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遠東控股國際有限公司

Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 36)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Far East Holdings International Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the corresponding year in 2024 are set out as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	11,829	14,173
Rental operating cost		<u>(1,839)</u>	<u>(2,443)</u>
Net rental income		9,990	11,730
Other income		1,086	25
Other gains and losses, net	5	(85,580)	(579,867)
Expected credit loss on corporate bond		–	(600)
Administrative expenses		(3,489)	(4,464)
Finance costs	6	<u>(37,908)</u>	<u>(47,608)</u>
Loss before income tax	7	(115,901)	(620,784)
Income tax expense	8	<u>(50)</u>	<u>(47)</u>
Loss for the year		<u>(115,951)</u>	<u>(620,831)</u>
Loss for the year attributable to:			
Owners of the Company		(73,376)	(343,492)
Non-controlling interests		<u>(42,575)</u>	<u>(277,339)</u>
		<u>(115,951)</u>	<u>(620,831)</u>
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Revaluation loss on properties upon transfer to investment properties		–	<u>(3,283)</u>
Other comprehensive income for the year, net of tax		–	<u>(3,283)</u>
Total comprehensive income for the year		<u>(115,951)</u>	<u>(624,114)</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		(73,376)	(346,775)
Non-controlling interests		<u>(42,575)</u>	<u>(277,339)</u>
		<u>(115,951)</u>	<u>(624,114)</u>
Loss per share — Basic (HK dollars)	9	<u>(0.24)</u>	<u>(2.83)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Investment properties	<i>10</i>	681,700	768,300
Property, plant and equipment		789	928
		<hr/> 682,489	<hr/> 769,228
Current assets			
Corporate bond		–	–
Held-for-trading investments	<i>11</i>	2,040	1,020
Rental and other receivables	<i>12</i>	1,198	1,016
Tax recoverable		57	25
Deposits held in a financial institution		–	–
Bank balances and cash		4,954	628
		<hr/> 8,249	<hr/> 2,689
Current liabilities			
Other payables and accruals	<i>13</i>	7,158	46,107
Amount due to a non-controlling interest	<i>14</i>	86,854	60,933
Bank borrowing	<i>15</i>	346,629	390,024
Other loans	<i>17</i>	13,103	–
Lease liabilities	<i>18</i>	242	184
		<hr/> 453,986	<hr/> 497,248
Net current liabilities		<hr/> (445,737)	<hr/> (494,559)
Non-current liabilities			
Other payable	<i>13</i>	58,360	–
Loan from a non-controlling interest	<i>16</i>	152,700	152,700
Other loans	<i>17</i>	–	51,385
Lease liabilities	<i>18</i>	172	414
		<hr/> 211,232	<hr/> 204,499
Net assets		<hr/> 25,520	<hr/> 70,170
Capital and reserves			
Share capital	<i>19</i>	703,911	632,610
Reserves		(703,620)	(630,244)
Equity attributable to owners of the Company		291	2,366
Non-controlling interests		25,229	67,804
Total equity		<hr/> 25,520	<hr/> 70,170

Notes:

1. BASIS OF PREPARATION

(a) Statutory financial statements

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2025 in due course.

The Company's auditor has reported on the consolidated financial statements for both years. The auditor's report for the year ended 31 December 2025 was unqualified, included a material uncertainty related to going concern paragraph to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance. The auditor's report for the year ended 31 December 2024 was unqualified, did not include a reference to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

(b) Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

(c) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties and held-for-trading investment, which are measured at fair values.

The Group incurred a loss of approximately HK\$115,951,000 for the year ended 31 December 2025 and had net current liabilities of approximately HK\$445,737,000 as of that date. Included in the net current liabilities were bank borrowing (note 15) amounting to approximately HK\$346,629,000 which is subject to a repayable on demand clause. In addition, the Company's shares have been suspended from trading on the Stock Exchange since 3 February 2026 and have not been resumed up to the date of approval of these financial statements. The suspension of trading for more than 15 days resulted in a breach of a loan covenant attached to the bank borrowing, giving the bank the right to demand for immediate repayment of the outstanding amount of approximately HK\$346,629,000. However, the Group's cash and cash equivalents amounted to only approximately HK\$4,954,000 as at 31 December 2025.

1. BASIS OF PREPARATION (continued)

(c) Basis of measurement and going concern assumption (continued)

In light of the above circumstances, the directors of the Company have carefully considered the Group's cash flow projections covering a period of 12 months from the date of approval of these consolidated financial statements (the "Forecast"). They have given due consideration to the matters that give rise to significant doubt as to its ability to continue as a going concern, and have proactively come up with certain plans and measures to improve its operating cash flows and financial position. The plans and measures include, but are not limited to, the following:

- (a) The Group has been actively negotiating with bank and other parties to renew or extend its existing facilities and to obtain additional financing to finance its operations.

In January 2026, the Group obtained other loans of HK\$25,500,000 and an advance from a non-controlling interest of HK\$24,500,000. The aggregate proceeds of HK\$50,000,000 were used to repay bank borrowing of approximately HK\$52,966,000.

The directors expect that the Group will be able to settle the bank loan in accordance with the scheduled repayment dates under the loan agreement, on the basis of its past record of compliance with borrowing terms, including timely repayment of principal and interest, as well as the availability of sufficient collateral. The directors further believe, should immediate repayment be demanded by the bank, that the Group would be able to meet such repayment through the disposal of its investment properties. As at the date of approval of these financial statements, the bank has not requested the Group to repay the outstanding balance of the bank borrowing.

- (b) During the year, the Group extended the maturity date of the loan from a non-controlling interest and related accrued interest of HK\$152,700,000 (note 16) and approximately HK\$58,360,000 (note 13), respectively, to 30 April 2027;
- (c) The Group obtained the confirmation from a non-controlling interest for an amount due of approximately HK\$86,854,000, whereby the non-controlling interest agrees not to request repayment within 12 months from the year end date, i.e. 31 December 2025;
- (d) The Group will reassess its marketing strategy to reduce the vacancy rate of its investment properties in the near future; and
- (e) The Group will consider disposing of certain investment properties, if necessary, to strengthen its liquidity position.

The directors of the Company, taking into account the Forecast, and assuming the successful implementation of the above measures, consider the Group will be able to finance its operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

1. BASIS OF PREPARATION (continued)

(c) Basis of measurement and going concern assumption (continued)

Notwithstanding the above, the validity of the going concern assumption depends on the successful outcome of the Group's plans and measures, including (i) successful negotiation with the bank and other parties on the renewal or extension of the existing facilities; and (ii) successful implementation of other measures described above in the normal course of business.

These indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the abovementioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of revised HKFRSs — effective on 1 January 2025

Amendment to HKAS 21 The Effects of Changes in Foreign Exchange Rates and HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards	Lack of exchangeability
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This amendment has no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments : Disclosure	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosure	Contracts Referencing Nature — dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 HKFRS 18	Annual Improvements to HKFRS Accounting Standards Volume 11 ¹ Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²

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

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

HKFRS 18 was issued by the HKICPA in July 2024 which supersedes HKAS 1 and will result in major consequential amendments to HKFRSs including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

HKFRS 19 specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other HKFRSs. The Company’s shares are listed and traded in the Stock Exchange. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

3. REVENUE

Revenue includes property rental income in both years. The amount of each significant category of revenue recognised during the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gross rental income from investment properties	<u>11,829</u>	<u>14,173</u>

4. SEGMENT REPORTING

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

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

Property investment — property investment

Securities investment — short-term securities investment

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Certain revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments’ profit/loss that is used by the CODM for assessment of segment performance.

The unallocated other operating income mainly represents the interest income. The unallocated expenses mainly represent the head office expenses including directors’ emoluments, employee costs, legal and professional fees.

4. SEGMENT REPORTING (continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December 2025

	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue			
External revenue (<i>note 3</i>)	<u>11,829</u>	<u>–</u>	<u>11,829</u>
Segment results	<u>(94,161)</u>	<u>1,007</u>	<u>(93,154)</u>
Other operating income			903
Unallocated expenses			<u>(23,650)</u>
Loss before income tax			<u>(115,901)</u>

For the year ended 31 December 2024

	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue			
External revenue (<i>note 3</i>)	<u>14,173</u>	<u>–</u>	<u>14,173</u>
Segment results	<u>(591,820)</u>	<u>(4,333)</u>	<u>(596,153)</u>
Other operating income			25
Unallocated expenses			<u>(24,656)</u>
Loss before income tax			<u>(620,784)</u>

4. SEGMENT REPORTING (continued)

(a) Segment revenue and results (continued)

Segment results represent the profit/loss from each segment including items disclosed in other segment information below, net of finance costs and administrative expenses directly attributable to each segment without allocation of other operating income and corporate expenses. Unallocated items comprise corporate expenses which are not directly attributable to a particular reportable segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. The segment results of the securities investment segment include the fair value gain or loss on held-for-trading investments and administrative expenses directly attributable to the securities investment segment.

(b) Other segment information

The following other segment information is included in the measure of segment profit or loss:

For the year ended 31 December 2025

	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	159	–	159
Depreciation of right-of-use assets	210	–	210
Unrealised fair value gain on held-for-trading investments	–	(1,020)	(1,020)
Fair value loss on investment properties	<u>86,600</u>	<u>–</u>	<u>86,600</u>

For the year ended 31 December 2024

	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	373	–	373
Depreciation of right-of-use assets	70	–	70
Unrealised fair value loss on held-for-trading investments	–	3,720	3,720
Fair value loss on investment properties	575,600	–	575,600
Loss on revaluation of properties	547	–	547
ECL on corporate bond	<u>–</u>	<u>600</u>	<u>600</u>

4. SEGMENT REPORTING (continued)

(c) Segment assets and liabilities

As the CODM reviews the Group's assets and liabilities as a whole on a consolidated basis and assets or liabilities are not allocated to the operating segments, therefore no analysis of segment assets and liabilities is presented.

(d) Geographical information

The Group's revenue is solely generated from, and non-current assets are located in, Hong Kong, based on the location on relevant entities' operation.

(e) Information about major customers

Revenue from four (2024: four) customers individually contributing over 10% of total revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A (from property investment segment)	<u>1,411</u>	<u>1,486</u>
Customer B (from property investment segment)	<u>2,520</u>	<u>2,520</u>
Customer C (from property investment segment)	<u>4,866</u>	<u>4,617</u>
Customer D (from property investment segment)	<u>(Note)</u>	<u>3,150</u>
Customer E (from property investment segment)	<u>1,518</u>	<u>(Note)</u>

Note: Less than 10% of total revenue of the year.

5. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unrealised fair value gain/(loss) on held-for-trading investments	1,020	(3,720)
Fair value loss on investment properties	(86,600)	(575,600)
Loss on revaluation of properties	—	(547)
	<u>(85,580)</u>	<u>(579,867)</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on other loans	2,696	6,080
Interest on bank borrowing	15,327	23,534
Interest on loan from a non-controlling interest	19,849	17,983
Interest on lease liabilities	36	11
	<u>37,908</u>	<u>47,608</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration (including remuneration for non-audit services)	450	608
ECL on corporate bond	—	600
Depreciation charge		
— Property, plant and equipment	159	373
— Right-of-use assets	210	70
Operating lease rental in respect of low valued leased office equipment	16	17
	<u>16</u>	<u>17</u>

8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax:		
— Hong Kong profits tax	52	80
— Over-provision in respect of prior year	<u>(2)</u>	<u>(33)</u>
Total tax charge for the year	<u><u>50</u></u>	<u><u>47</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimate assessable profits for both years.

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rates regime. For the years ended 31 December 2025 and 2024, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%).

The income tax expense for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before income tax	<u><u>(115,901)</u></u>	<u><u>(620,784)</u></u>
Tax calculated at the domestic income tax rate of 16.5% (2024: 16.5%) (<i>note</i>)	(19,124)	(102,429)
Tax effect of losses and expenses not deductible for tax purposes	30,238	96,862
Tax effect of revenue not taxable for tax purposes	–	(1)
Tax effect of tax losses not recognised	1,437	6,138
Tax effect of deductible temporary difference not recognised	(331)	(330)
Utilisation of tax losses previously not recognised	(12,116)	(80)
Tax at concessionary rate	(52)	(80)
Over-provision in respect of prior year	<u>(2)</u>	<u>(33)</u>
Income tax expense	<u><u>50</u></u>	<u><u>47</u></u>

Note: The domestic tax rate in the jurisdiction where the operation of the Group is substantially based is used (which is the Hong Kong Profits Tax rate).

9. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(73,376)</u>	<u>(343,492)</u>
	2025 <i>Number of</i> <i>shares</i>	2024 <i>Number</i> <i>of shares</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>302,546,727</u>	<u>121,411,621</u>
	2025 <i>HK dollars</i>	2024 <i>HK dollars</i>
Basic loss per share	<u>(0.24)</u>	<u>(2.83)</u>

The weighted average number of ordinary shares for the purpose of basic loss per share had been adjusted for the share consolidation which took place on 17 December 2024. Further details of the share consolidation are set out in note 19(a) to the consolidated financial statements.

Bonus elements arising from the rights issue completed on 5 February 2025 at the price lower than market value has been adjusted on the determination of weighted average number of shares. Please refer to note 19(b) for further details.

10. INVESTMENT PROPERTIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
FAIR VALUE		
At 1 January (level 3 recurring fair value)	768,300	1,331,800
Transfer from buildings held for own use	–	12,100
Fair value changes recognised in profit and loss (<i>note 5</i>)	<u>(86,600)</u>	<u>(575,600)</u>
At 31 December (level 3 recurring fair value)	<u><u>681,700</u></u>	<u><u>768,300</u></u>

All of the Group's property interests held under operating leases to earn property rental income or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the Group's investment properties as at 31 December 2025 and 2024 have been arrived at on the basis of a valuation carried out by Roma Appraisals Limited, an independent qualified professional valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation technique is market comparison method based on the market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject properties. There are no change to the valuation technique as compared with 31 December 2024.

As at 31 December 2025, an investment property with carrying amount of HK\$600,000,000 (2024: HK\$680,000,000) has been pledged to secure a bank borrowing of the Group (note 15).

11. HELD-FOR-TRADING INVESTMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Listed equity securities:		
Hong Kong	<u><u>2,040</u></u>	<u><u>1,020</u></u>

As at 31 December 2025, held-for-trading investments represent 1 (2024: 1) equity securities listed on the Main Board of the Stock Exchange.

The fair values of held-for-trading investments have been determined by reference to the quoted market prices available on the Stock Exchange.

12. RENTAL AND OTHER RECEIVABLES

The Group does not have any credit period to the tenants (2024: nil).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Rental receivables	229	224
Prepayments, deposits and other receivables	969	792
	<u>1,198</u>	<u>1,016</u>
At 31 December	<u><u>1,198</u></u>	<u><u>1,016</u></u>

The aging analysis of debtors, based on invoice date and due date, were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1 to 30 days	229	–
31 to 60 days	–	31
61 to 90 days	–	64
91 to 180 days	–	129
	<u>229</u>	<u>224</u>
Total rental receivables	<u><u>229</u></u>	<u><u>224</u></u>

Details of other receivables net of loss allowance are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deposits	798	769
Prepayments	167	19
Others	4	4
	<u>969</u>	<u>792</u>

13. OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Rental deposits received	4,678	4,070
Other payables and accruals	1,661	2,471
Interest payable on other loans	819	39,566
	<u>7,158</u>	<u>46,107</u>
Add: Interest payable on loan from a non-controlling interest (Non-current portion)	<u>58,360</u>	–
	<u><u>65,518</u></u>	<u><u>46,107</u></u>

14. AMOUNT DUE TO A NON-CONTROLLING INTEREST

As at 31 December 2025 and 2024, the amount due to a non-controlling interest represented the amount due to a shareholder of a non-wholly owned subsidiary which is unsecured, interest-free, and repayable on demand.

15. BANK BORROWING

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current		
Bank borrowing due for repayment within one year (<i>note (i)</i>)	61,865	20,528
Bank borrowing due for repayment after one year which contain a repayment on demand clause (<i>note (i) & note (ii)</i>)	<u>284,764</u>	<u>369,496</u>
	<u><u>346,629</u></u>	<u><u>390,024</u></u>

Notes:

- (i) The bank borrowing is secured by an investment property (note 10) at the carrying value of HK\$600,000,000 (2024: HK\$680,000,000).
- (ii) The bank borrowing of HK\$284,764,000 as at 31 December 2025 (2024: HK\$369,496,000) is not scheduled to repay within one year. It is classified as current liability as the related loan agreement contains a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion. None of the portion of the bank loan due for repayment after one year which contain a repayment on demand clause (and therefore classified as current liability) is expected to be settled within one year.

The Group's banking facility is subject to the fulfilment of covenants. If the Group were to breach the covenants the related loans would become payable on demand. However, due to the lender with an unconditional right to demand repayment at anytime at its own discretion, the bank borrowing is classified as current liability. As at 31 December 2025, none of the covenants relating to drawn down facility had been breached (2024: nil).

However, subsequent to reporting period, on 3 February 2026, the Company breached a covenant in the bank borrowing which is the suspended of trading of the Company's share on Stock Exchange for more than 15 consecutive trading days since trading in the shares was suspended with effect on the same date. Until the date of this report, the trading of the Company's shares still has not yet resumed. As at the date of the report, the lender has not requested the Company to repay the outstanding balance of the bank borrowing.

15. BANK BORROWING (continued)

At the end of the reporting period, bank borrowing was scheduled to repay as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
On demand or within one year	61,865	20,528
More than one year, but not exceeding two years	11,865	20,528
More than two year, but not exceeding five years	11,865	61,583
After five years	<u>261,034</u>	<u>287,385</u>
	<u><u>346,629</u></u>	<u><u>390,024</u></u>

The amount due is based on the scheduled repayment date in the loan agreement and ignore the effect of any repayment on demand clause.

16. LOAN FROM A NON-CONTROLLING INTEREST

As at 31 December 2025, the Group has an unsecured loan from a non-controlling interest of HK\$152,700,000 (2024: HK\$152,700,000) bearing interest at a fixed rate of 10% (2024: 10%) per annum and will be matured on 30 April 2027 (2024: 30 April 2026).

17. OTHER LOANS

As at 31 December 2025, the Group has an unsecured loans with total amount of HK\$13,103,000 (2024: HK\$51,385,000) all bearing interest at a fixed rate of 15% (2024: 15%) per annum and all will be matured on 9 July 2026 (2024: 9 January 2026).

18. LEASES

The Group as lessor

The Group's investment properties are leased to a number of tenants for varying terms. The rental income earned during the year ended 31 December 2025 was HK\$11,829,000 (2024: HK\$14,173,000).

The minimum rent receivables under non-cancellable operating leases are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not later than one year	15,170	13,183
Later than one year and not later than two years	13,423	4,786
Later than two years and not later than five years	<u>11,314</u>	<u>–</u>
	<u><u>39,907</u></u>	<u><u>17,969</u></u>

18. LEASES (continued)

The Group as lessee

The Group leases an office premise in Hong Kong. As at 31 December 2025, the rent for the office premise is fixed with lease term of three years (2024: three years).

Leases liabilities

Future lease payments are due as follows:

	Future lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
31 December 2025			
Not later than 1 year	264	22	242
Later than one year but not later than 3 years	176	4	172
	<u>440</u>	<u>26</u>	<u>414</u>
	Future lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
31 December 2024			
Not later than 1 year	220	36	184
Later than one year but not later than 3 years	440	26	414
	<u>660</u>	<u>62</u>	<u>598</u>

The present value of future lease payments is analysed as:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	242	184
Non-current liabilities	172	414
	<u>414</u>	<u>598</u>
	2025 HK\$'000	2024 HK\$'000
Low value lease expense	16	17
Lease payment	220	44
	<u>236</u>	<u>61</u>

The incremental borrowing rate is 7.2%.

19. SHARE CAPITAL

	Number of shares	Share capital
Issued and fully paid:		
At 1 January 2024	1,089,118,593	632,610
Less: share consolidation (<i>note (a)</i>)	<u>(980,206,734)</u>	<u>–</u>
At 31 December 2024 and 1 January 2025	108,911,859	632,610
Add: Issuance of share upon right issue (<i>note (b)</i>)	<u>217,823,718</u>	<u>71,301</u>
At 31 December 2025	<u>326,735,577</u>	<u>703,911</u>

- (a) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 13 December 2024, the share consolidation of every 10 ordinary shares of HK\$0.01 each in the existing share capital of the Company were consolidated into one consolidated share of HK\$0.1 each (the “**Consolidated Share**”) in the existing share capital of the Company became effective on 17 December 2024 (the “**Share Consolidation**”).

As a result of the Share Consolidation, as at 31 December 2024, the issued Consolidated Share of the Company was HK\$632,610,000 comprising 108,911,859 issued shares.

- (b) On 5 February 2025, the Company completed the issuance of up to 217,823,718 rights shares.

20. RELATED PARTY TRANSACTIONS

Save as those disclosed elsewhere in these consolidated financial statements, the Group had the following related party transaction with a related party during the year:

(a) Revenue

Related party relationship	Nature of transaction	2025 HK\$'000	2024 HK\$'000
Company with common executive director	Rental income	<u>–</u>	<u>300</u>

During the year ended 31 December 2024, a director of the tenant, which is a wholly owned subsidiary of a company with its ordinary shares listed on the Stock Exchange, namely Baijin Life Science Holdings Limited (formerly known as Affluent Partners Holdings Limited), had been appointed as an executive director of the Company during the year ended 31 December 2023. The amount shown was represented the rental income contributed in the related investment property throughout the year ended 31 December 2024.

No such rental income was generated from this related party during year ended 31 December 2025 since the relevant lease was completed during year ended 31 December 2024.

20. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel

The remunerations of Directors and key management of the Group during the year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Short-term benefits	1,308	1,251
Post-employment benefits	<u>21</u>	<u>21</u>
	<u><u>1,329</u></u>	<u><u>1,272</u></u>

The remunerations of Directors are determined by the Remuneration Committee of the Company having regard to the performance of individuals and market trends.

21. EVENTS AFTER REPORTING PERIOD

- (a) On 2 February 2026, the Company received a letter from the Listing Review Committee notifying that having taken into account the submissions of the Company and the Listing Division, including the submissions of the Company at the Hearing, the Listing Review Committee decided to uphold the LC Decision to suspend trading in the Company's shares under Rule 6.01(3) on the ground that the Company had failed maintain a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its shares, in compliance with Rule 13.24.

On 3 February 2026, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. of the date.

- (b) In addition, subsequent to the reporting period, due to the suspend of trading in the shares of the Company for more than 15 consecutive trading days, a covenant for bank borrowing was also breached. Please refer to note 1(c) and 15 for details.

As at the date of the report, the lender has not requested the Company to repay the outstanding balance of the bank borrowing.

- (c) Subsequent to the reporting period, the Group obtained other loans of HK\$25,500,000 and an advance from a non-controlling interest of HK\$24,500,000. The aggregate proceeds of HK\$50,000,000 were used to repay bank borrowing of approximately HK\$52,966,000.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(b) to the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$115,951,000 for the year ended 31 December 2025, and had net current liabilities of approximately HK\$445,737,000 as of that date. As at 31 December 2025, the Group’s current liabilities amounted to approximately HK\$453,986,000 in total, which included bank borrowing of approximately HK\$346,629,000, while its cash and cash equivalents amounted to only approximately HK\$4,954,000. As stated in note 3(b), these conditions, along with other matters as set forth in note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE RESULTS

For the year ended 31 December 2025 (the “**Year Under Review**”), Far East Holdings International Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) recorded revenue of approximately HK\$11.8 million (2024: approximately HK\$14.2 million), representing a decrease of approximately 16.9% as compared to that of last year. The Group’s loss attributable to owners of the Company was approximately HK\$73.4 million (2024: HK\$343.5 million). The total comprehensive loss of the Group for the Year Under Review was approximately HK\$116.0 million (2024: HK\$624.1 million), which was mainly attributable to the decrease in fair value loss on investment properties during the Year Under Review. The basic loss per share for the Year Under Review was HK\$0.24 (2024: HK\$2.83).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had bank balances and cash and deposits held in a financial institution amounting to approximately HK\$5.0 million (2024: approximately HK\$0.6 million). The Group funds its operations from a combination of internal resources, bank borrowing, loan from a non-controlling interest, other loans and fund proceeds from rights issue.

GEARING RATIO

The gearing ratio, expressed as a percentage of total debts (including the bank borrowing, loan from a non-controlling interest and other loans) to equity attributable to owners of the Company was 176,093.5% as at 31 December 2025 (2024: 25,110.3%).

CAPITAL STRUCTURE

During the year ended 31 December 2024, every ten (10) existing shares of the Company (the “**Shares**”) in issue was consolidated into one (1) consolidated Shares.

On 11 November 2024, the Company announced to raise gross proceeds of up to approximately HK\$72.75 million by way of the issue of up to 217,823,718 rights Shares at the subscription price of HK\$0.334 per rights Share on the basis of two (2) Rights Share for every one (1) Share held on 30 December 2024 (the “**Rights Issue**”). On 15 January 2025, the Company completed the Rights Issue. A total of 217,823,718 rights Shares were issued. The net price was approximately HK\$0.3193 per rights Share. The net proceeds from the Rights Issue was HK\$69.55 million after deducting all relevant expenses for the Rights Issue, approximately HK\$44.00 million of which had been used for the partial repayment of a loan due to Mrs. Chu Yuet Wah, a substantial shareholder of a subsidiary of the Company and while the remaining approximately HK\$25.55 million was used for the Group’s general working capital. For details of the Rights Issue, please refer to the announcements of the Company dated 11 November 2024, 13 December 2024, 22 January 2025 and 11 February 2025, the circular of the Company dated 22 November 2024 and the prospectus of the Company dated 31 December 2024.

Other than that, there was no change to the share capital of the Company. As at 31 December 2025, the total number of issued ordinary shares of the Company was 326,735,577 (2024: 108,911,859) shares.

EXPOSURE TO FOREIGN EXCHANGE FLUCTUATIONS

The Group had no significant exposure to foreign exchange fluctuations during the Year Under Review.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent Liabilities

As at 31 December 2025, the Company had no contingent liabilities (2024: Nil).

Capital Commitments

As at 31 December 2025, the Group had no capital commitment (2024: Nil).

SIGNIFICANT INVESTMENTS

The Group had held-for-trading investments of approximately HK\$2.0 million as at 31 December 2025 (2024: approximately HK\$1.0 million), representing 0.3% (2024: 0.1%) of the total assets of the Group.

During the Year Under Review, the Group recorded fair value gain on held-for-trading investments of approximately HK\$1.0 million (2024: fair value loss of approximately HK\$3.7 million).

MATERIAL RISK FACTORS

The Group's held-for-trading investments are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity price risk due to the fluctuation of fair value of held-for-trading investments. Management closely monitors the market condition of listed securities and regularly reviews the exposure to the equity price risk on held-for-trading investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF THE GROUP

There was no material acquisition nor disposal of conducted by the Group during the Year Under Review.

DIVIDEND

For the Year Under Review, the Board does not recommend any final dividend (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2025, the Group had 8 (2024: 8) employees in Hong Kong. The Group offers its employees competitive remuneration packages based on industry practices and performance of individual employees. Year-end discretionary bonuses may be granted to reward and motivate those well-performed employees.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to environmental protection and sustainable development through promoting and adopting green practices in its business activities. Initiatives within the Group include, but are not limited to, encouraging employees to reduce paper consumption by reuse of single-sided printed paper, to assess the necessity of printing where appropriate and to use duplex printing.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year Under Review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

BUSINESS AND FINANCIAL REVIEW

Property Investment

The portfolio of investment properties comprised of commercial units located in Hong Kong with a carrying amount of approximately HK\$681.7 million (2024: approximately HK\$768.3 million) as at 31 December 2025. The Group recorded rental income of approximately HK\$11.8 million (2024: approximately HK\$14.2 million) for the Year Under Review. Management will continue to review its portfolio of investment properties and seek for potential acquisition and/or disposal opportunities from time to time.

- (a) Details analysis of the rental income of the Group during the Year Under Review are as follows:

Location of the properties	Notes	Rental income		(Decrease)/
		2025	2024	increase
		HK\$'000	HK\$'000	in percentage
				%
9/F, Wings Building, 110–116 Queen's Road Central, Central, Hong Kong	(1)	–	1,182	(100)%
10/F, Wings Building, 110–116 Queen's Road Central, Central, Hong Kong	(2)	1,412	1,486	(5)%
Workshop No. 5 on 4/F, Fullagar Industrial Building, 234 Aberdeen Main Road, Hong Kong	(3)	252	252	0%
Commercial Podium (Shop) on Lower Ground Floor, Upper Ground Floor, First Floor, Second Floor, Third Floor and Offices and Flat Roof on Fourth Floor of Silver Fortune Plaza, 1 Wellington Street, Hong Kong	(4)	10,165	11,253	(10)%

Notes:

- (1) Decrease in rental income during the Year Under Review is mainly due to vacant of the property for leasing the whole floor to potential tenant. By end of the Year Under Review, the property was leased to a tenant with its lease expiration date in October 2028.
- (2) The whole floor of this property is leased to a tenant with its lease expiration date on September 2028.

- (3) The property is an industrial unit leased to a tenant with its lease expiration date in December 2026.
- (4) The property is a commercial podium comprised of six floors from Lower Ground Floor to the Fourth Floor.

During the Year Under Review, the Lower Ground Floor, the Upper Ground Floor, the First Floor, the Second Floor and the Third Floor have been leased to four tenants with their leases expiration dates in March 2027, January 2029, November 2028, May 2028 and January 2029, respectively. Subsequent to the date of the reporting period, the tenant of the second floor of this property failed to pay rent and the Group has taken legal action against this tenant.

- (b) Management reviews its investment properties and tenants portfolio from time to time with aims to generate stable rental income to the Group and for capital appreciation. Management will diversify its tenant mix, if necessary, in order to minimize the financial impact to the Group. In addition, the Group will seek to optimize the composition of the property portfolio based on the outlook of the property market and expand the property portfolio with suitable additional investment properties. The Group will also investigate with reference to the rate of returns and market price to identify for any potential disposals.

Investment in Securities

During the Year Under Review, the Group recorded fair value gain on held-for-trading investments of approximately HK\$1.0 million (2024: fair value loss of approximately HK\$3.7 million).

Details of the movement of the held-for-trading investments during the Year Under Review were listed as follows:

Stock Code	Stock Name	31 December 2024		Fair value change during the year		31 December 2025	
		<i>No. of shares</i>	<i>Fair value HK\$'000</i>	<i>No. of shares</i>	<i>Fair value HK\$'000</i>	<i>No. of shares</i>	<i>Fair value HK\$'000</i>
1557	K.H. GP HLDGS	<u>6,000,000</u>	<u>1,020</u>	<u>6,000,000</u>	<u>1,020</u>	<u>6,000,000</u>	<u>2,040</u>

As at 31 December 2025, the held-for-trading investments amounted to approximately HK\$2.0 million (2024: approximately HK\$1.0 million). This value represented an investment portfolio comprising 1 (2024: 1) equity security that is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Group does not hold any investment accounted for five per cent or more of the Group’s total asset at the end of the reporting period.

EVENTS AFTER REPORTING PERIOD

On 2 February 2026, the Company received a letter from the Listing Review Committee notifying that having taken into account the submissions of the Company and the Listing Division, including the submissions of the Company at the Hearing, the Listing Review Committee decided to uphold the LC Decision to suspend trading in the Company's shares under Rule 6.01(3) on the ground that the Company had failed maintain a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its shares, in compliance with Rule 13.24. On 3 February 2026, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. of the date.

BUSINESS PROSPECTS

With Hong Kong's economy engine reigniting this year, the Board is confident that the Company's business and financial performance can rebound at the same time. As such, it will have a positive impact to the Group's property investment segment. It was also expected that the Group's rental income will be increased in the coming future as well as the fair value of investment properties and held-for-trading investments.

The Group is devoted to increasing the occupancy rate of the properties and looking for potential acquisition/disposal of properties to generate stable income and capital appreciation from the properties. In view of the above, management will closely monitor the investment portfolio and capture opportunities in a prudent manner and balance investment risks of the Group.

The demand for office space, particularly from retail business, entertainment enterprises, financial institutions and professional services companies, should increase and may lead to a better performance of the Group's financial results in future.

In order to expand the Groups' investment property portfolios, the management of the Company has been actively searching for acquisitions opportunities. The management of the Company has relentlessly looking for opportunities to optimize the mix of the investment properties portfolios and expanding and diversifying into properties related business including property management business.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE")

During the year ended 31 December 2025, the Company has complied with all the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules, except for the following deviations:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company did not officially have a chief executive officer. The daily operation of the Group's business is handled by the executive Directors collectively. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who meet from time to time to discuss issues affecting the operations of the Group. As there is a clear division of responsibilities of each Director, the vacancies of chief executive officer and chairman did not have any material impact on the operations of the Group. The Board will continue to review the effectiveness of the Group's structure as business continues to develop in order to assess whether any changes, including the appointment of a chief executive officer, is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding securities transactions by Directors. The Company has made specific enquiries and all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Year Under Review.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established by the Board with written terms of reference which are consistent with the provisions set out in the relevant section of the CG Code.

During the year ended 31 December 2025, the Audit Committee met two times to consider the financial reporting matters. The Audit Committee is principally responsible for reviewing with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control system, and financial reporting matters including the review of the consolidated financial statements. As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Lam Wai Hung (chairman of the Audit Committee), Mr. Mak Ka Wing, Patrick and Mr. Lam Cheung Shing, Richard.

The final results of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee which is of the opinion that the preparation of such results was in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year as tabled before the Board of Directors meeting for approval. The work performed by Messrs. BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. BDO Limited on this preliminary announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.0036.com.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company (the "Shareholders") and published on the above websites in due course.

APPRECIATION

I would like to express my sincere gratitude to the Board, our management and to all our staff for their dedicated efforts during this year, as well as to our customers, suppliers, business partners and Shareholders for their continuous and full support to our Group.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 3 February 2026 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

On behalf of the Board
Far East Holdings International Limited
Cheung Sze Ming
Executive Director

Hong Kong, 17 March 2026

As at the date of this announcement, the Board comprises Mr. Cheung Sze Ming and Ms. Li Kai Lai Miranda as executive Directors; Mr. Zhu Weiwen as non-executive Director; and Mr. Mak Ka Wing, Patrick, Mr. Lam Wai Hung and Mr. Lam Cheung Shing, Richard as independent non-executive Directors.