力高集團
REDCO GROUP

REDCO PROPERTIES GROUP LIMITED
力高地產集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1622)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to RMB2,398.6 million
- Loss for the year ended 31 December 2025 was RMB3,931.9 million
- Loss attributable to owners of the Company for the year ended 31 December 2025 was RMB2,952.9 million
- Land bank amounted to 8.1 million sq. m. as at 31 December 2025
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil)

The board (the "**Board**") of directors (the "**Directors**") of Redco Properties Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2025, together with comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	**2025** *RMB'000*	**2024** *RMB'000*
Revenue	4	2,398,599	8,200,663
Cost of sales		(3,795,727)	(10,902,079)
Gross loss		(1,397,128)	(2,701,416)
Other income, gains and losses, net	5	(50,361)	(132,492)
Selling and marketing expenses		(103,888)	(200,729)
General and administrative expenses		(361,684)	(377,175)
Decrease in fair value of investment properties		(195,020)	(121,983)
Impairment losses on financial assets and contract assets, net of reversal	6	(70,780)	(11,575)
Operating loss		(2,178,861)	(3,545,370)
Finance income		4,340	5,692
Finance costs		(1,473,745)	(262,213)
Finance income and costs, net	7	(1,469,405)	(256,521)
Share of results of investments accounted for using the equity method, net		370	(20,484)
Loss before income tax	8	(3,647,896)	(3,822,375)
Income tax (expense) credit	9	(284,014)	134,109
Loss for the year		(3,931,910)	(3,688,266)
Loss for the year attributable to:			
– Owners of the Company		(2,952,907)	(2,759,631)
– Non-controlling interests		(979,003)	(928,635)
		(3,931,910)	(3,688,266)
Loss per share			
– Basic and diluted (expressed in RMB cents per share)	11	(83.14)	(77.70)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	RMB'000	*RMB'000*
Loss for the year	(3,931,910)	(3,688,266)
Other comprehensive income (expense) for the year, net of tax		
Item that may not be reclassified subsequently to profit or loss:		
– Currency translation differences	331,641	(283,349)
Total other comprehensive income (expense) for the year	331,641	(283,349)
Total comprehensive expense for the year	(3,600,269)	(3,971,615)
Total comprehensive expense attributable to:		
– Owners of the Company	(2,623,233)	(3,041,288)
– Non-controlling interests	(977,036)	(930,327)
	(3,600,269)	(3,971,615)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	**2025**	**2024**
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		439,529	492,866
Investment properties		820,952	1,168,096
Intangible assets		310,924	320,008
Investments accounted for using the equity method		629,527	638,475
Contract assets		611,074	617,386
Deferred income tax assets		325,630	458,468
		3,137,636	3,695,299
CURRENT ASSETS			
Completed properties held for sales		7,610,218	7,000,436
Properties under development for sales		19,139,026	22,620,512
Trade and other receivables and deposits	12	2,781,611	2,847,558
Prepayments	13	1,359,157	1,345,836
Income tax recoverable		2,262,590	2,207,114
Amounts due from non-controlling interests		1,756,327	1,804,710
Amounts due from associates		400,060	458,743
Amounts due from joint ventures		625,861	628,814
Financial assets at fair value through profit or loss		—	3,299
Restricted cash		369,677	478,529
Cash and cash equivalents		198,511	332,872
		36,503,038	39,728,423
CURRENT LIABILITIES			
Trade and other payables	14	15,222,239	14,220,716
Amounts due to non-controlling interests		5,373,801	5,129,732
Amounts due to associates		512,307	509,077
Amounts due to joint ventures		4,849	4,464
Income tax liabilities		3,243,191	3,101,384
Bank and other borrowings	15	16,201,657	15,688,767
Contract liabilities		3,224,973	4,947,106
		43,783,017	43,601,246

	Notes	2025	2024
		RMB'000	*RMB'000*
NET CURRENT LIABILITIES		(7,279,979)	(3,872,823)
TOTAL ASSETS LESS CURRENT LIABILITIES		(4,142,343)	(177,524)
NON-CURRENT LIABILITIES			
Deferred income tax liabilities		919,156	957,000
Bank and other borrowings	15	538,551	302,700
		1,457,707	1,259,700
NET LIABILITIES		(5,600,050)	(1,437,224)
CAPITAL AND RESERVES			
Share capital		139,632	139,632
Reserves		(5,326,506)	(2,697,418)
		(5,186,874)	(2,557,786)
Non-controlling interests		(413,176)	1,120,562
DEFICIENCY OF SHAREHOLDERS' EQUITY		(5,600,050)	(1,437,224)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. General

Redco Properties Group Limited (the "**Company**") was incorporated in the Cayman Islands on 14 July 2008 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

The Company acts as an investment holding company. The Company and its subsidiaries (the "**Group**") is mainly engaged in property development, property management services, property investment, project management services and healthcare services in the People's Republic of China (the "**PRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is different from the Company's functional currency of Hong Kong dollars ("**HK$**").

The English names of all the companies established in the PRC presented in the consolidated financial statements represent the best efforts made by the directors of the Company (the "**Directors**") for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. Basis of presentation of consolidated financial statements

(a) Going concern assessment

The directors of the Company (the "**Directors**") have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

For the year ended 31 December 2025, the Group incurred a net loss attributable to the owners of the Company of approximately RMB2,952,907,000 (2024: RMB2,759,631,000) and as of that date, the Group had net current liabilities of approximately RMB7,279,979,000 (2024: RMB3,872,823,000) and net deficiency of shareholders' equity attributable to the owners of the Company of approximately RMB5,186,874,000 (2024: RMB2,557,786,000). In addition, as at 31 December 2025, the Group's total bank and other borrowings amounted to approximately RMB16,740,208,000 (2024: RMB15,991,467,000) and out of which, an amount of the Group's bank and other borrowings of approximately RMB16,201,657,000 (2024: RMB15,688,767,000) would fall due and be repayable within one year, while its cash and cash equivalents amounted to approximately RMB198,511,000 (2024: RMB332,872,000) only. Further, as at 31 December 2025, the Group's bank and other borrowings amounted to approximately RMB16,177,903,000 (2024: RMB14,721,881,000) were defaulted and/or cross default due to overdue payment of principal and/or interest.

The conditions described above exist that may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of the aforementioned, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures (the "**Plans and Measures**") are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

(i) The Company has been in negotiation with the offshore creditors including but not limited to noteholders, banks and representatives of the banks that provided the syndicated loans, with the assistance of the financial adviser engaged by the Company, for the offshore debt restructuring plan (the "**Offshore Debt Restructuring Plan**") with a view to agreeing a practical and feasible holistic Offshore Debt Restructuring Plan in order to relieve the Group's liquidity pressure. This negotiation process is ongoing and the Company will use it best endeavour to procure the implementation of the Offshore Debt Restructuring Plan as soon as practicable.

(ii) During the year ended 31 December 2025, the Group has successfully extended certain onshore loans, with the longest extension up to the year 2028. The Company has continuously negotiated with onshore creditors of the Group's borrowings due to mature for renewal or extension as and when appropriate (the "**Onshore Debt Restructuring Plan**").

(iii) The Group remains committed to accelerating the sale of its existing property inventory and ensuring timely delivery. The pressure on delivery tasks has been substantially alleviated, providing a solid foundation for the Group's operational stability and sustainable business condition.

The Group has prioritised delivery development and continued to ensure the completing and delivery of its property development projects according to the schedule. In addition, the Group continues to enhance the payment collection progress from customers in respect of the property sales and pre-sales through closely following up with the customers and communicating and coordinating with banks for the timely grant of individual mortgage loans to the customers in accordance with the timeline of cash flow projections prepared by the management (the "**Project Selling Plan**");

The Directors have reviewed the Group's cash flow forecast prepared by management, which covers a period of at least twelve months from 31 December 2025. They are of the opinion that, taking into account and subject to the abovementioned Plans and Measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its Plans and Measures, which are subject to multiple uncertainties as described above. The Group's ability to continue as a going concern would depend on the successful execution and completion of the Offshore Debt Restructuring Plan, Onshore Debt Restructuring Plan and Project Selling Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. However, these Plans and Measures are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of the consolidated financial statements of the Group for extending the going concern assessment.

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

3. Application of new and amendments to HKFRS Accounting Standards

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

In the current year, the Group has applied the following amendments to an 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 consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the relevant amendments to the 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 the 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 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 HKAS 28	Sale or 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]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[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 for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18")

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting 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. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

4. Revenue and segment information

(A) Revenue

Revenue mainly comprises of proceeds from sales of properties, provision of property management services and community value-added services, project management services, hotel operations and management services and community healthcare services and also rental income from leasing of properties.

(a) Disaggregation of revenue from contracts with customers

(i) The Group derives revenue from transfer of goods and services by category of major product lines and business

	2025	**2024**
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of properties	1,935,900	7,740,723
Property management services and community value-added services	369,768	373,420
Project management services	—	291
Hotel income	73,178	60,976
Healthcare services	3,513	2,111
	2,382,359	8,177,521
Revenue from other sources		
Rental income	16,240	23,142
	2,398,599	8,200,663

(ii) The Group derives revenue from transfer of goods and services by timing of revenue recognition

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
– Recognised at a point in time	1,941,252	7,787,964
– Recognised over time	441,107	389,557
	2,382,359	8,177,521

(iii) The Group derives revenue from the transfer of goods and services by geographical markets

Details of the Group's revenue from the transfer of goods and services by geographical markets are set out in note 4(B) below.

(b) Contract balances

	Note	**As at 31 December**		**As at 1 January**
		2025	**2024**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Trade receivables	12	332,678	277,295	224,702
Less: Impairments		(58,751)	(51,141)	(49,192)
		273,927	226,154	175,510
Contract assets		611,643	617,955	623,000
Less: Impairments		(569)	(569)	(565)
		611,074	617,386	622,435
Contract liabilities		3,224,973	4,947,106	10,682,200

Information about the Group's trade receivables are set out in note 12.

(c) Performance obligations for contracts with customers and revenue recognition policies

The Group is mainly engaged in the property development, provision of property management services, property investment services, project management services and healthcare services in the PRC.

The Group's revenue mainly comprises of proceeds from sales of properties, provision of property management services and community value-added services, project management services, hotel operations and management services and community healthcare services and also rental income from leasing of properties.

The Group recognises revenue when the Group is entitled to the future economic benefits and that amount of revenue can be reliably measured, and when specific criteria have been met for each of the Group's activities.

The Group's performance obligations for contracts with customers and revenue recognition policy are as follows:

Revenue from contracts with customers

(i) Sales of properties

The Group develops and sells residential and commercial properties. Revenue is recognised when control over the property has been transferred to the customer, being at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. In most cases, the consideration is due when legal title has been transferred.

The Group receives payments from customers based on billing schedule as established in contracts. Certain payments are usually received in advance in pre-sales arrangement. Such proceeds from customers are recorded as contract liabilities before the relevant sales are recognised.

(ii) Provision of construction services and project management services

The Company provides construction services and project management services in property development projects contracted by government authorities and other third parties.

Revenue from providing these services is recognised in the accounting period in which the services are rendered as the Group's performance creates or enhances an asset or work in progress that the customer controls. This is determined based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In general, customers pay fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(iii) Property management services and community value-added services

(1) Property management services

Revenue from providing services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group.

The Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

The Group received property management services income, where the Group acts as a principal and is primary primarily responsible for providing the property management services to the property owners. Revenue relating to property management services are recognised as a performance obligation satisfied over time. The Group entitles to revenue at the value of property management services fee received or receivable and recognises all related property management costs as its cost of service.

(2) Community value-added services

Community value-added services mainly include (i) home-living services (including, among others, delivery of daily necessities, housekeeping and transportation services); (ii) intermediary services (including, among others, operating clubhouses, community communication channel, swimming pools, sport facilities, playgrounds and amusement centers) and (iii) property agency services (including, among others, property brokerage for second-hand properties and home renovation and decoration services), revenue is recognised over time when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customers.

(iv) Hotel operations and management services

Revenue from the provision of hotel operations and management services is recognised over the period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from food and beverage operations of hotels is recognised at the point in time when the control of food and beverage products is transferred to the customer, generally upon purchase of the food and beverage items by the customer.

(v) Community healthcare services

Online medical services consist primarily of online consultation services provided by the AI-assisted in-house medical team of the Group. Revenue from online medical services is recognised on a gross basis as the Group is regarded as the primary obligor as long as such services are provided by its own employees since the Group has the ability to determine the pricing of the services, nature of services and is responsible for providing the services by its employees. The Group offers service to corporate customers, including their customers and employees. Such services are recognised as a performance obligation satisfied over time.

The Group charges corporate customers on an annual basis at a fixed fee regardless of the usage of the services and overall headcount or based on a fixed fee per individual headcount per annum. The revenue of the online medical service is recognised over a period of time using the time-based method since the Group has the stand-ready performance obligation on a when-and-if-available basis to customers.

The Group also provides a range of diagnostic, medical and surgical treatment services at the clinics. Revenue from clinic services is recognised in the accounting period in which the related services are rendered and is recognised over a period of time using the time-based method since the Group has stand-ready performance obligation.

Revenue from other sources

(i) Rental income

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

Other income

(i) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(ii) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(iii) Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same period in which the expenses are incurred.

(d) Transaction price allocated to remaining performance obligation

The Group has applied practical expedient in paragraph 121 of HKFRS 15 *Revenue from Contracts with Customers*, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts.

(B) Segment information

The Directors have been identified as the CODM. Management determines the operating segments based on the Group's internal reports, which are submitted to the Directors for performance assessment and resources allocation.

For the year ended 31 December 2024, the Directors consider the business from a geographical perspective and assess the performance of property development in five reportable operating segments, namely Greater Western Taiwan Straits Economic Zone, Central and Western Regions, Bohai Economic Rim, Greater Bay Area and Others. The Group's construction and sea reclamation services are considered together with the property development segments and included in the relevant geographic operating segment. "Others" segment represents provision of design services to group companies, corporate support functions, property management services (services provided to both internal or external customers), project management services, healthcare services, rental income and investment holding business.

For the year ended 31 December 2025, in view of the Group's property management services business which was included under the "Others" segment for the year ended 31 December 2024 accounted for over 10% of total revenue and thus, the revenue and results attributable to the Group's property management services was separately presented as the "Property management service" segment and rhus, the "Others" segment represents healthcare services, rental income and development and maintenance of IT systems for property developers, provision of other IT-related services, investment holding business and others for the year ended 31 December 2025.

The accounting policies of the operating segments are the same as the Group's accounting policies.

The Directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of depreciation of property, plant and equipment, share of results of investments accounted for using the equity method, finance income, finance costs and income tax credit (expense). Other information provided, except as noted below, to the Directors is measured in a manner consistent with that in the consolidated financial statements.

Segment revenue, results, assets and liabilities

	Property development						
	Greater Western Taiwan Straits Economic Zone	**Central and Western Regions**	**Bohai Economic Rim**	**Greater Bay Area**	**Property management services**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025							
Segment revenue							
Revenue from contracts with customers							
– Recognised at a point in time	395,117	1,333,310	67,249	140,224	1,664	3,688	1,941,252
– Recognised over time	73,178	—	—	—	385,711	9,892	468,781
– Others	—	—	—	—	—	16,240	16,240
Less: Inter-segment revenue	—	—	—	—	(17,607)	(10,067)	(27,674)
Consolidated revenue from external customers	468,295	1,333,310	67,249	140,224	369,768	19,753	2,398,599
Segment results							
Segment results	(437,993)	(446,997)	(122,359)	(463,610)	6,111	(665,709)	(2,130,557)
Depreciation of property, plant and equipment	(32,834)	(483)	(380)	(41)	(3,604)	(10,962)	(48,304)
Operating losses (gains)	(470,827)	(447,480)	(122,739)	(463,651)	2,507	(676,671)	(2,178,861)
Share of results of investments accounted for using the equity method, net	(4,048)	5,958	(828)	(891)	249	(70)	370
Finance income	150	828	2,440	85	73	764	4,340
Finance costs	(57,789)	(154,199)	(297,840)	(91,450)	(560)	(871,907)	(1,473,745)
Income tax (expense) credit	(46,602)	(125,963)	(139,285)	10	(5,617)	33,443	(284,014)
Loss for the year	(579,116)	(720,856)	(558,252)	(555,897)	(3,348)	(1,514,441)	(3,931,910)

	Property development						
	Greater Western Taiwan Straits Economic Zone	Central and Western Regions	Bohai Economic Rim	Greater Bay Area	Property management services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Additions to:							
Property, plant and equipment	915	145	280	15	5,507	3,442	10,304
As at 31 December 2025							
Total segment liabilities	(7,134,413)	(10,070,017)	(8,748,889)	(4,877,140)	(264,420)	(14,145,845)	(45,240,724)
Total segment assets	10,255,600	9,871,462	6,757,713	3,772,799	387,337	8,593,589	39,638,500
Other unallocated corporate assets							2,174
Total consolidated assets							39,640,674
Including investments accounting for using the equity method	14,902	252,345	70,836	160,855	3,161	127,428	629,527

	Greater Western Taiwan Straits Economic Zone	Central and Western Regions	Bohai Economic Rim	Greater Bay Area	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Segment revenue						
Revenue from contracts with customers						
– Recognised at a point in time	1,900,022	4,049,563	754,741	1,046,089	37,549	7,787,964
– Recognised over time	40,995	20,716	—	—	372,685	434,396
– Others	—	—	—	—	23,142	23,142
Less: Inter-segment revenue	—	—	—	—	(44,839)	(44,839)
Consolidated revenue from external customers	1,941,017	4,070,279	754,741	1,046,089	388,537	8,200,663
Segment results						
Segment results	(481,193)	(1,460,428)	(614,809)	(948,527)	6,874	(3,498,083)
Depreciation of property, plant and equipment	(34,809)	(644)	(195)	(292)	(11,347)	(47,287)
Operating losses	(516,002)	(1,461,072)	(615,004)	(948,819)	(4,473)	(3,545,370)
Share of results of investments accounted for using the equity method, net	(1,252)	(11,496)	(2,100)	(7,395)	1,759	(20,484)
Finance income	1,539	1,972	412	521	1,248	5,692
Finance costs	(37,763)	(14,208)	(27,384)	(124,865)	(57,993)	(262,213)
Income tax credit (expense)	59,344	26,490	155,516	(62,484)	(44,757)	134,109
Loss for the year	(494,134)	(1,458,314)	(488,560)	(1,143,042)	(104,216)	(3,688,266)

	Greater Western Taiwan Straits Economic Zone	Central and Western Regions	Bohai Economic Rim	Greater Bay Area	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Additions to:						
Property, plant and equipment	36	—	2	—	13,477	13,515
Investments accounted for using the equity method	—	6,070	—	—	—	6,070
As at 31 December 2024						
Total segment liabilities	(8,166,846)	(10,018,355)	(9,053,192)	(4,637,367)	(12,985,186)	(44,860,946)
Total segment assets	11,181,158	11,637,819	7,034,287	4,795,755	8,772,480	43,421,499
Other unallocated corporate assets						2,223
Total consolidated assets						43,423,722
Including investments accounting for using the equity method	18,950	255,124	71,664	161,746	130,991	638,475

Geographical information

Revenue by geographical location is determined on the basis of the location of the sales of properties or services rendered. All of the Group's revenue were generated from the PRC.

Non-current assets, other than financial instruments, investments accounted for using the equity method and deferred income tax assets by geographical area are as follows:

	2025	**2024**
	RMB'000	*RMB'000*
PRC	1,543,187	1,953,256
Hong Kong	28,218	27,714
	1,571,405	1,980,970

Information about major customers

No revenue from transactions with a single external customer accounted for over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

5. Other income, gains and losses, net

	2025	**2024**
	RMB'000	*RMB'000*
Exchange gains and (losses), net	(41,788)	49,874
(Losses) gains on disposals of investments accounted for using the equity method	(320)	14,472
(Losses) gains on disposals of property, plant and equipment	(64)	1,748
Losses on disposals of subsidiaries	(14,525)	(160,276)
Impairment losses on property, plant and equipment	—	(43,360)
Others	6,336	5,050
	(50,361)	(132,492)

6. Impairment losses on financial assets and contract assets, net of reversal

	2025	2024
	RMB'000	*RMB'000*
Impairment losses recognised, net of reversal:		
– Trade and other receivables (note 12(d))	70,694	10,253
– Amounts due from non-controlling interests	283	(882)
– Amounts due from associates	(194)	915
– Amounts due from joint ventures	(3)	1,285
– Contract assets	—	4
	70,780	11,575

7. Finance income and costs, net

	2025	2024
	RMB'000	*RMB'000*
Finance income from banks	4,340	5,692
Finance costs on bank and other borrowings, including senior notes	2,627,440	1,511,265
Finance costs on loans from non-controlling interests	81,046	—
	2,708,486	1,511,265
Less: Amount capitalised in respect of qualifying assets	(1,234,741)	(1,249,052)
	1,473,745	262,213
Finance income and costs, net	(1,469,405)	(256,521)

8. Loss before income tax

Loss before income tax is arrived at after charging (crediting):

	2025	2024
	RMB'000	*RMB'000*
Staff costs (including directors' and chief executive's emoluments)		
– Salaries and allowances	219,425	283,436
– Sale commission and bonuses	7,702	10,919
– Retirement benefit costs	43,609	30,299
– Other staff welfare costs	19,673	43,660
	290,409	368,314
Less: Amount capitalised in respect of qualifying assets	(29,430)	(29,930)
	260,979	338,384
Auditor's remuneration		
– Audit services	3,250	3,558
– Non-audit services	339	338
	3,589	3,896
Depreciation of property, plant and equipment	48,304	47,287
Amortisation of intangible assets	9,084	9,980
Gross rental income from investment properties	12,218	23,754
Less: Outgoing in respect of investment properties that generated rental income during the year	(400)	(2,442)
	11,818	21,312
Cost of sales	3,795,727	10,902,079
Including impairment loss on completed properties held for sales and properties under development for sales	*808,406*	*2,774,120*
Operating lease payments	1,842	4,723

9. Income tax (expense) credit

	2025	2024
	RMB'000	*RMB'000*
Current tax:		
– PRC enterprise income tax	(28,323)	(58,261)
– PRC land appreciation tax	(174,349)	48,272
	(202,672)	(9,989)
Deferred taxation	(81,342)	144,098
	(284,014)	134,109

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax. The group companies in the British Virgin Islands ("**BVI**") were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

No provision has been made for Hong Kong profits tax as the companies in Hong Kong did not generate any assessable profits for the year ended 31 December 2025 (2024: nil).

Subsidiaries established and operating in the PRC are subject to PRC enterprise income tax at the rate of 25% for the year ended 31 December 2025 (2024: 25%).

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% (2024: 30% to 60%) on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

10. Dividends

The Board did not recommend the payment of a final dividend for the years ended 31 December 2025 and 31 December 2024, nor has any dividend been proposed since the end of the reporting period.

11. Loss per share

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

	2025	2024
	RMB'000	*RMB'000*
Loss figures are calculated as follows:		
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss for the year	(2,952,907)	(2,759,631)

	2025	2024
	(thousands of shares)	
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	3,551,609	3,551,609

No diluted earnings per share for both years were presented as there were no potential ordinary shares outstanding for both years.

12. Trade and other receivables and deposits

	Notes	**2025**	**2024**
		RMB'000	*RMB'000*
Trade receivables	(a)	332,678	277,295
Less: Impairments	(d)	(58,751)	(51,141)
		273,927	226,154
Other receivables comprise:	(b)		
– Interest receivables		11,900	12,183
– Others receivables		2,916,843	2,923,763
Deposits comprise:	(b)		
– Deposits with local real estate associations	(c)	22,910	65,970
– Deposits with labour department		4,728	5,077
– Deposits with treasury bureau		11,058	11,082
		2,967,439	3,018,075
Less: Impairments	(d)	(459,755)	(396,671)
		2,507,684	2,621,404
		2,781,611	2,847,558

Notes:

(a) Trade receivables

Trade receivables mainly arise from sales of properties and provision of property management services.

Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sale and purchase agreements. Credit terms are generally granted to certain customers and the customers are required to settle the receivables according to the sale and purchase agreements.

Property management services income are received in accordance with the terms of the relevant services agreements. Service income from provision of property management services is due for payment by the residents upon the issuance of demand note.

As at 31 December 2025, trade receivables from sales of properties of approximately RMB4,770,000 (2024: RMB8,416,000) are secured by the properties sold. The carrying amounts of trade receivables approximates their fair values and are interest-free.

The following is an ageing analysis of trade receivables presented based on revenue recognition date.

	2025	**2024**
	RMB'000	*RMB'000*
0 - 30 days	238,083	207,982
31 - 60 days	2,045	983
61 - 90 days	2,658	497
91 - 180 days	28,391	6,156
Over 180 days	61,501	61,677
	332,678	277,295

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9 *Financial Instruments*. A loss allowance of approximately RMB58,751,000 (2024: RMB51,141,000) as of 31 December 2025 mainly attributable to proceeds from property management services. The expected losses rate on the proceeds from sales of property is minimal, given there is no history of significant defaults from customers and insignificant impact from forward-looking estimates.

(b) Other receivables and deposits

The carrying amounts of other receivables and deposits approximate their fair values and are unsecured, interest-free and repayable on demand, except for RMB100,961,000 (2024: RMB104,746,000), net of allowance of RMB72,109,000 (2024: RMB76,003,000) which bear interests of 4.8% to 15.0% (2024:4.8% to 15.0%) per annum.

(c) Deposits with local real estate associations

The deposits with local real estate associations mainly included deposits made to PRC government bodies for future land development and site clearing for the listing-for-sale or in connection with the retention of the quality for properties construction as required by the relevant regulations in respect of the Group's property development projects.

(d) Impairments of trade and other receivables and deposits

Movements on the provision for impairments for trade and other receivables and deposits are as follows:

	Trade receivables *RMB'000*	**Other receivables and deposits** *RMB'000*	**Total** *RMB'000*
Opening loss allowance as at 1 January 2024	49,192	388,367	437,559
Impairment loss recognised in profit or loss	1,949	8,304	10,253
Closing loss allowance as at 31 December 2024	51,141	396,671	447,812
Impairment loss recognised in profit or loss	7,610	63,084	70,694
Closing loss allowance as at 31 December 2025	58,751	459,755	518,506

(e) Others

The carrying amounts of the Group's trade and other receivables and deposits are denominated in the following currencies:

	2025	2024
	RMB'000	*RMB'000*
RMB	1,292,092	1,367,754
HK$	356,583	365,022
US$	1,132,936	1,114,782
	2,781,611	2,847,558

13. Prepayments

	2025	2024
	RMB'000	*RMB'000*
Prepayments comprise:		
– Prepaid other taxes	1,275,316	1,275,113
– Prepayments for construction costs	83,841	70,723
	1,359,157	1,345,836

14. Trade and other payables

	Notes	**2025**	**2024**
		RMB'000	*RMB'000*
Trade payables	(a)	6,240,314	7,362,621
Accruals and other payables		5,533,447	4,797,843
Amounts due to shareholders	(b)	86,706	87,911
Other taxes payables		977,833	715,508
Dividend payables		4,707	4,819
Accrued salaries		24,822	16,755
Interest payables		2,349,893	1,228,446
Rental deposits received		4,517	6,813
		15,222,239	14,220,716

Notes:

(a) Trade payables

As at 1 January 2024, trade payable amounted to approximately RMB5,718,748.

The ageing analysis of the trade payables based on invoice date was as follows:

	2025	**2024**
	RMB'000	*RMB'000*
0 - 30 days	4,679,469	5,942,791
31 - 60 days	14,158	111,405
61 - 90 days	7,522	9,371
Over 91 days	1,539,165	1,299,054
	6,240,314	7,362,621

The carrying amounts of the Group's trade payables approximate their fair values due to their short maturities.

(b) Amounts due to shareholders

As at 31 December 2025 and 31 December 2024, the amounts due to shareholders are interest-free, unsecured and repayable within 1 year with repayment on demand clause.

(c) Others

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025	**2024**
	RMB'000	*RMB'000*
RMB	13,680,625	11,274,425
US$	239,997	276,048
HK$	1,301,617	2,670,243
	15,222,239	14,220,716

15. Bank and other borrowings

	Note	2025	2024
		RMB'000	*RMB'000*
Bank and other borrowings comprise:			
– Senior notes, including accrued interests	(a)	9,003,937	8,138,211
– Bank borrowings	(b)	7,736,271	7,853,256
		16,740,208	15,991,467
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements			
Within one year or demand		16,195,521	15,681,357
More than one year, but not more than two years		450,278	300,235
More than two years, but not more than five years		93,182	7,405
More than five years		1,227	2,470
		16,740,208	15,991,467
The carrying amounts of bank and other borrowings that based on scheduled repayment date and/or become immediately due and payable due to breach of loan covenants and/or contain a repayment on demand clause which was shown under current liabilities		(16,201,657)	(15,688,767)
Amounts shown under non-current liabilities		538,551	302,700
Analysed as:			
– Fixed-rates bank and other borrowings		11,534,594	10,698,514
– Variable-rates bank and other borrowings		5,205,614	5,292,953
		16,740,208	15,991,467
Analysed as:			
– Secured	(c)	16,734,518	15,987,547
– Unsecured		5,690	3,920
		16,740,208	15,991,467

Notes:

(a) Senior notes

The Group has issued the following senior notes which are listed in Singapore Exchange Securities Trading Limited:

Senior note	Interest rate	Issue date	Maturity date	Outstanding Principal Amounts in Original Currencies	Outstanding balance	
					2025	2024
					RMB'000	*RMB'000*
13% Senior Note due 2023	13%	27 March 2020	27 May 2023	US$680,000	7,022	6,159
11% Senior Note due 2022	11%	6 August 2020	6 August 2022	US$9,901,000	98,980	82,212
9.9% Senior Note due 2024	9.90%	17 November 2020	17 February 2024	US$251,763,000	2,453,996	2,312,780
10.5% Senior Note due 2023	10.50%	6 July 2021	5 January 2023	RMB557,000,000	760,817	645,605
8% Senior Note due 2023	8%	25 March 2022	23 March 2023	US$163,661,144	1,502,362	1,367,650
13% Senior Note due 2023	13%	8 April 2022	7 April 2023	US$135,302,096	1,416,848	1,208,833
11% Senior Note due 2023	11%	8 April 2022	6 August 2023	US$249,173,600	2,478,702	2,256,255
11% Senior Note due 2023 II	11%	6 August 2022	6 August 2023	US$29,450,000	285,210	258,717
Total					9,003,937	8,138,211

The interest of these senior notes is payable semi-annually in arrears.

The Group's senior notes as at 31 December 2025 totalling approximately RMB9,003,937,000 (2024: RMB8,138,211,000) are guaranteed by the Company and secured by the Group's equity interests in certain subsidiaries, and subject to the fulfilment of covenants relating to certain of the Group's financial indicators. The Group regularly monitors its compliance with these covenants.

Default of senior notes

As at 31 December 2025, the Group did not repay a senior note at carrying value and interests of approximately RMB9,003,937,000 (2024: RMB8,138,211,000) ("**Overdue Senior Note**") in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Senior Note, the Overdue Senior Note would be immediately due and payable upon the written request by note holders holding the requisite percentage in aggregate principal amount of the Overdue Senior Note.

(b) Bank borrowings

As at 31 December 2025, the Group's bank borrowings of approximately RMB4,925,709,000 (2024: RMB4,914,230,000), were secured by certain properties under development for sales with the carrying amount of approximately RMB3,256,441,000 (2024: RMB3,840,609,000), property, plant and equipment of approximately RMB390,422,000 (2024: RMB368,393,000) and investment properties of approximately RMB181,315,400 (2024: RMB226,339,000). The Group's bank borrowings of approximately RMB5,634,419,000 (2024: RMB5,489,607,000) were guaranteed by the Company and secured by the Group's equity interests in certain subsidiaries and associates and, assignment of insurance policy.

Bank borrowings bear interest from 3.20% to 24.00% (2024: 3.44% to 24.00%) per annum.

The carrying amounts of the Group's bank borrowings approximate their fair values as the impact of discounting is not significant or the borrowings carry floating rate of interests that are at market rate.

Default of bank borrowings

As at 31 December 2025, the Group did not repay certain bank borrowings at an aggregate carrying value and interests of approximately RMB4,709,936,000 (2024: RMB3,497,084,000) ("**Overdue Borrowings**") in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders.

Other than the Overdue Borrowings, as at 31 December 2025, RMB2,464,030,000 (2024: RMB3,086,586,000) of the Group's bank borrowings at an aggregate carrying value and interests ("**Cross-default Borrowings**") contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders.

(c) Secured bank and other borrowings

As at 31 December 2025, the Group's bank and other borrowings were secured by certain property, plant and equipment, investment properties and properties under development for sales amounted to approximately RMB390,422,000, RMB181,315,400 and RMB3,256,441,000 (2024: RMB368,393,000, RMB226,339,000 and RMB3,840,609,000), respectively and were also guaranteed by the Company and secured by the Group's equity interests in certain subsidiaries and associates.

(d) Others

The Group's bank and other borrowings are denominated in the following currencies:

	2025	**2024**
	RMB'000	*RMB'000*
US$	9,423,193	8,697,749
RMB	6,353,458	6,316,834
HK$	963,557	976,884
	16,740,208	15,991,467

16. Related parties transactions

An analysis of the amounts due to (from) Redco Healthy Group, other than trade payables, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Amounts due to Redco Healthy Group (other than trade payables)	69,815	66,345
Amounts due from Redco Healthy Group (other than trade payables)	(5,128)	(3,687)
Amounts due to Redco Healthy Group (other than trade payables)	64,687	62,658

All these balances were eliminated in the consolidated financial statements of the Company.

17 Receivership

Receivership over Redco Healthy Group

Pursuant to the Company's announcement date 2 January 2026, on 31 December 2025, the Company received a letter (the "**Letter**") from Mr. Lai Wing Lun who referred himself as a joint and several receiver and manager of 150,000,000 shares (the "**Charged Shares**"), representing 75% of the total issued shares, of Redco Healthy, a 75% owned subsidiary of the Company. Mr. Osman Mohammed Arab and Mr. Lai Wing Lun were appointed as the joint and several receivers and managers (the "**Receivers**") of the Charged Shares on 25 December 2025 (the "**Appointment**") (the "**Receivership**").

The Letter stated that, in consideration of a facility provided under a US$150,000,000 facility agreement dated 17 September 2021 entered into between the Company as borrower and Standard Chartered Bank (Hong Kong) Limited ("**SCB**") as agent and as amended and restated pursuant to a supplemental agreement dated 23 March 2022 and entered into between the Company as borrower and SCB as facility agent and the security agent (the "**Facility**"), a deed of share security was entered into between Top Glory International Holdings Limited ("**Top Glory**"), a wholly-owned subsidiary of the Company and a controlling shareholder of Redco Healthy, as chargor and SCB as security agent (the "**Security Deed**") under the Facility, where Top Glory charged, amongst others, the Charged Shares in favour of SCB.

The Letter further stated that, subsequently, SCB assigned, amongst others, all the rights and interests as lender under the Facility and the Security Deed to Haitong International Capital (HK) Limited and pursuant to such assignment, R&O Trust and Agency (HK) Limited ("**R&O**") was appointed as facility and security agents, and subsequently China Billion International Limited (the "**Lender**") has, by an assignment agreement dated 22 December 2025, became the sole lender under the Facility and the Security Deed.

The Receivers were advised by the Lender that an event of default under the Facility (an "**Event of Default**") has occurred and such default is still continuing. Upon the occurrence of an Event of Default, the security provided under the Security Deed has become immediately enforceable, and R&O as the current facility and security agent is entitled to exercise, and has exercised, the power(s) conferred by the Security Deed, including but not limited to the power to appoint the Receivers over the Charged Shares.

According to the Letter, by virtue of the Appointment, the Receivers are entitled to exercise all powers under the Security Deed, inter alia, (1) the right to take over the Charged Shares, (2) the right to cause the Charged Shares to be registered in the name of the Receivers and/or any nominee(s) as they think fit in order to secure the control over the Charged Shares, (3) the right to receive dividend from the Charged Shares, and (4) the right to sell the Charged Shares.

Details of the above are set out in the Company's announcement dated 2 January 2026.

Nevertheless, the Appointment of the Receivers, the management of the Company is continuously and is actively negotiating with the Lender for a settlement or repayment plan and exploring to satisfy the outstanding amount.

The management of the Company is continuously assessing the legal, financial and operational impacts of the actions to be taken by the Lender as stated in the Letter and the appointment of Receivers over Redco Healthy. The Board will closely monitor the development of the abovementioned matters.

18. Events after the reporting period

Disposal of assets for settlement of liabilities

Pursuant to the Company's announcement dated 16 January 2026, the Company entered into the Debts Settlement Framework Agreement with Redco Healthy (a 75%-owned subsidiary of the Group), pursuant to which it was conditionally agreed that the Group shall dispose the Assets to Redco Healthy (the "**Assets Transfer**") at an aggregate consideration of RMB159,123,000.

The consideration for the Assets Transfer receivable by the Group shall be offset against the outstanding Refundable Deposits in the amount of approximately RMB68 million and service fees payables to Redco Healthy Group from the Group, up to aggregate amount of RMB159,123,000 on a dollar-to-dollar basis, and thus no cash payment will be made by Redco Healthy Group to the Group for the purpose of the Assets Transfer.

Details of the above are set out in the Company's announcement dated 16 January 2026.

BUSINESS OVERVIEW

In 2025, the global economy continued its arduous recovery amidst a complex and volatile environment. Intertwined factors such as persistent geopolitical conflicts, prevailing trade protectionism, profound restructuring of global industrial chains, and fluctuations in energy and commodity prices continued to constrain global economic growth. Uncertainty surrounding economic policies and the external environment posed ongoing challenges to the stable operation of the world economy.

Against this complex backdrop, China's economy demonstrated strong resilience and steady vitality, with the annual gross domestic product reaching RMB140,187.9 billion, representing a year-on-year increase of 5.0%. The accelerated development of new productive forces, coupled with the synergistic effects of consumption, investment and exports, collectively supported the nation's sustained economic recovery. Meanwhile, the domestic economy still faces structural challenges and periodic pressures. Persistent issues such as supply - demand imbalances in certain industries, relatively weak market sentiment and insufficient investment momentum require continued efforts to resolve.

In 2025, the real estate market exhibited a complex state of “structural divergence and expectation reshaping”. Annual sales floor area reached 890 million square meters, with the sales value amounting to RMB8.4 trillion, representing year-on-year decreases of 9% and 13%, respectively. Central and local governments rolled out a series of policy packages, including reducing down payment ratios and interest rates, relaxing purchase restrictions and revising standards for ordinary residential properties, in an effort to stabilise market expectations. Market sentiment in key cities showed initial signs of recovery, inventory reduction for commercial housing achieved phased results and risk resolution for real estate enterprises progressed steadily. However, the industry as a whole remains in a period of profound transformation, with significant tasks ahead, including rebuilding market confidence, reshaping development models, and preventing and mitigating risks.

Facing the challenging industry landscape and market pressures, the Group consistently adhered to the principle of prioritising stability, making delivery guarantees and risk prevention the core priorities for the year. In 2025, the Group successfully completed project deliveries in several cities across the country, including Lu’an, Zhangjiagang, Nantong, etc., effectively fulfilling its corporate responsibilities and safeguarding owners’ interests. In response to market changes, the Group proactively optimised its business structure, continuously strengthened full-process cost control and enhanced lean operational management. Besides, the Group rigorously managed operational risks, improved capital allocation and utilization efficiency and steadily strengthened cash flow security and risk resilience, laying a solid foundation for the Group’s stable and healthy development.

PROPERTY DEVELOPMENT AND INVESTMENT PROJECTS

As at 31 December 2025, the Group's property portfolio comprised 48 property development and investment projects with an aggregate gross floor area ("**GFA**") of 8,051,761 sq. m. under various stages of development remaining unsold in various cities in the People's Republic of China (the "**PRC**"). The following table sets forth a summary of the Group's property development and investment projects as at 31 December 2025:

Project	**Site Area** [(1)] **(sq.m.)**	**Total GFA** [(2)] **(sq.m.)**	**Total GFA under various stages of development remaining unsold** [(3)] **(sq.m.)**
Jiangxi Region 江西區域	518,179	1,483,281	789,222
Tian Jian Region 天津區域	550,730	1,501,362	689,058
Hunan Region 湖南區域	328,417	1,265,179	1,044,502
Zhejiang Region 浙江區域	148,843	508,597	228,243
Jiangsu Region 江蘇區域	448,028	1,109,128	820,630
Shandong Region 山東區域	1,092,904	3,087,820	2,034,047

Project	Site Area [1] (sq.m.)	Total GFA [2] (sq.m.)	Total GFA under various stages of development remaining unsold [3] (sq.m.)
Anhui Region 安徽區域	270,467	669,202	321,426
Hubei Region 湖北區域	100,411	112,217	80,416
Guangdong Region 廣東區域	609,612	1,981,733	1,645,468
Fujian Region 福建區域	154,359	473,505	398,749
TOTAL	4,221,950	12,192,024	8,051,761

1. Information for "site area" is based on relevant land use rights certificates, land grant contracts, tender documents, or other relevant agreements (as the case may be).

2. "Total GFA" is based on surveying reports, construction works commencement permits and/or construction works planning permits or the relevant land grant contract and/or public tender, listing-for-sale or auction confirmation letter.

3. "Total GFA under various stages of development remaining unsold" includes the GFA of the completed projects remaining unsold, GFA of projects under development and the GFA of projects for future development.

Financial Review

Revenue

Revenue for the year ended 31 December 2025 decreased by 70.8% to approximately RMB2,398.6 million from approximately RMB8,200.7 million for the year ended 31 December 2024. The decrease in total revenue was attributable to the decrease in the GFA delivered.

The following table sets out a breakdown of the Group's revenue, GFA delivered and recognised average selling price (the "**ASP**") by geographical segments for the years indicated:

	For the year ended 31 December					
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	Revenue (RMB'000)		*GFA Delivered (sq. m.)*		*Recognised ASP (RMB per sq. m.)*	
Greater Western Taiwan Straits Economic Zone	**395,117**	1,890,807	**37,788**	197,019	**10,456**	9,597
Central and Western Regions	**1,333,310**	4,049,563	**151,848**	399,461	**8,781**	10,138
Bohai Economic Rim	**67,249**	754,278	**16,118**	109,104	**4,172**	6,913
Greater Bay Area	**140,224**	1,046,075	**15,448**	117,420	**9,077**	8,909
Others						
– Property management services and community value-added services	**369,768**	373,420	**–**	–	**–**	–
– Project management services	**–**	291	**–**	–	**–**	–
– Rental income	**16,240**	23,142	**–**	–	**–**	–
– Others	**76,691**	63,087	**–**	–	**–**	–
Total	**2,398,599**	8,200,663	**221,202**	823,004	**8,752**	9,405

The decrease in property sales income was attributable to the product mix difference of different projects. Total GFA delivered decreased by 73.1% from 823,004 sq.m. for the year ended 31 December 2024 to 221,202 sq.m. for the year ended 31 December 2025. The recognised ASP also decreased from RMB9,405 per sq.m. for the year ended 31 December 2024 to RMB8,752 per sq.m. for the year ended 31 December 2025.

Others mainly represent revenue from property management services, value-added services and community value-added services provided by Redco Healthy, a subsidiary of the Company. The project management services income mainly refers to the income from the provision of management and consultancy services to project companies.

Gross loss

Gross loss decreased by 48.3% to approximately RM1,397.1 million for the year ended 31 December 2025 from approximately RMB2,701.4 million for the year ended 31 December 2024. The Group recorded a gross loss margin of 58.25% for the year ended 31 December 2025 (2024: 32.94%). The gross loss was mainly attributable to the unfavorable macroeconomic environment and the downturn of the real estate industry in the PRC, leading to low or negative gross profit margin for projects completed and/or delivered. During the year ended 31 December 2025, the number of delivered projects with negative gross profit margins increased compared to the year ended 31 December 2024, resulting in a corresponding reduction in gross loss.

Other income, gains and losses, net

Other net losses decreased by 62.0% to RMB50.4 million for the year ended 31 December 2025, compared to RMB132.5 million for the year ended 31 December 2024. This decrease was primarily due to decrease in the losses on the disposal of subsidiaries by RMB145.7 million and impairment losses of property, plant and equipment by RMB43.3 million, countered by increase in the exchange losses resulting from the depreciation of the USD and RMB against the HKD during the year ended 31 December 2025.

Selling and marketing expenses

Selling and marketing expenses decreased by 48.2% to approximately RMB103.9 million for the year ended 31 December 2025, compared with approximately RMB200.7 million for the year ended 31 December 2024. These expenses primarily comprised costs related to the promotion of the Group's properties and sales commissions paid to the sales teams. The decline was mainly attributable to the Group's stringent control over marketing expenditures and the decrease in contract sales during the year ended 31 December 2025.

General and administrative expenses

General and administrative expenses decreased by 4.1% to approximately RMB361.7 million for the year ended 31 December 2025, compared with approximately RMB377.2 million for the year ended 31 December 2024. These expenses mainly comprised staff salaries and benefits for administrative personnel, office and professional service fees, as well as other general corporate expenses. The decrease was primarily attributable to the Group's stringent cost control measures and the management structure implemented during the year ended 31 December 2025.

Decrease in fair value of investment properties

The decrease in fair value of investment increased by 59.9% to approximately RMB195.0 million for the year ended 31 December 2025, compared with approximately RMB122.0 million for the year ended 31 December 2024.

The increase in the decrease in the fair value of investment properties was mainly attributable to the continued downturn in the property market, particularly in regions where the Group's investment properties are located, resulting in lower market valuations. The revaluation adjustment reflected declines in average selling prices and rental yields, as well as revised assumptions adopted by the independent valuers during the year ended 31 December 2025.

Impairment losses on financial assets, net of reversal

Impairment losses on financial assets, net of reversal, increased from approximately RMB11.6 million for the year ended 31 December 2024 to approximately RMB70.8 million for the year ended 31 December 2025. The increase was primarily attributable to higher impairment provisions recognised for trade and other receivables, reflecting the increased credit risk and reduced recoverability of certain outstanding balances amid a more challenging business and market environment during the year.

Finance costs

Finance costs increased by 462.1% to approximately RMB1,473.7 million for the year ended 31 December 2025 from approximately RMB262.2 million for the year ended 31 December 2024. Such increase was mainly due to the increase in interest expense which was not eligible to be capitalised to projects under development.

Share of loss of investments accounted for using the equity method, net

The Group recorded net income from investments accounted for using the equity method of approximately RMB0.4 million for the year ended 31 December 2025, as compared with a net loss of approximately RMB20.5 million for the year ended 31 December 2024. The turnaround from loss to income was primarily attributable to the Group's share of profits from certain joint ventures during the year ended 31 December 2025, whereas the joint ventures and associates recorded net operating losses in the year ended 31 December 2024.

Income tax (expense) credit

Income tax changed from an income tax credit of approximately RMB134.1 million for the year ended 31 December 2024 to an income tax expense of approximately RMB284.0 million for the year ended 31 December 2025. The change from a credit to an expense was mainly attributable to two factors. Firstly, certain project companies within the Group continued to incur significant losses. Based on the latest business forecasts and financial projections, the management determined that it is no longer probable that sufficient future taxable profits will be available to utilise the deferred tax assets previously recognised in respect of deductible temporary differences arising from the impairment of inventories. Accordingly, these deferred tax assets were written off during the year ended 31 December 2025, resulting in a corresponding charge to the consolidated statement of profit or loss. Secondly, the increase in land appreciation tax by RMB222.6 million for the year ended 31 December 2025 was attributable to an additional charge of land appreciation tax arising from the finalisation of selling prices for certain property projects.

Loss for the year

The Group recorded a total loss for the year of approximately RMB3,931.9 million for the year ended 31 December 2025 (2024: RMB3,688.3 million), representing an increase of approximately RMB243.6 million compared with the previous year. The increase in loss was mainly attributable to a substantial decline in revenue to approximately RMB2,398.6 million (2024: RMB8,200.7 million), primarily resulting from lower property sales and the timing of project completions and deliveries during the year. In addition, finance costs rose significantly to approximately RMB1,473.7 million (2024: RMB262.2 million), reflecting higher average borrowings and interest expenses. Fair value losses on investment properties and impairment losses on financial and contract assets also contributed to the total loss. These adverse impacts were partly offset by reductions in selling, marketing, and administrative expenses due to the Group's ongoing cost-control initiatives. Nevertheless, after taking into account the derecognition of deferred tax assets related to the impairment of inventories and the reversal of a prior-year over-provision for land appreciation tax, the Group's total loss for the year ended 31 December 2025 increased to RMB3,931.9 million.

Loss for the year attributable to owners of the Company

The loss for the year attributable to owners of the Company amounted to approximately RMB2,952.9 million for the year ended 31 December 2025 (2024: RMB2,759.6 million). As discussed under *"Loss for the year"* above, the increase in loss was mainly due to lower recognised revenue from property sales, higher finance costs, and continued fair value and impairment losses, partially offset by reduced operating expenses resulting from the Group's ongoing cost-control initiatives.

Liquidity and Capital Resources

Cash Position

The Group had cash and cash equivalents of approximately RMB198.5 million (31 December 2024: RMB332.9 million) and restricted cash of RMB369.7 million (31 December 2024: RMB478.5 million) as at 31 December 2025. As at 31 December 2025, the Group's cash and cash equivalents were mainly denominated in RMB.

Borrowings

As at 31 December 2025, the Group had borrowings of approximately RMB16,740.2 million (31 December 2024: RMB15,991.5 million) which were denominated in RMB, US$ and HK$.

	As at 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
Bank and other borrowings comprise:		
– Senior notes, including accrued interests	**9,003,937**	8,138,211
– Bank borrowings	**7,736,271**	7,853,256
	16,740,208	15,991,467
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements		
Within one year or demand	**16,195,521**	15,681,357
More than one year, but not more than two years	**450,278**	300,235
More than two years, but not more than five years	**93,182**	7,405
More than five years	**1,227**	2,470
	16,740,208	15,991,467
The carrying amounts of bank and other borrowings that based on scheduled repayment dates and/or become immediately due and payable due to breach of loan covenants and/or contain a repayment on demand clause which was shown under current liabilities	**(16,201,657)**	(15,688,767)
Amounts shown under non-current liabilities	**538,551**	302,700
Analysed as:		
– Fixed-rates bank and other borrowings	**11,534,594**	10,698,514
– Variable-rates bank and other borrowings	**5,205,614**	5,292,953
	16,740,208	15,991,467
Analysed as:		
– Secured	**16,734,518**	15,987,547
– Unsecured	**5,690**	3,920
	16,740,208	15,991,467

The amounts based on the scheduled repayment dates set out in the loan agreements and the maturities of the Group's total borrowings at the respective balance sheet dates (i.e. ignoring the effect of any repayment on demand clause) are shown below:

	As at 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
Amounts of borrowings that are repayable:		
– Within 1 year	**16,195,521**	15,681,357
– Between 1 and 2 years	**450,278**	300,235
– Between 2 and 5 years	**93,182**	7,405
– More than 5 years	**1,227**	2,470
Total borrowings	**16,740,208**	15,991,467

The carrying amounts of the Group's bank borrowings approximate their fair values as the impact of discounting is not significant or the borrowings carrying floating rate of interests that are at market rate.

Other performance indicators

Gearing ratio

As at 31 December 2025, the Group's gearing ratio was -288.8% (31 December 2024: -1,056%). It is calculated as net debt divided by total deficiency. Net debt is calculated as total borrowing less cash and bank balance (including cash and cash equivalents and restricted cash). Total deficiency/equity is as shown in the consolidated balance sheet.

Net current liabilities/assets and current ratio

As at 31 December 2025, the Group's net current liabilities amounted to approximately RMB7,280.0 million (31 December 2024: RMB3,872.8 million). The Group's current ratio, which is calculated as current assets divided by current liabilities, was approximately 0.83 times as at 31 December 2025 (31 December 2024: 0.91 times).

Financial guarantees

The Group had the following financial guarantees on mortgage facilities as at the dates below:

	As at 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**6,123,372**	9,313,630

(a) Guarantees on mortgage facilities

The Group had the following financial guarantees on mortgage facilities at the end of each of the following reporting periods:

	2025	**2024**
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**6,123,372**	9,313,630

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchases for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of six months to three years from the completion of the guarantee registration; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The Directors consider that the carrying values of the financial guarantees are immaterial.

(b) Corporate guarantees provided by the Group's subsidiaries

As at 31 December 2025 and 31 December 2024, there are certain corporate guarantees provided by the Group's subsidiaries for each other in favour of the relevant lenders in respect of their borrowings. The Directors consider that the subsidiaries are sufficiently financially resourced to settle their obligations.

(c) Corporate guarantees provided by the Group's joint ventures and associates

The Group provided certain joint ventures and associates with guarantees in respect of their borrowings in favour of the relevant lenders. As at 31 December 2025, the amount of the guarantees utilised by such borrowings drawn down was approximately RMB1,293,920,000 (2024: RMB1,322,930,000).

(d) Others

As at 31 December 2025, the Company provided a third party with guarantee in respect of its borrowing amounting to US$75,000,000 (equivalent to approximately RMB536,888,000) (31 December 2024: US$75,000,000 (equivalent to approximately RMB539,130,000)). The maximum guarantee exposure refers to the total liability that would arise if all borrowers covered by financial guarantee contracts were to default. At 31 December 2025 and 31 December 2024, with reference to valuation carried out by the independent qualified professional valuer, the Directors have performed assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts and thus, no loss allowance was recognised in the profit or loss during the both years.

The Company provided a guarantee of US$11.8 million (equivalent to RMB84,465,000) to an independent third party. With reference to valuation carried out by an independent qualified professional valuer, the Directors of the Company are of the opinion that the fair value of this guarantee as at dates of initial recognition and the end of the reporting period were considered insignificant.

Save as disclosed above, the Group and the Company had no other significant financial guarantees as at 31 December 2025 and 31 December 2024.

Employees and remuneration policies

As at 31 December 2025, the Group had 1,857 employees (31 December 2024: 2,266 employees). For the year ended 31 December 2025, the remuneration of the Group's employees (including Directors' emoluments) amounted to approximately RMB290.4 million. The remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits. The Group's remuneration policy for the Directors and senior management members was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The Group provided on-the-job training, induction courses together with other training programmes for the employees at different levels to raise their professionalism during the year ended 31 December 2025.

Charge on assets

As at 31 December 2025, the borrowings of the Group were secured by (i) corporate guarantees of the Company; (ii) certain land and properties under development for sale provided by the Group's subsidiaries; (iii) an investment property; and (iv) the Group's equity interests in certain subsidiaries.

The Group's senior notes are guaranteed by certain subsidiaries of the Company which are located in the PRC and secured by shares of certain subsidiaries of the Company which are incorporated outside the PRC.

Significant investments held, material acquisitions and disposals of subsidiaries and associated companies

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2025.

Future plans for material investments or capital assets

The Company did not have any plans of significant investments or capital assets as at 31 December 2025.

Important events affecting the Group after 31 December 2025

Disposal of assets for settlement of liabilities

As disclosed in the Company's announcement dated 16 January 2026, the Company entered into the Debts Settlement Framework Agreement with Redco Healthy (a 75%-owned subsidiary of the Group), pursuant to which it was conditionally agreed that the Group shall dispose the Assets to Redco Healthy (the "**Assets Transfer**") at an aggregate consideration of RMB159,123,000.

The consideration for the Assets Transfer receivable by the Group shall be offset against the outstanding Refundable Deposits in the amount of approximately RMB68 million and service fees payables to Redco Healthy Group from the Group, up to aggregate amount of RMB159,123,000 on a dollar-to-dollar basis, and thus no cash payment will be made by Redco Healthy Group to the Group for the purpose of the Assets Transfer.

Details of the above are set out in the Company's announcement dated 16 January 2026.

Since 31 December 2025 and up to the date of this announcement, the downturn in the real estate industry in the PRC has had an impact on the Group's going concern assessment as detailed in the note 2 to the consolidated financial statements contained in this announcement.

Save as disclosed above, no other important event affecting the Group has taken place since 31 December 2025 and up to the date of this announcement.

2026 OUTLOOK

The global economic recovery is expected to remain tortuous and volatile. External uncertainties, such as geopolitical conflicts and trade frictions, may continue to exert spillover effects on China's economy and the real estate sector. The Chinese economy will persist in pursuing high-quality development, accelerate the cultivation of new productive forces and promote the optimisation and upgrading of its industrial structure. With the advancement of urbanisation and the enhancement of urban functions, the potential of market demand will gradually be unleashed, providing support for the industry to stabilise and bottom out.

The real estate industry is progressively transitioning towards a new equilibrium. Guided by the overarching objective of "stabilising investment, stimulating consumption and preventing risks", the industry is expected to experience a moderate recovery, moving towards stabilisation, quality enhancement and transformative development. Looking ahead, "strictly controlling new supply, optimising existing stock and improving quality" will become the industry's prevailing themes. Primary housing demand and demand for improved housing will remain the core pillars of the market. On the supply side, greater emphasis will be placed on enhancing product strength, service capabilities and operational expertise, as the industry's new development model transitions towards a more robust and sustainable direction.

In close alignment with the central government's overall requirement to "continuously exert efforts to stabilise the real estate market and establish a new development model", the Group will closely monitor policy directions and market dynamics, accurately assess industry trends, review its strategic positioning, continuously strengthen its risk prevention and control system and consolidate its lean management capabilities. Meanwhile, the Group will remain unwavering in its commitment to ensuring delivery, quality and the wellbeing of homeowners, responding to market changes with a prudent and steady approach. The Group will strengthen its confidence in development, adhere to bottom-line thinking, gather strength amidst adjustments and forge ahead with perseverance. With the spirit of pioneering, the drive for innovation and a pragmatic work ethic, the Group will break new ground through solid action and lay a sturdy foundation for progress, collectively embarking on a new chapter of development.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders of the Company (the "**Shareholder(s)**") who are entitled to attend and vote at the annual general meeting of the Company for the year ended 31 December 2025 (the "**2025 AGM**") to be convened and held on Friday, 26 June 2026, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive. Shareholders whose names appear on the register of members on Friday, 26 June 2026 (i.e. the record date) will be entitled to attend and vote at the 2025 AGM. In order to qualify for attending and voting at the 2025 AGM, all transfer documents should be lodged for registration with Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22 June 2026.

CORPORATE GOVERNANCE CODE

The Company has applied the principles of corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 (the "**CG Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the year ended 31 December 2025.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and improving a high standard of corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding Directors' securities transactions. Upon specific enquiries, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") which comprises three independent non-executive Directors, namely, Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him, with Mr. Yip Tai Him being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results for the year ended 31 December 2025.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, ZSZH (HK) Fuson CPA Limited ("**ZSZH Hong Kong**") (formerly Known as SFAI (HK) CPA Limited), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZSZH Hong Kong in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZSZH Hong Kong on the preliminary announcement.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

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

Disclaimer of opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to form an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Scope of limitation relating to appropriateness of the going concern basis of accounting

As described in note 2 to the consolidated financial statements, for the year ended 31 December 2025, the Group incurred a net loss attributable to the owners of the Company of approximately RMB2,952.9 million and as of that date, the Group had net current liabilities of approximately RMB7,280.0 million.

These conditions, together with other matters described in note 2 to the consolidated financial statements, exist that may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company (the "**Directors**") are in the process of implementing a number of Plans and Measures to improve the Group's liquidity and financial position which are set out in note 2 to the consolidated financial statements. The Directors have reviewed the cash flow forecast prepared by management covering a period of at least twelve months from 31 December 2025, which take into account these Plans and Measures. Based on such assessment, assuming the Plans and Measures can be successfully implemented as scheduled notwithstanding the inherent uncertainties associated with the outcome of these Plans and Measures, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 31 December 2025 and therefore, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements of the Group have been prepared depends on the successful execution and completion of the Offshore Debt Restructuring Plan and Onshore Debt Restructuring Plan and Project Selling Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. The Directors have taken into account the likelihood of success of the Plans and Measures being implemented and are of the opinion that sufficient financial resources will be available to finance the Group's operations and to meet the Group's financial obligations as and when they fall due at least twelve months from 31 December 2025. Accordingly, the consolidated financial statements for the year ended 31 December 2025 have been prepared on a basis that the Group will be able to continue as a going concern.

Given the execution of the Plans and Measures by the Group are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of the consolidated financial statements of the Group for extending the going concern assessment, we are unable to obtain sufficient appropriate audit evidence we considered necessary to assess the likelihood of success of the Plans and Measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the appropriateness of the Directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements of the Group.

Should the Group fail to achieve the abovementioned Plans and Measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive. Shareholders and investors of the Company shall exercise caution in dealing in the Shares.

PUBLICATION OF THE 2025 ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.redco.cn). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Redco Properties Group Limited
Wong Yeuk Hung
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Wong Yeuk Hung JP, Mr. Huang Ruoqing and Mr. Tang Chengyong; the non-executive Director is Ms. Fan Carol; and the independent non-executive Directors are Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.