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渝太地產集團有限公司 Y.T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 00075)

2025 Annual Results Announcement

The board of directors (the “Board” or “Directors”) of Y. T. Realty Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025. The results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	2, 3		
Sales of properties		4,724,061	4,224,465
Rental income		-	15,724
Interest income		-	1,142
Total revenue		<u>4,724,061</u>	4,241,331
Cost of sales		<u>(4,143,345)</u>	(3,401,378)
Gross profit		580,716	839,953
Other income and gains		22,754	33,630
Other expenses and losses		(10,662)	(1,242)
Selling and marketing expenses		(541,008)	(387,921)
Administrative expenses		(160,741)	(171,303)
Finance costs	4	(99,530)	(131,764)
Changes in fair value of investment properties		<u>1,934</u>	3,688
PROFIT/(LOSS) BEFORE TAX	5	(206,537)	185,041
Income tax expense	6	<u>(187,715)</u>	(163,782)
PROFIT/(LOSS) FOR THE YEAR		<u>(394,252)</u>	<u>21,259</u>
Attributable to:			
Equity holders of the Company		(343,785)	(3,954)
Non-controlling interests		<u>(50,467)</u>	25,213
		<u>(394,252)</u>	<u>21,259</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>(HK43.0 cents)</u>	<u>(HK0.5 cent)</u>

Per share information:

- Proposed final dividend per share	Nil	Nil
- Consolidated net asset value attributable to equity holders of the Company per share	HK\$0.87	HK\$1.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT/(LOSS) FOR THE YEAR	<u>(394,252)</u>	<u>21,259</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	14,325	(15,326)
Release of exchange fluctuation reserve upon disposal of subsidiaries	<u>-</u>	<u>8,414</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	14,325	(6,912)
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of a financial asset designated at fair value through other comprehensive income	<u>-</u>	<u>(560)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>14,325</u>	<u>(7,472)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><u>(379,927)</u></u>	<u><u>13,787</u></u>
Attributable to:		
Equity holders of the Company	(322,117)	(17,906)
Non-controlling interests	<u>(57,810)</u>	<u>31,693</u>
	<u><u>(379,927)</u></u>	<u><u>13,787</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		206,943	195,546
Investment properties		488,346	344,645
Goodwill		251,133	248,603
Other intangible asset		9,660	11,080
Financial asset designated at fair value through other comprehensive income		1,200	1,200
Deferred tax assets		172,576	159,083
Other receivables		67,304	61,655
Total non-current assets		<u>1,197,162</u>	<u>1,021,812</u>
CURRENT ASSETS			
Properties under development		15,175,380	12,003,558
Interests in land use rights for property development		–	1,272,175
Completed properties held for sale		1,657,140	1,645,969
Other receivables, deposits and prepayments		2,274,768	1,918,866
Prepaid income tax		161,462	124,365
Cash and bank balances		3,247,656	950,914
Total current assets		<u>22,516,406</u>	<u>17,915,847</u>
CURRENT LIABILITIES			
Trade and retention payables	9	3,711,863	2,754,635
Other payables and accrued expenses		2,053,001	1,770,473
Interest-bearing bank and other borrowings		728,301	434,783
Contract liabilities		12,907,971	8,309,714
Tax payable		437,832	293,824
Total current liabilities		<u>19,838,968</u>	<u>13,563,429</u>
NET CURRENT ASSETS		<u>2,677,438</u>	<u>4,352,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,874,600</u>	<u>5,374,230</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		43,126	30,127
Interest-bearing bank and other borrowings		3,370,217	4,506,160
Other payables		7,076	8,387
Total non-current liabilities		<u>3,420,419</u>	<u>4,544,674</u>
Net assets		<u>454,181</u>	<u>829,556</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		79,956	79,956
Reserves		613,669	931,235
		<u>693,625</u>	<u>1,011,191</u>
Non-controlling interests		<u>(239,444)</u>	<u>(181,635)</u>
Total equity		<u>454,181</u>	<u>829,556</u>

Notes:

1 Basis of preparation and accounting policies

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). These financial statements have been prepared on a going concern basis and under the historical cost convention, except for investment properties and a financial asset designated at fair value through other comprehensive income, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

The Group has not early applied any new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. However, the Group is in the process of making an assessment of the impact of the new and amended HKFRS Accounting Standards upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial information.

2 Operating segment information

For management purposes, the Group is organised into business units based on its business activities and has three (2024: three) reportable operating segments as follows:

- (a) The property development and trading segment comprises the development and trading of properties;
- (b) The property investment segment invests in properties for rental income and potential capital appreciation; and
- (c) The treasury management segment invests in debt securities and time deposits for earning interest income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that general finance costs, unallocated other income and gains and corporate and other unallocated expenses and losses are excluded from this measurement.

Segment assets exclude property, plant and equipment related to head office, a financial asset designated at fair value through other comprehensive income, other intangible asset, certain unallocated cash and bank balances, unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude general interest-bearing bank and other borrowings, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

2 Operating segment information (continued)

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>	
2025					
Segment revenue <i>(note 3)</i>	<u>4,724,061</u>	<u>-</u>	<u>-</u>	<u>4,724,061</u>	
Segment results	(64,618)	531	(13)	(64,100)	
Specific finance costs	(99,153)	-	-	(99,153)	
General finance costs				(377)	
Unallocated other income and gains				323	
Corporate and other unallocated expenses and losses				<u>(43,230)</u>	
Loss before tax				(206,537)	
Income tax expense	(187,579)	(136)	-	<u>(187,715)</u>	
Loss for the year				<u>(394,252)</u>	
	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets and liabilities					
Total assets	<u>23,191,516</u>	<u>490,623</u>	<u>-</u>	<u>31,429</u>	<u>23,713,568</u>
Total liabilities	<u>23,130,754</u>	<u>124,082</u>	<u>-</u>	<u>4,551</u>	<u>23,259,387</u>
Other segment information:					
Capital expenditure*	11,016	122,660	-	2,949	136,625
Depreciation	8,005	-	-	3,907	11,912
Impairment loss on other intangible asset	-	-	-	1,420	1,420
Impairment loss on goodwill	9,059	-	-	-	9,059
Fair value gains on investment properties	-	1,934	-	-	1,934
Provision for properties under development and completed properties held for sale	<u>30,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,868</u>

* Capital expenditure consists of additions of owned assets of property, plant and equipment and investment properties.

2 Operating segment information (continued)

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>	
2024					
Segment revenue <i>(note 3)</i>	<u>4,224,465</u>	<u>15,724</u>	<u>1,142</u>	<u>4,241,331</u>	
Segment results	308,796	37,672	1,129	347,597	
Specific finance costs	(119,031)	(9,667)	-	(128,698)	
General finance costs				(3,066)	
Unallocated other income and gains				2,071	
Corporate and other unallocated expenses and losses				<u>(32,863)</u>	
Profit before tax				185,041	
Income tax expense	(161,231)	(2,551)	-	<u>(163,782)</u>	
Profit for the year				<u><u>21,259</u></u>	
	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets and liabilities					
Total assets	<u>18,515,024</u>	<u>345,809</u>	<u>-</u>	<u>76,826</u>	<u>18,937,659</u>
Total liabilities	<u>17,893,287</u>	<u>202,067</u>	<u>-</u>	<u>12,749</u>	<u>18,108,103</u>
Other segment information:					
Capital expenditure*	10,926	60,165	-	-	71,091
Depreciation	12,032	-	-	3,896	15,928
Fair value gains on investment properties	-	3,688	-	-	3,688
Gain on disposal of subsidiaries	-	20,118	-	-	20,118
Provision for properties under development and completed properties held for sale	<u>14,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,220</u>

2 Operating segment information *(continued)*

Geographical information

(a) Revenue from external customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	4,724,061	4,224,465
United Kingdom	-	15,724
Hong Kong	-	1,142
Total	<u>4,724,061</u>	<u>4,241,331</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	941,386	783,266
Hong Kong	14,696	16,608
Total	<u>956,082</u>	<u>799,874</u>

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the years ended 31 December 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the total revenue of the Group.

3 Revenue

An analysis of revenue is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers		
Sales of properties	<u>4,724,061</u>	<u>4,224,465</u>
Revenue from other sources		
Gross rental income from investment property operating leases:		
Fixed lease payments	-	15,724
Interest income from time deposits	<u>-</u>	<u>1,142</u>
Subtotal	<u>-</u>	<u>16,866</u>
Total revenue	<u><u>4,724,061</u></u>	<u><u>4,241,331</u></u>

4 Finance costs

An analysis of finance costs is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank and other borrowings	406,063	325,814
Interest expenses arising from revenue contracts	392,568	863,691
Interest on lease liabilities	943	1,013
Imputed interest on retention payables	<u>65,724</u>	<u>56,956</u>
Total interest expenses	865,298	1,247,474
Less: Interest capitalised	<u>(765,768)</u>	<u>(1,115,710)</u>
Total	<u><u>99,530</u></u>	<u><u>131,764</u></u>

5 Profit/(loss) before tax

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gross rental income	-	(15,724)
Less: Outgoings	-	50
Net rental income	-	(15,674)
Cost of properties sold	4,112,477	3,387,108
Depreciation of owned assets	8,204	11,805
Depreciation of right-of-use assets	3,982	4,378
	12,186	16,183
Less: Amount capitalised	(274)	(255)
Total	11,912	15,928
Lease payments not included in the measurement of lease liabilities	2,826	2,847
Auditor's remuneration	1,595	2,050
Staff costs (including executive directors' remuneration):		
Wages and salaries	152,679	123,443
Discretionary bonuses	231	46
Pension scheme contributions*	12,984	9,036
Total	165,894	132,525
Foreign exchange differences, net	1,318	101
Impairment loss on other intangible asset**	1,420	-
Impairment loss on goodwill**	9,059	-
Gain on disposal of subsidiaries***	-	(20,118)
Provision for properties under development and completed properties held for sale****	30,868	14,220

* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

** These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

*** This item is included in "Other income and gains" in the consolidated statement of profit or loss.

**** This item is included in "Cost of sales" in the consolidated statement of profit or loss.

6 Income tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and the prior years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current - United Kingdom		
Charge for the year	-	2,084
Over-provision in prior years	-	(93)
Current - Mainland China		
PRC corporate income tax	100,888	136,557
PRC land appreciation tax	81,669	69,996
	<u>182,557</u>	<u>208,544</u>
Deferred	5,158	(44,762)
	<u>187,715</u>	<u>163,782</u>
Total tax expense for the year	<u>187,715</u>	<u>163,782</u>

7 Dividends

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2025 (2024: Nil). No interim dividend was declared in respect of the current year (2024: Nil).

8 Loss per share attributable to ordinary equity holders of the Company

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculations of basic and diluted loss per share are based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<u>Loss</u>		
Loss for the year attributable to ordinary equity holders of the Company	<u>(343,785)</u>	<u>(3,954)</u>
	Number of shares	
	2025	2024
<u>Shares</u>		
Number of ordinary shares in issue during the year	<u>799,557,415</u>	<u>799,557,415</u>

9 Trade and retention payables

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables:		
Within 1 month	1,963,501	1,415,589
Over 1 month but within 2 months	999	8,875
Over 2 months but within 3 months	594	313
Over 3 months	48,036	59,341
Subtotal	2,013,130	1,484,118
Retention payables	1,698,733	1,270,517
Total	3,711,863	2,754,635

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil). No interim dividend was paid during the year (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the “AGM”) will be held on Wednesday, 10 June 2026. A notice of the AGM will be published and dispatched to the shareholders in due course.

The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026 (both days inclusive) for the purpose of determining the entitlement to attend and vote at the AGM. During which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investors Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 4 June 2026.

NET ASSET VALUE

The consolidated net asset value attributable to equity holders of the Company as at 31 December 2025 was HK\$693.6 million (2024: HK\$1,011.2 million). The consolidated net asset value attributable to equity holders of the Company per share as at 31 December 2025 was HK\$0.87 based on 799,557,415 shares in issue as compared to HK\$1.26 per share based on 799,557,415 shares in issue as at 31 December 2024.

BUSINESS REVIEW

The global economy continued to be challenging and volatile in 2025. Despite inflation pressure for the US and many economies was moderate as compared to last year, geopolitical conflicts together with trade tensions and high tariffs imposed by the US to many countries undermined global economic growth. In addition, the US Federal Reserve did not cut interest rate as much as previously predicted during 2025 due to its expectation of uncertainty of inflation under high tariff environment. As a result, the pace of global economic recovery was dampened inevitably.

In Mainland China, supportive fiscal stimulus and proactive monetary policy were implemented during the year by the Central Government to foster economic growth. Despite the political and trade tension with the US continued, a 5% growth in Growth Domestic Product (“GDP”) was achieved in 2025. For the property sector, there appeared signs of graduate bottoming, and certain prime areas of first-tier cities and certain second-tier cities was able to show various degrees of upward momentum.

In UK, inflation and interest rate had decreased significantly from their peak and the economy had recorded minor growth in 2025. The UK property market stabilized as interest rate had come down. Rental rates and property prices had generally increased as compared to previous year in most sectors of the property market.

In Hong Kong, the economy recorded significant growth with real GDP expanding by 3.5% for 2025, such growth is better than the previous year. Inflation remained low and interest rate decreased. Exports of goods, trades and tourism were strong economic sectors in 2025 while private consumption expenditure recorded slight growth. The overall property market had shown sign of recovery in particular the residential market, while the retails and office sectors remained challenging during the year.

BUSINESS REVIEW (continued)

In 2025, the Group's total revenue amounted to HK\$4,724.1 million, representing an increase of 11.4% from HK\$4,241.3 million recorded in 2024. Revenue from property sale increased by 11.8% to HK\$4,724.1 million from HK\$4,224.5 million in 2024. There was no rental income from investment properties in 2025 (2024: HK\$15.7 million). There was no treasury management income in 2025 (2024: HK\$1.1 million).

In 2025, the Group recorded a loss attributable to shareholders in the amount of HK\$343.8 million as compared to net loss of HK\$4.0 million in 2024. Loss per share for 2025 was HK43.0 cents (2024: loss per share HK0.5 cent).

In 2025, the revaluation of the Group's investment properties resulted in a gain of HK\$1.9 million (2024: HK\$3.7 million). The change in value based on revaluation was reported in the consolidated statement of profit or loss.

Property Development and Trading

In 2025, the Group had pre-sales for five property projects in Sichuan, PRC. The aggregate contract sales in 2025 was approximately HK\$7,500.2 million (2024: HK\$2,280.7 million) and the revenue recognised amounted to HK\$4,724.1 million (2024: HK\$4,224.5 million) for the year.

The summary of contract sales in 2025 is as follows:

Projects	Location	Contract Sales <i>RMB'M</i>	Contract	Average
			Sales GFA <i>Sqm</i>	Selling Price <i>RMB/Sqm</i>
Binjiang Wisdom City	Meishan, Sichuan	502.6	65,871	7,630
The City of Islands	Meishan, Sichuan	1,578.6	232,099	6,801
Joyous Time	Chengdu, Sichuan	292.8	18,676	15,677
Luhu Mansion of Value	Chengdu, Sichuan	1,612.4	27,036	59,640
Jiaozi Mansion of Value	Chengdu, Sichuan	2,936.3	48,987	59,940

Property Investment

As at the end of 2025, the Group's major investment properties include investment properties under construction in Sichuan, PRC.

The Group did not have rental income in 2025 (2024: HK\$15.7 million).

Treasury Management

In 2025, the Group did not have treasury management income (2024: HK\$1.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had net borrowing of HK\$850.9 million (2024: HK\$3,990.0 million), consisting of cash and bank balances of HK\$3,247.7 million (2024: HK\$950.9 million) and total borrowings of HK\$4,098.5 million (2024: HK\$4,940.9 million). The gearing ratio of the Group was 122.7% (2024: 394.6%). The gearing ratio is calculated as the ratio of net borrowings to shareholders' funds.

As at 31 December 2025, the total cash and bank balances amounted to HK\$3,247.7 million (2024: HK\$950.9 million), approximately 98.4 % (2024: 98.7%) was denominated in Renminbi ("RMB"), 1.4% (2024: 1.1%) in Hong Kong dollar ("HKD"), 0.1% (2024: 0.1%) in U.S. dollar, and 0.1% (2024: 0.1%) in British Pound Sterling ("GBP").

BUSINESS REVIEW *(continued)*

LIQUIDITY AND FINANCIAL RESOURCES *(continued)*

As at 31 December 2025, the Group's total borrowings amounted to HK\$4,098.5 million (2024: HK\$4,940.9 million). Certain borrowings are secured by the pledge of certain property interest and equity interests in certain subsidiaries of the Group. 100% of the total borrowings was denominated in RMB. (2024: 100%). The Group proactively managed its financial resources and devised appropriate funding plan for working capital and capital expenditure.

The maturity profile of the Group's bank and other borrowings as at 31 December 2025 is as follows:

	<i>HK\$'M</i>	<i>Percentage</i>
Repayable:		
Within one year or on demand	728.3	17.8%
In the second year	1,585.6	38.7%
In the third to fifth years, inclusive	1,784.6	43.5%
	<hr/>	<hr/>
Total	4,098.5	100.0%
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As at 31 December 2025, the Group has its major property business operations in PRC. Therefore, it is primarily subject to foreign exchange rate fluctuation of RMB.

CONTINGENT LIABILITIES / FINANCIAL GUARANTEES

As at 31 December 2025, the Group provided financial guarantees to certain banks in respect of mortgage facilities provided for certain purchasers of the Group's properties in the PRC amounting to HK\$10,225.7 million (2024: HK\$7,419.7 million).

Save as disclosed above, the Group did not have any contingent liabilities as at 31 December 2025 (2024: Nil).

PROSPECTS AND STRATEGIES

For the coming year, the global economy will remain challenging and volatile. Since inflation for the US and many major economies had decreased, it is expected that interest rate will continue to decrease in order to stimulate economic growth. However, the global economy will continue to be impacted by the uncertain outcome of geopolitical conflicts and trade tension under high tariff environment certainly will affect sustainable economic growth.

In Mainland China, it is anticipated that the Central Government will continue to provide proactive and accommodative monetary policy and fiscal stimulus to ensure stable economic growth to counter the effect of trade and political tension and the uncertainty on high tariff imposed by the US, and to promote local consumer spending in the China. For the property market, supportive policies and measures by both the Central Government and local government are expected to be implemented to revive the property market which is very vital for the overall economy. It is expected that the property market will further recover and gradually improve in the years to come.

PROSPECTS AND STRATEGIES *(continued)*

In the UK, economy will depend on the pace of further interest rate cut as well as the economic and geopolitical conditions around the world. It is anticipated that economic growth will still be challenging. The outlook of property market will depend on further interest rate reduction which will stimulate sustainable economic growth and lower the investment cost of property ownership. The Group will continue to monitor the economic and market conditions in the UK to assess the viability of the property market and look for good investment opportunities.

In Hong Kong, the pace of economic growth will be affected by additional interest rate cut and various key economic drivers such as tourism, private consumption expenditure, and the economic growth of Mainland China. It is expected that the property market will continue its recovery, but the pace of recovery will certainly depend on further interest rate cuts and the level of consumer confidence.

In the challenging economic environment, the Group will take prudent and proactive approach for its business operation and development. The Group will continue its efforts in the property business in Mainland China which is expected to continue to recover and improve under supportive policies and measures by the Central Government and local government authorities. Also, the Group will look for business opportunities in property markets with stable economic prospects for sustainable long-term growth to enhance the returns for our shareholders.

STAFF

As at 31 December 2025, the Group employed 454 staff members. Staff remuneration is reviewed by the Group from time to time. In addition to salaries, the Group provides staff benefits including medical insurance, pension scheme and discretionary vocational tuition/training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending upon the financial performance of the Group.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2025, the Company complied with the code provisions of the Corporate Governance Code in force (the “CG Code”) set out within Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited save for the deviations from C.2.1 and C.3.3 as described below.

The Company has deviated from C.2.1 of the CG Code to the extent that the roles of chairman and chief executive are performed by Mr. Wong Hy Sky (“Mr. Wong”). Having considered the existing structure and composition of the Board and operations of the Group, the Board believes that vesting the roles of both chairman and managing director in Mr. Wong facilitates the effective implementation and execution of its business strategies by, and ensure a consistent leadership for, the Group. Further, a balance of power and authority between the Board and management can be ensured by the operation of the Board, whose members (including the three independent non-executive Directors) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the Board from time to time to ensure that a balance of power and authority between the Board and management is appropriately maintained for the Group.

Except for Wong Hy Sky, Li Li and Lai Degang who have entered into formal letters of appointment setting out the key terms and conditions of their appointment, the Company has not entered into formal letter of appointment with other Directors which deviated from C.3.3 of the CG Code. This notwithstanding, every Director, including those appointed for a specific term, shall be subject to retirement by rotation, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company’s bye-laws, applicable laws and the Listing Rules. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring Director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (within the meaning of the CG Code) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out within Appendix C3 to the Listing Rules (the “Model Code”).

All Directors confirmed that they had complied with the required standard set out within the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the year.

AUDIT COMMITTEE REVIEW

The audit committee of the Company (the “Audit Committee”) comprises three members, including Mr. Luk Yu King, James (Chairman of the Audit Committee), Mr. Leung Yu Ming, Steven and Mr. Lai Degang, all being independent non-executive Directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial control, internal controls system, risk management and financial reporting matters including the review of the consolidated financial statements of the Company for the year ended 31 December 2025.

SCOPE OF WORK OF ERNST & YOUNG (“EY”)

The figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s auditors, EY, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by EY on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the year.

On behalf of the Board
Wong Hy Sky
Chairman and Managing Director

Hong Kong, 27 March 2026

As at the date hereof, the Board comprises Wong Hy Sky, Liu Jie and Li Li who are executive Directors; and Luk Yu King, James, Leung Yu Ming, Steven and Lai Degang, who are independent non-executive Directors.

** For identification purposes only*