



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)

Annual Report 2025

The board of directors of Silver Grant International Holdings Group Limited, together with its subsidiaries, hereby announce the consolidated results of the Group for the year ended 31 December 2025 as follows:

Financial Statements for the year ended 31 December 2025

		2025 HK\$'000	2024 \$'000
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 investment properties		(144,141)	(72,301)
Finance costs	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 earnings per share (in HK cents)	7	(41.03)	(32.83)

Financial statements for the year ended 31 December 2025

	2025 HK\$'000	2024 \$'000
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)
Associate 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)
Other comprehensive income/(loss) attributable to owners of the Company	46,115	(67,076)
Other comprehensive income/(loss) attributable to non-controlling interest	(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)

	2025 HK\$'000	2024 \$'000
Non-current assets		
Inventories, properties	1,908,783	2,016,909
Property, plant and equipment	75,858	50,622
Right-of-use asset	19,154	25,605
Interece in associates	189,442	257,634
Interece in joint venture	875,772	1,262,968
Amortizable intangible from an associate	400,378	409,508
Amortizable intangible from joint venture	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
Current assets		
Trade receivable	10,428	9,486
Deposits, prepayments and other receivable	594,120	758,117
Amortizable intangible from joint venture	1,703	1,630
Loan receivable	1,628,023	1,770,209
Financial assets at fair value through profit or loss	218,448	278,702
Restricted bank balance	17,932	8,518
Cash and bank balance	10,273	4,908
Total current assets	2,480,927	2,831,570
Current liabilities		
Accrued charges, rental deposits and other payable	1,010,891	701,960
Interest-bearing bank and other borrowing	3,153,314	3,411,554
Taxation payable	107,651	107,089
Lease liability	1,960	2,873
Total current liabilities	4,273,816	4,223,476
Net assets	(1,792,889)	(1,391,906)
Equity		
Share capital	1,840,564	2,835,722

	2025 HK\$'000	2024 \$'000
LIABILITIES		
Interest-bearing bank and other borrowing	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
EQUITY		
Share capital	3,626,781	3,626,781
Reserves	(2,232,243)	(1,303,230)
Non-controlling interests	1,394,538	2,323,551
	(58,212)	311,238
TOTAL EQUITY	1,336,326	2,634,789

1.1 1.1.1

The Group recorded a net loss of approximately HK\$967 million and HK\$785 million respectively for the consolidated year 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 borrowing 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 balance 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 (—, —, —). Upon the date of approval of the consolidated financial statements, except for the Overdue Other Borrowing, the Group has not received an demand for immediate repayment of its bank and other borrowing. The Group has been acting liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lender for extension of the repayment date of certain of the afore said borrowing. The Director 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 interest of the Company, in and under the loan agreement 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 Director has given careful consideration to the Group's financial 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 assets in settlement, including equity investments and non-performing assets portfolio;
- (iii) the Group will continue its negotiation 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 lender as and when needed.

The Director has reviewed the Group's cash flow projection prepared by management, which covers a period of not less than 12 months from 31 December 2025. The views of the opinion have, taking into account the above-mentioned plan and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligation 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.

Shor ld he Gro p be , nable o achie e he abo e-men ione d plan and mea , re and opera e a a going concern, adj , men o ld ha e o be made o rie do n he carr ing ab e of he Gro p' a e o heir reco erable amo n , o pro ide for an f r her liabili e hich migh ari e and o recla if non- α rren a e and non- α rren liabili e a α rren a e and α rren liabili e , re pec i el . The effec of he e adj , men ha e no been reflec ed in he e con olida ed financial a emen .

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 audited or annual consolidated financial statements for the year but is 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 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 qualified and contained a paragraph under section 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap.622); and the auditor's report did not contain a paragraph 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.

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA. There are no material impacts on the financial statements for the accounting year beginning on 1 January 2025. The adoption of the new and revised HKFRS Accounting Standards did not result in any significant change to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

An analysis of reference is as follows:

8

Year ended 31 December 2024

	In eimen \$'000	Proper leaing \$'000	Total \$'000
Revenue			
Rental income		89,421	89,421
Segment loss	(159,671)	(12,933)	(172,604)
Other, nonallocated 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			(112,325)
Loss before taxation			(802,136)
Taxation			17,567
Loss for the year			(784,569)

Geographical information

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

Revenue from external customers

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

Non-current assets

	2025 HK\$'000	2024 \$'000
Hong Kong	978	2,332
PRC	3,068,031	3,611,406
	<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 the classification of the assets as fair value through profit or loss, amortizable from an association and amortizable from joint venture.

3. Other income, gain and loss

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

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

4. ~~非~~ A ~~非~~

An analysis of finance costs is as follows:

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

5. ~~非~~ A ~~非~~

	2025 HK\$'000	2024 \$'000
Current:		
PRC Corporate Income Tax (非) charge for the year	532	10
PRC CIT under-provision in prior year	4	-
Deferred	<u>(35,716)</u>	<u>(17,577)</u>
Total tax credit 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 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 law applicable to the Company's subsidiaries in the PRC. Under the Law of the PRC on Corporate Income Tax (~~非~~) and the Implementation Regulation of the CIT Law, the tax 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. **Profit before taxation**

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

	2025 HK\$'000	2024 \$'000
Attributable remuneration	4,000	4,200
Change in fair value of financial assets and 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 expense (including directors' and co-chief executive officer's remuneration)		
Wage and salaries	42,750	51,643
Pension scheme contribution (defined contribution scheme)*	2,466	2,198
	45,216	53,841
Renual income, under operating lease for intangible property, lease going of HK\$9,085,000 (2024: HK\$6,628,000)	(83,897)	(82,793)
Income from distributed photocopying power generation, lease going of HK\$915,000 (2024: Nil)	(2,562)	-
Impairment of financial assets, net	360,404	102,257
Impairment on interest in joint venture [^]	(69,385)	-
Change in fair value of intangible property	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 net energy intangible property and operation are included in Directors' remuneration – in the consolidated statement of profit or loss.

^{*} There were no forfeited contribution that may be reduced by the Group as the employer's reduction of the employee's contribution.

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

7. A path of nodes is highlighted with thick lines, starting from a node at the top, moving down to A, then right to a node labeled B, then down to another node, then right to a node labeled H, then down to a node labeled A, then right to a node labeled H, then down to a node labeled A, then right to a node labeled A. The path ends at the rightmost node labeled A.

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

	2025	2024
	<i>HK\$'000</i>	<i>\$'000</i>
Loan attributable to ordinary equity holder of the Company issued in the basic loan purchase calculation	945,682	756,743

	2025	2024
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 are no potential dilutive shares outstanding for the year ended 31 December 2025 and 2024.

8. $\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$

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

9. ☒ A ☐ B

The Group allows a credit period of 30 to 60 days, depending on the customer.

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

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

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

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on 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.

獨立核數師報告

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 balance of approximately HK\$10 million and the Group's interest-bearing bank and other borrowing 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 of the consolidated financial statements, as at 31 December 2025, the Group is 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 the general assets and demanding for immediate repayment. The above events or condition indicate 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 plans 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 reflect the carrying value of the Group's assets, their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

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

- (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 Germany. As of the date of this report, management is able to provide sufficient information about the details of the plan. Accordingly, the necessary to obtain sufficient appropriate audit evidence has been considered necessary to allow the Group's ability to raise on a timely basis additional financing.
- (c) The continued support from the existing lender of the Group, which has the will not demand for immediate repayment of the relevant borrowing. As of the date of this report, the relevant debt management has been in agreement or refinancing agreement are still under negotiation and no agreement has been signed. Accordingly, the necessary to obtain sufficient appropriate audit evidence has been considered necessary to allow the Group's ability to obtain the continued support from the existing lender of the Group.
- (d) The successful obtaining of new source of financing as and when needed. As of the date of this report, the relevant debt management has been in agreement or refinancing are still at a preliminary stage and no viable financing plan has been submitted to the Board of Directors of the Company. Accordingly, the necessary to obtain sufficient appropriate audit evidence has been considered necessary to allow the Group's ability to obtain the additional financing.

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

— ~~XXXX~~ ~~XXXX~~ ~~XXXX~~ ~~XXXX~~

Had the not disclaimed our opinion regarding the matter described in the Basis for Disclaimer of Opinion section above, we would otherwise have qualified our opinion regarding the scope limitation on our audit relating to the 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 loss allowance, and related loan interest receivable 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, 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 interest 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 interest receivable, respectively.

As disclosed in note 19 of the consolidated financial statement, the Company has established a special investigation committee to 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 as to (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 interest receivable were properly valued at 31 December 2025 and 2024; and (iii) whether the impairment loss for the loan receivable and loan interest receivable for the year ended 31 December 2025 and 2024 is properly assessed and recognized based on the reasonable and supportable information in accordance with the applicable accounting standard and, consequently, whether the interest income from the loan receivable is 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 statement.

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 interest 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, 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 owner 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 was generally characterized 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 moderate growth of around 1.5% to 1.9%, against the backdrop of major central bank 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 relatively high rate 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 review. Furthermore, 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 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 review, the quality production – a promoted and 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, promoting momentum for achieving long-term, high-quality development.

In Year 2025, the photovoltaic industry in China has undergone deep adjustment of the supply chain—of overcapacity and price competition. In the first half of the year, under the pressure in the supply chain of the photovoltaic industry faced by financial losses. Despite the challenge on the manufacturing side, a market-oriented competition of anti-inflation—gradually emerged, signaling that the industry is 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 on-grid capacity increasing 14% high 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, the implementation promoted the business expansion of new energy investment and operation business in the three sectors of photovoltaic, storage and charging—and the details of each 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) (002831.SZ), 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 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 the leadership, a series of initiatives 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) (002832.SZ), 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 its annual production and operational target in Year 2025. Owing to the stable demand for refined oil products during the year, under the leadership, 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.

* E.g., 北京靈駿新能源科技有限責任公司, 002831.SZ

The rental income from the Group's property leasing business during Year 2025 is 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 is mainly due to the Group's property operation team's effective operation strategy and management, to maintain a stable occupancy rate despite a general decline in rental rate across the overall rental market, resulting in a slight increase in rental income. Such revenue is derived from East Gate Plaza, an integrated property of the Group located in Beijing, China, consisting of apartments, shops, offices and car park. Despite the pressure on rental vacancy rate and rental level in the surrounding hopping area of East Gate Plaza in Year 2025, the Group's property 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 property management team actively adapted to the market trend by establishing social media marketing channel and leveraging on relevant platform to promote property listing 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 of the ~~XXXX~~ managed by National Trust Co., Ltd.* (國民信託有限公司), which holds a portfolio of limited liability partnership in investing in property development 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 in 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, 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 investments strategy of the Group, it is expected 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 return on appreciation of assets and in investments 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, 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 opportunities and potential buyers for cash inflow. During Year 2025, the Group disposed of financial assets in investments for approximately HK\$11,657,000 (Year 2024: HK\$35,833,000).

* E.g., ~~XXXX~~

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 Yinyuan Energy Investment Co., Limited* (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) (an independent third party; and (iii) Shanghai Hongming Construction (Group) Co., Ltd.* (上海弘明建設(集團)有限公司) (together with Nanniji Jibao, an independent third party, entered into a construction contract for the design, construction and construction of energy storage facilities which shall be equipped with 7.5MW/15MWh lithium iron phosphate system and the related infrastructure, the petroleum and petrochemical production production plan of Zhong Hai Yiqi (a joint venture of the Company) located in Taizhou City, Jiangsu Province, the PRC, 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. The projects are located in various regions and cities in the Guangdong and Hainan provinces, encompassing rooftop resources from a diverse range of premises, including hospitals, schools, hotels, factories and logistic parks. As at 31 December 2025, in addition to the energy storage projects, the Construction Contract which is 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 continuing to pursue 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.

* English name of the company is for reference only.

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 leveraging on advancement in technologies, 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 tighter monetary policy. 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 rapid growth, driven by national 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 energy cooperation, the ongoing downturn and pressure on the real estate market while supporting the expansion of domestic demand and national transformation. The Group will firmly stand on the Asia Pacific 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 challenge and opportunities posed by the current low-interest rate environment in the country, the Group will fully mobilize its resources, align with the national policies, deepen its strategic transformation, and accelerate the establishment of a new energy business framework, highlighting the photovoltaic, storage and charging.

A

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 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 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 interest and other receivable, amount due from associates and amount due 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 loss of Guangzhou Ruifeng Intangible Company Limited* (廣州瑞豐投資有限公司) (–), an associate of the Company principally engaged in intangible holding, from approximately HK\$1,000 for Year 2024 to approximately HK\$73,774,000 for Year 2025, as a result of the decline in the performance of the real estate project held by Guangzhou Ruifeng in the PRC during the year under review;
- (d) the decrease in the administrative 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 real estate 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 is 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 is 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 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 is mainly caused by the initiation and undertaken by the photovoltaic cell module project company in which Beijing Lingjun is a partner to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of 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 loss of Zhong Hai Yiqi of approximately HK\$80,258,000 for Year 2024,

* E... ..

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 Cijishi Shan Operation Management Company Limited* (梅州市集善經營管理有限公司) (附錄一), a joint venture of the Company principally engaged in infrastructure and urban renewal projects in China, from approximately HK\$1,000 for Year 2024 to approximately HK\$21,855,000 for Year 2025, mainly due to the continuing decline of the real estate market in the PRC during the year under review.

Revenue of the Group for Year 2025 amounted to approximately HK\$96,459,000 (Year 2024: HK\$89,421,000), representing an increase of approximately 7.9%, which 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 net rental rate 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.

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 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 interest and other receivable, amount due from an associate and amount due from joint venture, respectively, under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments*, in Year 2025.

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

* *Meizhou Cijishi Shan Operation Management Company Limited*

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 is 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 recharge on borrowing incurred by the Group during Year 2024, which is 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, is mainly contributed by the increase in the Company's share of loss of Guangzhou Rifei, 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 Rifei 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 is primarily attributable to (i) the decrease in the Company's share of 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 in order to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai Youqi, 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 Youqi 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 Meizhou Cijishan, 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. Other non-current assets

The increase in the Group's accrued charge, rental deposit and other payable from approximately HK\$701,960,000 at 31 December 2024 to approximately HK\$1,010,891,000 at 31 December 2025 is mainly attributable to the increase in the amount of interest payable accrued by the Group at 31 December 2025 as compared with that at 31 December 2024, as a result of the interest expense and recharge 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) at 31 December 2025, which are owed by 東環(北京)物業管理有限公司 (Ea Gae (Beijing) Property Management Co., Ltd.*) (), a wholly-owned subsidiary of the Company.

* E.

The Group adopts a conservative risk management policy under which the Group keeps its investments, loans, and other financial assets under control and manages the return of its investments efficiently. The Group has established a guideline 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 evaluation 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 financing requirements at all times.

	2025 HK\$'000	2024 \$'000
Restricted bank balance	17,932	8,518
Cash and bank balance	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 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 it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

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

	2025 HK\$'000	2024 \$'000
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	3,521,035	3,440,812

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

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

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

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

	2025 HK\$'000	2024 \$'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		312
	<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 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. The ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage. In view of the Group has the liquidity to meet its financial obligation at all time. The Group will strive to improve its liquidity by expediting the collection and/or disposal of its outstanding loan receivable and the disposal of its financial assets in value (including its equity investments and non-performing assets portfolio).

As at 31 December 2025, the Group had cash and bank balance of approximately HK\$10 million and the Group's interest-bearing bank and other borrowing 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 balance 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 (–, –, –). Upon the date of approval of this announcement, except for the Overdue Other Borrowing, the Group has not received an demand for immediate repayment of its bank and other borrowing. 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 lender for extension of the repayment date of certain of the aforementioned borrowing. The Directors are of the view that the frozen assets do not have material impact on the Group's financial position and operation.

In addition, on 27 June 2024, the Company and Guangdong Zhiguang Group Company Limited* (廣東珠光集團有限公司) 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 Zhiguang has agreed to purchase from the Company all the rights, title, benefit and interest of the Company, in and under the loan agreement (the "Loan Agreement") entered into between the Company together with its wholly-owned subsidiary as lender and a pool of 54 independent third party borrower (including but not limited to the loan (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 earnings created (hereunder) accruing herefrom from 1 January 2024 (the "Loan Earnings"), hereinafter the consideration shall be satisfied by Guangdong Zhiguang by (i) entering into a deed of novation to assume the obligation of Beijing East Gate under the novated loan agreement (the "Novated Loan Agreement") (including but not limited to the repayment obligation of the novated loan (the "Novated 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 share, and the provision of new charge(s), guarantee and/or pledge of share pursuant to the request of the novating party and the lender, if required) (the "Novation"); and (ii) assignment of certain car parking space located in the Guangdong province of the PRC (the "Parking Space"), a completion of the transaction (the "Transaction") contemplated under the Loan Assignment Agreement (the "Transaction"). Completion is conditional upon and subject to, among other, the passing by the shareholder of the Company at an extraordinary general meeting (the "EGM") convened by the Company of all necessary resolution(s) to approve the Loan Assignment Agreement and the Transaction. At 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 for the Group to substantially recover 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, thereby minimizing the uncertainty and the credit risk 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 exercise the novated Loan and the rights and liabilities of the Group under the novated Loan Agreement would be discharged.

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

* E.g., 广东珠光集团有限公司

A more time is required to fulfil the condition of the Loan Assignment Agreement, in particular, the completion of the Debt Note action, completion of the Loan Assignment Agreement did not take place on or before 31 December 2025, being the long stop date (as 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 of 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 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 Director has given careful consideration to the Group's financial requirements, operating performance and availability 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 in inventory and non-performing assets portfolio;
- (iii) the Group will continue its negotiation 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 not less than 12 months from 31 December 2025. The views of the opinion holder, taking into account the above-mentioned plan and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations and when the 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 could 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 measures and operate as a going concern, adjustments should have to be made to rise to the carrying value of the Group's assets, their recoverable amounts, to provide for an further liability which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of the adjustments have not been reflected in the consolidated financial statements.

~~On 24 February 2025, Beijing East Gate and Mr. Li Rui (李锐), together with Beijing East Gate, the~~

On 24 February 2025, Beijing East Gate and Mr. Li Rui (李锐), together with Beijing East Gate, the (), an independent third party, 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, 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 (the "Property"), at the consideration of RMB10,200,000 (equivalent to approximately HK\$11,062,000) (the "Consideration"). At the registration of the transfer 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, with effect from 20 June 2025, the SPA shall be terminated, hereby releasing and discharging each of the Parties from its obligation, 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 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)) (the "Partner") 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 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) (the "First Sale"); 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 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) (the "Second Sale"). Together with the First March Disposal, the (). 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.

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

* *Hangzhou Guangao Zhiyin Zhengze Enterprise Management Consulting Partnership (Limited Partnership)*

As at 31 December 2025, certain inventory, property, 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.

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 unutilized equity reserve of approximately HK\$55,000 (31 December 2024: Nil). In the period, the capital expenditure will be funded by cash through internal resource of the Group.

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.

As at 31 December 2025, the shareholder's fund 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 is mainly due to the loss attributable to the owner of the Company in Year 2025.

The Group had in aggregate 55 employees in Hong Kong and the PRC as at 31 December 2025 (31 December 2024: 45). The Group's overall staff 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 condition, 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 condition.

The Group encourage continuous training of its employees through coaching and further study. In-house training is provided to eligible employees during Year 2025, including training on product of accounting standard and market product.

The Group has not experienced any significant problem with employee or disputation of operation due to labour discipline nor has it experienced any difficulty in 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.

A

The Company aims to maximize the interests of its shareholder and at the same time maintaining a strong and healthy financial position, so as to prepare the Group for future 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 earning performance, financial position, future requirements and future prospects. In addition, the Board will also take into account any restrictive covenants imposed by bank and other financing facilities granted to the Group from time to time and any other factor 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).

A

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

Code provision C.2.1 of the CG Code stipulates that the role 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. Cheung Hing Tung assumed both the role of the chairman (the "Chairman") and one of the co-chief executive officers of the Company. The Board believes that having both the role of the chairman and the co-chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the pre-arrangement will not be impaired and this in fact 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. Cheung Hing Tung, the Chairman, did not attend the annual general meeting of the Company held on 25 June 2025 (the "AGM") due to illness. The Chairman will endeavor to attend all future annual general meetings of the Company, unless prevented or special circumstances prevent 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 Li and Mr. Hong Mark Ming, had served more than nine years on the Board. However, the Company is unable to appoint a new independent non-executive Director to the Board at the AGM as it is still in the course of identifying a suitable candidate. The Company will publish further announcement when the relevant appointment is made.

— **A** —

The Company adopted the Model Code for Securities Transaction by Directors of Listed Issuer (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.

— **A** —

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).

— **A** —

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

— **K** —

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, as the auditor set out in the Group’s draft consolidated financial statement for Year 2025. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

A. A.

On behalf of the Board, I would like to express 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 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

C., C. -C. E.
E. D.

Hong Kong, 30 March 2026

A. B. C.
(C., C. -C. E.), (C. -C.
E.), D.; C.
. C. D.
. D.