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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

2025 ANNUAL RESULTS ANNOUNCEMENT

The board (the “Board”) of directors (the “Directors”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 and the comparative figures for last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	4		
Contracts with customers		90,191	94,757
Leases		5,007	6,220
Total revenue		95,198	100,977
Cost of revenue		(79,893)	(79,658)
Gross profit		15,305	21,319
Other income	6	128	166
Other gains and losses	7	(17,051)	(25,635)
Administrative expenses		(35,392)	(44,654)
Impairment loss on goodwill		(10,211)	(15,013)
Impairment loss on property, plant and equipment		(5,693)	–
Impairment losses under expected credit loss (“ECL”) model, net of reversal	8	(2,076)	(3,578)
Share of results of associates		(30,383)	(13,024)
Finance costs	9	(481)	(375)
Loss before taxation		(85,854)	(80,794)
Income tax expense	10	–	(19)
Loss for the year	11	(85,854)	(80,813)
Loss for the year attributable to owners of the Company		(85,854)	(80,813)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	12		
Basic		(5.09)	(4.79)
Diluted		(5.09)	(4.79)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	<u>(85,854)</u>	<u>(80,813)</u>
Other comprehensive income/(expense)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on equity investments at fair value through other comprehensive income (“FVTOCI”)	20,832	(21,788)
Share of other comprehensive expense of associates	(4,532)	(3,548)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	6,399	(5,735)
Translation reserve reclassified to profit or loss upon deemed disposal of an associate	–	303
Share of other comprehensive expense of an associate	<u>–</u>	<u>(481)</u>
Other comprehensive income/(expense) for the year, net of tax	<u>22,699</u>	<u>(31,249)</u>
Total comprehensive expense for the year	<u><u>(63,155)</u></u>	<u><u>(112,062)</u></u>
Total comprehensive expense for the year attributable to owners of the Company	<u><u>(63,155)</u></u>	<u><u>(112,062)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		44,293	53,864
Investment properties		57,158	110,695
Goodwill		332	10,543
Interests in associates		56,526	91,442
Equity investments at FVTOCI		50,700	54,497
Loan receivables		–	2,762
Deposits paid		450	450
		<u>209,459</u>	<u>324,253</u>
Current assets			
Inventories		14,514	20,285
Loan receivables	<i>14</i>	4,221	5,983
Trade receivables	<i>15</i>	8,990	9,303
Other receivables, deposits and prepayments	<i>16</i>	13,107	16,092
Financial assets at fair value through profit or loss (“FVTPL”)		2,853	3,244
Tax recoverable		–	81
Cash and cash equivalents		49,202	13,215
		<u>92,887</u>	<u>68,203</u>
Assets classified as held for sale	<i>19</i>	<u>31,690</u>	–
		<u>124,577</u>	<u>68,203</u>

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>17</i>	30,966	24,354
Deposits received		256	–
Lease liabilities		2,137	2,003
Tax payables		19,032	19,032
Borrowing	<i>18</i>	2,883	2,767
		<u>55,274</u>	<u>48,156</u>
Net current assets		<u>69,303</u>	<u>20,047</u>
Total assets less current liabilities		<u>278,762</u>	<u>344,300</u>
Non-current liabilities			
Deposits received		–	246
Lease liabilities		1,036	3,173
		<u>1,036</u>	<u>3,419</u>
Net assets		<u>277,726</u>	<u>340,881</u>
Capital and reserves			
Share capital		168,730	168,730
Reserves		108,996	172,151
Total equity		<u>277,726</u>	<u>340,881</u>

Notes:

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on 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 disclosed in the corporate information section on the annual report.

During the year, the principal activities of the Group were sale of daily necessities, medical, health and hygiene products, manufacturing and sale of food products and nutrient enhancers, the trading of equity securities, investment in properties, investment holding and money lending business in the People’s Republic of China (“PRC”) and Hong Kong.

Items included in the financial statements of each of Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “Functional Currency”). The Functional Currencies of operating subsidiaries in Hong Kong and Mainland China are Hong Kong Dollars (“HK\$”) and Renminbi (“RMB”), respectively. The consolidated financial statements are presented in HK\$ as the directors of the Company (the “Director”) consider that it is a more appropriate presentation for a company listed on the Stock Exchange and for the convenience of the shareholders of the Company.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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 Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

HKAS 21

Amendments in relation to Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has 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.

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:

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

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.

The Directors anticipate that the application of these new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments and investment properties which have been measured at fair value.

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Sale of		
– Daily necessities, medical, health and hygiene products	87,454	88,360
– Food products and nutrient enhancers	<u>2,737</u>	<u>6,397</u>
	<u>90,191</u>	<u>94,757</u>
Leases		
Rental income	<u>5,007</u>	<u>6,220</u>
Total revenue	<u><u>95,198</u></u>	<u><u>100,977</u></u>

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Geographical information:		
Mainland China	2,737	6,397
Hong Kong	<u>87,454</u>	<u>88,360</u>
Revenue from contracts with customers	<u><u>90,191</u></u>	<u><u>94,757</u></u>
Timing of revenue recognition:		
At a point in time	<u>90,191</u>	<u>94,757</u>
Revenue from contracts with customers	<u><u>90,191</u></u>	<u><u>94,757</u></u>

Performance obligation for contracts with customers:

Revenue is recognised at a point in time when customers obtain control of the goods at the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 0-60 days.

5. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Beijing Ever Grand International Financial Leasing Co. Ltd. (“**BJEG**”) and its subsidiaries (collectively, the “**BJEG Group**”) was classified as an associate of the Group for the seven months ended 31 July 2024. It was subsequently reclassified as an equity investments at FVTOCI following the Group’s loss of significant influence over BJEG. Consequently, the Financial Leasing Segment only included BJEG Group’s results for the seven-month period of 2024.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating segments* are as follows:

Distribution	–	sale of daily necessities, medical, health and hygiene products (“Distribution Segment”)
Manufacturing	–	research and development, manufacturing and sale of food products, new food ingredients and nutritional enhancers in the PRC (“Manufacturing Segment”)
Investment	–	investment properties in the Mainland China, investments in securities and money lending business in Hong Kong (“Investment Segment”)
Financial leasing	–	provision of finance lease consulting services and financing services in the Mainland China through investment in an associate (“Financial Leasing Segment”)

Segment revenues and results

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

For the year ended 31 December

	Distribution		Manufacturing		Investment		Finance Leasing		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
SEGMENT REVENUE										
At a point in time	87,454	88,360	2,737	6,397	-	-	-	-	90,191	94,757
From other source	-	-	-	-	5,007	6,220	-	-	5,007	6,220
	<u>87,454</u>	<u>88,360</u>	<u>2,737</u>	<u>6,397</u>	<u>5,007</u>	<u>6,220</u>	<u>-</u>	<u>-</u>	<u>95,198</u>	<u>100,977</u>
SEGMENT RESULTS	<u>(13,420)</u>	<u>(19,279)</u>	<u>(12,818)</u>	<u>(4,679)</u>	<u>(11,802)</u>	<u>(20,451)</u>	<u>-</u>	<u>(14,338)</u>	<u>(38,040)</u>	<u>(58,747)</u>
Unallocated other income, gains and losses									35	(85)
Unallocated corporate expenses									(17,466)	(19,901)
Share of results of associates									<u>(30,383)</u>	<u>(2,061)</u>
Loss before taxation									<u>(85,854)</u>	<u>(80,794)</u>

All of the segment revenues reported above are from external customers.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit earned or loss incurred by each segment without allocation of certain other income, certain other gains and losses (not stated in other segment information below), share of results of associates (except for BJEG Group) and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 December

	Distribution		Manufacturing		Investment		Finance Leasing		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT ASSETS	<u>30,130</u>	<u>46,567</u>	<u>36,799</u>	<u>46,376</u>	<u>191,404</u>	<u>188,012</u>	<u>-</u>	<u>-</u>	<u>258,333</u>	<u>280,955</u>
Interests in associates									<u>56,526</u>	<u>91,442</u>
Unallocated corporate assets									<u>19,177</u>	<u>20,059</u>
CONSOLIDATED ASSETS									<u>334,036</u>	<u>392,456</u>
SEGMENT LIABILITIES	<u>3,743</u>	<u>7,315</u>	<u>6,179</u>	<u>5,946</u>	<u>13,865</u>	<u>7,349</u>	<u>-</u>	<u>-</u>	<u>23,787</u>	<u>20,610</u>
Unallocated corporate liabilities									<u>32,523</u>	<u>30,965</u>
CONSOLIDATED LIABILITIES									<u>56,310</u>	<u>51,575</u>

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than an office premise for administrative purpose, certain other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable and operating segments other than certain other payables and certain tax payables.

Other segment information

For the year ended 31 December

	Distribution		Manufacturing		Investment		Finance Leasing		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts charged/(credited) in the measure of segment profit or loss or segment assets:										
Additions to property, plant and equipment	-	6,213	13	4,242	-	-	-	-	13	10,455
Depreciation of property, plant and equipment	2,026	1,044	1,769	1,316	1,310	1,922	-	-	5,105	4,282
Write-off of property, plant and equipment	-	-	-	-	3	175	-	-	3	175
Write-off of inventories	-	4	248	483	-	-	-	-	248	487
Write-down of inventories	-	-	1,790	-	-	-	-	-	1,790	-
Write-off of trade receivables	-	835	-	-	-	-	-	-	-	835
Write-off of other receivables	-	-	-	-	71	-	-	-	71	-
Fair value changes on:										
- financial assets at FVTPL	-	-	-	-	(1,592)	764	-	-	(1,592)	764
- investment properties	-	-	-	-	16,859	21,030	-	-	16,859	21,030
Loss on deemed disposal of an associate	-	-	-	-	-	-	-	3,375	-	3,375
Impairment loss on goodwill	10,211	15,013	-	-	-	-	-	-	10,211	15,013
Impairment loss on property, plant and equipment	-	-	5,693	-	-	-	-	-	5,693	-
Impairment loss/(reversal of impairment loss) recognised on trade receivables and other receivables	2,035	2,823	517	-	(476)	755	-	-	2,076	3,578
Gain on disposal of assets classified as held for sale	-	-	-	-	(324)	-	-	-	(324)	-
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:										
Income tax credit	-	(3)	-	-	-	-	-	-	-	(3)

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Interest income from bank and non-bank financial institutions	41	116
Government subsidies	54	–
Sundry income	33	50
	<u>128</u>	<u>166</u>

7. OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value changes on:		
– financial assets at FVTPL	1,592	(764)
– investment properties	(16,859)	(21,030)
Gain on disposal of property, plant and equipment	–	1,159
Write-off of property, plant and equipment	(3)	(175)
Gain on disposal of assets classified as held for sale	324	–
Loss on deemed disposal of an associate	–	(3,375)
Write-off of trade receivables	–	(835)
Write-off of other receivables	(71)	–
Net foreign exchange gain/(loss)	4	(128)
Write-off of inventories	(248)	(487)
Write-down of inventories	(1,790)	–
	<u>(17,051)</u>	<u>(25,635)</u>

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
(Impairment loss)/reversal of impairment loss recognised on:			
– Trade receivables	<i>15</i>	(1,758)	(226)
– Other receivables	<i>16</i>	(794)	(2,597)
– Loan receivables	<i>14</i>	476	(755)
		(2,076)	(3,578)

9. FINANCE COSTS

	2025 HK\$'000	2024 <i>HK\$'000</i>
Interest on lease liabilities	277	183
Interest on bank borrowing	95	79
Interest on other payables	109	113
	481	375

10. INCOME TAX EXPENSE

	2025 HK\$'000	2024 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax	–	22
Over provision in prior years:		
Hong Kong Profits Tax	–	(3)
Income tax expense for the year	–	19

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of the estimated assessable profits of a qualifying corporation will be taxed at 8.25%, and the estimated assessable profits above HK\$2 million will be taxed at 16.5%. The two-tiered profits tax rates regime was applicable to the Group for the years ended 31 December 2025 and 2024. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

PRC Enterprise Income Tax (“EIT”) is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof. Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group’s PRC subsidiaries is 25% for both years.

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2025	2024
	HK\$’000	HK\$’000
Auditor’s remuneration	820	930
Depreciation of property, plant and equipment	712	260
Depreciation of right-of-use assets	4,393	4,022
Total depreciation	5,105	4,282
Cost of inventories sold (included in cost of revenue)	79,893	79,658
Staff costs:		
Directors’ and chief executive’s emoluments	10,256	9,423
Other staff costs		
– Salaries and other benefits	8,446	11,764
– Discretionary bonus	417	161
– Retirement benefit scheme contributions	596	682
Total staff costs	19,715	22,030

12. LOSS PER SHARE

The calculation of basic and diluted 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		
Loss for the year attributable to owners of the Company	<u>(85,854)</u>	<u>(80,813)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,687,303</u>	<u>1,687,303</u>

The Company has no dilutive potential ordinary shares in issue during the current and prior year and, therefore, the diluted loss per share is the same as basic loss per share for the years ended 31 December 2025 and 2024.

13. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 December 2025, nor had any dividend been declared or proposed since the end of the reporting period (2024: Nil).

14. LOAN RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan receivables (<i>Note</i>)	4,500	9,500
Less: Impairment allowance	<u>(279)</u>	<u>(755)</u>
	<u>4,221</u>	<u>8,745</u>
Analysed for reporting purposes as:		
Non-current assets	–	2,762
Current assets	<u>4,221</u>	<u>5,983</u>
	<u>4,221</u>	<u>8,745</u>

Note:

The Group and the borrowers entered into the supplemental agreement whereby the borrowers and its guarantors agreed to repay the principal amount by installment on or before June 2026. A fixed interest rate of 10% per annum will be charged once the repayment terms have been breached.

The movements in impairment allowance of loan receivables are as follows:

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year		755	–
Amounts (reversed)/recognised during the year, net	8	<u>(476)</u>	<u>755</u>
Balance at end of the year		<u>279</u>	<u>755</u>

15. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables from trading business	10,830	9,760
Less: Impairment allowance	<u>(1,840)</u>	<u>(457)</u>
	<u>8,990</u>	<u>9,303</u>

The credit period granted to customers ranged from 0 to 60 days.

An ageing analysis of trade receivables net of impairment allowance 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>
0-30 days	1,607	4,786
31-90 days	5,285	2,499
91-270 days	1,918	1,334
Over 270 days	<u>180</u>	<u>684</u>
	<u>8,990</u>	<u>9,303</u>

The movements in impairment allowance on trade receivables are as follows:

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year		457	467
Amounts recognised during the year, net	8	1,758	226
Amounts written-off during the year		(388)	(235)
Exchange difference		<u>13</u>	<u>(1)</u>
Balance at end of the year		<u>1,840</u>	<u>457</u>

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other receivables (<i>Note</i>)	11,617	12,589
Prepayments	854	1,552
Prepayments for purchases of goods	6,477	6,949
Deposits	<u>593</u>	<u>642</u>
	19,541	21,732
<i>Less:</i> Impairment allowance	<u>(5,984)</u>	<u>(5,190)</u>
Total other receivables, deposits and prepayments	<u>13,557</u>	<u>16,542</u>
Analysed for reporting purposes:		
Non-current assets	450	450
Current assets	<u>13,107</u>	<u>16,092</u>
	<u>13,557</u>	<u>16,542</u>

Note:

Included in other receivables as of 31 December 2025 represented an other receivable before provision for impairment loss of HK\$9,794,000 (2024: HK\$9,794,000) from an independent supplier of the Distribution Segment. The balance initially arose from prepayments made for supplies of goods which the supplier was unable to deliver. In March 2023, the Group and the supplier entered into a deed of settlement whereby the supplier agreed and its sole owner guaranteed to repay the outstanding balance in next twelve months. In March 2024, a Director provided the personal guarantee to it in favour of the Group. The demand letters have been served to the supplier and its sole owner and will take further legal actions if necessary. As at 31 December 2025, provision for impairment loss on such other receivable of HK\$5,984,000 (2024: HK\$5,190,000) was made.

The movements in impairment allowance on other receivables are as follows:

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year		5,190	2,593
Amounts recognised during the year	8	<u>794</u>	<u>2,597</u>
Balance at end of the year		<u>5,984</u>	<u>5,190</u>

17. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	776	2,383
Accruals	9,681	8,050
Receipts in advance (<i>Note a</i>)	3,479	6,658
Deposit received (<i>Note b</i>)	7,062	–
Other payables (<i>Note c</i>)	9,968	7,263
	<u>30,966</u>	<u>24,354</u>

Notes:

- (a) As at 31 December 2025, the balance mainly represents rental payment of HK\$3,171,000 (2024: HK\$6,575,000) received in advance from a leasee for a three-year lease as stated in the agreement.
- (b) Deposit of RMB6,368,208 was received for disposal of an investment property in Shanghai.
- (c) Included in other payables as at 31 December 2025 represented the amount due to an invested entity of HK\$2,555,000 (2024: HK\$2,346,000) which is unsecured, carries a fixed interest rate of 4.762% per annum and repayable on demand.

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as at the end of reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-30 days	–	705
31-90 days	209	1,031
91-270 days	35	136
Over 270 days	532	511
	<u>776</u>	<u>2,383</u>

18. BORROWING

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current and Unsecured		
Bank borrowing (<i>Note</i>)	<u>2,883</u>	<u>2,767</u>

Note:

The bank borrowing as at 31 December 2025 bears interest at floating rates ranged from 3.00% to 3.57% (2024: 3.57% to 3.92%) per annum and is denominated in RMB.

19. ASSETS CLASSIFIED AS HELD FOR SALE

(i) Investment property

On 9 September 2025, the Group entered into an agreement with an independent third party to dispose of a property located at Room 103, Block No. 6, No. 188 Xinjunhuan Road, Minhang District, Shanghai, the PRC at a consideration of RMB6,368,208 (equivalent to HK\$7,062,000). The transaction is expected to be completed on or before 31 July 2026.

As at 31 December 2025, the carrying amount of the investment property classified as held for sale was HK\$6,191,000.

(ii) Interest in a subsidiary

On 31 December 2025, the Group has entered into a memorandum of understanding to dispose of the Group's entire 51.39% equity interest in BJEG. On 3 February 2026, the Group entered into the conditional agreement to dispose of 100% its equity interests in China Ever Grand Capital Group Limited ("CEGC") and its Hong Kong subsidiary, Hong Kong Ever Grand Capital Limited, which holds 51.39% equity interest in BJEG. As at 31 December 2025, the assets of CEGC and its subsidiaries ("CEGC Group") have been classified as assets held for sale.

As at 31 December 2025, the consolidated assets of CEGC Group classified as held for sale are as follows:

	2025 <i>HK\$'000</i>
Equity investments at FVTOCI	25,494
Cash and cash equivalents	<u>5</u>
Assets classified as held for sale	<u>25,499</u>

20. LITIGATION

On 6 January 2026, Livingzone (Shanghai) Bio-Chem Technology Co., Ltd., a wholly owned subsidiary of the Company, has been served with a summons and complaint from the Shanghai Minhang District People's Court under Case number (2026) Hu 0112 Min Chu No. 4101 in respect of a claim of rental deposit and relative compensation for an amount of RMB1,012,570 brought by the plaintiff from an alleged breach of a tenancy agreement dated 19 November 2024 signed by both parties. Based on the legal opinion from the PRC lawyer, no provision was required to be made as at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in (i) sale of daily necessities, medical, health and hygiene products in Hong Kong, (ii) trading of securities and money lending business in Hong Kong, and investment in properties in Mainland China, and (iii) research and development, manufacturing and sale of healthy food products and nutrient enhancers in the PRC. During the year ended 31 December 2025 (“2025”), the Group’s revenue from decreased by 5.7% to HK\$95.2 million as compared to that of HK\$101.0 million for the year ended 31 December 2024 (“2024”). The Group’s gross profit decreased by 28.2% to HK\$15.3 million in 2025 as compared to that of HK\$21.3 million in 2024 and net loss increased by 6.2% to HK\$85.9 million in 2025 as compared to that of HK\$80.8 million in 2024.

The Group’s business operations are based in both Hong Kong and Mainland China. Revenue generated from the Hong Kong market for 2025 recorded HK\$87.5 million (2024: HK\$88.4 million), representing approximately 91.9% of the total revenue for 2025 (2024: approximately 87.5%). On the other hand, revenue generated from the Mainland China market for 2025 recorded approximately HK\$7.7 million (2024: approximately HK\$12.6 million), representing approximately 8.1% of the total revenue for 2025 (2024: approximately 12.5%).

The Group operated three segments during 2025: Distribution Segment, Manufacturing Segment and Investment Segment in Hong Kong and Mainland China.

Distribution Segment

Distribution Segment includes production, wholesale, distribution and trading of daily necessities, medical products, health products and hygiene products in Hong Kong. Its revenue slightly decreased by 1.0% to HK\$87.5 million in 2025 as compared to that of HK\$88.4 million in 2024. This segment recorded a net loss of HK\$13.4 million in 2025 as compared to that of HK\$19.3 million in 2024. The loss decrease was mainly due to an impairment loss on goodwill recognised in 2025 was HK\$10.2 million, which was lower than HK\$15.0 million in 2024.

Manufacturing Segment

The Manufacturing Segment includes manufacturing of healthy food products such as instant noodles made of Chlamydonas Reininhardtii and other nutrient enhancers. During 2025, it recorded revenue of HK\$2.7 million (2024: HK\$6.4 million) and a net loss of HK\$12.8 million (2024: HK\$4.7 million). This segment generated minimal sales and persistent loss during 2025 because of the cut throat competition in the China's food market and the difficulty to bring down the product costs due to limited scale of production. The loss increase was mainly due to the fact that an impairment loss on property, plant and equipment of HK\$5.7 million was recognised since the carrying amount of property, plant, and equipment exceeded its recoverable amount, and write-down of inventories of HK\$1.8 million was recognised since the price of certain raw material has decreased.

Investment Segment

Revenue from the Investment Segment decreased by 19.5% to HK\$5.0 million in 2025 as compared to that of HK\$6.2 million in 2024. Such decrease in segment revenue was mainly attributable to disposal of certain investment properties in Shanghai during 2025. This segment recorded a net loss of HK\$11.8 million in 2025 as compared to that of HK\$20.5 million in 2024. Such decrease in loss was mainly attributable to decrease in fair value loss on investment properties.

The Group entered into agreements with an independent third party to sell six properties located at Shanghai at the aggregate consideration of RMB41,772,493 (equivalent to HK\$46,322,000). Five of the properties were sold in December 2025, and the remaining property is scheduled for completion on or before July 2026. This property was classified as assets held for sale as at 31 December 2025. Please refer to the Company's circular dated 30 September 2025 for details of this disposal.

On 3 February 2026, the Group entered into the conditional agreement to dispose of 100% of its equity interests in CEGC and its Hong Kong subsidiary, which in turn holds 51.39% equity interest in BJEG. CEGC and its subsidiary, including equity investment at FVTOCI were classified as held for sale as at 31 December 2025. Please refer to the Company's announcements dated 31 December 2025, 3 February 2026 and 9 February 2026 for details of this disposal.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 5.7% to HK\$95.2 million for 2025 as compared to that of HK\$101.0 million for 2024, which was mainly attributable to the decrease in sales of Manufacturing Segment and rental income. Sales of daily necessities, medical products, health products and hygiene products in Hong Kong slightly decreased by 1.0% to HK\$87.5 million in 2025 as compared to that of HK\$88.4 million in 2024.

Gross profit

The Group's gross profit decreased by 28.2% to HK\$15.3 million for 2025 as compared to that of HK\$21.3 million for 2024. The gross profit margin dropped from 21.1% in 2024 to 16.1% in 2025, because of providing higher trade discounts to bulk buyers and rising costs for some products.

Other income

Other income of HK\$128,000 in 2025 (2024: HK\$166,000) was mainly from interest income from fixed bank deposits and receipt of one-off government subsidies in Mainland China.

Other gains and losses

Other gains and losses in 2025 were a net loss of HK\$17.1 million (2024: net loss of HK\$25.6 million), mainly comprising of fair value losses on investment properties of HK\$16.9 million (2024: HK\$21.0 million), fair value gain on financial assets at FVTPL of HK\$1.6 million (2024: loss of HK\$0.8 million) and write-down of inventories of HK\$1.8 million (2024: Nil).

Administrative expenses and other operating expenses

The Group's administrative expenses decreased by 20.7% to HK\$35.4 million for 2025 as compared to that of HK\$44.7 million for 2024. These mainly included staff costs (including directors and chief executive's emoluments) of HK\$19.7 million (2024: HK\$22.0 million), legal and professional fees, depreciation of property, plant and equipment and various administrative expenses.

Share of associates' results

The share of results of associates amounted to a loss of HK\$30.4 million for 2025 (2024: HK\$13.0 million). During 2025, the Group shared a loss of Top Insight Limited of HK\$31.8 million (2024: profit of HK\$2.2 million), mainly arising from fair value loss on investment properties, and a profit of Simagi Finance Company Limited of HK\$1.4 million (2024: HK\$118,000). The Group shared a loss of BJEG of HK\$11.0 million during 2024, whereas no such item due to the fact that it was no longer classified as an associate during 2025. Investment in BJEG was reclassified as equity investments at FVTOCI on 1 August 2024 due to loss of significant influence over BJEG on that date.

Loss for the year attributable to owners of the Company

The Group recorded a net loss attributable to owners of the Company of HK\$85.9 million for 2025 (2024: HK\$80.8 million). Such increase was mainly due to increase in a loss of an associate shared by the Group and an impairment loss on property, plant and equipment under Manufacturing Segment.

Total comprehensive expense for the year

The Group recorded other comprehensive income of HK\$22.7 million for 2025 (2024: expense of HK\$31.2 million), mainly including fair value changes of equity investments at FVTOCI. An analysis of fair value changes of equity investments at FVTOCI is shown as follows:

	<i>Notes</i>	Fair value change	
		2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
Name of unlisted equity investments held by the Group:			
Imagi Brokerage Limited	<i>(a)</i>	14,100	(26,200)
Era Bright Limited	<i>(b)</i>	(1,000)	2,800
BJEG	<i>(c)</i>	7,732	1,612
		<u>20,832</u>	<u>(21,788)</u>

Notes:

- (a) Fair value gain was mainly due to reversal of impairment allowances on accounts receivable based on the expected credit loss assessment performed independently on the outstanding margin loan receivable, despite underperformance of its core brokerage business, where revenue fell significantly amid challenging market conditions.
- (b) Fair value loss was mainly due to decrease in interest income from its money lending business.
- (c) Fair value gain was mainly due to fair value changes on financial assets at FVTPL and reassessment of provision for a finance lease project.

In summary, the Group recorded the total comprehensive expense of HK\$63.2 million for 2025 (2024: HK\$112.1 million).

FINANCIAL POSITION

The total assets of the Group as at 31 December 2025 amounted to HK\$334.0 million, representing a decrease of HK\$58.4 million or 14.9% as compared with HK\$392.5 million as at 31 December 2024. The decrease in total assets was mainly due to fair value loss on investment properties in the Mainland China and the poor performance of an associate during 2025. The total liabilities of the Group as at 31 December 2025 amounted to HK\$56.3 million, representing an increase of HK\$4.7 million or 9.2% as compared with HK\$51.6 million as at 31 December 2024. The increase in total liabilities was mainly due to increase in other payables. The gearing ratios (which is calculated from total liabilities over total assets) as at 31 December 2025 stood at 16.9% (2024: 13.1%). The current ratio (which is calculated from total current assets over total current liabilities) as at 31 December 2025 was 1.7 (2024: 1.4). The increase in current ratio was mainly attributable to disposal of certain assets for increasing liquidity.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$49.2 million, representing an increase of HK\$36.0 million from HK\$13.2 million as at 31 December 2024. Such change was mainly attributable to the net cash inflows from disposal of investment properties during 2025. As at 31 December 2025, the Group had short-term bank borrowing amounting to HK\$2.9 million (2024: HK\$2.8 million).

For the year under review, the Group has financed its operations with facilities provided by banks and other non-bank financial institutions and internally generated cash flows.

FOREIGN EXCHANGE EXPOSURE

In the both reporting periods, the Group had no material exposure to fluctuation in exchange rates in foreign currency as material transactions such as revenue and cost of revenue were denominated in local currencies in which the relevant entities operated. The Group did not enter into any foreign exchange hedging transactions or instruments during both periods.

CREDIT EXPOSURE

The Group's major credit risk is primarily attributable to loan receivables. It is mostly derived from money lending services, namely the loan financing services carried out by TF Advances Limited in Hong Kong.

Details of business model and internal control procedures of the financing business are presented in the 2025 annual report.

TOP FIVE BORROWERS AND ECL OF LOAN FINANCING (“LOAN”)

The following table sets out the top five borrowers of the Group (only one borrower as at 31 December 2025 and only two borrowers as at 31 December 2024) and the respective principal terms and the details of ECL of Loan:

	Type of receivable	Interest rate, term, maturity and securities obtained	As at 31 December			
			2025		2024	
			Principal amount <i>HK\$'000</i>	Percentage to total gross principal amount	Principal amount <i>HK\$'000</i>	Percentage to total gross principal amount
Gross:						
Customer 1	Loan	10% per annum chargeable for overdue payments, maturity in June 2026 (2024: March 2026) and guaranteed by its shareholders	4,500	100%	5,000	52.6%
Customer 2	Loan	10% per annum chargeable for overdue payments, maturity in June 2026 (2024: March 2026) and guaranteed by its shareholder	-	-	4,500	47.4%
Total gross principal amount			<u>4,500</u>	<u>100.0%</u>	<u>9,500</u>	<u>100.0%</u>

	As at 31 December			
	2025		2024	
	Provision amount <i>HK\$'000</i>	Percentage to total gross principal amount	Provision amount <i>HK\$'000</i>	Percentage to total gross principal amount
<i>Less: Provision for impairment under ECL (Note)</i>	<u>279</u>	<u>6.2%</u>	<u>755</u>	<u>7.95%</u>
Total net amount	<u><u>4,221</u></u>		<u><u>8,745</u></u>	

Basis of Assessment of ECL

ECL assessment on receivables are performed individually based on probability-weighted expected credit losses of multiple possible events (“PWECL”) model adopted in accordance with HKFRS 9, which involves 5 key parameters, namely (i) exposure at default (“EAD”); (ii) probability of default (“PD”); (iii) loss given default (“LGD”) or 100% minus recovery rate upon default (“Recovery Rate”); (iv) forward-looking factor and (v) discount factor. The depth of PWECL model depends on the year end status of recoverability of each receivables which are classified into 3 stages from the lowest stage 1 to the highest stage 3. References are made to the Company’s announcement dated 3 September 2021 for capital terms used and further details.

Type of stage	Year end status of recoverability	Length of assessment
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts, or debtor frequently repays after due dates but usually settle after due date	12-month ECL
Stage 2	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL-not credit-impaired
Stage 3	There is evidence indicating the asset is credit-impaired	Lifetime ECL-credit-impaired

Note:

As at 31 December 2025, the ECL calculation is based on EAD of HK\$4.5 million (2024: HK\$9.5 million) under stage 2, PD of 2.67%-3.05% (2024: 1.04%-5%), LGD of 61.10% (2024: 61.5%-61.8%), forward-looking factor of 103.78% (2024: 54.1%-55.34%) or Recovery Rate of 1.69%-1.93% (2024: 0.35%-1.71%) and discount factor of 1. ECL of HK\$279,000 (2024: HK\$755,000) was provided by the Group during the year.

CHARGE OF ASSETS

As at 31 December 2025, there was no charge on the asset (2024: Nil).

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had no capital commitment (2024: HK\$134,000) for the acquisition of property, plant and equipment.

PROSPECT

The Group primarily focuses on its operations in Mainland China and Hong Kong, making the economic, political, and social aspects of these jurisdictions crucial to its overall performance. The Hong Kong economy improved steadily in 2025, mainly supported by booming transactions and number of IPOs in stock market, recovering residential property market, as well as the resumption of moderate growth in overall investment expenditure. Yet, private consumption expenditure continued to register a modest decline.

Similarly, the PRC continues to grapple with weak domestic consumption and a persistently sluggish property market, although exports remain a promising driver of growth. The Sino-US geopolitical tensions and global protectionism pose substantial risks to China's economy. In response, the Chinese government has introduced various supportive measures, such as subsidies for replacing old electronic appliances and loosening fiscal policies, to counteract external threats, stimulate domestic demand and nurturing the high-end technology sector. These measures may present good opportunities amidst the uncertainties and the market turbulence.

The Distribution Segment aims to increase volume by diversifying products by trading new health and medical products from established global and local brands, expanding distribution channels, and broadening its customer base across various territories. The Group has recently established a dedicated in-house team for its pet products division. This team is responsible for the marketing and sales of international and China's brands for which the Group acts as their Hong Kong operator and distributor, including Meoof (China), Cirius Pet (Korea), Forza10 (Italy) and HomerunPet (China).

The Manufacturing Segment is now steadily operating a new production line for healthy instant noodles and will upgrade production facilities and equipment to meet rising demand. These noodles incorporate Chlamydomonas Reinhardtii Nutrition Powder as a key ingredient. This segment has been carefully expanding its product varieties such as instant noodles with low GI certification already in the pipeline and enhancing market exposure for its proprietary brand of healthy noodles. Additionally, it has been actively working to diversify its range of nutrient enhancers that demonstrate resilience, even in a challenging economic climate.

In the Investment Segment, the Group will expand its money lending operations in Hong Kong, mainly providing first and second mortgage financing secured by properties, primarily focusing on residential units, offices, and car parking spaces. With the robust risk management and control policies, the Group will closely assess its performance and optimise its composition.

Looking forward to 2026, the Group remains committed to optimizing its business segments to enhance volume and profitability, with a pledge to further reduce costs. We may consider withdrawing from the loss-making projects, offloading certain properties and relocating the resources to the growing and promising segments. The Group will cautiously and diligently explore new potential growth opportunities, undervalued assets and business expansion opportunities in order to diversify the income sources, bring in profits and ultimately attain long and sustainable growth and enhance shareholders' value as a whole.

EMPLOYEE AND REMUNERATION

As at 31 December 2025, the Group had approximately 43 (2024: 59) employees (excluding employees of the Company's associates) in Hong Kong and Mainland China. The employees are remunerated with basic salary, discretionary bonus and other benefits in kind with reference to industry practice and their individual performance. The Group offers induction trainings to new employees and gives regular trainings to existing employees for updating their skills and knowledge.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere on this announcement, the Group did not have any significant events after the reporting period.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The dates of the forthcoming annual general meeting of the Company and the closure of the register of members of the Company will be announced in due course.

CORPORATE GOVERNANCE PRACTICE

The Company had complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix C1 of the Listing Rules of the Stock Exchange throughout the year ended 31 December 2025, except the following deviation:

Code Provision C.2.1

The roles of the chairman and chief executive should be separate and should not be performed by the same individual. Under the current management structure of the Company, Mr. Wong Lik Ping ("Mr. Wong") is the chairman of the Board (the "Chairman") and chief executive officer of the Company (the "CEO"). Upon the resignation of former CEO, Mr. Lai Ka Fai on 31 July 2023, Mr. Wong took up the function of CEO while the Company has been in the course of nominating suitable candidates for the vacancy of CEO. In addition, under the supervision of the Board which is comprised of four executive Directors and four independent non-executive Directors ("INEDs"), the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders as a whole. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in this circumstance and will be addressed in the future.

Code Provision E.1.2

The remuneration committee's terms of reference should include reviewing and making recommendations to the board on the issuer's policy and structure for senior management remuneration and the remuneration packages of senior management. The terms of reference of the remuneration committee of the Company exclude review of and making recommendations to the Board in relation to senior management remuneration, as in the Board's opinion, it was more appropriate for the executive Directors to perform these duties.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Following a specific enquiry, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

AUDIT COMMITTEE REVIEW

The Company has an audit committee which was established in accordance with the requirements of the CG code, for the purposes of reviewing and providing supervision over the financial reporting process, risk management and internal controls of the Group. The audit committee comprises 3 independent non-executive Directors. The audit committee has adopted terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2025 have been reviewed and approved by the audit committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Company's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 on this announcement have been agreed by the auditors of the Company, Zhonghui Anda CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the same period. The work performed by Zhonghui Anda CPA 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 Zhonghui Anda CPA Limited on this preliminary announcement.

ANNUAL REPORT

The 2025 Annual Report containing all the information required by the Listing Rules of the Stock Exchange will be dispatched to the shareholders of the Company in due course.

By order of the Board of
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman and Executive Director

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Siu Wai Bun, Mr. Tao Ke and Mr. Ng Tin Shui as Executive Directors; and (2) Mr. Ng Kwok Sang, Mr. Wu Kai Tang, Mr. Leung Yiu Ming David and Ms. Lam Hoi Yan Karen as Independent Non-Executive Directors.