



中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8128)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of the CHYY Development Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkexnews.com on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of CHYY Development Group Limited at www.chyy.com.hk.

FINAL RESULTS

The board of directors (“Directors”) of CHYY Development Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 (“the Year”), together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	4	47,835	69,629
Cost of sales		(35,393)	(56,912)
Gross profit		12,442	12,717
Other income and gains	4	28,338	26,626
Selling and distribution expenses		(2,672)	(2,957)
Administrative expenses		(36,277)	(39,566)
Reversal of impairment losses under expected credit loss model on trade receivables, net		14,979	9,732
Provision for impairment losses under expected credit loss model on other receivables and deposits, net		(4,318)	(7,120)
(Provision for) reversal of impairment losses under expected credit loss model on contract assets, net		(2,185)	21,183
Finance costs	5	(3,178)	(3,544)
Fair value changes on investment properties		(1,145)	(548)
Other expenses and losses		(7,063)	(97)
Share of results of:			
A joint venture		1,369	(3,434)
Associates		(5,425)	(2,051)
(LOSS) PROFIT BEFORE TAX	6	(5,135)	10,941
Income tax credit	7	11,298	352
PROFIT FOR THE YEAR		6,163	11,293
Profit (loss) for the year attributable to:			
Owners of the Company		7,118	10,759
Non-controlling interests		(955)	534
		6,163	11,293
EARNINGS PER SHARE	9		
Basic and diluted (expressed in HK cents)		0.16	0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>6,163</u>	<u>11,293</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Other comprehensive income (expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences arising from translation of foreign operations	9,023	5,420
Share of other comprehensive income (expense) of a joint venture	11	(79)
Share of other comprehensive income (expense) of associates	535	(497)
Release of exchange fluctuation reserve upon deregistration of subsidiaries	(198)	1,410
Release of exchange fluctuation reserve upon partial disposal of a joint venture	83	–
Release of exchange fluctuation reserve upon deemed disposal of an associate	14	–
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>9,468</u>	<u>6,254</u>
Other comprehensive (expense) income that will not be reclassified to profit or loss in subsequent periods:		
(Loss) gain on property revaluation	(2,507)	2,507
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(1,409)	93
Income tax effect	352	(23)
	<u>(1,057)</u>	<u>70</u>
Net other comprehensive (expense) income that will not be reclassified to profit or loss in subsequent periods	<u>(3,564)</u>	<u>2,577</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>5,904</u>	<u>8,831</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>12,067</u>	<u>20,124</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	11,946	17,077
Non-controlling interests	121	3,047
	<u>12,067</u>	<u>20,124</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		132,039	139,896
Investment properties		124,070	120,518
Right-of-use assets		289	1,102
Investment in a joint venture		–	393
Investments in associates		22,415	25,654
Equity investments designated at fair value through other comprehensive income		54,722	54,661
Trade receivables	<i>10</i>	49,660	55,332
Deposit paid for acquisition of investment properties		–	1,425
Total non-current assets		383,195	398,981
CURRENT ASSETS			
Inventories		14,590	14,067
Properties held for sale		299,222	291,984
Trade receivables	<i>10</i>	16,969	11,881
Prepayments, other receivables and deposits		34,082	53,558
Contract assets	<i>11</i>	12,502	28,849
Financial assets at fair value through profit or loss		38	4,895
Restricted cash		8,519	–
Time deposits		7,760	–
Cash and cash equivalents		38,247	52,586
Total current assets		431,929	457,820
CURRENT LIABILITIES			
Trade payables	<i>12</i>	116,243	139,369
Other payables and accruals		110,772	102,041
Contract liabilities	<i>11</i>	16,728	36,307
Amounts due to associates		16,024	17,649
Amounts due to related companies		28,375	27,677
Lease liabilities		7,094	9,893
Tax payables		122,136	135,052
Total current liabilities		417,372	467,988
NET CURRENT ASSETS (LIABILITIES)		14,557	(10,168)
TOTAL ASSETS LESS CURRENT LIABILITIES		397,752	388,813

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*31 December 2025*

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	53,529	56,493
Deferred income	6,643	6,479
Deferred tax liabilities	42,275	41,741
	<hr/>	<hr/>
Total non-current liabilities	102,447	104,713
	<hr/>	<hr/>
Net assets	295,305	284,100
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the Company		
Share capital	353,043	353,043
Shares held for Share Award Scheme	(8,169)	(8,169)
Treasury shares	(1,337)	(959)
Other reserves	(62,254)	(77,873)
	<hr/>	<hr/>
	281,283	266,042
	<hr/>	<hr/>
Non-controlling interests	14,022	18,058
	<hr/>	<hr/>
Total equity	295,305	284,100
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

CHYY Development Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability with its shares listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are P.O. Box 31119, Grand Pavilion, Hibisury Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and 8/F., Chung Hing Commercial Building, 62-63 Connaught Road Central, Central, Hong Kong respectively.

The Company and its subsidiaries (collectively referred as the “Group”) were involved in the following principal activities:

- Provision, installation and maintenance of shallow geothermal energy utilisation systems
- Trading of air conditioning/shallow geothermal heat pump products
- Investment in properties for their potential rental income
- Holding investment for medium to long-term strategic purposes and trading of securities and other types of investments

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material of such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosure required by the Rules Governing the Listing of Securities on GEM on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or at fair value at the end of each reporting period, as explained in the accounting policies set out below.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), and all values are rounded to the nearest thousand except when otherwise indicated.

The directors of the Company have reviewed the Group’s cash flow forecast prepared by management which covers a period of twelve months from the end of the reporting period. They are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

The application of the amendments to an HKFRS Accounting Standard in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 1²</i>
Amendments to HKFRS 9 and HKFRS 7 HKFRS 18	<i>Contracts Referring Nature – dependent Electricity² Presentation and Disclosure in Financial Statements³</i>

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7: Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give risk to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (CONTINUED)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7: Amendments to the Classification and Measurement of Financial Instruments (Continued)

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosures* in respect of investment in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Shares* are also made.

HKFRS 18, and amendments to other standards, will effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief executive officer, being the chief operating decision maker (“CODM”), that are used to make strategic decisions.

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) Shallow geothermal energy segment – provision, installation and maintenance of shallow geothermal energy utilisation systems;
- (b) Air conditioning/shallow geothermal heat pump segment – trading of air conditioning/shallow geothermal heat pump products;
- (c) Property investment and development segment – investments in properties for their potential rental income; and
- (d) Securities investment and trading segment – holding investment for medium to long-term strategic purposes and trading of securities and other types of investment.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that share of results of associates and a joint venture, interest income, certain other income, certain administration costs and unallocated finance costs are excluded from such measurement.

Segment assets exclude certain investments in associates and a joint venture, time deposits, restricted cash, and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude certain amounts due to associates, a joint venture and related companies, deferred tax liabilities and tax payables as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Shallow geothermal energy <i>HK\$'000</i>	Air conditioning/ shallow geothermal heat pump <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Sales to external customers	42,315	153	5,367	–	47,835
Intersegment sales	67	–	1,120	–	1,187
	<u>42,382</u>	<u>153</u>	<u>6,487</u>	<u>–</u>	<u>49,022</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(1,187)</u>
Revenue					<u><u>47,835</u></u>
Segment results	(11,526)	(723)	(3,198)	1,299	(14,148)
<i>Reconciliation:</i>					
Share of results of a joint venture					1,369
Share of results of associates					(5,425)
Unallocated other income					27,171
Unallocated finance costs					(333)
Corporate and other unallocated expenses					<u>(13,769)</u>
Loss before tax					<u><u>(5,135)</u></u>
Segment assets	251,452	66	485,861	55,163	792,542
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(54,359)
Corporate and other unallocated assets					<u>76,941</u>
Total assets					<u><u>815,124</u></u>
Segment liabilities	270,105	81	90,538	4,644	365,368
<i>Reconciliation:</i>					
Elimination of intersegment payables					(54,359)
Corporate and other unallocated liabilities					<u>208,810</u>
Total liabilities					<u><u>519,819</u></u>

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Shallow geothermal energy <i>HK\$'000</i>	Air conditioning/ shallow geothermal heat pump <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:					
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation of property, plant and equipment	6,370	-	4	-	6,374
Depreciation of right-of-use assets	829	-	-	-	829
Reversal of impairment losses under expected credit loss model on trade receivables, net	(14,654)	-	(325)	-	(14,979)
Provision for impairment losses under expected credit loss model on other receivables and deposits, net	2,775	-	1,543	-	4,318
Provision for impairment losses under expected credit loss model on contract assets, net	2,185	-	-	-	2,185
Impairment losses on properties held for sale	-	-	131	-	131
Impairment losses on property, plant and equipment	2,325	-	-	-	2,325
	<u>2,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325</u>

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Shallow geothermal energy HK\$'000	Air conditioning/ shallow geothermal heat pump HK\$'000	Property investment and development HK\$'000	Securities investment and trading HK\$'000	Total HK\$'000
Segment revenue					
Sales to external customers	62,918	709	6,002	–	69,629
Intersegment sales	–	–	5,979	–	5,979
	<u>62,918</u>	<u>709</u>	<u>11,981</u>	<u>–</u>	<u>75,608</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(5,979)</u>
Revenue					<u><u>69,629</u></u>
Segment results	3,283	(3,412)	7,614	87	7,572
<i>Reconciliation:</i>					
Share of results of a joint venture					(3,434)
Share of results of associates					(2,051)
Unallocated other income					25,150
Unallocated finance costs					(397)
Corporate and other unallocated expenses					<u>(15,899)</u>
Profit before tax					<u><u>10,941</u></u>
Segment assets	292,288	6	480,181	60,019	832,494
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(54,326)
Corporate and other unallocated assets					<u>78,633</u>
Total assets					<u><u>856,801</u></u>
Segment liabilities	304,102	–	89,650	11,156	404,908
<i>Reconciliation:</i>					
Elimination of intersegment payables					(54,326)
Corporate and other unallocated liabilities					<u>222,119</u>
Total liabilities					<u><u>572,701</u></u>

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Shallow geothermal energy <i>HK\$'000</i>	Air conditioning/ shallow geothermal heat pump <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:					
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation of property, plant and equipment	6,413	–	24	–	6,437
Depreciation of right-of-use assets	829	–	–	–	829
Reversal of impairment losses under expected credit loss model on trade receivables, net	(6,166)	–	(3,566)	–	(9,732)
Provision for impairment losses under expected credit loss model on other receivables and deposits, net	7,120	–	–	–	7,120
Reversal of impairment losses under expected credit loss model on contract assets, net	(21,283)	–	–	–	(21,183)
Impairment losses on properties held for sale	–	–	658	–	658

Geographical information

The Group's operations are mainly located in the PRC. All of the Group's revenue from external customers, which is based on the locations where the services were provided or the goods were delivered, and all of the Group's non-current assets are located in the PRC.

Information about major customers

There are no customers contribute over 10% of the total revenue of the Group for the year ended 31 December 2025 and 2024.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>	42,468	63,627
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Other lease payments, including fixed payments	5,367	6,002
	<u>47,835</u>	<u>69,629</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the year ended 31 December 2025

	Shallow geothermal energy <i>HK\$'000</i>	Air conditioning/ shallow geothermal heat pump <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services:			
Sale of industrial products	–	153	153
Construction services	42,315	–	42,315
	<u>42,315</u>	<u>153</u>	<u>42,468</u>
Total revenue from contracts with customers	<u>42,315</u>	<u>153</u>	<u>42,468</u>
Timing of revenue recognition:			
Goods transferred at a point in time	–	153	153
Services transferred over time	42,315	–	42,315
	<u>42,315</u>	<u>153</u>	<u>42,468</u>
Total revenue from contracts with customers	<u>42,315</u>	<u>153</u>	<u>42,468</u>

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

	Shallow geothermal energy <i>HK\$'000</i>	Air conditioning/ shallow geothermal heat pump <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services:			
Sale of industrial products	–	709	709
Construction services	62,918	–	62,918
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	62,918	709	63,627
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition:			
Goods transferred at a point in time	–	709	709
Services transferred over time	62,918	–	62,918
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	62,918	709	63,627
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction services	10,920	17,952
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4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Interest income	3,766	3,302
Sale of scrap materials	3,602	219
Government grants (<i>note i</i>)	1,045	1,107
Dividend income from equity investments designated at fair value through other comprehensive income	3,235	2,512
Income from exempted payables (<i>note ii</i>)	8,010	12,386
Others	2,816	865
	<u>22,474</u>	<u>20,391</u>
Other gains		
Gain on deregistration of subsidiaries, net	–	4,758
Gain on partial disposal of a joint venture	4,565	–
Fair value gain on financial assets at fair value through profit or loss	1,299	1,477
	<u>5,864</u>	<u>6,235</u>
	<u><u>28,338</u></u>	<u><u>26,626</u></u>

Notes:

- (i) Government grants have been received in respect of certain heating projects of the Group. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) In previous year, the Group has undergone certain litigation proceedings with its subcontractors in regard of the unsettled construction costs. During the years ended 31 December 2025 and 2024, the litigation was finalised and resulted in releasing the provision previously made by the Group to profit or loss.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on other borrowing	333	397
Interest on lease liabilities	<u>2,845</u>	<u>3,147</u>
	<u><u>3,178</u></u>	<u><u>3,544</u></u>

6. (LOSS) PROFIT BEFORE TAX

The Group's (loss) profit before tax is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	36	287
Cost of services provided	35,357	56,625
Depreciation of property, plant and equipment	6,374	6,437
Depreciation of right-of-use assets	829	829
Research and development costs	2,743	822
Short term lease payments	278	–
Auditor's remuneration	1,594	1,664
Employee benefit expense (including directors' and chief executives' remuneration):		
Wages and salaries	24,314	26,533
Pension scheme contributions	<u>3,175</u>	<u>2,382</u>
	<u><u>27,489</u></u>	<u><u>28,915</u></u>
Impairment losses on properties held for sale	131	658
Impairment losses on property, plant and equipment*	2,325	–
Loss on deregistration of subsidiaries*	365	–
Loss on deemed disposal of an associate*	2,401	–
Loss on disposal of property, plant and equipment*	<u><u>1,002</u></u>	<u><u>–</u></u>

* Those items are included as "other expenses and losses" in the consolidated statement of profit or loss.

7. INCOME TAX CREDIT

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group was not subject to any income tax in the Cayman Islands and the BVI during both years.

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits subject to Hong Kong profits tax during both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and the Implementation Regulation of the EIT Law, except as stated below, the tax rate of all the other PRC subsidiaries is 25% from 1 January 2008 onwards.

	2025 HK\$’000	2024 <i>HK\$’000</i>
PRC Enterprise Income Tax		
Overprovision in respect of current tax in prior years	(10,979)	(51)
Deferred taxation	(319)	(301)
	<hr/>	<hr/>
Income tax credit	<u>(11,298)</u>	<u>(352)</u>

8. DIVIDENDS

During the years ended 31 December 2025 and 2024, no final dividend was declared and paid to the shareholders of the Company.

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2025 has been proposed by the directors of the Company (2024: nil).

9. EARNINGS PER SHARE

- (a) The calculations of basic and diluted earnings per share are based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable to owners of the Company	<u>7,118</u>	<u>10,759</u>
	Number of shares	
	2025 <i>'000</i>	2024 <i>'000</i>
Shares		
Weighted average number of ordinary shares (excluding treasury shares) used in the basic and diluted earnings per share calculations	<u>4,511,051</u>	<u>4,523,200</u>

- (b) Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account weighted average number of additional ordinary shares that would have been outstanding assuming the awarded shares have been vested and exercised, i.e. the dilutive potential ordinary shares.

	2025	2024
Diluted earnings per share (HK\$ cents per share)	<u>0.16</u>	<u>(Note)</u>
Weighted average number of shares used as the denominator:		
	2025 <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	4,511,051	4,523,200
Adjustments for calculation of diluted earnings per share on awarded shares	<u>883</u>	<u>–</u>
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating the diluted earnings per share	<u>4,511,934</u>	<u>4,523,200</u>

Note:

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of approximately 4,511,051,081 (2024: approximately 4,523,200,048) in issue (excluding treasury shares) during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024.

10. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	152,693	157,544
Less: Impairment loss allowances	<u>(143,389)</u>	<u>(152,733)</u>
Trade receivables, net	9,304	4,811
Finance lease receivables	57,325	62,402
Less: Non-current portion (net of impairment loss allowances)	<u>(49,660)</u>	<u>(55,332)</u>
Current portion	<u><u>16,969</u></u>	<u><u>11,881</u></u>

In previous year, the Group entered into an arrangement to sublease a leased asset to a third party while the original lease contract is in effect, the Group is an intermediate lessor, this sublease is classified as a finance lease. The Group derecognised the right-of-use asset on the head lease and recognised net investment included as finance lease receivables in trade receivables at the commencement date of the sublease arrangement and continued to account for the original lease liability in accordance with the lessee accounting model. At 31 December 2025, the net carrying amount of finance lease receivables was approximately RMB51,776,000 (equivalent to approximately HK\$57,325,000 (net of loss allowance of approximately HK\$691,000 (2024: approximately HK\$1,917,000))). The finance lease receivables consist of current portion and non-current portion amounted to approximately RMB6,923,000 (equivalent to approximately HK\$7,665,000) (2024: approximately RMB6,547,000) (equivalent to approximately HK\$7,070,000) and approximately RMB44,853,000 (equivalent to approximately HK\$49,660,000) (2024: approximately RMB51,328,000) (equivalent to approximately HK\$55,332,000), respectively.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment loss allowances, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	2,254	3,997
91 to 180 days	896	116
181 to 365 days	1,360	282
Over 365 days	<u>4,794</u>	<u>416</u>
	<u><u>9,304</u></u>	<u><u>4,811</u></u>

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract assets arising from:		
Construction services	412,743	412,215
Less: Impairment loss allowances	<u>(400,241)</u>	<u>(383,366)</u>
	<u>12,502</u>	<u>28,849</u>
Contract liabilities arising from:		
Construction services	<u>16,728</u>	<u>36,307</u>

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	754	22,968
91 to 180 days	125	13,867
181 to 365 days	2,086	17,048
Over 365 days	<u>113,278</u>	<u>85,486</u>
	<u>116,243</u>	<u>139,369</u>

The trade payables are non-interest-bearing and are normally settled on terms of six months.

FINANCIAL HIGHLIGHTS

Income Allocation

	2025		2024	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
1. Shallow geothermal energy utilisation system				
Including: Supply of renewable energy	–	–	–	–
Engineering construction	14,385	30.07	25,958	37.28
Operation and maintenance	27,930	58.39	36,960	53.08
2. Air conditioning/shallow geothermal heat pump	153	0.32	709	1.02
3. Property investment and development	5,367	11.22	6,002	8.62
Total revenue	47,835	100	69,629	100

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	47,835	69,629
Gross profit	12,442	12,717
(Loss)/profit before tax	(5,135)	10,941
Profit for the year	6,163	11,293
Research and development costs (included in the administrative expenses)	2,743	822
Reversal of impairment losses under expected credit loss model on trade receivables, net	14,979	9,732
Provision for impairment losses under expected credit loss model on other receivables and deposits, net	(4,318)	(7,120)
(Provision for) reversal of impairment losses under expected credit loss model on contract assets, net	(2,185)	21,183

As at 31 December 2025 & 2024

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	431,929	457,820
Total assets	815,124	856,801
Net current liabilities	14,557	(10,168)
Total equity	295,305	284,100

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2025, the profit of the Group amounted to approximately HK\$6,163,000 and revenue amounted to HK\$47,835,000 as compared with the profit of the Group amounted to HK\$11,293,000 and revenue amounted to approximately HK\$69,629,000 for the year ended 31 December 2024. For more detailed information, please refer to the consolidated financial statements for the years ended 31 December 2025 and 2024.

OPERATIONAL RESULTS

Total revenue from operations for the year ended 31 December 2025 was approximately HK\$47,835,000 as compared with HK\$69,629,000 for the year ended 31 December 2024, representing a decrease of approximately 31.30%. The decrease in revenue is mainly due to decreased revenue from operation and maintenance and engineering construction projects. During the year ended 31 December 2025, the Group recorded profit of approximately HK\$6,163,000, as compared with a net profit of approximately HK\$11,293,000 for the year ended 31 December 2024. The decrease in net profit was mainly due to the decrease in the reversal of impairment losses under expected credit loss model on trade receivables and contract assets.

COST OF SALES

For the year ended 31 December 2025, cost of sales was HK\$35,393,000, a decrease of approximately 37.81% compared to HK\$56,912,000 for the year ended 31 December 2024. The decrease in cost of sales was mainly due to a decrease in revenue.

GROSS PROFITS AND GROSS PROFITS MARGIN

Gross profit from the Group's operations for the year ended 31 December 2025 was approximately HK\$12,442,000, represented the gross profit margin of 26.02% (2024: approximately HK\$12,717,000, represented the gross profit margin of 18.27%). The Group's gross profit margin for the Year increased by 42.42% compared with the same period last year.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the Year decreased by approximately HK\$285,000 or 9.8% compared with the year ended 31 December 2024. The selling and distribution expenses decreased mainly due to the decrease in compensation expenses as a result of the Group's reformulation of performance appraisals during the Year.

ADMINISTRATIVE EXPENSES

Administrative expenses amounted to approximately HK\$36,277,000 and HK\$39,566,000 for the years ended 31 December 2025 and 2024 respectively, representing a decrease of 8.31%. The slight decrease in administrative expenses was mainly due to the Group's commitment to continuously carrying out compensation reform, strengthening expense control, refining project independent accounting, strengthening the budget assessment system, and maintaining a steady or declining cost structure through cost reduction and efficiency improvements.

OTHER EXPENSES

Other expenses for the year ended 31 December 2025 amounted to approximately HK\$7,063,000 (2024: approximately HK\$97,000).

SHARE-BASED PAYMENT EXPENSES

During the year ended 31 December 2025, the Group had not incurred any share-based payment expenses (2024: Nil).

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the year ended 31 December 2025, the Group recorded a profit attributable to owners of the Company of approximately HK\$7,118,000, representing a decrease of approximately HK\$3,641,000 compared to the profit of approximately HK\$10,759,000 for the year ended 31 December 2024.

THE GROUP'S LIQUIDITY AND FINANCIAL RESOURCES

Net current assets of the Group as at 31 December 2025 was approximately HK\$14,557,000 (2024: net current liabilities of the Group was approximately HK\$10,168,000).

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$38,247,000 (2024: approximately HK\$52,586,000). Cash and cash equivalents on the consolidated statement of financial position include funds available for general corporate purposes.

In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing certain measures. Details of which could be referred to Note 2.1 to the consolidated financial statements.

CAPITAL STRUCTURE

During the year ended 31 December 2025, the Company repurchased 34,448,000 Shares under the Repurchase Mandate on GEM for an aggregate consideration of HK\$1,382,576 (excluding transaction costs). These Shares are held as treasury shares (as defined under the GEM Listing Rules) of the Company.

As at 31 December 2025, the authorised share capital of the Company was US\$160,000,000 divided into 16,000,000,000 ordinary shares of US\$0.01 each and the issued share capital was 4,526,925,163 ordinary shares of US\$0.01 each.

ORDER BOOK

As at 31 December 2025, the Group had contracts on hand of approximately HK\$77,000,000 (2024: approximately HK\$70,000,000).

SIGNIFICANT INVESTMENT HELD

The Group did not have any significant investment held during the year ended 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group completed the disposal of a 20% equity interest in Zhejiang Wanhe Energy and Environmental Technology Co., Ltd. (the “Target Company”) during the year ended 31 December 2025 for a consideration of RMB5,215,740. Following the disposal, the Group continues to hold a 13.2234% equity interest in the Target Company, which remains accounted for as an associate of the Group.

Save for the disposal, the Group did not undertake any other material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

SEGMENTAL INFORMATION

The Group’s reportable and operating segment consists of shallow geothermal energy, air conditioning/shallow geothermal heat pump, property investment and development and securities investment and trading segments.

Shallow geothermal energy

The Group has always been committed to promote the development of non-combustion emerging industry of integrated heating and cooling with geothermal energy. It is an enterprise that possesses the business capabilities of design qualification, design capability, construction qualification, construction capability, operation and maintenance, main engine production and contract geothermal energy management. The Company is also the only patent holder of the original single-well circulation heat exchange energy collection technology and owns the largest number of patented technologies in the industry. Leveraging on existing resources and integrating industrial chain service capabilities, the Group features various professional sectors. Currently, the Group has formed five major segments of planning and design, supply of renewable energy, intelligent manufacturing, engineering construction and operation and maintenance.

Air conditioning/shallow geothermal heat pump

The Group continued the promotion of its air conditioning/shallow geothermal heat pump business, compared with the same period, the decline has been significant, in view of this, the Group will continue to improve product quality, reduce costs and improve market competitiveness according to changes in market needs.

Properties investment and development

The Group continues to focus on its core businesses of shallow geothermal energy utilization system and continue to provide necessary funding to support the core business. During the Year, we have been continuously looking for suitable opportunities or third parties to dispose of the assets with relatively low returns in order to improve the capital efficiency and to supplement the working capital of the Group.

Securities investment and trading

The Group invested the idle fund for trading of securities and other types of investments in order to increase the Group's income.

Further information regarding the Group's operating segments may be referred to Note 4 to the consolidated financial statements.

EMPLOYEES

As at 31 December 2025, our Group had a total of 193 employees (31 December 2024: 193 employees). The staff costs including directors' emoluments and excluding the share-based payment for the year ended 31 December 2025 were approximately HK\$17,166,000 (for the year ended 31 December 2024: HK\$28,915,000).

Our Group's remuneration policies are aligned with relevant legislation, market conditions and employee performance. Employees are compensated based on their job responsibilities, skills, expertise, experience, and prevailing market trends. All employees are also eligible for discretionary bonuses, which are awarded based on individual performance. We regularly review its remuneration policies and packages, making necessary adjustments to ensure they remain in line with industry standards.

The Company adopted share schemes in 2020 and 2024 respectively, as an incentive for, amongst other things, eligible directors and employees. Details of these share schemes are outlined in the section headed "Share Schemes".

The Group places great emphasis on talent development and has established a multi-tier talent pipeline to foster a learning-oriented organisation and strengthen continuous learning and professional advancement. The Group supports employees in enhancing the knowledge and skills required for their roles through pre-employment training, on-the-job training and by encouraging further education.

CHARGES ON GROUP ASSETS

As at 31 December 2025, the Group had no charges on assets.

CAPITAL COMMITMENT

The Group did not incur any significant capital commitment as at 31 December 2025 (2024: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS

The Group did not have any future plans for material investments of capital asset as at 31 December 2025.

GEARING RATIO

The gearing ratio of the Group, based on net debt (including lease liabilities, trade payables, financial liabilities included in other payables and accruals, less cash and cash equivalents) to the equity (representing equity attributable to owners of the Company) plus net debt of the Group, was approximately 47.0% as at 31 December 2025 (2024: 49.0%).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Company's reporting currency is in HK\$ and most of the trading transactions and cost incurred by the Group are principally denominated in HK\$ and Renminbi. The Group continued to adopt a conservative treasury policy by keeping most of the bank deposits in either HK\$ or Renminbi to minimise exposure to foreign exchange risks.

As at 31 December 2025, the Group had no foreign exchange contracts.

CONTINGENT LIABILITIES

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this Announcement, the Group had no material subsequent events which have not been reflected in the financial statement after 31 December 2025 and up to the date of this Announcement.

BUSINESS REVIEW AND OUTLOOK

The Group is committed to actively promoting efficient and clean heating using geothermal heat pumps in northern winter heating regions, and developing an emerging green industry integrating heating and cooling.

Focusing on the Company's strategic objectives, the Group actively promotes the development of customer satisfaction and market expansion across its various business segments.

In 2025, the Group recorded sales revenue of HK\$47,835,000, representing a decrease of HK\$21,800,000 from the same period last year, or a decline of 31.30%. The business scale has been declining year by year, with unsatisfactory business data performance, facing significant challenges from market pressures and funding gaps.

The Group further adjusted its business model and sales policies in the fourth quarter of 2025, progressively implementing a project agency model and the "Three-Business" general manager system in northern heating regions to drive market expansion. While advancing market development, the Group also refined independent project accounting to strengthen employees' cost awareness and enhance the transparency of performance appraisal through public disclosure, thereby ensuring fairness.

Efficient and clean heating using geothermal heat pumps and the development of an emerging green industry integrating heating and cooling hold immense future market potential.

In October 2025, the National Development and Reform Commission and five other departments issued the "Guidance on Vigorously Implementing Renewable Energy Substitution Actions". The guidance proposes vigorously implementing renewable energy substitution, adhering to overall planning and safe substitution, correctly handling the relationship between "breaking" and "establishing" for traditional energy and new energy, promoting integrated source-grid-load-storage development, and comprehensively enhancing the safe and reliable supply capacity of renewable energy; coordinating supply and demand, promoting orderly substitution, coordinating renewable energy supply with green energy consumption in key areas, accelerating the promotion of incremental substitution, steadily expanding stock substitution, and prudently promoting the orderly substitution of traditional fossil fuels by renewable energy.

With the development of technology and integration technologies, heating and cooling integration systems utilize mature heat pump products to transfer and transport naturally stored, widely available low-temperature thermal energy, replacing traditional fossil fuels at a cost no higher than their usage. While being environmentally friendly, they stably ensure people's warmth in winter, coolness in summer, and domestic hot water, improving people's quality of life.

SHARE SCHEMES

2020 Share Award Scheme

The 2020 Share Award Scheme was approved and adopted by the Board on 15 January 2020 (“**2020 Adoption Date**”), which is funded solely by existing shares to be purchased by the trustee. Bank of Communications Trustee Limited (“**2020 Trustee**”) was designated to be the trustee under the Deed of Trust executed on 1 April 2020.

The purpose of the 2020 Share Award Scheme is to attract, retain, and incentivize key employees, executive officers, directors and consultants of the Company and its subsidiaries to retain them for the continual operations and development of the Group.

Subject to the effectiveness of the 2020 Share Award Scheme and all applicable laws, the Board may, from time to time and at its sole and absolute discretion, select any eligible person (e.g. employees, executive officers, directors or consultants of the Company or any of its subsidiaries) as a selected participant (“**2020 Selected Participant**”) to participate in the scheme, and determine the number of awarded shares (“**2020 Awarded Shares**”) to be granted to such 2020 Selected Participants, as well as specify the criteria, conditions and periods for the vesting of the 2020 Awarded Shares.

The maximum number of awarded shares that may be granted under the 2020 Share Award Scheme is 135 million Shares, representing approximately 2.98% of the total number of issued Shares as at the 2020 Adoption Date and approximately 3.01% of the total number of issued Shares (excluding treasury shares) as at the date of this announcement.

The maximum number of 2020 Awarded Shares which may be awarded to a 2020 Selected Participant shall not exceed 1 percent (1%) of the total number of issued Shares of the Company as at the 2020 Adoption Date.

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2020 Share Award Scheme, the 2020 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on its 2020 Adoption Date. As at the date of this Announcement, the remaining life of the 2020 Share Award Scheme shall be approximately three years and nine months.

The details of the 2020 Awarded Shares granted under the 2020 Share Award Scheme during the Year are set out below:

Grantees	Position As at the Date of Grant	Date of Grant	Date of Vesting	Changes in Number of 2020 Awarded Shares during the Year					Not yet vested as at 31 December 2025	Closing Price of the Shares immediately before the date of grant	Weighted average closing price of the Shares immediately before the date of vesting
				Not yet vested as at 1 January 2025	Granted	Vested	Lapsed	Cancelled			
Directors											
Mr. Xu Shengheng	Executive Director	9 December 2025	1 April 2026	-	3,240,000	-	-	-	3,240,000	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	4,320,000	-	-	-	4,320,000	HK\$0.038	N/A
Subtotal				-	7,560,000	-	-	-	7,560,000		
Mr. Dai Qi	Executive Director	9 December 2025	1 April 2026	-	3,240,000	-	-	3,240,000	-	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	4,320,000	-	-	4,320,000	-	HK\$0.038	N/A
Subtotal				-	7,560,000	-	-	7,560,000	-		
Mr. Liao Yuan	Non-executive Director	9 December 2025	1 April 2026	-	1,800,000	-	-	1,800,000	-	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	2,400,000	-	-	2,400,000	-	HK\$0.038	N/A
Subtotal				-	4,200,000	-	-	4,200,000	-		
Ms. Liu Ening	Non-executive Director	9 December 2025	1 April 2026	-	1,800,000	-	-	-	1,800,000	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	2,400,000	-	-	-	2,400,000	HK\$0.038	N/A
Subtotal				-	4,200,000	-	-	-	4,200,000		
Mr. Zhang Yiying	Non-executive Director	9 December 2025	1 April 2026	-	1,800,000	-	-	-	1,800,000	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	2,400,000	-	-	-	2,400,000	HK\$0.038	N/A
Subtotal				-	4,200,000	-	-	-	4,200,000		
Other grantees											
In aggregate	Employee	9 December 2025	1 April 2026	-	29,700,000	-	-	1,260,000	28,440,000	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	39,600,000	-	-	1,680,000	37,920,000	HK\$0.038	N/A
Subtotal				-	69,300,000	-	-	2,940,000	66,360,000		
Total				-	97,020,000	-	-	14,700,000	82,320,000		
The five highest paid individuals											
In aggregate		9 December 2025	1 April 2026	-	9,540,000	-	-	1,260,000	8,280,000	HK\$0.038	N/A
		9 December 2025	1 April 2027	-	12,720,000	-	-	1,680,000	11,040,000	HK\$0.038	N/A
Subtotal				-	22,260,000	-	-	2,940,000	19,320,000		

Notes:

- (1) No consideration is payable by the grantees for the 2020 Awarded Shares;
- (2) The vesting of each batch of the 2020 Awarded Shares is subject to the Company's financial performance for the three consecutive financial years ending 31 December 2026. Prior to each vesting date, the Board will assess, based on the Company's financial results, whether the relevant performance targets have been achieved and, having regard to the other applicable provisions of the 2020 Share Award Scheme, determine the vesting status of the relevant batch and the corresponding number to be vested; and
- (3) Details of the fair value of the 2020 Awarded Shares as at the grant date and the accounting standards and policies adopted are set out in Note 2.4 to the consolidated financial statements.

2024 Share Option Scheme and 2024 Share Award Scheme

The 2024 Share Option Scheme and the 2024 Share Award Scheme were adopted on 6 September 2024 (“**2024 Adoption Date**”).

Both the 2024 Share Option Scheme and the 2024 Share Award Scheme may grant share options and awarded shares through the issuance of new shares or the transfer of treasury shares. In addition, the 2024 Share Award Scheme may also be funded by existing shares to be purchased by the trustee.

Other than the 2024 Share Option Scheme and the 2024 Share Award Scheme, the Company does not have any other share scheme involving the grant of new shares or options over new shares.

The objectives of the 2024 Share Option Scheme and the 2024 Share Award Scheme are to: (i) recognise the contributions by certain selected participants (“**2024 Selected Participants**”) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the 2024 Selected Participants to maximise the value of the Company for the benefits of both the 2024 Selected Participants and the Company; with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the 2024 Selected Participants directly to the shareholders through ownership of shares.

The participants of the 2024 Share Option Scheme and the 2024 Share Award Scheme comprise: (i) any employee participant; (ii) any director or employee of a related entity; and (iii) any service provider.

The total number of shares available for issue (and, together with treasury shares which may be transferred, as applicable) under the 2024 Share Option Scheme, together with the 2024 Share Award Scheme, was 452,692,516 Shares, representing no more than 10% of the issued Shares (excluding treasury shares) as at the 2024 Adoption date and approximately 10.09% of the issued Shares (excluding treasury shares) as at the date of this Announcement.

The total number of shares available for issue (and, together with treasury shares which may be transferred, as applicable) to service provider under the 2024 Share Option Scheme, together with the 2024 Share Award Scheme, was 45,269,251 Shares, representing no more than 1% of the issued Shares (excluding treasury shares) as at the 2024 Adoption date, unless the Company has obtained separate approval by shareholders in general meeting.

For any 12-month period up to and including the date of grant of the share options and the awarded shares, the aggregate number of Shares issued and to be issued (and, together with treasury shares which may be transferred, as applicable) in respect of the share options granted under 2024 Share Option Scheme (“**2024 Share Options**”) and the awarded shares granted under the 2024 Share Award Scheme (“**2024 Awarded Shares**”) to any eligible person shall not exceed 1% of the issued Shares (excluding treasury shares) from time to time, unless such grant is separately approved by the shareholders in general meeting.

The period within which 2024 Share Options may be exercised by the grantee under the 2024 Share Option Scheme shall be as determined by the Board. This period shall commence on the date on which the offer relating to such 2024 Share Options is duly approved by the Board in accordance with the 2024 Share Option Scheme and expire in any event not later than the last day of the 10-year period after the date of grant of 2024 share options (subject to early termination as set out in the 2024 Share Option Scheme).

The vesting period of 2024 Share Options and 2024 Awarded Shares granted in the form of new shares shall be at least 12 months. However, for the 2024 Share Options and 2024 Awarded Shares granted to employee participants, a shorter vesting period may be applied if determined by (i) the remuneration committee of the Company, if such employee participant is a director or a senior manager of the Company, or (ii) the Board, if such employee participant is not a director or a senior manager of the Company.

No amount is payable on application for or acceptance of the 2024 Share Options or the 2024 Awarded Shares, and no payment period or loan repayment arrangement is applicable.

The subscription price for 2024 Share Options will be a price determined by the Board and notified to an eligible person. The subscription price will be the highest of: (i) the nominal value of a share; (ii) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the grant date (“**Grant Date**”), which must be a business day; and (iii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Grant Date.

Unless the Board at their absolute discretion otherwise determine on a case-by-case basis, the 2024 Awarded Shares shall be granted to a 2024 Selected Participants at no consideration as to align with the purpose to reward the eligible participants who have contributed or will contribute to the Group. The purchase price of the 2024 Awarded Shares (if any) shall be such price as determined by the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time based on considerations such as the prevailing closing price of the shares, the purpose of the 2024 Share Award Scheme and the characteristics and profile of the 2024 Selected Participants.

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2024 Share Option Scheme and the 2024 Share Award Scheme, the 2024 Share Option Scheme and the 2024 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the 2024 Adoption Date. As at the date of this Announcement, the remaining life the 2024 Share Option Scheme and the 2024 Share Award Scheme shall be approximately eight years and five months.

No share options have been granted by the Company under the 2024 Share Option Scheme since its adoption. During the Year, no share options were granted, exercised, cancelled, or lapsed under the 2024 Share Option Scheme. As at 1 January 2025 and 31 December 2025, there were no outstanding share options under the 2024 Share Option Scheme.

No awarded shares have been granted by the Company under the 2024 Share Award Scheme since its adoption. During the Year, no awarded shares were granted, vested, cancelled, or lapsed under the 2024 Share Award Scheme. As at 1 January 2025 and 31 December 2025, there were no unvested awarded shares under the 2024 Share Award Scheme.

The total number of shares available for grant under the mandate of 2024 Share Option Scheme, together with the 2024 Share Award Scheme, was 452,692,516 Shares as at both 1 January 2025 and 31 December 2025. The total number of shares available for grant to the service provider sublimit of the 2024 Share Option Scheme, together with the 2024 Share Award Scheme, was 45,269,251 Shares as at both 1 January 2025 and 31 December 2025.

During the Year, the number of shares that may be issued in respect of share options and awarded shares granted under the 2024 Share Option Scheme, together with the 2024 Share Award Scheme, divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the year, was 0%.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Repurchase Mandate

The Directors have been granted the general mandate (the “**2024 Repurchase Mandate**”) pursuant to the resolutions of the Shareholders passed on 7 June 2024, to repurchase Shares in the open market from time to time. Pursuant to the 2024 Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of the issued Shares (excluding any treasury Shares) on the date of passing such resolution. The 2024 Repurchase Mandate lapsed at the conclusion of the Annual General Meeting of the Company held on 22 May 2025.

The Directors have been granted the general mandate (the “**2025 Repurchase Mandate**”) pursuant to the resolutions of the Shareholders passed on 22 May 2025, to repurchase Shares in the open market from time to time. Pursuant to the 2025 Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of the issued Shares (excluding any treasury Shares) on the date of passing such resolution.

Share Repurchase

During the Year, the Company repurchased a total of 34,448,000 Shares on GEM for an aggregate consideration of HK\$1,382,576 (excluding transaction costs), comprising 1,064,000 Shares under the 2024 Repurchase Mandate for HK\$47,704 and 33,384,000 Shares under the 2025 Repurchase Mandate for HK\$1,334,872. These Shares are held as treasury shares (as defined under the GEM Listing Rules) of the Company. Details are as below:

Repurchase period	No. of Shares repurchased	Purchase price per Share		Aggregate consideration paid (HK\$)	No. of treasury shares as at the end of the month
		Highest price paid (HK\$/Share)	Lowest price paid (HK\$/Share)		
<i>During the Year</i>					
Under the 2024 Repurchase Mandate					
January 2025	1,064,000	0.045	0.044	47,704	22,416,000
Subtotal	1,064,000	–	–	47,704	–
Under the 2025 Repurchase Mandate					
May 2025	1,744,000	0.045	0.040	73,352	1,744,000
June 2025	1,272,000	0.040	0.039	49,808	3,016,000
July 2025	6,112,000	0.040	0.038	244,048	9,128,000
September 2025	2,000,000	0.040	0.039	79,000	1,128,000
October 2025	15,448,000	0.040	0.038	617,152	26,576,000
November 2025	6,456,000	0.040	0.039	258,232	33,032,000
December 2025	352,000	0.038	0.037	13,280	33,384,000
Subtotal	33,384,000	–	–	1,334,872	–
Total	34,448,000	–	–	1,382,576	–

The Board considers that the Share repurchased by the Company and held as treasury shares may provide more flexibility to the Board to resell the treasury shares on the market prices to raise additional funds for the Company, or transfer or use for Share grants under share schemes that comply with Chapter 23 of the GEM Listing Rules and for other purposes permitted under the GEM Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

Disposal of Treasury Shares

On 17 April 2025, the Company disposed of 22,416,000 treasury shares to Mr. Lung Wan, an independent third party, through an off-market transaction at HK\$0.06 per share. The sale price represents a premium of approximately 53.85% over the closing market price of HK\$0.039 per share on 17 April 2025, being the trading date of the Disposal. Gross proceeds amounted to HK\$1,344,960.00, with estimated net proceeds of HK\$300,651.01. The shares were sold under the General and Resale Mandate granted on 7 June 2024.

The net proceeds have been used for general working capital purposes, consistent with the Company's previously disclosed plans. The Board believes the disposal strengthens the Group's financial position and reflects market confidence in the Company's prospects.

Further details of the transaction are set out in the Company's announcement dated 17 April 2025.

As at 1 January 2025, the Company held 21,352,000 treasury shares. As at 31 December 2025, the Company held 33,384,000 treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions as set out in Part 2 of Appendix C1 to the GEM Listing Rules (the "**CG Code**"). The Company has adopted and complied with, where applicable, the CG Code during the year ended 31 December 2025 (the "**Year**"), to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner, save and except the deviation as follows:

Provision C.1.5 of the CG Code requires that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Liao Yuan, the non-executive Director, did not attend the annual general meeting held on 22 May 2025 due to other business commitment.

COMPETING INTERESTS

During the Year, so far as the Directors are aware, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused any conflicts of interest with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transaction by the directors (the “**Required Standard**”). Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the Required Standard during the Year.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Zhang Honghai, Mr. Guan Chenghua and Mr. Guo Guanglei. Mr. Zhang Honghai serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated results of our Group for the Year with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF RONGCHENG (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board of Directors on 18 March 2026. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) CPA Limited on the preliminary announcement.

By Order of the Board of
CHYY Development Group Limited
Mr. Xu Shengheng
Joint Chairman

Hong Kong, 18 March 2026

As at the date of this announcement, the Board comprises Mr. Xu Shengheng and Mr. Dai Qi as executive Directors, Mr. Liao Yuan, Ms. Liu Ening and Mr. Zhang Yiying as non-executive Directors, Mr. Zhang Honghai, Mr. Guan Chenghua and Mr. Guo Guanglei as independent non-executive Directors.