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NEWAY GROUP HOLDINGS LIMITED

中星集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Neway Group Holdings Limited (“**Neway**” or the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”, “**our Group**”, “**we**” or “**us**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024 (“**Year 2024**”) as follows:

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

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	<i>NOTE</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue			
Revenue from goods and services		403,080,165	467,945,752
Rental income		7,069,627	7,615,773
Interest income from lending business		1,446,413	4,982,330
		<hr/>	<hr/>
Total revenue	4	411,596,205	480,543,855
Cost of sales and services		(336,121,659)	(383,318,032)
		<hr/>	<hr/>

* *For identification purpose only*

		2025	2024
	<i>NOTES</i>	<i>HK\$</i>	<i>HK\$</i>
Gross profit		75,474,546	97,225,823
Other interest income	6	4,515,724	6,458,256
Other income	6	2,748,444	6,065,307
Selling and distribution expenses		(25,328,907)	(30,268,191)
Administrative and other expenses		(100,187,094)	(117,607,165)
Other gains and losses		(2,468,140)	(24,959,872)
Impairment losses under expected credit loss ("ECL") model on financial assets and contract assets, net	6	(248,446)	(2,644,564)
Finance costs		<u>(6,296,887)</u>	<u>(6,784,776)</u>
Loss before taxation		(51,790,760)	(72,515,182)
Taxation credit (charge)	5	<u>2,387,617</u>	<u>(4,586,291)</u>
Loss for the year	6	<u>(49,403,143)</u>	<u>(77,101,473)</u>
Other comprehensive income (expense):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		18,221,492	(10,910,885)
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		<u>–</u>	<u>(9,000,000)</u>
		<u>18,221,492</u>	<u>(19,910,885)</u>
Total comprehensive expense for the year		<u><u>(31,181,651)</u></u>	<u><u>(97,012,358)</u></u>

	<i>NOTE</i>	2025	2024
		<i>HK\$</i>	<i>HK\$</i>
Loss for the year attributable to:			
Owners of the Company		(49,115,040)	(76,993,312)
Non-controlling interests		<u>(288,103)</u>	<u>(108,161)</u>
		<u>(49,403,143)</u>	<u>(77,101,473)</u>
 Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(30,714,811)	(97,032,724)
Non-controlling interests		<u>(466,840)</u>	<u>20,366</u>
		<u>(31,181,651)</u>	<u>(97,012,358)</u>
 Loss per share	8		
Basic (<i>HK cents</i>)		<u>(19.39)</u>	<u>(30.39)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	2025	2024
		<i>HK\$</i>	<i>HK\$</i>
Non-current assets			
Property, plant and equipment		113,424,501	133,136,051
Investment properties		162,610,118	159,876,249
Equity instruments at FVTOCI		13,227,662	13,087,402
Club membership		3,403,700	3,403,700
Prepayments and deposits	<i>9</i>	3,682,510	5,401,409
Interests in joint ventures and an associate		389,632	389,632
Loans receivable		401,872	717,132
Deposit paid for acquisition of property, plant and equipment		5,826,106	1,891,155
Deferred tax assets		13,713,388	13,582,081
		<u>316,679,489</u>	<u>331,484,811</u>
Current assets			
Inventories		17,685,158	18,730,657
Properties under development for sale/properties for sale		276,829,624	310,158,055
Financial assets at fair value through profit or loss (“FVTPL”)		14,006,164	9,488,068
Trade and other receivables, prepayments and deposits	<i>9</i>	138,440,262	170,792,932
Contract assets		23,764,738	23,979,931
Loans receivable		18,972,222	30,222,831
Tax recoverable		2,446,639	117,007
Pledged bank deposits		63,528,421	63,728,570
Short-term bank deposits		60,738,682	60,063,824
Cash and cash equivalents		46,616,303	58,325,642
		<u>663,028,213</u>	<u>745,607,517</u>

	<i>NOTE</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Current liabilities			
Trade and other payables and accruals	<i>10</i>	157,105,476	194,334,488
Lease liabilities		3,079,878	11,596,254
Contract liabilities		30,972,811	20,519,084
Tax liabilities		3,777,524	7,688,515
Amount due to a non-controlling shareholder of a subsidiary		16,677,785	15,947,268
Bank borrowings		108,262,627	117,250,915
		<u>319,876,101</u>	<u>367,336,524</u>
Net current assets		<u>343,152,112</u>	<u>378,270,993</u>
Total assets less current liabilities		<u>659,831,601</u>	<u>709,755,804</u>
Non-current liabilities			
Lease liabilities		33,623,441	38,525,941
Bank borrowings		16,616,044	30,144,589
Deferred tax liabilities		14,984,038	15,295,545
		<u>65,223,523</u>	<u>83,966,075</u>
Net assets		<u><u>594,608,078</u></u>	<u><u>625,789,729</u></u>
Capital and reserves			
Share capital		2,533,595	2,533,595
Reserves		<u>596,358,232</u>	<u>627,073,043</u>
Total attributable to owners of the Company		598,891,827	629,606,638
Non-controlling interests		<u>(4,283,749)</u>	<u>(3,816,909)</u>
Total equity		<u><u>594,608,078</u></u>	<u><u>625,789,729</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company											Total HK\$
	Share capital HK\$	Share premium HK\$	Deemed contribution from a shareholder HK\$	Capital redemption reserve HK\$	Contributed surplus HK\$	Properties valuation reserve HK\$	Investment revaluation reserve HK\$	Translation reserve HK\$	Retained profits (accumulated losses) HK\$	Sub-total HK\$	Non- controlling interests HK\$	
At 1 January 2024	2,533,595	368,851,377	188,956,957	62,400	103,571,033	92,136,302	(22,985,932)	(14,052,577)	7,566,207	726,639,362	(3,837,275)	722,802,087
Loss for the year	-	-	-	-	-	-	-	-	(76,993,312)	(76,993,312)	(108,161)	(77,101,473)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(11,039,412)	-	(11,039,412)	128,527	(10,910,885)
Fair value loss on equity instruments at FVTOCI	-	-	-	-	-	-	(9,000,000)	-	-	(9,000,000)	-	(9,000,000)
Other comprehensive (expense) income for the year	-	-	-	-	-	-	(9,000,000)	(11,039,412)	-	(20,039,412)	128,527	(19,910,885)
Total comprehensive (expense) income for the year	-	-	-	-	-	-	(9,000,000)	(11,039,412)	(76,993,312)	(97,032,724)	20,366	(97,012,358)
At 31 December 2024	2,533,595	368,851,377	188,956,957	62,400	103,571,033	92,136,302	(31,985,932)	(25,091,989)	(69,427,105)	629,606,638	(3,816,909)	625,789,729
Loss for the year	-	-	-	-	-	-	-	-	(49,115,040)	(49,115,040)	(288,103)	(49,403,143)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	18,400,229	-	18,400,229	(178,737)	18,221,492
Other comprehensive income (expense) for the year	-	-	-	-	-	-	-	18,400,229	-	18,400,229	(178,737)	18,221,492
Total comprehensive income (expense) for the year	-	-	-	-	-	-	-	18,400,229	(49,115,040)	(30,714,811)	(466,840)	(31,181,651)
At 31 December 2025	2,533,595	368,851,377	188,956,957	62,400	103,571,033	92,136,302	(31,985,932)	(6,691,760)	(118,542,145)	598,891,827	(4,283,749)	594,608,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Neway Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to a HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard 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:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKFRS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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

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

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

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, less discounts and sales related taxes during the year.

4. SEGMENT INFORMATION

Segment revenue and results

Information reported to the executive directors of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group’s reportable and operating segments are therefore as follows:

- (a) Money lending (“**Lending Business**”);
- (b) Manufacturing and sales of printing and other products (“**Manufacturing and Sales Business**”);
- (c) Artistes management, production and distribution of music albums as well as concert and event management and investment (“**Music and Entertainment Business**”);
- (d) Property development (“**Property Development Business**”), including properties development projects in the People’s Republic of China (“**PRC**”) and Hong Kong;
- (e) Property investment (“**Property Investment Business**”), including properties leasing, management and investments in the PRC and Hong Kong;
- (f) Securities trading (“**Securities Trading Business**”); and
- (g) Trading of printing and other products (“**Trading Business**”).

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

	Revenue		Segment (loss) profit	
	2025	2024	2025	2024
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Lending Business	1,446,413	4,982,330	(6,355,703)	(778,921)
Manufacturing and Sales Business	309,033,615	365,060,228	(12,767,870)	(17,188,273)
Music and Entertainment Business	2,950,520	4,703,192	(738,919)	432,707
Property Development Business	71,222,035	71,428,074	(6,752,893)	(5,805,102)
Property Investment Business	7,069,627	7,615,773	(9,089,324)	(26,920,412)
Securities Trading Business	–	–	3,255,953	(5,616,215)
Trading Business	19,873,995	26,754,258	(648,910)	(2,210,082)
Total	<u>411,596,205</u>	<u>480,543,855</u>	<u>(33,097,666)</u>	<u>(58,086,298)</u>
Bank interest income			4,450,297	6,364,516
Unallocated corporate expenses			<u>(23,143,391)</u>	<u>(20,793,400)</u>
Loss before taxation			<u>(51,790,760)</u>	<u>(72,515,182)</u>

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss incurred/profit earned by each segment without allocation of certain bank interest income and unallocated corporate expenses. This is the measure reported to the Group's management for the purpose of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 December 2025

	Lending Business HK\$	Manufacturing and Sales Business HK\$	Music and Entertainment Business HK\$	Property Investment Business HK\$	Property Development Business HK\$	Securities Trading Business HK\$	Trading Business HK\$	Segment total HK\$	Elimination HK\$	Consolidated HK\$
Segment assets	19,376,627	251,981,977	5,597,139	164,259,379	308,925,918	14,148,839	8,650,040	772,939,919	-	772,939,919
Other assets										206,767,783
Consolidated assets										<u>979,707,702</u>
Segment liabilities	447,874	182,997,892	5,104,897	15,725,827	155,964,159	50,000	3,677,277	363,967,926	-	363,967,926
Inter-group liabilities	106,585,556	-	-	-	-	104,014,187	-	210,599,743	(210,599,743)	-
Total	<u>107,033,430</u>	<u>182,997,892</u>	<u>5,104,897</u>	<u>15,725,827</u>	<u>155,964,159</u>	<u>104,064,187</u>	<u>3,677,277</u>	<u>574,567,669</u>	<u>(210,599,743)</u>	<u>363,967,926</u>
Other liabilities										21,131,698
Consolidated liabilities										<u>385,099,624</u>

As at 31 December 2024

	Lending Business HK\$	Manufacturing and Sales Business HK\$	Music and Entertainment Business HK\$	Property Investment Business HK\$	Property Development Business HK\$	Securities Trading Business HK\$	Trading Business HK\$	Segment total HK\$	Elimination HK\$	Consolidated HK\$
Segment assets	30,976,881	307,574,809	6,016,485	160,525,257	336,291,517	9,831,726	9,418,916	860,635,591	-	860,635,591
Other assets										216,456,737
Consolidated assets										<u>1,077,092,328</u>
Segment liabilities	445,672	229,702,702	5,124,448	16,331,776	167,934,994	50,521	7,739,552	427,329,665	-	427,329,665
Inter-group liabilities	65,981,607	-	-	-	-	94,946,212	-	160,927,819	(160,927,819)	-
Total	<u>66,427,279</u>	<u>229,702,702</u>	<u>5,124,448</u>	<u>16,331,776</u>	<u>167,934,994</u>	<u>94,996,733</u>	<u>7,739,552</u>	<u>588,257,484</u>	<u>(160,927,819)</u>	<u>427,329,665</u>
Other liabilities										23,972,934
Consolidated liabilities										<u>451,302,599</u>

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

- all assets are allocated to operating and reportable segments other than interest in a joint venture, equity instruments at FVTOCI, club membership, deferred tax assets, certain other receivables, prepayments and deposits, tax recoverable, short-term bank deposits and cash and cash equivalents.
- all liabilities are allocated to operating and reportable segments other than certain other payables and accruals, tax liabilities and deferred tax liabilities.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2025	2024
	HK\$	HK\$
Sales of printing and other products	328,907,610	391,814,486
Sales of properties	71,222,035	71,428,074
Income from the use of the musical works	2,526,846	3,517,530
Loan interest income from Lending Business	1,446,413	4,982,330
Concert and event management income	32,900	201,209
Rental income	7,069,627	7,615,773
Sales of albums	390,774	984,453
	<u>411,596,205</u>	<u>480,543,855</u>

Geographical information

The Group's operation of Manufacturing and Sales Business, Property Development Business and Property Investment Business are located in Hong Kong and the PRC, while the Group's operation of Lending Business, Trading Business, Music and Entertainment Business and Securities Trading Business are located in Hong Kong.

The Group's revenue from external customers and information about non-current assets by geographical location of the customers and assets respectively are set out below:

	Revenue from		Non-current assets	
	external customers			
	2025	2024	2025	2024
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Hong Kong	87,331,843	143,809,916	71,167,105	73,227,421
The PRC	259,487,395	262,787,580	217,607,886	228,590,301
Europe	22,255,044	26,702,712	–	–
United States	30,891,774	40,485,371	–	–
Others	11,630,149	6,758,276	–	–
	<u>411,596,205</u>	<u>480,543,855</u>	<u>288,774,991</u>	<u>301,817,722</u>

Note: Non-current assets exclude financial assets and deferred tax assets.

Information about major customers

There was no customer contributing over 10% of total revenue of the Group for the years ended 31 December 2025 and 2024.

5. TAXATION CREDIT (CHARGE)

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
The taxation comprises:		
Hong Kong Profits Tax		
Charge for the year	–	(152,613)
Overprovision (underprovision) in prior years	<u>12,200</u>	<u>(61,855)</u>
	<u>12,200</u>	<u>(214,468)</u>
PRC Land Appreciation Tax (“LAT”)		
Charge for the year	–	(2,288,455)
Overprovision in prior years	<u>3,785,181</u>	<u>–</u>
	<u>3,785,181</u>	<u>(2,288,455)</u>
PRC Enterprise Income Tax		
Charge for the year	(1,418,271)	(2,282,256)
Underprovision in prior years	<u>(467,448)</u>	<u>–</u>
	<u>(1,885,719)</u>	<u>(2,282,256)</u>
Deferred tax credit for the year	<u>475,955</u>	<u>198,888</u>
	<u>2,387,617</u>	<u>(4,586,291)</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of corporation not qualified for the two-tier profit tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the Provisional Regulations of LAT and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs, land costs and property development expenditures.

6. LOSS FOR THE YEAR

	2025	2024
	HK\$	HK\$
Loss for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
– Audit services	2,545,000	2,475,000
– Non-audit services	326,500	359,400
	2,871,500	2,834,400
Cost of property for sales recognised as an expense	64,020,504	65,993,850
Cost of inventories recognised as an expense (including write-down of inventories of HK\$337,826 for the year ended 31 December 2025)	129,513,657	173,404,231
Depreciation of right-of-use assets	10,422,838	13,426,151
Depreciation of other property, plant and equipment	15,653,541	18,617,950
Depreciation of property, plant and equipment	26,076,379	32,044,101
Less: included in cost of sales and services	(15,068,744)	(17,593,085)
	11,007,635	14,451,016
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	135,339,795	149,656,735
– Contributions to retirement benefits schemes	14,863,376	13,338,816
Less: included in cost of sales and services	(84,805,026)	(87,612,910)
	65,398,145	75,382,641
The above staff cost included staff redundancy costs included in:		
Cost of sales	401,704	3,033,886
Selling and distribution expenses	747,473	441,417
Administrative and other expenses	1,577,781	2,073,787
	2,726,958	5,549,090
Legal and professional fees	7,904,303	5,724,788
Gross rental income from investment properties	(7,069,627)	(7,615,773)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	866,288	681,892
	(6,203,339)	(6,933,881)

	2025	2024
	HK\$	HK\$
The following items are included in (reversal of impairment losses) impairment losses under ECL model on financial assets and contract assets, net:		
– Reversal of impairment losses on trade receivables, net	(12,411)	(252,472)
– Impairment losses (reversal of impairment losses) on contract assets, net	307,132	(342,036)
– Impairment losses on loans receivable, net	<u>5,000,000</u>	<u>3,239,072</u>
	5,294,721	2,644,564
Recovery of trade receivables previously written off	<u>(5,046,275)</u>	–
	<u>248,446</u>	<u>2,644,564</u>
The following items are included in other interest income:		
– Bank interest income	(4,450,297)	(6,364,516)
– Interest income on rental deposits	<u>(65,427)</u>	<u>(93,740)</u>
	<u>(4,515,724)</u>	<u>(6,458,256)</u>
The following items are included in other income:		
– Dividend income	(19,239)	(2,980,675)
– Government grants (<i>Note</i>)	–	(265,526)
– Others	<u>(2,729,205)</u>	<u>(2,819,106)</u>
	<u>(2,748,444)</u>	<u>(6,065,307)</u>

Note: The government grants that are received represented a compensation for expenses incurred of HK\$265,526 during the year ended 31 December 2024.

7. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

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

Loss figures are calculated as follows:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(49,115,040)</u>	<u>(76,993,312)</u>
	2025	2024
Weighted average number of ordinary shares in issue for the purpose of calculating basic loss per share	<u>253,359,456</u>	<u>253,359,456</u>

No separate diluted loss per share information has been presented as there were no potential ordinary shares outstanding for both years.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025	2024
	HK\$	HK\$
Trade receivables	91,972,638	130,552,224
Less: allowance for credit losses	(806,764)	(819,175)
	91,165,874	129,733,049
Receivables with brokers' houses	147,742	298,775
Deposits and other receivables	15,922,700	13,392,651
Other tax recoverable	23,467,076	22,900,569
Prepayments	11,419,380	9,869,297
	142,122,772	176,194,341
Analysed for reporting purposes as:		
Current assets	138,440,262	170,792,932
Non-current assets	3,682,510	5,401,409
	142,122,772	176,194,341

As at 1 January 2024, trade receivables from contracts with customers amounted to HK\$105,626,311.

The Group's credit terms for Manufacturing and Sales Business and Trading Business generally range from 60 to 90 days. Credit period of 120 days is granted to a few customers of the Manufacturing and Sales Business with whom the Group has a good business relationship and who are in sound financial condition. The Group allows an average credit period of 60 to 90 days and 0 to 30 days to its customers of Music and Entertainment Business and Property Investment Business respectively.

The following is an ageing analysis of the trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period.

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Manufacturing and Sales Business and Trading Business:		
0 – 30 days	68,948,922	68,655,691
31 – 60 days	9,234,589	29,490,609
61 – 90 days	5,094,496	15,206,973
Over 90 days	7,484,531	5,690,005
	<u>90,762,538</u>	<u>119,043,278</u>
Music and Entertainment Business:		
0 – 30 days	5,650	438,596
31 – 60 days	3,714	–
61 – 90 days	–	59
Over 90 days	372	8,880
	<u>9,736</u>	<u>447,535</u>
Property Development Business:		
0 – 30 days	–	9,323,836
Property Investment Business:		
0 – 30 days	131,200	131,200
31 – 60 days	131,200	131,200
61 – 90 days	131,200	131,200
Over 90 days	–	524,800
	<u>393,600</u>	<u>918,400</u>
Total trade receivables	<u><u>91,165,874</u></u>	<u><u>129,733,049</u></u>

10. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
0 – 30 days	32,860,738	46,846,458
31 – 60 days	3,160,086	4,393,241
61 – 90 days	1,091,534	1,645,440
Over 90 days	3,354,494	3,142,612
	40,466,852	56,027,751
Construction cost payable for properties under development for sale aged 0 – 30 days	401,347	1,528,300
Total trade payables	40,868,199	57,556,051
Accrued construction costs for properties under development for sale	85,942,429	102,351,266
Accrued expenses and other payables	30,294,848	34,427,171
	157,105,476	194,334,488

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The multiple challenges and opportunities in the global economy have impacted the Group's businesses to varying extents, leading to a decrease in revenue across all business segments. Meanwhile, the downturn in the PRC property market posed significant challenges to the Group's Property Development Business segment. Through strategic adjustments to sales and marketing, the Group successfully delivered several industrial buildings and dormitories, and entered into new binding sales and purchase agreements during the Year.

The business and financial review of each business segment is detailed below.

BUSINESS AND FINANCIAL REVIEW

Total Revenue and Gross Profit Margin

During the Year, total revenue of the Group was approximately HK\$411.6 million (Year 2024: approximately HK\$480.5 million) and the gross profit margin was approximately 18.3% (Year 2024: 20.2%). The contribution of each business segment to the total revenue of the Group is as follows:

	2025	Approximate % to total revenue	2024	Approximate % to total revenue
	HK\$		HK\$	
Lending Business	1,446,413	0.4%	4,982,330	1.0%
Manufacturing and Sales Business	309,033,615	75.1%	365,060,228	76.0%
Music and Entertainment Business	2,950,520	0.7%	4,703,192	1.0%
Property Development Business	71,222,035	17.3%	71,428,074	14.9%
Property Investment Business	7,069,627	1.7%	7,615,773	1.6%
Trading Business	19,873,995	4.8%	26,754,258	5.5%
Total revenue	<u>411,596,205</u>	<u>100%</u>	<u>480,543,855</u>	<u>100%</u>

Lending Business

The Lending Business mainly refer to the Group's money lending business in Hong Kong.

The Group's money lending business in Hong Kong is carried out by Grand Prospects Finance International Limited (華泰財務國際有限公司) (“**Grand Prospects**”), a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

All loan applications from potential customers are reviewed and approved by the responsible officer in accordance with Grand Prospects' internal loan approval guidelines (the “**Internal Guidelines**”). To assess whether a loan application should be approved, the responsible officer will (i) collect and verify the required information and supporting documents including but not limited to identity documents, bank statements, business registration documents, organisational chart and financial statements, etc. from the potential customers; and (ii) assess the value and quality of the collaterals that the potential customers intend to provide, if any. Due diligence search on the borrowers and collaterals will also be conducted if necessary.

If the responsible officer intends to grant a loan upon the completion of the entire credit approval process, he/she will determine the terms of the loan in accordance with the Internal Guidelines and with reference to various factors including but not limited to the background and creditworthiness of the customers, the nature and value of the collateral provided, if any, the prevailing market interest rate and other relevant factors as the responsible officer deems appropriate. Thereafter, loan documents will be prepared accordingly and customers are required to provide signed and post-dated bank cheques in accordance with the repayment schedules set out in the loan documents.

In the event that the highest applicable percentage ratio (as defined under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) in respect of a grant of loan exceeds 5%, the loan application will be forwarded to the Board and a meeting of the Board will be convened to consider and, if thought fit, approve the same.

Periodic assessments will be conducted on the recoverability of the loans granted based on the creditworthiness of the customers, taking into account their history of default, if any, ability to make timely payment of interest during the tenure of the loans and the loan-to-collateral ratios, to ensure appropriate follow-up action be taken to minimize potential exposure to credit risks. Generally, a reminder letter will be issued to the customer in the event of default. Depending on the circumstances, if a loan is overdue for more than two months, Grand Prospects may consider taking legal actions.

As at 31 December 2025, there were a total number of 5 borrowers, which consisted of 2 corporate entities and 3 individuals and the aggregate carrying amount of the loans receivable was HK\$14.9 million and HK\$4.5 million respectively. All of the loans receivable were either secured by charge over properties located in Hong Kong, pledges of shares or personal guarantee.

The total amount of new loans granted during the Year was approximately HK\$6.1 million (Year 2024: approximately HK\$6.5 million) and the average loan interest rate of the Group’s loan portfolio was approximately 19.1% per annum (Year 2024: approximately 16.1% per annum). During the Year, the interest income from loans decreased by approximately 71.0% to approximately HK\$1.4 million (Year 2024: approximately HK\$5.0 million). The decrease in loan interest income was mainly attributable to (i) decrease in loan portfolio during the Year; and (ii) a halt in interest accrual on certain loans that matured during the Year. The segment loss for the Year was approximately HK\$6.4 million (Year 2024: approximately HK\$779,000) which was mainly due to (i) the decrease in loan interest income; and (ii) the net impairment loss recognised on loans receivable of approximately HK\$5.0 million (Year 2024: HK\$3.2 million) during the Year.

As at 31 December 2025, the Group has taken legal actions against several borrowers of loans receivable with the principal amount of approximately HK\$27.2 million, of which an impairment loss of approximately HK\$24.2 million has been provided in previous financial years. The court judgements have been granted in respect of the loans receivable of approximately HK\$27.2 million and no settlement has been made as at 31 December 2025. The Board will provide further update to the shareholders of the Company (the “**Shareholders**”) as and when appropriate.

The Group has a concentration of credit risk as 51% (Year 2024: 63%) of the total loans receivable was due from one (Year 2024: two) independent third party, totaling approximately HK\$9.9 million (Year 2024: approximately HK\$19.4 million). As at 31 December 2025, the gross carrying amount of loans receivable from the five largest borrowers was approximately HK\$21.4 million (Year 2024: HK\$25.9 million).

As at 31 December 2025, the loans receivable had contractual maturity within one to three years (Year 2024: within one to four years), details of which are as follows:

	<i>HK\$</i>
Within one year	18,972,222
Within a period of more than one year but not more than two years	290,662
Within a period of more than two years but not more than five years	<u>111,210</u>
	<u><u>19,374,094</u></u>

The estimated loss rates of loans receivable were based on historical credit loss experience of the customers as well as the fair value of the collaterals they pledged in relation to the loans receivable. For those loans receivable secured by charge over properties located in Hong Kong with an aggregate gross carrying amount of approximately HK\$9,509,094 (Year 2024: approximately HK\$16,074,963), the loss given default was considered low by the Directors, given that the fair value of the collaterals are higher than the carrying amounts of the respective loans receivable. The Group has not recognised any loss allowance for such loans receivable as a result of these collaterals. For the remaining loans receivable with an aggregate gross carrying amount of HK\$15,600,000 (Year 2024: HK\$18,645,000), the Group has recognised a net impairment loss of approximately HK\$5.0 million on these loans receivable after having considered the repayment status from the customer during the Year.

Manufacturing and Sales Business

This segment represented the manufacturing and sales of printing products, such as packaging boxes, labels, paper products and paper shopping bags, with a worldwide customer base.

The segment revenue decreased by approximately 15.3% to approximately HK\$309.0 million for the Year (Year 2024: approximately HK\$365.1 million), which was mainly attributable to the decrease in sales orders of packaging and label products from both overseas and domestic clients. The decline in sales orders was primarily attributable to (i) the reciprocal tariffs imposed by the government of the United States of America (the “U.S.”) in April 2025, which prompted certain customers to defer their orders placed with the Group or reallocate their orders to non-PRC printing service providers; (ii) intensified competition within the domestic printing market of the PRC; and (iii) a subdued global economy and inflationary pressures, which weakened consumers’ purchasing power and, consequently, reduced procurement demand of the Group’s customers.

The segment loss margin of the Manufacturing and Sales Business for the Year was approximately 4.1% (Year 2024: approximately 4.7%). The slightly decrease in segment loss margin was mainly attributable to the following factors:

- (i) the approximately 4.9% decrease in material consumption rate as compared to that for Year 2024 was partially offset by a 3.4% increase in total manufacturing staff costs and related expenses;
- (ii) a decrease of approximately 6.8% in selling and administrative staff costs and other related expenses as compared to that for Year 2024, as primarily attributable to the implementation of various cost-saving initiatives during the Year; and
- (iii) a one-off recovery of bad debt amounting to approximately HK\$5.0 million from a U.S. customer, which had been fully impaired in prior years.

Music and Entertainment Business

Revenue from this segment mainly consisted of income from the use of musical works, sales of albums as well as concert and event management income.

Revenue for the segment decreased by approximately 37.3% to approximately HK\$3.0 million (Year 2024: approximately HK\$4.7 million), resulting in a segment loss of approximately HK\$739,000 (Year 2024: segment profit of approximately HK\$433,000). The decline in revenue was primarily driven by a reduction in the musical work licensing income and the sales of physical musical products. While approximately 86% of the segment revenue was derived from high-margin licensing income from online platforms, the drop in such income resulted in the segment swinging from profit to loss during the Year.

Property Development Business

The Group had two property development projects as at 31 December 2025 (31 December 2024: two). One project involved 清遠市中清房地產開發有限公司 (unofficial English name: Qingyuan Zhongqing Property Development Company Limited) (“**Zhongqing**”), a non-wholly owned subsidiary of the Company, and the other involved 中大印刷(清遠)有限公司 (unofficial English name: Zhongda Printing (Qingyuan) Company Limited) (“**Zhongda Qingyuan**”), a wholly-owned subsidiary of the Company.

Zhongqing

Zhongqing held the land use right of two commercial land parcels in Qingyuan, the PRC (“**Qingyuan Land**”). On 18 June 2014, 深圳市中星國盛投資發展有限公司 (unofficial English name: Shenzhen Zhongxing Guosheng Investment Development Company Limited) (“**Zhongxing Guosheng**”), a wholly-owned subsidiary of the Company, initiated civil proceedings against Zhongqing before the People’s Court of Baoan District, Shenzhen (the “**Court**”) for, among other matters, the repayment of the shareholder’s loan contributed by Zhongxing Guosheng in an amount of RMB23,479,330 (the “**Litigation**”). On 19 June 2014, pursuant to the application made by Zhongxing Guosheng for freezing and preserving the assets of Zhongqing with a total value of RMB23,400,000, an order was granted by the Court to freeze and preserve the Qingyuan Land from 24 June 2014 to 23 June 2016 (the “**Freeze Order**”), aiming to ensure that Zhongqing would have sufficient assets for the repayment of the shareholder’s loan to the Group.

Following two court hearings, a civil mediation document was issued by the Court in which Zhongqing acknowledged the debt and agreed to repay the debt together with interests by 30 October 2014 (being 15 days after the effective date of the civil mediation document). However, Zhongqing failed to make the repayment by the stipulated deadline. On application of Zhongxing Guosheng, the Freeze Order has been extended multiple times, most recently until 12 May 2028.

After obtaining the approval of the Shareholders at the special general meeting of the Company held on 15 July 2022, the Group submitted the application to the Court to commence the compulsory enforcement proceedings against Zhongqing to put the Qingyuan Land for sales in the auction (the “**Compulsory Enforcement**”). Further details of the Compulsory Enforcement were disclosed in the circular of the Company dated 24 June 2022. The Court has completed all internal verification procedures regarding the Qingyuan Land with various relevant government departments in Qingyuan City in 2023. However, due to the downturn of the property development market in the PRC, the Company decided to suspend further action for the time being after careful consideration. The Company will closely monitor the market situation of property market in the PRC and will take appropriate action accordingly.

Furthermore, the Group is actively exploring potential business opportunities related to the Qingyuan Land. The Company will provide further update to the Shareholders as and when appropriate.

Zhongda Qingyuan

The Group, through Zhongda Qingyuan, owns a land parcel in Qingyuan City, the PRC, with a total area of approximately 208,000 square metres (“**sq.m.**”) and is developing an industrial park (the “**Zhongxing Industrial Park**”) with an array of industrial buildings, commercial buildings, apartments and dormitories. The buildings thereon are intended for lease or sales. The development plan was approved by the Guangdong Qingyuan High-Tech Industrial Development Zone Management Committee Office in March 2020 and was highly supported by the Qingyuan Government.

Construction status:

As at 31 December 2025, the total construction area of the Zhongxing Industrial Park was approximately 187,000 sq.m., of which approximately 75% of the construction work was completed and examined or being examined by an independent construction company engaged by Zhongda Qingyuan. The Group expected that an additional of approximately 5% of the construction work will be completed in year 2026. The total construction area of approximately 187,000 sq.m. as mentioned above represents around 36% of the estimated total developable area of the Zhongxing Industrial Park.

Sales and rental status:

During the Year, Zhongda Qingyuan has delivered several industrial buildings and several units of dormitory to purchasers and revenue of approximately HK\$71.2 million was recognized during the Year. Up to and as at 31 December 2025, Zhongda Qingyuan has delivered a total gross floor area of approximately 107,000 sq.m. to purchasers which represented approximately 21% of the estimated total developable areas of the Zhongxing Industrial Park. More industrial buildings and dormitories are expected to be delivered to the purchasers upon the completion of the relevant construction works and examination procedures in year 2026.

During the Year, Zhongda Qingyuan has signed several binding agreements with purchasers regarding a total gross floor area of approximately 14,400 sq.m. which consisted of several industrial buildings and several units of dormitory. Besides, Zhongda Qingyuan has entered into several rental agreements with independent third parties for a total gross floor area of approximately 8,860 sq.m, comprising an industrial building, living quarters and shops within the dormitory. Those areas were designated for leasing purpose for long term purpose and have been reclassified as investment properties in accordance with the Group's accounting policies, with further details disclosed under the section "Property Investment Business" below.

Zhongda Qingyuan has entered into agreements with several PRC banks pursuant to which transitional guarantees were given by Zhongda Qingyuan in favour of the banks for mortgage loans granted to purchasers of industrial buildings in Zhongxing Industrial Park pending the issue of the related property ownership certificates or the completion of the mortgage registration. These guarantees will be released upon the completion of mortgage registrations or the banks' receipt of relevant registration proofs. Such arrangements are standard commercial practice in the PRC real estate industry for properties under development.

As at 31 December 2025, property ownership certificates for a total gross floor areas of approximately 60,000 sq.m. were issued by the government authority, representing approximately 55.4% of the total gross floor areas that had been delivered to the purchasers. The relevant mortgage registrations over those properties have been completed by banks and the relevant transitional guarantees provided by Zhongda Qingyuan have been released.

As at 31 December 2025, the Group had contingent liabilities of approximately HK\$72.8 million (Year 2024: approximately HK\$18.0 million) relating to the transitional guarantees given by Zhongda Qingyuan in favour of the mortgage banks while the related property ownership certificates have not yet been issued.

The segment loss was primarily due to insufficient gross profit to offset its operating expenses.

Property Investment Business

During the Year, the Property Investment Business included the leasing of several commercial units, industrial building and dormitories in Hong Kong and the PRC.

This business involved four properties of the Group as at 31 December 2025 (31 December 2024: four). The first one was a commercial property situated in Yuen Long, Hong Kong (the “**Yuen Long Property**”) which has been leased to a connected person (having the meaning ascribed to it under the Listing Rules) since 1 August 2023 to operate a karaoke outlet. The second one was a commercial property situated in Beijing, the PRC (the “**Beijing Property**”) which was leased to an independent third party. The third one was a block of industrial building of the Group’s self-owned factory situated in Shenzhen, the PRC (the “**Shenzhen Property**”), which has been leased to an independent third party since December 2023. The fourth one were the properties in the Zhongxing Industrial Park (the “**Qingyuan Property**”).

During the Year, Zhongda Qingyuan entered into several rental agreements with independent third parties to lease an industrial building, certain living quarters and shops within the dormitory in the Zhongxing Industrial Park. The areas being leased for a long term or under negotiation have been reclassified to investment properties from properties for sale as at 31 December 2025.

The total rental income arising from the leasing of the above four properties of the Group was approximately HK\$7.1 million for the Year (Year 2024: approximately HK\$7.6 million).

According to the Group’s accounting standards, the investment properties of the Group were carried at market value. A fair value loss of approximately HK\$6.6 million was recorded in “Other gains and losses” of the Group during the Year (Year 2024: fair value loss of approximately HK\$22.2 million) which was the primary factor leading to the segment loss of this business. The fair value loss for the Year mainly arose from the decrease in fair value of the Qingyuan Property which was primarily attributable to a decline in market prices and rental rates of comparable properties in the vicinity.

Trading Business

Revenue from the Trading Business decreased to approximately HK\$19.9 million (Year 2024: approximately HK\$26.8 million) mainly due to the decrease in revenue derived from Hong Kong customers during the Year. The segment loss recorded a decrease from Year 2024 and amounted to approximately HK\$649,000 for the Year (Year 2024: approximately HK\$2.2 million). The decrease in segment loss was mainly attributable to a reclassification of financial results of two subsidiaries during the Year. These entities were moved from the Trading Business segment to the Manufacturing and Sales Business segment to provide a clearer representation of the Group's segmental performance.

Securities Trading and Equity Investments Business

The Group's equity instruments at FVTOCI and financial assets at FVTPL as at 31 December 2025 amounted to approximately HK\$27.2 million (31 December 2024: approximately HK\$22.6 million). During the Year, the Group recorded a segment gain of approximately HK\$3.3 million for this business which was mainly attributable to a fair value gain in investments of securities listed in Hong Kong of approximately HK\$3.7 million (Year 2024: fair value loss of approximately HK\$5.2 million), which was recorded in "Other gains and losses". A realized gain of approximately HK\$387,000 was recorded for the Year (Year 2024: realized loss of approximately HK\$74,000).

The Group's investments as at 31 December 2025 included investment in securities of 9 companies listed on the Main Board or GEM of the Stock Exchange and Nasdaq in U.S., an offshore investment fund, two Hong Kong private companies and a PRC private company. The carrying amount of each of the Group's investments accounted for less than 5% of the Group's audited consolidated total assets as at 31 December 2025. The top five largest investments amounted to approximately HK\$21.3 million, representing approximately 2.2% of the Group's audited consolidated total assets as at 31 December 2025.

The largest investment was the investment in an offshore investment fund named Zhong Wei Capital L.P. (“**Zhong Wei**”), which represented 1.33% of the total share capital of Zhong Wei. Zhong Wei has invested in more than 15 entities including public and private entities incorporated in Hong Kong, the PRC, Indonesia and Singapore. These entities are principally engaged in, including but not limited to, intelligence technology, energy, healthcare, recreational and financial technological sectors. The fair value of the investment in Zhong Wei as at 31 December 2025 amounted to approximately HK\$8.5 million, representing approximately 0.9% of the Group’s audited consolidated total assets as at 31 December 2025.

The second to fifth largest investments were the investment in Wang On Group Limited (a company listed on the Main Board of the Stock Exchange with stock code 01222), a private company incorporated in the PRC principally engaged in trading of medical skincare equipment and entertainment business in the PRC, Wang On Properties Limited (a company listed on the Main Board of the Stock Exchange with stock code 01243) and China Agri-Products Exchange Limited (a company listed on the Main Board of the Stock Exchange with stock code 00149).

Adopting a prudent investment approach, the Group performs rigorous market evaluations before committing to any new securities. We maintain continuous oversight of our investment performance, allowing for timely strategic adjustments to minimize the impact of market fluctuations.

OTHER GAINS AND LOSSES

Other gains and losses for the Year mainly comprised the following items:

	2025	2024
	HK\$	HK\$
Change in fair value of financial assets at FVTPL		
<i>(Note a)</i>	3,731,839	(5,185,687)
Change in fair value of investment properties <i>(Note b)</i>	(6,627,522)	(22,241,318)
Net foreign exchange (loss)/gain	(1,255,102)	578,315
Net gain on disposal of property, plant and equipment	2,954,178	1,888,818
Net loss on termination of lease <i>(Note c)</i>	(1,271,533)	—
	<hr/>	<hr/>
Total	<u>(2,468,140)</u>	<u>(24,959,872)</u>

Notes:

- (a) The change in fair value of financial assets at FVTPL represented the fair value gain/(loss) of securities traded on the Stock Exchange.
- (b) The fair value loss of investment properties for the Year was mainly related to the Qingyuan Property. For the reason of such loss, please refer to the sub-section headed “Property Investment Business” under the “Business and Financial Review” section above.
- (c) The net loss resulted from the early termination of a lease agreement by a subsidiary within the Manufacturing and Sales Business.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The following table sets out the Group's current ratio, quick ratio and gearing ratio as at 31 December 2025 and 31 December 2024:

	<i>Notes</i>	As at 31 December 2025	As at 31 December 2024
Current ratio	<i>(a)</i>	2.1 times	2.0 times
Quick ratio	<i>(b)</i>	1.2 times	1.1 times
Gearing ratio	<i>(c)</i>	<u>30.0%</u>	<u>34.1%</u>

Notes:

- (a) Current ratio is calculated by dividing total current assets by total current liabilities as at the end of the respective year.
- (b) Quick ratio is calculated by dividing total current assets less inventories and properties under development for sale/properties for sale by total current liabilities as at the end of the respective year.
- (c) Gearing ratio is calculated by dividing total borrowings by total equity as at the end of the respective year and then multiplying it by 100%. Total borrowings as at 31 December 2025 include: (i) the amount due to a non-controlling shareholder of a subsidiary; (ii) bank borrowings; and (iii) lease liabilities.

As at 31 December 2025, the Group had short-term bank deposits, pledged bank deposits and cash and cash equivalents of approximately HK\$170.9 million (31 December 2024: approximately HK\$182.1 million) and total borrowings of approximately HK\$178.3 million (31 December 2024: approximately HK\$213.4 million).

The current ratio and quick ratio as at 31 December 2025 remained steady as compared with the respective figures as at 31 December 2024. The gearing ratio of the Group decreased from 34.1% to 30.0% as at 31 December 2025, mainly due to the decrease in total borrowings of the Group, the details of which are stated below.

The Group's total borrowings as at 31 December 2025 included: (i) an amount of approximately HK\$16.7 million due to a non-controlling shareholder of a subsidiary (31 December 2024: approximately HK\$15.9 million); (ii) secured bank borrowings of approximately HK\$113.7 million (31 December 2024: approximately HK\$131.3 million); (iii) unsecured bank borrowings of approximately HK\$11.2 million (31 December 2024: approximately HK\$16.1 million); and (iv) lease liabilities of approximately HK\$36.7 million (31 December 2024: approximately HK\$50.1 million).

As at 31 December 2025, secured bank borrowings included: (i) an amount of approximately HK\$27.6 million (31 December 2024: approximately HK\$31.5 million) payable within six years and carrying interest at the Hong Kong Inter-bank Offered Rate ("**HIBOR**") plus 1.85% per annum; (ii) an amount of approximately HK\$61.8 million (31 December 2024: approximately HK\$64.9 million) payable within one year and carrying interest at HIBOR plus 1.25% to 1.35% (Year 2024: 1.25% to 2.25%) per annum; and (iii) an amount of approximately HK\$24.3 million (31 December 2024: approximately HK\$34.9 million) payable within three years and carrying interest at 5.98% per annum. The unsecured bank borrowing included an aggregate amount of approximately HK\$11.2 million (31 December 2024: approximately HK\$16.1 million) payable within one year and carrying interest in a range of 1.1% to 1.65% per annum (Year 2024: 1.5% to 2% per annum). Among the total bank borrowings, approximately HK\$89.4 million bears variable interest rate at a premium above HIBOR and approximately HK\$35.5 million bears fixed interest rate.

The amount due to the non-controlling shareholder of a subsidiary was unsecured, interest-free and repayable on demand. The weighted average lessee's incremental borrowing rate applied in lease liabilities was in the range of 2.98% to 5.38% per annum (Year 2024: 2.98% to 5.88% per annum).

All borrowings were denominated in Hong Kong dollars and RMB and the majority of cash and cash equivalents were denominated in RMB, Hong Kong dollars and U.S. dollars.

The Group generally finances its operation with cash flows generated internally and bank facilities obtained in Hong Kong and the PRC. Taking into account the amount of funds expected to be generated internally and the available bank facilities, the Group will have adequate resources to meet its future capital expenditure and working capital requirements. The Group will continue implementing a prudent policy in managing cash balances, thereby maintaining a strong and healthy liquidity level to capitalize on any potential business opportunity.

FUTURE OUTLOOK

Looking ahead to 2026, the Group anticipates a challenging landscape characterized by geopolitical fragmentation and persistent macroeconomic volatility. The proliferation of trade barriers and the ongoing realignment of global supply chains are expected to exert upward pressure on production costs, potentially tempering export demand. These headwinds may further constrain consumer purchasing power, impacting our Manufacturing and Sales Business as well as Trading Business segments. In response, the Group remains committed to strategic agility, meticulously evaluating our business portfolio and pursuing market and geographic diversification to mitigate systemic risks and capture emerging opportunities in resilient economies.

Lending Business

The Group will maintain a risk-balanced strategy in expanding its loan portfolio, particularly given current global economic volatility. We will continue to leverage partnerships with other financial institutions to offer versatile collateral products. Through disciplined capital allocation, the Group intends to scale its operations while ensuring that the expansion of the Lending Business segment is underpinned by a prudent assessment of credit quality.

Manufacturing and Sales Business and Trading Business

Looking ahead to 2026, the Manufacturing and Sales Business segment continues to navigate an exceptionally volatile landscape defined by geopolitical fragmentation and persistent macroeconomic uncertainty. In addition to the prolonged conflicts in Eastern Europe and escalating tensions in the Middle East, the proliferation of trade protectionism, particularly the reciprocal tariff arrangements between the PRC and the U.S., has accelerated the realignment of global supply chains. These compounded factors remain a primary challenge to the export demand for printing products, while the domestic PRC market faces intensified price competition as industry players vie for a consolidating pool of orders.

To fortify our market position, the Group is focusing on proactive operational refinements. We are committed to enhancing production efficiency through operational optimization and digital integration to offset rising costs and minimize waste. Central to this strategy is our ongoing commitment to comprehensive cost-saving initiatives across all functional areas, ranging from administrative streamlining to energy-efficient production processes. Beyond internal cost-control, the Group is continuously refining its procurement strategies to ensure both supply chain resilience and a competitive cost structure in the face of regional disruptions.

On the commercial front, we are strengthening our sales efforts in both PRC and key overseas markets to capture orders from resilient industries. Given the heightened global instability, the Group will adopt a more conservative and disciplined approach toward business expansion and capital expenditure. In view of the tightened liquidity in the market, we maintain a stringent credit control policy and rigorous monitoring of receivables to mitigate bad debt risks. By preserving a solid cash position, the Group ensures the financial flexibility to withstand prolonged market headwinds while remaining vigilant and prepared to adapt to market shifts as they arise.

For the Trading Business, the Group will continue to allocate more resources to expand and develop the sales teams in Hong Kong, overseas and the PRC, so as to broaden the clientele, optimize the product mix and provide more value-added services to the existing and target customers.

Music and Entertainment Business

The Group will continue to strategically allocate resources to expand its musical works licensing and show business, aiming to strengthen its footprint in the Greater Bay Area and overseas markets.

Property Development Business

For Zhongqing, as mentioned in the sub-section headed “Property Development Business” under the “Business and Financial Review” section above, in view of the recent undesirable situation of the property market in the PRC, the Group will reassess the risk and profitability of the development of the Qingyuan Land and accordingly, devise its plan for the Compulsory Enforcement and its bidding strategy carefully. The Group will provide further update to the Shareholders as and when appropriate.

For Zhongda Qingyuan, the Group is committed to accelerating sales performance for the Zhongxing Industrial Park through a multi-faceted marketing strategy and competitive commission structures for agents. To support the daily needs of the occupants, the Group will continue to refine the supporting amenities within the Zhongxing Industrial Park by introducing essential retail and catering services. Furthermore, the Group remains dedicated to expanding its footprint in the property sector, consistently evaluating selective strategic collaboration opportunities for property development and management projects across the PRC.

Property Investment Business

No material fluctuation is expected for this business and the Group will continue to monitor the rental market condition in Hong Kong and the PRC and adjust its strategies, if necessary.

Securities Trading Business

The Group expects that the fair value of equity securities listed in Hong Kong may keep fluctuating in the foreseeable future due to the volatile global economy. In light of this, the Group will closely monitor the general market condition and market data related to prospective investees before committing to any securities investment, and will pay attention to the performance of the investments after purchasing as well as make necessary adjustment to the investment strategy in a cautious manner so as to alleviate the impact of extreme market swings.

FOREIGN EXCHANGE RISK

The Group's sales and purchases were mainly denominated in RMB, Hong Kong dollars and U.S. dollars. Except for RMB, there was no significant fluctuation in the exchange rate between Hong Kong dollars and U.S. dollars during the Year. The management will closely monitor the foreign exchange rate risk of RMB and identify significant adverse impact (if any) on the Group's operations in the PRC. The Group did not use any financial instrument for hedging purpose during the Year and it did not have any outstanding hedging instrument as at 31 December 2025. The Group will consider using appropriate hedging solutions when necessary.

CAPITAL EXPENDITURE

During the Year, capital expenditure of the Group for property, plant and equipment and properties under development for sales/properties for sale amounted to approximately HK\$7.5 million (Year 2024: approximately HK\$8.5 million) and approximately HK\$23.0 million (Year 2024: HK\$148.6 million) respectively. The capital expenditure for the Year was mainly attributable to the acquisition of machineries for production in the PRC and the construction work conducted in the Zhongxing Industrial Park.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had capital commitments of approximately HK\$97.4 million (31 December 2024: approximately HK\$111.1 million) which had been contracted for but had not been provided for in the financial statements for the acquisition of property, plant and equipment and construction work in the Zhongxing Industrial Park. The Group did not have any capital commitment for the acquisition of property, plant and equipment that had been authorised but not contracted for in both reporting periods. The Group expects to finance its capital commitments by internal resources and bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had contingent liabilities of approximately HK\$72.8 million in respect of the transitional guarantees provided by Zhongda Qingyuan in favor of the mortgage banks for the purchasers of the industrial buildings of the Zhongxing Industrial Park (31 December 2024: approximately HK\$18.0 million).

PLEDGE OF ASSETS

As at 31 December 2025, the Group had pledged bank deposits, investment properties and properties under development for sale/properties for sale with an aggregate carrying value of approximately HK\$211.7 million (31 December 2024: approximately HK\$199.8 million) to secure the construction loan of the Zhongxing Industrial Park, the mortgage loan of certain investment properties and general banking facilities granted to the Group. Save as aforesaid, no other assets were pledged by the Group as at 31 December 2025.

SHARE CAPITAL AND CAPITAL STRUCTURE

There was no change in the share capital and capital structure of the Company during the Year.

HUMAN RESOURCES

As at 31 December 2025, the Group had approximately 850 full-time employees (31 December 2024: approximately 940). Total staff costs (including Directors' remuneration) for the Year were approximately HK\$150.2 million (Year 2024: approximately HK\$163.0 million).

The remuneration schemes of the Group are generally structured with reference to market conditions and the qualifications of the employees, and the reward packages including discretionary bonus for staff members are generally reviewed on an annual basis according to the performance of the Group and respective staff members. Apart from salary payments and contributions to retirement benefit schemes, other staff benefits include participation in share option scheme and medical insurance for eligible employees. In-house and external training programmes are also provided as and when required.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURE DURING THE YEAR

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

EVENTS AFTER REPORTING PERIOD

There have been no significant events since the end of the Year and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (Year 2024: Nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Board is collectively responsible for performing the corporate governance duties. The Board recognises that good corporate governance practices are vital to the maintenance and promotion of shareholder value and investor confidence. In the opinion of the Board, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules throughout the Year, except for the following deviation:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since 4 July 2025, Mr. Suek Chai Hong, an executive Director, has ceased to serve as the Chief Executive Officer ("**CEO**") of the Company, and Mr. Suek Ka Lun, Ernie ("**Mr. Ernie Suek**") has taken up the role of the CEO, alongside his continued role as the Chairman of the Board. The Board believes that combining the roles of Chairman and CEO under the leadership of Mr. Ernie Suek provides enhanced strategic alignment, streamlines decision making process, and accelerates the execution of the Company's key growth initiatives, particularly in the current dynamic market environment. Mr. Ernie Suek's deep understanding of the Company's operations and long-term strategy positions him ideally to lead both the Board and executive management effectively. With the combined roles of Chairman and CEO, the Board remains fully committed to maintaining high standard of corporate governance and the Board considers that this structure will not impair the balance of power and authority of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company has received confirmations from all Directors that they have complied with the required standards set out in the Model Code during the Year.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions by employees who are likely to be in possession of unpublished inside information of the Group.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the “**Audit Committee**”) comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed with the management of the Group the accounting policies, discussed with the Board the auditing, internal control, risk management and financial reporting matters and reviewed the final results and the consolidated financial statements of the Group for the Year. In addition, the consolidated financial statements of the Group for the Year have been audited by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, and an unqualified opinion report is issued.

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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 as set out in this preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.newaygroup.com.hk. The annual report of the Company for the Year will be available on the above websites in April 2026.

APPRECIATION

The Board would like to express its gratitude to all employees of the Group for their diligence and contribution. At the same time, the Board is also thankful for the support it has from all the Shareholders and the customers and suppliers of the Group.

On behalf of the Board
Neway Group Holdings Limited
Suek Ka Lun, Ernie
Chairman and Chief Executive Officer

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Suek Ka Lun, Ernie (Chairman and Chief Executive Officer) and Mr. Suek Chai Hong being the executive Directors; Dr. Ng Wai Kwan, Mr. Chan Kwing Choi, Warren and Mr. Wong Sun Fat being the non-executive Directors; and Mr. Lee Kwok Wan, Mr. Chu Gun Pui and Ms. Sin Chui Pik, Christine being the independent non-executive Directors.