Lingjun to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai You Qi, a joint venture of the Company, of approximately HK$5,543,000 for Year 2025, as compared with its share of the loss of Zhong Hai You Qi of approximately HK$80,258,000 for Year 2024, arising from the stable demand for refined oil products during the year under review; and (iii) the increase in the Company's share of the loss of Meizhou City Ji Shan, a joint venture of the Company, from approximately HK$1,000 for Year 2024 to approximately HK$21,855,000 for Year 2025, mainly due to the continuing decline of the real estate market in the PRC during the year under review.

The increase in the Group's accrued charges, rental deposits and other payables from approximately HK$701,960,000 as at 31 December 2024 to approximately HK$1,010,891,000 as at 31 December 2025 was mainly attributable to the increase in the amount of interest payable accrued by the Group as at 31 December 2025 as compared with that as at 31 December 2024, as a result of the interest expense and surcharge accrued by the Group on the entrusted loans in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,082 million) as at 31 December 2025, which were owed by 東環(北京)物業管理有限公司 (East Gate (Beijing) Property Management Co., Ltd.*) ([illegible]), a wholly-owned subsidiary of the Company.

[illegible]

The Group adopts a conservative treasury policy under which the Group keeps its investments costs under control and manages the returns of its investments efficiently. The Group has guidelines in place to monitor and control its investment risk exposure and to manage its capital. The Group also strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Board closely reviews the Group's liquidity position to ensure the Group has adequate liquidity to meet its funding requirements at all times.

[illegible]

	2025	2024
	HK$'000	*$'000*
Restricted bank balances	**17,932**	8,518
Cash and bank balances	**10,273**	4,908
Total	**28,205**	13,426

As at 31 December 2025, the Group's cash and bank balances were denominated in the following currencies:

	2025	2024
HK$	**4.1%**	26.3%
RMB	**95.9%**	73.4%
US$		0.3%
	100.0%	100.0%

The Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK$ and United States dollars ("US$"). The conversion of RMB into HK$, US$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against HK$, US$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Group has not adopted any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

As at 31 December 2025, the Group's total borrowings amounted to approximately HK$3,531,308,000 in aggregate. The composition of these borrowings is summarised below:

	2025	2024
	HK$'000	*$'000*
Short term borrowings	**3,153,314**	3,411,554
Long term borrowings	**377,994**	34,166
Total borrowings	**3,531,308**	3,445,720
Cash and bank balances	**10,273**	4,908
Net borrowings	**3,521,035**	3,440,812

Interests for all borrowings of the Group for Year 2025 were charged at fixed and floating rates ranging from 5.0% per annum to 27.6% per annum (Year 2024: 3.7% per annum to 27.6% per annum).

As at 31 December 2025, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

	2025	2024
	HK$'000	*$'000*
RMB	**3,531,308**	3,445,720

As at 31 December 2025, the long and short term borrowings of the Group which remained outstanding carried at fixed and floating interest rates as follows:

	2025	2024
	HK$'000	*$'000*
Fixed interest rate	**1,444,923**	1,406,758
Floating interest rate	**2,086,385**	2,038,962
	3,531,308	3,445,720

As at 31 December 2025, the maturity profile of the long and short term borrowings of the Group was as follows:

	2025	2024
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**128,791**	142,979
Other loans repayable:		
Within one year or on demand	**3,024,523**	3,268,575
In the second year	**321,514**	334
In the third to fifth years, inclusive	**56,480**	33,520
Over five years		312
	3,402,517	3,302,741
	3,531,308	3,445,720

As at 31 December 2025, the gearing ratio (calculated as interest-bearing bank and other borrowings, over equity attributable to owners of the Company) and the current ratio (calculated as current assets over current liabilities) of the Group were 253% (31 December 2024: 148%) and 0.58 (31 December 2024: 0.67) respectively. These ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage to ensure the Group has the liquidity to meet its financial obligations at all times. The Group will strive to improve its liquidity by expediting the collection and/or disposal of its outstanding loan receivable and the disposal of its financial assets investments (including its equity investments and non-performing assets portfolio).

As at 31 December 2025, the Group had cash and bank balances of approximately HK$10 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,153 million are due to be repaid within 12 months from the end of the reporting period, including borrowings of approximately HK$2,282 million which has not been repaid according to the scheduled repayment date before the end of the reporting period. In June 2024, a court order in the Chinese Mainland has been issued to freeze certain bank balances and other assets of the Group due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK$196 million ([illegible]–). Up to the date of approval of this announcement, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. The Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the aforesaid borrowings. The Directors are of the view that the frozen assets do not have material impact on the Group's financial position and operation.

In addition, on 27 June 2024, the Company and Guangdong Zhuguang Group Company Limited* (廣東珠光集團有限公司) (“[illegible]”) entered into a loan assignment agreement (as amended and supplemented by the supplemental agreement dated 22 January 2025) (“**Loan Assignment Agreement**”), pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhuguang has agreed to purchase from the Company all the rights, title, benefit and interests of the Company to, in and under the loan agreements (“**Loan Agreements**”) entered into between the Company together with its wholly-owned subsidiaries as lenders and a total of 54 independent third party borrowers (including but not limited to the loans (“**Loans**”) with total outstanding principal amount and interest of approximately RMB2,201 million (equivalent to approximately HK$2,512 million) as at 31 December 2025 advanced by the Group under the Loan Agreements and all security created thereunder) accruing thereto from 1 January 2024 (“**Loan Interests**”), whereas the consideration shall be satisfied by Guangdong Zhuguang by (i) entering into a deed of novation to assume the obligation of Beijing East Gate under the entrusted loan agreements (“**Entrusted Loan Agreements**”) (including but not limited to the repayment obligation of the underlying entrusted loans (“**Entrusted Loans**”) in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,075 million), the release of all existing charges, guarantee and pledge of shares, and the provision of new charge(s), guarantee and/or pledge of shares pursuant to the requests of the entrusting party and the lender, if required) (“**Debt Novation**”); and (ii) assignment of certain car parking spaces located in the Guangdong province of the PRC (“**Target Properties**”), at completion of the transaction (“**Completion**”) contemplated under the Loan Assignment Agreement (“**Transaction**”). Completion is conditional upon and subject to, among others, the passing by the shareholders of the Company at an extraordinary general meeting (“**EGM**”) convened by the Company of all necessary resolution(s) to approve the Loan Assignment Agreement and the Transactions. At the EGM held on 28 February 2025, the Loan Assignment Agreement and the Transactions have been approved by the shareholders of the Company. The Transactions, if materialised, would provide a good opportunity to the Group to substantially recover a large portion of the outstanding amount owed to the Group under the Loan Agreements within a foreseeable timeframe and in a relatively short period of time, thereby minimising the uncertainty and the credit risk associated with the Loan Interests and the administrative cost to be incurred by the Group for collecting the outstanding Loan Interests, and the Debt Novation would provide a good opportunity for the Group to settle the Entrusted Loans as the rights and liabilities of the Group under the Entrusted Loan Agreements would be discharged.

The transfer of the Target Properties to the Group would allow the Group to enlarge and diversify its investment properties portfolio with high quality assets, as well as to strengthen the income base of the Group and to generate stable cash flows to the Group.

* E[illegible]

As more time was required to fulfil the conditions to the Loan Assignment Agreement, in particular, the completion of the Debt Novation, completion of the Loan Assignment Agreement did not take place on or before 31 December 2025, being the long stop date ([illegible]) prescribed under the Loan Assignment Agreement. As at the date of this announcement, the parties to the Loan Assignment Agreement are still discussing and finalising the supplemental agreement to the Loan Assignment Agreement to extend the Long Stop Date and amend the conditions to the Loan Assignment Agreement.

Further details of the Loan Assignment Agreement and the Transaction are set out in the announcements of the Company dated 27 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 31 October 2024, 31 December 2024, 22 January 2025 and 31 December 2025 and the circular of the Company dated 12 February 2025.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of the financial asset investments, including equity investments and non-performing asset portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than 12 months from 31 December 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 12 months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables; (ii) the successful and timely implementation of the plans for the disposal of the financial asset investments; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS

On 24 February 2025, Beijing East Gate and Mr. Liu Rui (“Mr. Liu”, together with Beijing East Gate, the “Parties”), an independent third party, entered into a sale and purchase agreement (“SPA”), pursuant to which Mr. Liu has agreed to purchase, and Beijing East Gate has agreed to sell, a residential property of gross area of 173.49 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC (“Property”), at the consideration of RMB10,200,000 (equivalent to approximately HK$11,062,000) (“February Disposal”). As the registration of the transfer of the Property from Beijing East Gate to Mr. Liu could not be effected on or before 14 April 2025 in accordance with the SPA and the Parties could not agree on the extended date of completion of the transaction contemplated under the SPA, on 20 June 2025, the Parties entered into a termination agreement pursuant to which, among others, with effect from 20 June 2025, the SPA shall be terminated, thereby releasing and discharging each of the Parties from its obligations, duties and liabilities under the SPA (“Termination”). Further details of the February Disposal and the Termination are set out in the Company's announcements dated 24 February 2025 and 20 June 2025, respectively.

On 25 March 2025, Beijing East Gate and Hangzhou Guangyao Zhixin Zhengze Enterprise Management Consulting Partnership (Limited Partnership)* (杭州光曜致新正澤企業管理諮詢合夥企業(有限合夥)) (“Hangzhou Guangyao”) entered into (i) the first sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 173.01 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB10,438,000 (equivalent to approximately HK$11,302,000) (“First March Disposal”); and (ii) the second sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 275.48 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB16,611,000 (equivalent to approximately HK$17,986,000) (“Second March Disposal”, together with the First March Disposal, the “March Disposals”). The March Disposals were completed in April 2025. Further details of the March Disposals are set out in the Company's announcements dated 25 March 2025.

Save for the above and the Construction Work, the Group did not have any material acquisition or disposal during Year 2025.

* *English translation for identification purpose only*

As at 31 December 2025, certain investment properties, and plant and machinery of the Group with aggregate carrying value of approximately HK$1,858,250,000 and approximately HK$2,487,000 respectively (31 December 2024: HK$1,963,283,000 and HK$2,523,000), were pledged to secure general banking facilities granted to the Group, and other loans and other payables due to an independent third party.

As at 31 December 2025, the Group had capital expenditure contracted for but not provided for in respect of the purchase of property, plant and equipment of approximately HK$9,849,000 (31 December 2024: HK$4,204,000) and unlisted equity securities of approximately HK$55,000 (31 December 2024: Nil). It is expected that the capital expenditure will be settled by cash through internal resources of the Group.

As at 31 December 2025, the Group provided corporate guarantees of approximately HK$518,320,000 (31 December 2024: HK$1,596,748,000) in respect of loans granted to a joint venture of the Company.

As at 31 December 2025, the shareholders' funds of the Group decreased by approximately HK$929,013,000 to approximately HK$1,394,538,000 (31 December 2024: HK$2,323,551,000), representing a decline of approximately 40.0%. The decrease was mainly due to the loss attributable to the owners of the Company in Year 2025.

The Group had in aggregate 55 employees in Hong Kong and the PRC as at 31 December 2025 (31 December 2024: 45). The Group's overall staff costs amounted to approximately HK$45,216,000 for Year 2025 (Year 2024: HK$53,841,000). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus and retirement benefits. The Directors' remuneration is determined based on their qualifications, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during Year 2025, including training on updates of accounting standards and market updates.

The Group ha not e perienced an significant problem ith it emplo ee or di ruption to it operation due to labour di cipline nor ha it e perienced an difficult in the recruitment and retention of e perienced taff. The Group ha maintained a good relation hip ith it emplo ee . Certain enior management and taff ha e been orking for the Group for man ear .

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The Compan aim to ma imi e the intere t of it hareholder and at the ame time maintaining a trong and health financial po ition, o a to prepare the Group for in e tment opportunitie that ma ari e from time to time and it u tainable de elopment in the future. In deciding hether to propo e a di idend and in determining the di idend amount, the Board ill take into account the Group' earning performance, financial po ition, in e tment requirement and future pro pect . In addition, the Board ill al o take into account an re tricti e co enant impo ed b bank and other funding facilitie granted to the Group from time to time and an other factor the Board ma deem appropriate and/or rele ant.

The Board ha re ol ed not to recommend the pa ment of a final di idend for Year 2025 (Year 2024: Nil).

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The Compan i committed to e tabli hing and maintaining a tandard of corporate go ernance that i con i tent ith market practice . The Compan complied ith all the applicable code pro i ion et out in the Corporate Go ernance Code ( ) contained in Part 2 of Appendi C1 to the Rule Go erning the Li ting of Securitie on The Stock E change of Hong Kong Limited ( ) then in force throughout Year 2025, e cept for the de iation pecified belo :

Code pro i ion C.2.1 of the CG Code tipulate that the role of chairman and chief e ecuti e hould be eparate and hould not be the ame indi idual. During the ear under re ie , the Compan did not ha e a eparate chairman and chief e ecuti e officer a Mr. Chu Hing Tung a umed both the role of the chairman ( ) and one of the co-chief e ecuti e officer of the Compan . The Board belie e that e ting both the role of the chairman and the co-chief e ecuti e officer in the ame per on ha the benefit of en uring con i tent leader hip ithin the Group and enable more effecti e and efficient o erall trategic planning for the Group. The Board con ider that the balance of po er and authorit for the pre ent arrangement ill not be impaired and thi tructure ill enable the Compan to make and implement deci ion efficientl .

Code pro i ion F.2.2 of the CG Code tipulate that the Chairman hould attend the annual general meeting of the Compan . Mr. Chu Hing Tung, the Chairman, did not attend the annual general meeting of the Compan held on 25 June 2025 (A) due to illne . The Chairman ill endea or to attend all future annual general meeting of the Compan unle une pected or pecial circum tance pre enting him from doing o.

Pursuant to code provision B2.4(b) of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the date of the AGM, all the independent non-executive Directors, namely, Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming, had served more than nine years on the Board. However, the Company was unable to appoint a new independent non-executive Director to the Board at the AGM as it was still in the course of identifying a suitable candidate then. The Company will publish further announcement(s) when the relevant appointment is made.

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules then in force as its own code of conduct regarding Directors' securities transactions in Year 2025. All Directors have confirmed that, following specific enquiry by the Company, they complied with the required standards set out in the Model Code throughout Year 2025.

During Year 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

The audit committee of the Company has reviewed and accepted the Group's annual results for Year 2025.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for Year 2025 as set out in this announcement have been agreed by the Company's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for Year 2025. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

A[illegible]

On behalf of the Board, I would like to express my appreciation and gratitude to those resigned directors for their contribution and service to the Group during their tenure and give my warmest welcome to those newly appointed directors for joining our Group. Moreover, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

On behalf of the Board

[illegible]

Hong Kong, 30 March 2026

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