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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)

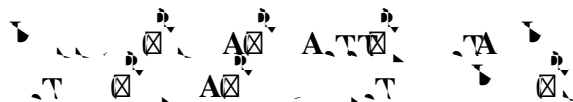
(Stock Code: 171)

— 2025

The board () of director () of Silver Grant International Holding Group Limited () or () together with its subsidiary, hereby () in plea ed o anno nce he con olida ed re l of he Gro p for he ear ended 31 December 2025 () a follo :



 For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	2	96,459	89,421
Direct operating expense		(10,000)	(6,628)
		86,459	82,793
Other income, gain and loss	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 expense		(68,924)	(105,930)
Change in fair value of investments proper to Finance co	4	(396,917)	(439,055)
Share of loss of:			
- associate		(73,774)	(10,702)
- joint venture		(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:			
- Owner of the Company		(945,682)	(756,743)
- Non-controlling interest		(21,709)	(27,826)
		(967,391)	(784,569)
 Basic and diluted	7	(41.03)	(32.83)

For the year ended 31 December 2025

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

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties		1,908,783	2,016,909
Property, plant and equipment		75,858	50,622
Right-of-use asset		19,154	25,605
Intere in a ociat		189,442	257,634
Intere in joint en, re		875,772	1,262,968
Amoun d e from an a ociat		400,378	409,508
Amoun d e from joint en, re		163,066	202,742
Financial a e a fair al e hro, gh profi or lo		1,000	1,640
Total non-current assets		3,633,453	4,227,628
Current assets			
Trade receivable	9	10,428	9,486
Depo i, prepa men and o her receivable		594,120	758,117
Amoun d e from joint en, re		1,703	1,630
Loan receivable		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
Total current assets		2,480,927	2,831,570
Current liabilities			
Accred charge, ren al depo i and o her pa able		1,010,891	701,960
Intere -bearing bank and o her borrowg		3,153,314	3,411,554
Ta a ion pa able		107,651	107,089
Lea e liabili e		1,960	2,873
Total current liabilities		4,273,816	4,223,476
Total assets less liabilities		(1,792,889)	(1,391,906)
Total assets		1,840,564	2,835,722

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
In cre -bearing bank and o her borrowi ng	377,994	34,166
Lea e liabili e	18,376	23,183
Deferred a liabili e	<u>107,868</u>	<u>143,584</u>
To al non-c rren liabili e	<u>504,238</u>	<u>200,933</u>
NET ASSETS	<u><u>1,336,326</u></u>	<u><u>2,634,789</u></u>
Share capi al	3,626,781	3,626,781
Re er e	<u>(2,232,243)</u>	<u>(1,303,230)</u>
Non-con rolling in cre	<u>1,394,538</u>	<u>2,323,551</u>
	<u>(58,212)</u>	<u>311,238</u>
TOTAL EQUITY	<u><u>1,336,326</u></u>	<u><u>2,634,789</u></u>

1.1

1.1 Assets and Liabilities

The Group recorded a net loss of approximately HK\$967 million and HK\$785 million respectively for the 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 balance of approximately HK\$10 million and the Group's interest-bearing bank and other borrowings which have 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 have 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 balance and other assets of the Group due to the non-payment of an overdue other borrowings which have an outstanding principal amount of approximately HK\$196 million (refer to Note 14). Upon the date of approval of the consolidated financial statements, except for the Overdue Other Borrowings, the Group has not received any demand for immediate repayment of its bank and other borrowings. The Group has been acting liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowings and negotiating with the relevant lender for extension of the repayment date of certain of the aforementioned borrowings. The Director of the Company has the foregoing and does not have a 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 interest of the Company, in and under the loan agreement in relation to 54 loans (the total outstanding principal amount and interest of which amount to approximately HK\$2,512 million as at 31 December 2025) advanced by the Group, which would allow the Group to obtain a full recovery of 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 Director has given careful consideration to the Group's future liquidity requirements, operating performance and available source of financing in assessing the Group's ability to continue operating as a going concern. The following plan 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 receivable and loan interest receivable;
- (ii) the Group will continue to take measures to expedite the disposal of the financial asset impairment, including equity impairment and non-performing asset portfolio;
- (iii) the Group will continue to negotiate with the lender 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 Director has reviewed the Group's cash flow projection prepared by management, which covers a period of no more than 12 months from 31 December 2025. The nature of the opinion has, taking into account the above-mentioned plan and measures, the Group will have sufficient working capital to finance its operation and 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.

Nowithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plan and measures described above. Whether the Group will be able to continue as a going concern will depend on (i) the successful and timely implementation of the plan and measures for the disposal of the outstanding loan receivable and loan in arrears receivable; (ii) the successful and timely implementation of the plan for the disposal of the financial assets in arrears; (iii) the continued support from the existing lender of the Group, which has the 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 plan and measures and operate as a going concern, adjustments would have to be made to the carrying value of the Group's assets on their recoverable amount, to provide for an further liability which might arise and to reclassify non-current assets and non-current liability as current assets and current liability, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

1.2 **Annual Report of the Company for the Year Ended 31 December 2025 and 2024**

The financial information relating to the year ended 31 December 2025 and 2024 included in this announcement of annual results does not constitute the Company's annual consolidated financial statements for those years derived from the 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 of, 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 auditors have reported on the consolidated financial statements of the Group for both years. For the year ended 31 December 2025 and 2024, the auditors' reports qualified and contained a disclaimer under section 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap.622); and the auditors' reports did not contain a disclaimer 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.

The financial statements have been prepared in accordance with HKFRS Accounting Standard (which include all Hong Kong Financial Reporting Standard, Hong Kong Accounting Standard (A) and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants (A) and the Hong Kong Companies Ordinance (Cap.622). They have been prepared under the historical cost convention, except for intangible assets, leasehold land and buildings, under proper, plan and equipment and financial assets at fair value through profit or loss, which have been measured at fair value. The financial statements are prepared in Hong Kong dollars and all values are rounded to the nearest hundred (HK\$'000) except when otherwise indicated.

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standard issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. The adoption of the new and revised HKFRS Accounting Standard 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 Standard that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of the new and revised HKFRS Accounting Standard, but is not in a position to state whether the new and revised HKFRS Accounting Standard would have a material impact on its results of operations and financial position.

2. **Analysis of revenue**

An analysis of revenue is as follows:

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

截至2025年12月31日止

	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 non-allocated income, gain and loss				13,155
Corporate expense				(44,350)
Finance cost (other than interest on lease liabilities)				(395,601)
Share of loss of:				
Associate				(73,774)
Joint venture				(32,217)
Loss before taxation				(1,002,571)
Taxation				35,180
Loss for the year				(967,391)

Year ended 31 December 2024

	Income <i>HK\$'000</i>	Proper leaving <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue			
Rental income	<u> </u>	<u>89,421</u>	<u>89,421</u>
Segment loss	<u>(159,671)</u>	<u>(12,933)</u>	(172,604)
Other, non-allocated income, gain and loss			12,653
Corporate expense			(82,504)
Finance cost (other than interest on lease liabilities)			(436,654)
Share of loss of:			
Associate			(10,702)
Joint venture			<u>(112,325)</u>
Loss before taxation			(802,136)
Taxation			<u>17,567</u>
Loss for the year			<u><u>(784,569)</u></u>

主要經營地區

The Group's business operations in the two principal geographical areas are (i) Hong Kong and (ii) the People's Republic of China (香港). In preparing information on the basis of geographical location, revenue is based on the location of operation.

Revenue by region

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PRC	<u>96,459</u>	<u>89,421</u>

Non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	978	2,332
PRC	<u>3,068,031</u>	<u>3,611,406</u>
	<u>3,069,009</u>	<u>3,613,738</u>

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

3. *Other income, gain and loss*

An analysis of other income, gain and loss is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
In other 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	<u>14,336</u>	<u>11,859</u>
	<u>44,325</u>	<u>45,698</u>

4. 其他金融工具

An analysis of finance contracts follows:

	2025 HK\$'000	2024 HK\$'000
In arrears on bank loan	6,673	10,893
In arrears on other loan	388,928	425,761
In arrears on lease liabilities	<u>1,316</u>	<u>2,401</u>
	<u>396,917</u>	<u>439,055</u>

5. 递延所得税

	2025 HK\$'000	2024 HK\$'000
Current:		
PRC Corporate Income Tax (CIT) charge for the year	532	10
PRC CIT under-provision in prior year	4	-
Deferred	<u>(35,716)</u>	<u>(17,577)</u>
Total accrual for the year	<u>(35,180)</u>	<u>(17,567)</u>

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 a loss during the year ended 31 December 2025 (2024: Nil).

The provision 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 (CIT) and the Implementation Regulation of the CIT, the rate of the Company's subsidiaries in the PRC is 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. 董事及高级管理人员

The Group's profit before taxation arrived after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Administrative 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 properties, plant and equipment [#]	4,620	4,929
Depreciation of right-of-use assets [#]	3,635	3,719
Employee benefits expense (including directors' and co-chief executive officers' remuneration)		
Wage and salaries	42,750	51,643
Pension scheme contribution (defined contribution scheme)*	2,466	2,198
	<u>45,216</u>	<u>53,841</u>
Renal income under operating lease for intangible assets, less amortization of HK\$9,085,000 (2024: HK\$6,628,000)	(83,897)	(82,793)
Income from distributed photocopying operation, less amortization of HK\$915,000 (2024: Nil)	(2,562)	-
Impairment of financial assets, net	360,404	102,257
Impairment on intangible assets in joint venture [^]	(69,385)	-
Change in fair value of intangible assets	<u>144,141</u>	<u>72,301</u>

[#] Depreciation of properties, 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 intangible assets and operation are included in Direct operating expense in the consolidated statement of profit or loss.

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

[^] The impairment on intangible assets in joint venture is included in Share of loss of joint venture in the consolidated statement of profit or loss.

7. 本公司根據以下資料計算每股基本及攤薄收益：

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Number of ordinary equity holder of the Company, as used in the basic earnings per share calculation	<u>945,682</u>	<u>756,743</u>

	2025 <i>and</i>	2024 <i>in thousand</i>
Weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation	<u>2,304,850</u>	<u>2,304,850</u>

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

8. 股息

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

9. 貿易應收賬款

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 date at the end of the reporting period, which approximates on the respective revenue recognition date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1-2 months	<u>10,428</u>	<u>9,486</u>

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 the 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.

安達會計師事務所
ANDATA ACCOUNTANTS

安達會計師事務所
ANDATA ACCOUNTANTS

We draw attention to note 2.1 of the consolidated financial statements which mention that the Group recorded a net loss of approximately HK\$967 million and HK\$785 million respectively for the 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 which 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 have not been repaid according to the scheduled repayment date before the end of the reporting period. Furthermore, as described in note 36 of the consolidated financial statements, as at 31 December 2025, the Group was involved in the litigation related to the other borrowings 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 mentioned condition indicates the existence of material uncertainty which may cause significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize 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 director of the Company has been undertaking plan and measures to improve the Group's liquidity and financial position, details of which are set out in note 2.1 of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying value 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 occurrence of the events, which are the subject of the following material, namely:

- (a) The successful and timely implementation of the plan and measures for the disposal of the outstanding loan receivable and loan inventory receivable. 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 plan for the disposal of the financial assets in the event. As of the date of this report, management is unable to provide sufficient information about the details of the plan. Accordingly, the management is unable to obtain sufficient appropriate audit evidence has been considered necessary to evaluate the Group's ability to raise on a timely basis additional funding.
- (c) The contractual support from the existing lender of the Group, which has the ability to demand for immediate repayment of the relevant borrowing. As of the date of this report, the management has, in connection with the agreement or refinancing agreement are still under negotiation and no agreement has been signed. Accordingly, the management is unable to obtain sufficient appropriate audit evidence has been considered necessary to evaluate the Group's ability to obtain the contractual support from the existing lender of the Group.
- (d) The successful obtaining of new sources of financing and when needed. As of the date of this report, the management has, in connection with new sources of financing are still at a preliminary stage and no viable financing plan has been submitted to the Board of Directors of the Company. Accordingly, the management is unable to obtain sufficient appropriate audit evidence has been considered necessary to evaluate the Group's ability to obtain the additional funding.

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

ATTENTION ATTENTION

Had the auditor not claimed an opinion regarding the matter described in the Basis for Disclaimer of Opinion section above, the auditor should have qualified or modified the opinion regarding the scope limitation on the audit relating to the matter detailed below.

Included in loan receivable and deposit, preparation and other receivable on the consolidated statement of financial position at 31 December 2025 and 2024 were loan receivable from different borrower with an aggregate carrying amount of approximately HK\$1,628 million and HK\$1,535 million, net of loan allowance, and related loan in arrears receivable with an aggregate carrying amount of approximately HK\$437 million and HK\$399 million, net of loan allowance, respectively. In addition, included in other income, gain and loss and impairment of financial assets, net on the consolidated statement of profit or loss for the year ended 31 December 2025 and 2024 were in arrears income of approximately HK\$18 million and HK\$55 million, and impairment loss recorded of approximately HK\$73 million and HK\$9 million in relation to the above mentioned loan receivable and loan in arrears receivable, respectively.

As disclosed in note 19 of the consolidated financial statements, the Company has established a special investigation committee, undertake investigation on matters pertaining to the loan transaction, including but not limited to, the commercial rationale of the loan transaction and the relationship between the Group and the borrower. 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 affirm or else (i) the commercial rationale of the loan transaction, the relationship between the Group and the borrower, and the relationship among the borrower; (ii) whether the carrying amount of the loan receivable and loan in arrears receivable were properly stated at 31 December 2025 and 2024; and (iii) whether the impairment loss for the loan receivable and loan in arrears receivable for the year ended 31 December 2025 and 2024 was properly stated and recognized based on the reasonable and supportable information in accordance with the applicable accounting standard and, consequently, whether the in arrears income from the loan receivable was properly recognized during the year ended 31 December 2025 and 2024.

An adjustment to the figure as described above might have consequential effect on the financial position of the Group at 31 December 2025 and 2024, and the financial performance of the Group for the year ended 31 December 2025 and 2024, and the related disclosure hereof in the consolidated financial statements.

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 receivable and loan in arrears receivable as described in the Other Matters 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 explanation that, in the absence 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 a profit of approximately HK\$756,743,000 for the year ended 31 December 2024 (2024). Basic loss per share of the Company is 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 uncertainties, and a generally characterized by low 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 moderate growth of around 1.5% to 1.9%, against the backdrop of major central banks' monetary policies entering into an easing cycle. In contrast, emerging markets and developing economies have maintained relatively strong growth momentum, with their economies expected to grow at a rate slightly exceeding 4%. Geopolitical tensions, trade protectionism, and the influence of rapid technological advancement, which has the impact of artificial intelligence on the labor market, were major driving points throughout the year. Under the influence of the low inflation 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 the influence of, China's real GDP grew by 5.2% year-on-year, laying a solid foundation for achieving its annual target. 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 the influence of, new quality productive forces were 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 intensification of overcapacity and price competition. In the first half of the year, under the leadership of the major players in the supply chain of the photovoltaic industry, faced with a substantial loss. Despite the challenge on the manufacturing side, a market-oriented concentration 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 a reconstruction, laying the foundation for the clearance and healthy development of production capacity for the future. The domestic photovoltaic installation market remained robust, with the new on-grid capacity increasing 14% 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 the leadership of the Group, we have implemented and promoted the business expansion of intelligent energy management and operation business in the three sub-sectors of photovoltaic, storage and charging, and the development of each business progress are also 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) (北京靈駿), 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, which loss had decreased from last year for Year 2024, mainly due to the improved financial performance of the photovoltaic cell module project company in addition to Beijing Lingjun during the year, under the leadership of the initiative, undertaken by the project company to expand its research and development (R&D) capabilities in photovoltaic battery technology during Year 2024.

In relation to the Group's investment in the rational energy segment, Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited* (中海油氣(泰州)石化有限公司) (中海油氣), 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 shareholder and focus on annual production and operational target in Year 2025. Owing to the stable demand for refined oil products during the year, under the leadership of 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.

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The rental income from the Group's proper 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 proper operation team executing effective operation strategies and managing the main available occupancy rate despite a general decline in rental rate across the overall rental market, resulting in a slight increase in rental income. Such revenue was derived from East Gate Plaza, an income-generating property of the Group located in Beijing, China, consisting of apartments, shops, offices and car park. Despite the pressure on rental vacancy and rental level in the surrounding hopping area of East Gate Plaza in Year 2025, the Group's proper team has improved its service quality, attracted tenants and optimized the tenant experience through a series of initiatives, hereby improving the satisfaction of existing tenants and fostering a more stable customer base. Moreover, the proper management team actively adapted to the market trend by establishing social media marketing channels and leveraging online platforms to promote properties and enhance brand awareness, effectively increasing the customer conversion rate.

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 in one trust (國民信託有限公司) managed by National Trust Co., Ltd.* (國民信託有限公司), which holds a portfolio of limited liability partnership investments in properties developed in Shenzhen and Shanghai in the PRC. As at 31 December 2025, the NT Trust Scheme, which is carrying 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 assets investments of the Group. One of the losses 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 dividend from the NT Trust Scheme during Year 2025 (Year 2024: Nil). Based on the current investments strategy of the Group, it is intended in the NT Trust Scheme is held for trading and classified as a current asset in consolidated statement of financial position.

The Group invests in financial assets mainly for the purpose of generating return on appreciation of assets and investment return. In order to optimize the management of working capital and improve the Group's financial position, the Board believes that the disposal of existing financial assets, including equity investments in 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 investment opportunities and potential buyers for cash inflows. During Year 2025, the Group disposed of financial assets investments for approximately HK\$11,657,000 (Year 2024: HK\$35,833,000).

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Since Year 2024, the Group has commenced industrialization in 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 team based on its own characteristics and achieved remarkable results in project expansion. On 28 July 2025, (i) Taihuo Yinjian Energy Investment Co., Limited* (泰州銀建能源投資有限公司) (泰州銀建能源投資有限公司), 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) (南京南瑞繼保工程技術有限公司), an independent third party; and (iii) Shanghai Hongming Construction (Group) Co., Ltd.* (上海弘明建設(集團)有限公司) (上海弘明建設(集團)有限公司), together with Nanrui Jibao, the independent third party, entered into a construction contract (南京南瑞繼保工程技術有限公司), pursuant to which the Contractor agreed to carry out the design, installation and construction of energy storage facilities which shall be equipped with 7.5MW/15MWh lithium iron phosphate system and the related infrastructure, relevant equipment and petrochemical production production plan of Zhong Hai Youqi (a joint venture of the Company) located in Taihuo City, Jiangsu Province, the PRC (上海弘明建設(集團)有限公司), 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 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, which have a total installed capacity of approximately 10.6MW. The projects are located in various regions and cities in the Guangdong and Hainan provinces, encompassing rooftop projects 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 projects, pursuant to the Construction Contract which is a tender 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 distributed photovoltaic power generation business, which amounted to approximately HK\$3,477,000. Besides installing photovoltaic, storage and charging projects in operation, the Group has been gradually laying a foundation for the development of its new energy investment and operation business.

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Looking forward to the year ending 31 December 2026 (2026), fragmentation will remain a key theme in the global economy. The U.S. economy is expected to maintain resilient growth while dragging on advancement in technology, such as artificial intelligence and related strong competition. In contrast, growth in other developed economies, such as the euro area, is likely to be more moderate following a shift towards 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 prioritizing 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 synergies to counter the ongoing downward pressure on the real estate market while supporting the expansion of domestic demand and structural reform. The Group will firmly stand on the Chinese market and seize the golden opportunity presented by China's policy transition to a greener, low-carbon economy to gain a stronger foothold in the new energy market. Facing the challenge and opportunity posed by the current low-inflation rate environment in the country, the Group will fully utilize its own resources, align with the national policies, deepen strategic reform, and accelerate the establishment of a new energy business framework in energy storage, power and charging.

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The loss attributable to the owner 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 holder 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 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 receivable, loan in arrears and other receivable, amounting to from an associate and amounting to from joint venture, 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 intangible 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 intangible properties located in Beijing as at 31 December 2025, as compared with as at 31 December 2024;
- (c) the increase in the Company's share of loss 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 Ruyifeng Intangible Assets Management Company Limited* (廣州瑞豐投資有限公司) (廣州瑞豐投資有限公司), an associate of the Company principally engaged in intangible asset 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 Ruyifeng in the PRC during the reporting period;
- (d) the decrease in the administrative expense 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 expense incurred by the Group following the cost control implemented by the Group during Year 2025; and (ii) the decrease in the Group's consulting, legal and professional fee 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 consulting and legal fee incurred by the Group in relation to its diversified asset portfolio in Year 2025;
- (e) the decrease in the finance cost 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 loss of joint venture 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 initiation of, undertaken by the photovoltaic cell module project company in which Beijing Lingjun is participating in R&D capabilities in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai Yiqi, 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 Yiqi of approximately HK\$80,258,000 for Year 2024,

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arising from the stable demand for refined oil production during the year, under review, and (iii) the increase in the Company's share of the loss of Meihou, Cijishi Shan Operation Management Company Limited* (梅州市集善經營管理有限公司) (梅州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.

2025

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 is 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, monthly and occupancy rate of the rental properties 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.

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 is mainly attributable to the increase in the impairment 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 receivable, loan interest and other receivable, amounting to an associate and amounting to joint venture, respectively, under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Year 2025.

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 properties located in Beijing as at 31 December 2025, as compared with as at 31 December 2024.

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The finance cost 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 loan granted by a financial institution of the Group by one-third during Year 2025; and (ii) a one-off charge on borrowing incurred by the Group during Year 2024, which was absent in Year 2025.

The increase in the Company's share of loss of associate 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 Rongfeng, 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 project held by Guangzhou Rongfeng in the PRC during the year under review.

The Company's share of loss of joint venture 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 pharmaceutical cell modulator project company in connection with Beijing Lingjun to expand its R&D capabilities in pharmaceutical biotechnology during Year 2024; (ii) the Company's share of the profit of Zhong Hai Yiqi, 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 Yiqi of approximately HK\$80,258,000 for Year 2024, arising from the stable demand for refined oil product during the year under review, and (iii) the increase in the Company's share of the loss of Meihouci 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 charge, rental deposits and other payable 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 charge accrued by the Group on the renewed loan 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 owned by 東環(北京)物業管理有限公司 (Ea Ga e (Beijing) Proper Management Co., Ltd.*) (), a wholly-owned subsidiary of the Company.

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The Group adopts a conservative risk management policy, under which the Group keeps its investments under control and manages the return of its investments efficiently. The Group has established policies in place to monitor and control its investment risks, portfolio and to manage its capital. The Group also tries to reduce its portfolio credit risk by performing ongoing credit assessments and evaluation of the financial status of its counterparty. The Board closely reviews the Group's liquidity position to ensure the Group has adequate liquidity to meet its financing requirements at all times.

	2025 HK\$'000	2024 HK\$'000
Restricted bank balance	17,932	8,518
Cash and bank balance	<u>10,273</u>	<u>4,908</u>
Total	<u><u>28,205</u></u>	<u><u>13,426</u></u>

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\$	<u>0.3%</u>	<u>0.3%</u>
	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

The Group conducted its business almost exclusively in RMB except for certain transactions were conducted in HK\$ and United States dollar (US\$). The conversion of RMB into HK\$, US\$ or other foreign currencies has been based on the rate 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 change in the PRC's political and economic conditions. The Group has not adopted any financial instrument for hedging purpose. However, the Group will continue to assess the foreign exchange risk and may decide on the hedging policy required against the possible foreign exchange risk in the future.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Short term borrowing	3,153,314	3,411,554
Long term borrowing	377,994	34,166
Total borrowing	3,531,308	3,445,720
Cash and bank balance	10,273	4,908
Net borrowing	<u>3,521,035</u>	<u>3,440,812</u>

Interest for all borrowing of the Group for Year 2025 were charged at fixed and floating rate 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 borrowing of the Group which remained outstanding were denominated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
RMB	<u>3,531,308</u>	<u>3,445,720</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fixed interest rate	1,444,923	1,406,758
Floating interest rate	<u>2,086,385</u>	<u>2,038,962</u>
	<u>3,531,308</u>	<u>3,445,720</u>

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

	2025 HK\$'000	2024 HK\$'000
Bank loan repayable:		
Within one year or on demand	<u>128,791</u>	<u>142,979</u>
Other loan 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 year, inclusive	56,480	33,520
Over five years	<u> </u>	<u>312</u>
	<u>3,402,517</u>	<u>3,302,741</u>
	<u>3,531,308</u>	<u>3,445,720</u>

As at 31 December 2025, the gearing ratio (calculated as interest-bearing bank and other borrowing, other equity attributable to owner 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. The ratios are key performance indicators, used by the management of the Group to measure the Group's level of leverage. However, 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 assets in increments (including its equity increments 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 which are aggregated carrying amounts 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 have 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 borrowings which has an outstanding principal amount of approximately HK\$196 million (USD 27.4 million). Upon 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 the fulfilment of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lender for the extension of the repayment date of certain of the aforementioned 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 Zhongrong Group Company Limited* (廣東珠光集團有限公司) entered into a loan assignment agreement (an amended and supplemented by the supplemental agreement dated 22 January 2025), pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhongrong has agreed to purchase from the Company all the rights, title, benefit and interest of the Company, in and under the loan agreement entered into between the Company together with its wholly-owned subsidiary a lender and a total of 54 independent third party borrower (including but not limited to the loan) with a 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 Agreement and all accretions created hereunder) accruing hereof from 1 January 2024, where the consideration shall be satisfied by Guangdong Zhongrong by (i) entering into a deed of novation to assume the obligation of Beijing East Gate under the entered loan agreement (including but not limited to the repayment obligation of the underlying entered loan) in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK\$2,075 million), the release of all existing charge, guarantee and pledge of shares, and the provision of new charge, guarantee and/or pledge of shares pursuant to the request of the entering party and the lender, if required; and (ii) assignment of certain car parking space located in the Guangdong province of the PRC, a completion of the transaction contemplated under the Loan Assignment Agreement. Completion is conditional, upon and subject to, among other things, the passing by the shareholder of the Company at an extraordinary general meeting convened by the Company of all necessary resolutions to approve the Loan Assignment Agreement and the Transaction. As the EGM held on 28 February 2025, the Loan Assignment Agreement and the Transaction have been approved by the shareholder of the Company. The Transaction, if materialized, would provide a good opportunity to the Group to, by a full recovery of a large portion of the outstanding amount owed to the Group, under the Loan Agreement within a foreseeable timeframe and in a relatively short period of time, hereby minimizing the uncertain and the credit risk associated with the Loan Interest and the administrative cost 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 exercise the Entered Loan assignment rights and liabilities of the Group, under the Entered Loan Agreement would be discharged.

The transfer of the Target Property to the Group would allow the Group to enlarge and diversify its investment portfolio with high quality assets, a well-achieved enhancement of the income base of the Group and to generate a stable cash flow to the Group.

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A more time was required to fulfil the condition of the Loan Assignment Agreement, in particular, the completion of the Deb Note action, completion of the Loan Assignment Agreement did not take place on or before 31 December 2025, being the long stop date () 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 condition of the Loan Assignment Agreement.

Further details of the Loan Assignment Agreement and the Transaction are set out in the announcement 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 Director has given careful consideration to the Group's financial requirements, operating performance and available source of financing in assessing the Group's ability to continue operating as a going concern. The following plan 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 receivable and loan inventory receivable;
- (ii) the Group will continue to take measures to expedite the disposal of the financial assets in inventory, including equity investments and non-performing assets portfolio;
- (iii) the Group will continue to negotiate with the lender of certain bank and other borrowing or other financial institution on the refinancing of the borrowing; and
- (iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Director has reviewed the Group's cash flow projection prepared by the management, which covers a period of no more than 12 months from 31 December 2025. The nature of the opinion has, taking into account the above-mentioned plan and measures, the Group will have sufficient working capital to finance its operations and 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 plan and measures as described above. Whether the Group will be able to continue as a going concern should depend on (i) the successful and timely implementation of the plan and measures for the disposal of the outstanding loan receivable and loan inventory receivable; (ii) the successful and timely implementation of the plan for the disposal of the financial assets in inventory; (iii) the continued support from the existing lender of the Group, which has the will not demand for immediate repayment of the relevant borrowing; and (iv) the successful obtaining of new source of financing as and when needed.

Should the Group be, unable to achieve the above-mentioned plan and measure and operate as a going concern, adjustments should have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for an further liability which might arise and to reclassify non-current assets and non-current liability as current assets and current liability, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

1. Acquisition of Assets

On 24 February 2025, Beijing East Gate and Mr. Li Rui (李锐) entered into a sale and purchase agreement (the "SPA"), pursuant to which Mr. Li has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 173.49 square meters situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Donghong Street, Dongcheng District, Beijing, the PRC (the "Property"), at the consideration of RMB10,200,000 (equivalent to approximately HK\$11,062,000) (the "Purchase Price"). After the registration of the Property from Beijing East Gate to Mr. Li, 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 other things, effective from 20 June 2025, the SPA shall be terminated, hereby releasing and discharging each of the Parties from its obligations, duties and liabilities under the SPA (the "Termination"). Further details of the February Disposal and the Termination are set out in the Company's announcement dated 24 February 2025 and 20 June 2025, respectively.

On 25 March 2025, Beijing East Gate and Hangzhou Guangao Zhiyin Zhengye Enterprise Management Consulting Partnership (Limited Partnership)* (杭州光曜致新正泽企业管理咨询合夥企业(有限合伙)) (the "Partnership") entered into (i) the first sale and purchase agreement, pursuant to which Hangzhou Guangao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 173.01 square meters situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Donghong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB10,438,000 (equivalent to approximately HK\$11,302,000) (the "Purchase Price"); and (ii) the second sale and purchase agreement, pursuant to which Hangzhou Guangao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 275.48 square meters situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Donghong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB16,611,000 (equivalent to approximately HK\$17,986,000) (the "Purchase Price"). The March Disposal were completed in April 2025. Further details of the March Disposal 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.

* English name is translated for identification purpose only

Property, plant and equipment

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 payable due to an independent third party.

Capital expenditure

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, related equipment of approximately HK\$55,000 (31 December 2024: Nil). The investment has the capital expenditure will be funded by cash through internal resources of the Group.

Loans granted to a joint venture

As at 31 December 2025, the Group provided corporate guarantee 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.

Shareholders' funds

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 owner of the Company in Year 2025.

Employee benefits

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 cost 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 qualification. Other staff benefits include annual bonus and retirement benefits. The Director's remuneration is determined based on their qualification, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourage, sustainable training of its employees through coaching and further education. In-house training was provided to eligible employees during Year 2025, including training on, practice of accounting standard and market practice.

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. At the date of the AGM, all the independent non-executive Directors, namely, Mr. Liang Qing, Mr. Zhang Li and Mr. Hong Mark Ming, had served more than nine years on the Board. However, the Company is able to appoint a new independent non-executive Director at the AGM as it will continue to identify suitable candidates. The Company will publish its financial statements when the relevant appointment is made.

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

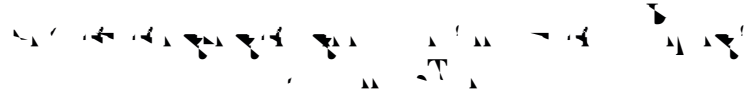
The audit committee of the Company has reviewed and accepted the Group's annual report for Year 2025.

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 hereof for Year 2025 as set out in this announcement have been agreed by the Company's auditor, ZHONGHUI ANDA CPA Limited, on the amount 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.

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On behalf of the Board, I would like to express my appreciation and gratitude to the
resigned director for their contribution and service to the Group during their tenure and give
my warmest welcome to the newly appointed director for joining our Group. Moreover, I
would like to express my appreciation and gratitude to our shareholder 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.