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SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司
(I c a ed i H g K g i h limi ed liabili)
(Stock Code: 171)

A A A
A 31 2025

The board ( ) of direc ors ( ) of Sil er Gran In erna ional Holdings Gro p Limi ed (or), oge her i h i s s bsidiaries, he ( ) is pleased o anno nce he consolida ed res l s of he Gro p for he ear ended 31 December 2025 (**2025**) as follo s:

[illegible]

For the year ended 31 December 2025

	Notes	2025	2024
		HK$'000	*HK$'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)
[illegible] (*HK cents*)	7		
Basic and diluted		**(41.03)**	(32.83)

[illegible]

For the year ended 31 December 2025

	2025	2024
	HK$'000	*HK$'000*
[illegible]	**(967,391)**	(784,569)
[illegible]		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		
Subsidiaries	**17,203**	(30,916)
Associates and joint ventures	**30,558**	(33,302)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**47,761**	(64,218)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Loss arising on property revaluation	**(1,646)**	(2,858)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(1,646)**	(2,858)
[illegible]	**46,115**	(67,076)
[illegible]	**(921,276)**	(851,645)
Total comprehensive loss attributable to:		
Owners of the Company	**(901,733)**	(796,241)
Non-controlling interests	**(19,543)**	(55,404)
	(921,276)	(851,645)

[illegible]

At 31 December 2025

	Note	2025	2024
		HK$'000	*HK$'000*
[illegible]			
Investment properties		**1,908,783**	2,016,909
Property, plant and equipment		**75,858**	50,622
Right-of-use assets		**19,154**	25,605
Interests in associates		**189,442**	257,634
Interests in joint ventures		**875,772**	1,262,968
Amount due from an associate		**400,378**	409,508
Amounts due from joint ventures		**163,066**	202,742
Financial assets at fair value through profit or loss		**1,000**	1,640
Total non-current assets		**3,633,453**	4,227,628
[illegible]			
Trade receivables	9	**10,428**	9,486
Deposits, prepayments and other receivables		**594,120**	758,117
Amounts due from joint ventures		**1,703**	1,630
Loan receivables		**1,628,023**	1,770,209
Financial assets at fair value through profit or loss		**218,448**	278,702
Restricted bank balances		**17,932**	8,518
Cash and bank balances		**10,273**	4,908
Total current assets		**2,480,927**	2,831,570
[illegible]			
Accrued charges, rental deposits and other payables		**1,010,891**	701,960
Interest-bearing bank and other borrowings		**3,153,314**	3,411,554
Taxation payable		**107,651**	107,089
Lease liabilities		**1,960**	2,873
Total current liabilities		**4,273,816**	4,223,476
[illegible]		**(1,792,889)**	(1,391,906)
[illegible]		**1,840,564**	2,835,722

	2025	2024
	HK$'000	*HK$'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 borrowing 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, benefits 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 asset 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 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.

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 report 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. [illegible]

An analysis of revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from other sources		
Gross rental income	**92,982**	89,421
Revenue from contracts with customers within HKFRS 15 – at a point in time		
Income from distributed photovoltaic power generation	**3,477**	–
	96,459	89,421

[illegible]

[illegible] 31 [illegible] 2025

	[illegible]	[illegible]	[illegible]	[illegible]
	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

	Investments *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)

[illegible]

The Group's business operates 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 asset 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 amounts 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 receivables	**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
Others	**14,336**	11,859
	44,325	45,698

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 *HK$'000*	2024 *HK$'000*
Interest on bank loans	**6,673**	10,893
Interest on other loans	**388,928**	425,761
Interest on lease liabilities	**1,316**	2,401
	396,917	439,055

5. TAXATION

	2025 *HK$'000*	2024 *HK$'000*
Current:		
PRC Corporate Income Tax ("CIT") charge for the year	**532**	10
PRC CIT under-provision in prior years	**4**	
Deferred	**(35,716)**	(17,577)
Total tax credit for the year	**(35,180)**	(17,567)

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries in Hong Kong had no assessable profits or had incurred tax losses during the year ended 31 December 2025 (2024: Nil).

The taxation charge of the PRC CIT for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the Company's subsidiaries in the PRC. Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and the Implementation Regulation of the CIT Law, the tax rate of the Company's subsidiaries in the PRC was 25% for the year ended 31 December 2025 (2024: 25%).

The withholding tax arising from dividend income received from the Company's subsidiaries in the PRC is calculated at 5%.

6. LOSS BEFORE TAXATION

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

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

	[illegible]	
	2025	2024
	in thousand	*in thousand*
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 years 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 the respective revenue recognition dates:

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

[illegible]

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 matters 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 matters 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.

[illegible]

[illegible]

We draw attention to note 2.1 to the consolidated financial statements which mentions 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 borrowing 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 assumptions 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 asset 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] A

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 limitations on our audit relating to the matters detailed below.

[illegible]

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 loss 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 relationships between the Group and the borrowers, and the relationships 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 year 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 year 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.

407(2) 407(3)

In respect alone of the inability to obtain sufficient appropriate audit evidence about the appropriateness of the going concern basis of accounting as described in the Basis for Disclaimer of Opinion section and the loan receivables and loan interest receivables as described in the Other Matter section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and

- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

The Group has recorded a loss attributable to owners of the Company of approximately HK$945,682,000 for Year 2025, as compared with that of approximately HK$756,743,000 for the year ended 31 December 2024 (**2024**). Basic loss per share of the Company was 41.03 HK cents for Year 2025 (Year 2024: 32.83 HK cents).

In Year 2025, the global economy continued to face structural adjustments and geopolitical uncertainty, and was generally characterised by slow growth and intensified fragmentation. The International Monetary Fund forecasted a slight decline in global economic growth, from 3.3% in Year 2024 to 3.2% in Year 2025. Advanced economies were expected to achieve modest growth of around 1.5% to 1.9%, against the backdrop of major central banks' monetary policies entering into an easing cycle. In contrast, as emerging markets and developing economies have maintained relatively strong growth momentum, their economies were expected to grow at rates slightly exceeding 4%. Geopolitical tensions, trade protectionism, and the influence of rapid technological advancements, such as the impact of artificial intelligence on the labour market, were major turning points throughout the year under review. Further, the slowdown in the pace of global disinflation and the intensification of fragmentation across regions presented ongoing challenges for central banks. On the other hand, China's economy maintained a stable momentum in Year 2025. In the first three quarters of the year under review, China's real GDP grew by 5.2% year-on-year, laying a solid foundation for achieving its annual targets. In Year 2025, the economy aggregate of China reached RMB140 trillion, marking the successful conclusion of the 14th Five-Year Plan. Regarding the policies, China implemented a "moderate easing + more aggressive" macro policy mix, further intensifying its expansionary fiscal policy, with the deficit ratio rising to 4%. During the year under review, new quality productivity was promoted to a more prominent strategic position. By focusing on innovation and industrial upgrading, China's economy is committed to shifting from factor-driven to innovation-driven, providing promising momentum for achieving long-term, high-quality development.

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) ([illegible]), 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) ([illegible]), 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 maximising 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.

* *English name is translated for identification purpose only*

[illegible]

The rental income from the Group's property leasing business during Year 2025 was approximately HK$92,982,000, representing an increase of approximately 4.0% as compared with that of approximately HK$89,421,000 during Year 2024. This was mainly due to the Group's property operation team executing effective operation strategies and managing to maintain a stable occupancy rate despite a general decline in rental rates across the overall rental market, resulting in a slight increase in rental income. Such revenue was derived from East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apartments, shops, offices and car parks. Despite the pressures on rental vacancy rates and rental levels in the surrounding shopping areas of East Gate Plaza in Year 2025, the Group's property team has improved its service quality, attracted tenants and optimised the tenant experience through a series of initiatives, thereby improving the satisfaction of existing tenants and fostering a more stable customer base. Moreover, the property management team actively adapted to the market trend by establishing social media marketing channels and leveraging on relevant platforms to promote property listings and enhance brand awareness, effectively increasing the customer conversion rate.

[illegible]

The Group has made investments in certain enterprises in China which are classified by the Group as financial assets at fair value through profit or loss. The Group has invested RMB505,000,000 (equivalent to approximately HK$559,247,000) in aggregate into a trust ([illegible]) managed by National Trust Co., Ltd.* (國民信託有限公司), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 31 December 2025, the NT Trust Scheme, with its carrying value measured at fair value through profit and loss amounting to approximately HK$117,234,000 (31 December 2024: HK$144,431,000) and representing approximately 1.9% (31 December 2024: 2.0%) of the total assets of the Group, constituted the most significant financial asset investment of the Group. Out of the loss of approximately HK$56,978,000 (Year 2024: HK$88,057,000) recorded by the Group in the change in fair value of financial assets at fair value through profit and loss for Year 2025, a loss of approximately HK$30,471,000 (Year 2024: HK$82,634,000) was attributable to the fair value change of the NT Trust Scheme as at 31 December 2025. The Group did not receive any distribution from the NT Trust Scheme during Year 2025 (Year 2024: Nil). Based on the current investment strategy of the Group, its interest in the NT Trust Scheme is held for trading and classified as a current asset in its consolidated statement of financial position.

The Group invests in financial assets mainly for the purpose of generating returns on appreciation of assets and investment returns. In order to optimise the management of working capital and improve the Group's financial position, the Board believes that the disposal of existing financial assets, including equity investment projects and non-performing assets portfolio, should be expedited at the current stage. The Group's investment management team regularly reviews the latest progress of the existing projects and actively seeks exit opportunities and potential buyers for cash inflows. During Year 2025, the Group disposed of financial asset investments for approximately 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 investments 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 Contractors 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 Work 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 logistics 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 photovoltaics, 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.

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[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 advancements 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 contributors 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 counters 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 “photovoltaics, 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 effect 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 interest and other receivables, amount 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 associates 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 projects 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 asset 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,

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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) ([illegible]), 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.

[illegible]

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.

[illegible]

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 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 interest and other receivables, amount 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.

[illegible]

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.

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[illegible]

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.

[illegible]

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.

[illegible]

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 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, 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.

A [illegible]

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 expenses and surcharges 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.

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[illegible]

The Group adopts a conservative treasury policy under which the Group keeps its investment 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$'000	*HK$'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.

[illegible]

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$'000	*HK$'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$'000	*HK$'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$'000	*HK$'000*
Fixed interest rates	**1,444,923**	1,406,758
Floating interest rates	**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 receivables and the disposal of its financial asset 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 borrowing 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 a 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) ("Guangdong Zhuguang") entered into a loan assignment agreement (as amended and supplemented by the supplemental agreement dated 22 January 2025) (the "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, benefits and interests of the Company to, in and under the loan agreements (the "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 (the "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 (the "Loan Interest"), whereas the consideration shall be satisfied by Guangdong Zhuguang by (i) entering into a deed of novation to assume the obligations of Beijing East Gate under two entrusted loan agreements (the "Entrusted Loan Agreements") (including but not limited to the repayment obligation of the underlying entrusted loans (the "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) (the "Debt Novation"); and (ii) assignment of certain car parking spaces located in the Guangdong province of the PRC (the "Target Properties"), at completion of the transactions (the "Transactions") contemplated under the Loan Assignment Agreement ("Completion"). 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 risks associated with the Loan Interest and the administrative costs to be incurred by the Group for collecting the outstanding Loan Interest, 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.

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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 Transactions 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 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 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 ACQUISITION AND DISPOSAL

On 24 February 2025, Beijing East Gate and Mr. Liu Rui (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 announcement 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.

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[illegible]

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.

[illegible]

As at 31 December 2025, the Group had capital expenditures 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 expenditures will be settled by cash through internal resources of the Group.

[illegible]

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.

[illegible]

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.

[illegible]

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 has not experienced any significant problem with its employees or disruption to its operations due to labour discipline nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group has maintained a good relationship with its employees. Certain senior management and staff have been working for the Group for many years.

[illegible]

The Company aims to maximise the interests of its shareholders and at the same time maintaining a strong and healthy financial position, so as to prepare the Group for investment opportunities that may arise from time to time and its sustainable development in the future. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the Group's earnings performance, financial position, investment requirements and future prospects. In addition, the Board will also take into account any restrictive covenants imposed by banks and other funding facilities granted to the Group from time to time and any other factors the Board may deem appropriate and/or relevant.

The Board has resolved not to recommend the payment of a final dividend for Year 2025 (Year 2024: Nil).

[illegible]

The Company is committed to establishing and maintaining a standard of corporate governance that is consistent with market practices. The Company complied with all the applicable code provisions set out in the Corporate Governance Code (“CG Code”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) then in force throughout Year 2025, except for the deviations specified below:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be the same individual. During the year under review, the Company did not have a separate chairman and chief executive officer as Mr. Chu Hing Tsung assumed both the roles of the chairman (“Chairman”) and one of the co-chief executive officers of the Company. The Board believes that vesting both the roles of the chairman and the co-chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions efficiently.

Code provision F.2.2 of the CG Code stipulates that the Chairman should attend the annual general meeting of the Company. Mr. Chu Hing Tsung, the Chairman, did not attend the annual general meeting of the Company held on 25 June 2025 (“AGM”) due to illness. The Chairman will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

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.

[illegible]

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.

[illegible]

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).

[illegible]

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

[illegible]

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.

APPRECIATION

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

Chairman, Co-Chief Executive Officer
and Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Zhu Qing Yi) (Chairman and Co-Chief Executive Officer), Mr. Zhang Wenguang (Co-Chief Executive Officer), Mr. Weng Jian and Ms. Ku Ka Lee as executive Directors; Mr. Chen Zhiwei and Mr. Chen Yongcun as non-executive Directors; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.