

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to the accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 director () of Silver Grant International Holding Group Limited () or (), together with its subsidiaries, the () is pleased to announce the consolidated result of the Group for the year ended 31 December 2025 () as follows:

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 asset at fair value through profit or loss		(56,978)	(88,057)
Impairment of financial asset, net		(360,404)	(102,257)
Administrative expense		(68,924)	(105,930)
Change in fair value of investment properties		(144,141)	(72,301)
Finance cost	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) that 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)
	<u>47,761</u>	<u>(64,218)</u>
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent period		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent period:		
Loss arising on property revaluation	(1,646)	(2,858)
	<u>(1,646)</u>	<u>(2,858)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent period		
	46,115	(67,076)
	<u>(921,276)</u>	<u>(851,645)</u>
Total comprehensive loss attributable to:		
Owner of the Company	(901,733)	(796,241)
Non-controlling interest	(19,543)	(55,404)
	<u>(921,276)</u>	<u>(851,645)</u>

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 assets		19,154	25,605
Interest in associate		189,442	257,634
Interest in joint venture		875,772	1,262,968
Amount due from an associate		400,378	409,508
Amount due from joint venture		163,066	202,742
Financial asset 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	9	10,428	9,486
Deposit, prepayment and other receivable		594,120	758,117
Amount due from joint venture		1,703	1,630
Loan receivable		1,628,023	1,770,209
Financial asset 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 charge, rental deposit 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 liabilities		1,960	2,873
Total current liabilities		4,273,816	4,223,476
		(1,792,889)	(1,391,906)
		1,840,564	2,835,722

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

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 balances of approximately HK\$10 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK\$3,153 million are due to be repaid within 12 months from the end of the reporting period, including borrowings of approximately HK\$2,282 million which 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 ordered other borrowings with an outstanding principal amount of approximately HK\$196 million (人民币196,000,000元). Up to the date of approval of the consolidated financial statement, except for the Ordered Other Borrowing, the Group has not received an demand for immediate repayment of its bank and other borrowings. The Group has been actively liaising with the lender for settlement of the court order in relation to the Ordered Other Borrowing and negotiating with the relevant lender for extension of the repayment date of certain of the aforesaid borrowings. The Directors of the Company are of the view that the frozen assets do not have material impact on the Group's financial position and operation. In addition, in June 2024, the Company entered into an agreement with an independent third party to assign all the rights, title, benefit and interest of the Company to, 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 Directors have given careful consideration to the Group's future liquidity requirement, 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 in settlement, including equity investment and non-performing asset portfolio;
- (iii) the Group will continue its negotiation with the lender of certain bank and other borrowings or other financial institution on the refinancing of the borrowings; and
- (iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projection prepared by management, which covers a period of not less than 12 months from 31 December 2025. They are of the opinion that, 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 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 statement 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 interest receivable; (ii) the successful and timely implementation of the plan for the disposal of the financial asset in settlement; (iii) the continued support from the existing lender of the Group such that the lender 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 could have to be made to write down the carrying value of the Group's assets to their recoverable amount, 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 the adjustments have not been reflected in the consolidated financial statement.

1.2 **Annual Report of the Company**

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

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

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standard issued by the HKICPA that are relevant to its operation 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 change to the Group's accounting policies, presentation of the Group's consolidated financial statement and amounts reported for the current year and prior year.

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 yet in a position to state whether the new and revised HKFRS Accounting Standard could have a material impact on its results of operation and financial position.

2. **Revenue from other sources**

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	
	<u>96,459</u>	<u>89,421</u>

Revenue from other sources
for the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue				
Rental income	92,982	92,982		
Income from distributed photovoltaic power generation	3,477	3,477		
	<u>96,459</u>	<u>96,459</u>		
Segment (loss)/profit	<u>(392,010)</u>	<u>(80,075)</u>	<u>2,301</u>	<u>(469,784)</u>
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				<u>(1,002,571)</u>
Taxation				35,180
Loss for the year				<u><u>(967,391)</u></u>

Year ended 31 December 2024

	Investment <i>HK\$'000</i>	Property leasing <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>

– 13 –

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

Revenue by geographical area

	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 asset information above is based on the location of the asset and exclude financial assets at 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>
Interest income on:		
bank deposit	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. 利息開支

An analysis of finance cost is as follows:

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

5. 稅項

	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 tax credit for the year	<u>(35,180)</u>	<u>(17,567)</u>

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

The taxation charge of the PRC CIT for the year has been made based on the Group's estimated assessable profit 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 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.  A A .

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

	2025 HK\$'000	2024 HK\$'000
Director's remuneration	4,000	4,200
Change in fair value of financial assets at fair value through profit or loss	56,978	88,057
Depreciation of property, plant and equipment [#]	4,620	4,929
Depreciation of right-of-use assets [#]	3,635	3,719
Employee benefit expense (including director's and co-chief executive officer's 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>
Rental income under operating lease for investment properties, less outgoing of HK\$9,085,000 (2024: HK\$6,628,000)	(83,897)	(82,793)
Income from distributed photovoltaic power generation, less outgoing 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 investment properties	<u>144,141</u>	<u>72,301</u>

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

* There were no forfeited contribution that may be deducted by the Group as the employer to reduce the existing level of 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. **Basic earnings per share**

The calculation of the basic 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>
Loss attributable to ordinary equity holder of the Company as stated in the basic earnings per share calculation	<u>945,682</u>	<u>756,743</u>
	<i>2025</i>	<i>2024</i>
	<i>and</i>	<i>in thousand</i>
Weighted average number of ordinary shares included in the year ended in the basic earnings per share calculation	<u>2,304,850</u>	<u>2,304,850</u>

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

8. **Dividends**

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

9. **Trade receivables**

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 month	<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 statement 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 statement. 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 statement have been properly prepared in compliance with the Hong Kong Companies Ordinance.

We draw attention to note 2.1 to the consolidated financial statement which mention that the Group recorded a net loss of approximately HK\$967 million and HK\$785 million respectively for the consecutive 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 balances of approximately HK\$10 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK\$3,153 million are due to be repaid within 12 months from the end of the reporting period, including borrowings of approximately HK\$2,282 million which have not been repaid according to the scheduled repayment date before the end of the reporting period. Furthermore, as described in note 36 to the consolidated financial statement, 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 event or condition indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The consolidated financial statement have been prepared on a going concern basis. The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, details of which are set out in note 2.1 to the consolidated financial statement. 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 statement.

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 to the following material uncertainties.

- (a) The successful and timely implementation of the plan and measures for the disposal of the outstanding loan receivable and loan interest 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 asset investment. As of the date of this report, management was unable to provide sufficient information about the details of the plan. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to raise on a timely basis additional financing.
- (c) The continued support from the existing lender of the Group such that the lender will not demand for immediate repayment of the relevant borrowing. As of the date of this report, we were advised by management that such extension agreement or refinancing agreement are still under negotiation and no agreement has been signed. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the 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, we were advised by management that such new source 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, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the additional financing.

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

 A 

Had we 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, prepayment 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 interest 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 asset, 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 to the consolidated financial statement, the Company has established a special investigation committee to undertake investigation on matter 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 satisfy ourselves 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 stated 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 was 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 was properly recognized during the year ended 31 December 2025 and 2024.

An adjustment to the figures 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 thereof 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 Matter section of our report above:

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

We have not obtained all the information or 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 owners of the Company of approximately HK\$945,682,000 for Year 2025, as compared with that of approximately HK\$756,743,000 for the year ended 31 December 2024 (2024). Basic loss per share of the Company is 41.03 HK cent for Year 2025 (Year 2024: 32.83 HK cent).

In Year 2025, the global economy continued to face structural adjustment and geopolitical uncertainty, 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 banks' monetary policies entering into an easing cycle. In contrast, a emerging market and developing economies have maintained relatively strong growth momentum, their economies were expected to grow at a rate slightly exceeding 4%. Geopolitical tension, trade protectionism, and the influence of rapid technological advancement, such as the impact of artificial intelligence on the labor market, were major turning points throughout the year under review. Further, the slowdown in the pace of global disinflation and the intensification of fragmentation across regions presented ongoing challenges for central banks. On the other hand, China's economy maintained a stable momentum in Year 2025. In the first three quarters of the year under review, China's real GDP grew by 5.2% year-on-year, laying a solid foundation for achieving its annual 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, new quality productivity was promoted to a more prominent strategic position. By focusing on innovation and industrial upgrading, China's economy is committed to shifting from factor-driven to innovation-driven, providing promising momentum for achieving long-term, high-quality development.

In Year 2025, the photovoltaic industry in China has undergone deep adjustment due to the intensification of overcapacity and price competition. In the first half of the year under review, key players in the supply chain of the photovoltaic industry faced substantial losses. Despite the challenge on the manufacturing side, a market-oriented consolidation 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 full-scale reconstruction, laying the foundation for the clearance and healthy development of production capacity for the future. The domestic photovoltaic installation market remained robust with new on-grid capacity increasing 14% year-on-year and reaching 317 GW in Year 2025, which enabled China to reinforce its leading global position in the industry. During the year under review, the Group has simultaneously promoted the business expansion of its new energy investment and operation business in the three sub-sector of photovoltaic, storage and charging and the detail 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) (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 that for Year 2024, mainly due to the improved financial performance of the photovoltaic cell module project company invested by Beijing Lingjun during the year under review, a direct result of the initiative undertaken by the project company to expand its research and development (R&D) capability in photovoltaic battery technology during Year 2024.

In relation to the Group's investment in the traditional energy segment, Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited* (中海油氣(泰州)石化有限公司) (中海油氣(泰州)石化), 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 review, Zhong Hai You Qi achieved a turnaround in its financial performance by achieving profitability in Year 2025 as compared with a loss in Year 2024.

* English name is translated for identification purpose only



The rental income from the Group's property leasing business during Year 2025 was approximately HK\$92,982,000, representing an increase of approximately 4.0% as compared with that of approximately HK\$89,421,000 during Year 2024. This was mainly due to the Group's property operation team executing effective operation strategies and managing to maintain a stable occupancy rate despite a general decline in rental rate across the overall rental market, resulting in a slight increase in rental income. Such revenue was derived from East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apartment, shop, office 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, thereby improving the satisfaction of existing tenants and fostering a more stable customer base. Moreover, the property management team actively adapted to the market trend by establishing social media marketing channels and leveraging on relevant platforms to promote property listings and enhance brand awareness, effectively increasing the customer conversion rate.



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

The Group invests in financial assets mainly for the purpose of generating returns on appreciation of assets and investment returns. In order to optimize the management of working capital and improve the Group's financial position, the Board believes that the disposal of existing financial assets, including investment projects and non-performing assets portfolio, should be expedited at the current stage. The Group's investment management team regularly reviews the latest progress of the existing projects and actively seeks opportunities and potential benefits for cash inflows. During Year 2025, the Group disposed of financial assets investment for approximately HK\$11,657,000 (Year 2024: HK\$35,833,000).

* English name is translated for identification purpose only

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 team based on its own characteristics and achieved remarkable results in project expansion. On 28 July 2025, (i) Taizhou Yinjian Energy Investment Co., Limited* (泰州銀建能源投資有限公司) (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 Nanri Jibao, the (南京瑞繼保), an independent third party, entered into a construction contract (南京瑞繼保), pursuant to which the Contractor agreed to carry out the design, on-site construction and construction of energy storage facilities which shall be equipped with 7.5MW/15MWh lithium iron phosphate system and the related infrastructure at the petroleum and petrochemical product production plant of Zhong Hai You Qi (a joint venture of the Company) located in Taizhou City, Jiangsu Province, the PRC (中石油), 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 project pursuant to 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 continually putting photovoltaic, storage and charging projects into operation, the Group has been steadily laying a foundation for the development of its new energy investment and operation business.

* English name is translated for identification purpose only

- (b) the increase in the loss from the fair value of the investment properties of the Group from approximately HK\$72,301,000 for Year 2024 to approximately HK\$144,141,000 for Year 2025, mainly attributable to the decrease in the fair value of the Group's investment property located in Beijing as at 31 December 2025, as compared with that as at 31 December 2024;
- (c) the increase in the Company's share of 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 R. ifeng Investment 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 investment holding, from approximately HK\$1,000 for Year 2024 to approximately HK\$73,774,000 for Year 2025, as a result of the decline in the performance of the real estate project held by Guangzhou R. ifeng 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 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 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 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 is mainly caused by the initiative undertaken by the photovoltaic cell module project company in which Beijing Lingjun is to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai Yo. Qi, a joint venture of the Company, of approximately HK\$5,543,000 for Year 2025, as compared with its share of the loss of Zhong Hai Yo. Qi of approximately HK\$80,258,000 for Year 2024,

* English name is translated for identification purpose only

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 Cit Ji Shan Operation Management Company Limited* (梅州市集善經營管理有限公司), a joint venture of the Company principally engaged in investment in urban renewal project 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

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 unit rental rate and occupancy rate of the rental property of the Group in Beijing, East Gate Plaza, during Year 2025; and (ii) the income from distributed photovoltaic power generation of approximately HK\$3,477,000 (Year 2024: Nil) recorded by the Group for Year 2025.

Impairment of financial assets

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.

Investment properties

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

* English name is translated for identification purpose only

財務狀況

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 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.

本公司之附屬公司

The increase in the Company's share of loss of an 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 R. ifeng, 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 R. ifeng in the PRC during the year under review.

本公司之合營公司

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 photovoltaic cell module project company initiated by Beijing Lingjun to expand its R&D capability in photovoltaic battery technology during Year 2024; (ii) the Company's share of the profit of Zhong Hai Yo. Qi, a joint venture of the Company, of approximately HK\$5,543,000 for Year 2025, as compared with its share of the loss of Zhong Hai Yo. Qi 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 Cit Ji Shan, a joint venture of the Company, from approximately HK\$1,000 for Year 2024 to approximately HK\$21,855,000 for Year 2025, mainly due to the continuing decline of the real estate market in the PRC during the year under review.

A 其他應付賬項

The increase in the Group's accrued charge, rental deposit 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 surcharge accrued by the Group on the entered 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 owed by 東環(北京)物業管理有限公司 (East Gate (Beijing) Property Management Co., Ltd.)* (東環物業), a wholly-owned subsidiary of the Company.

* English name is translated for identification purpose only

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

Table 2.1

	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 balance were denominated in the following currencies:

	2025	2024
HK\$	4.1%	26.3%
RMB	95.9%	73.4%
US\$	<u>0.0%</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 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 a change in the PRC's political and economic condition. The Group has not adopted any financial instrument for hedging purpose. However, the Group will continually 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.

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).

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>

At 31 December 2025, the long and short term borrowing of the Group which remained outstanding carried at 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 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 to ensure the Group has the liquidity to meet its financial obligations at all times. The Group will strive to improve its liquidity by expediting the collection and/or disposal of its outstanding loan receivables and the disposal of its financial assets in investment (including its equity investment 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 balances and other assets of the Group due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK\$196 million (人民币196,000,000元). Up to 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 Zhongrong Group Company Limited* (廣東珠光集團有限公司) (廣州珠光集團有限公司) entered into a loan assignment agreement (as amended and supplemented by the supplemental agreement dated 22 January 2025) (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》), pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhongrong Group Company Limited has agreed to purchase from the Company all the right, title, benefit and interest of the Company to, in and under the loan agreement (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) entered into between the Company together with its wholly-owned subsidiary lender and a total of 54 independent third party borrower (including but not limited to the loan (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) with total outstanding principal amount and interest of approximately RMB2,201 million (equivalent to approximately HK\$2,512 million) as at 31 December 2025 advanced by the Group under the Loan Agreement and all accreted created thereunder) accruing thereto from 1 January 2024 (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》), whereafter the consideration shall be satisfied by Guangdong Zhongrong Group Company Limited by (i) entering into a deed of novation to assume the obligation of Beijing East Gate under the entered loan agreement (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) (including but not limited to the repayment obligation of the underlying entered loan (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) 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, guarantee and/or pledge of share pursuant to the request of the entering party and the lender, if required) (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》); and (ii) assignment of certain car parking space located in the Guangdong province of the PRC (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》), at completion of the transaction (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) contemplated under the Loan Assignment Agreement (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》). Completion is conditional upon and subject to, among other, the passing by the shareholder of the Company at an extraordinary general meeting (《廣東珠光集團有限公司與廣東珠光集團有限公司之貸款承讓協議》) 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 to 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 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 settle the Entered Loan and the right and liabilities of the Group under the Entered Loan Agreement would be discharged.

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

* English name is translated for identification purpose only

At more time required to fulfill the condition to the Loan Assignment Agreement, in particular, the completion of the Debt Note, completion of the Loan Assignment Agreement did not take place on or before 31 December 2025, being the long stop date (Article 1.1) 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 to the Loan Assignment Agreement.

Further detail 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 future liquidity requirement, 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 in settlement, including equity investment and non-performing asset 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 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 Director is of the opinion that, 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 obligations and when the fall due within 12 months from 31 December 2025. Accordingly, the Director is 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 would depend on (i) the successful and timely implementation of the plan and measures for the disposal of the outstanding loan receivable and loan interest receivable; (ii) the successful and timely implementation of the plan for the disposal of the financial asset in settlement; (iii) the continued support from the existing lender of the Group such that the Group will not demand for immediate repayment of the relevant borrowing; and (iv) the successful obtaining of new source of financing and when needed.

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



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

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



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 (CG Code) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (SEHK 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. Ch. Hing Tung assumed both the role of the chairman (Chairman) and one of the co-chief executive officers of the Company. The Board believes that combining 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 present arrangement will not be impaired and this structure will enable the Company to make and implement decisions efficiently.

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

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.