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TALENT PROPERTY GROUP LIMITED

新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 760)

2025 ANNUAL RESULTS ANNOUNCEMENT

CHAIRMAN STATEMENT

On behalf of the board of directors of Talent Property Group Limited (the “**Company**”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025.

FINANCIAL RESULTS

The consolidated revenue and gross profit of the Group for 2025 amounted to approximately RMB241.8 million (2024: RMB284.6 million) and RMB8.9 million (2024: RMB54.8 million), respectively. Revenue for this year was mainly attributable to the sales recognition of villas at Zone B of Xintian Banshan and the remaining unsold units of our Xuzhou Intelligent Industrial Town. Affected by the further downturn in the overall property market, a decrease in fair value and provision for impairment losses totalling RMB124.9 million (2024: RMB121.2 million) was recorded for our property portfolio. The loss attributable to the shareholders of the Company for 2025 increased to approximately RMB195.8 million (2024: RMB138.5 million).

* *For identification purposes only*

OPERATION REVIEW AND OUTLOOK

In 2025, the process of global multipolarization accelerated, geopolitical conflicts and strategic rivalries persisted, and the rise of trade protectionism led to a restructuring of global supply chains, altogether constraining the momentum of world economic growth. In this context, China's economy has remained stable through "green foreign trade" (such as electric vehicles and lithium batteries), but domestic demand and private investment remain in a recovery phase. The real estate market sector, undergoing transformation, has entered a period of structural adjustment and is gradually building a stable and healthy development model centered on the "essence of housing."

Xintian Banshan

In 2025, the divergence in Guangzhou's luxurious housing market performance intensified. Although the Baiyun District's high-end segments possess rare natural advantages with mountain and water views, as a non-core business district, they faced pricing and sales pressure amid weak overall demand. To ensure steady cash returns, the Group adopted more flexible pricing and marketing strategies for its flagship project Xintian Banshan in Guangzhou. During the year, the project focused on destocking the villas at Zone B (known as 半山墅), with sales revenue of approximately RMB68.1 million (2024: RMB184.6 million) and corresponding gross floor area of approximately 1,300 sqm (2024: 3,100 sqm) was recorded. As of the end of 2025, contracted subscription amounted approximately RMB24.0 million will be recognized as revenue in the coming year. Looking forward to 2026, Guangzhou's luxury housing market showing initial sign of bottoming out for the first quarter, the Group will accelerate the destocking of villas at Zone B. Meanwhile, the Group will push forward the sales of the luxury villas at Zone E (known as 山頂道) with timely marketing strategies in line with the progress of market recovery.

Logistics Commercial Property Projects

Against the backdrop of deep inventory destocking and price adjustments in the real estate markets of Tier 2 and Tier 3 cities in the Yangtze River Delta, the Group's Xuzhou Intelligent Industrial Town, which is located in Yunlong District, Xuzhou City, demonstrated stable performance. Sales revenue of commercial and office units of approximately RMB146.4 million with a gross floor space of 25,600 sqm for the year (2024: RMB54.3 million and 5,400 sqm) was recorded. The significant growth in performance was mainly attributed to the ongoing delivery of pre-sold units and the completion of two bulk property deals amounted approximately RMB91.0 million and RMB32.0 million (inclusive of VAT) respectively during the year. As of the end of 2025, contract sales amounted approximately RMB167.0 million remained to be recognized as revenue. Looking forward to 2026, the Group will focus on the delivery of pre-sold units while striving to achieve full sell-out of the remaining units.

As for the Yangzhou Intelligent Living City located in Guangling District, Yangzhou City, the sales of the seven completed buildings have remained stagnant for a prolonged period due to local oversupply, the project's product positioning and the adverse external environment in the early stages of the project. Consequently, the Group suspended the development of Land Parcel B. In order to optimize resource allocation, the Group, after amicable negotiations, has entered into an agreement with the local government, under which the government repurchased Land Parcel B with a consideration of RMB81.6 million (as detailed in the Group's announcement dated 15 September 2025), and a loss of approximately RMB2.4 million was recorded. The proceed will be used to complete the construction works of the remaining five buildings at Zone A (mainly façade installation and public area finishing), so as to advance the overall completion of the project and boost the property value. As of the date of this announcement, the said repurchase consideration has been received in full. Looking forward to 2026, the Group will commence the aforementioned works as soon as possible to expedite the cash flow recovery.

Talent Shoes Trading Center

The Group's Talent Shoes Trading Center is a 10-storey commercial and office complex located in Zhanxi Road business circle, Liwan District, Guangzhou City. In 2025, the wholesale and leasing market for shoes and materials in Guangzhou was facing intensified downward pressure, compounded by shrinking domestic demand, the impact of e-commerce, and the offshore shift of production capacity. These converging factors dampened tenant sentiment and heightened leasing challenges. In response, the Group continued to make timely adjustments to rental rates and incentive policies, striving to strike a balance between rental yield and occupancy stability amidst severe market conditions.

The Linhe Cun Redevelopment Project

The Linhe Cun Redevelopment Project, the Group's project jointly developed with Sun Hung Kai Properties Group for over a decade, its residential and office units were sold out. Looking forward to 2026, the Group will continue to closely negotiate with the Associate and various stakeholders, striving to speed up the distribution of assets including the remaining hundreds of parking spaces and bank deposits to optimize the timing of capital recovery.

APPRECIATION

Finally, on behalf of our board of directors, I would like to extend my heartfelt gratitude to all shareholders and partners for your unwavering confidence. I also deeply appreciate the hard work and dedication of our management and staff. It is this cohesion that has driven the Group to move forward steadily amidst challenges.

Zhang Gao Bin

Chairman and Executive Director

Hong Kong, the PRC

30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	241,801	284,573
Cost of sales and services		<u>(232,919)</u>	<u>(229,777)</u>
Gross profit		8,882	54,796
Other revenue	4	6,815	9,324
Distribution costs		(6,443)	(8,272)
Administrative and other operating expenses		(42,397)	(62,580)
Loss on disposal of property under development		(2,448)	–
Fair value changes on investment properties		(55,116)	(51,700)
Impairment loss of properties under development		(17,581)	(48,255)
Impairment loss of completed properties held for sale		(52,257)	(21,206)
Expected credit losses of trade receivables		–	(967)
Share of result of an associate		1,299	(5,275)
Finance costs	5	<u>(1,635)</u>	<u>(4,238)</u>
Loss before tax	6	(160,881)	(138,373)
Income tax expense	7	<u>(34,921)</u>	<u>(142)</u>
Loss for the year		<u>(195,802)</u>	<u>(138,515)</u>
Loss attributable to:			
Owners of the Company		(195,802)	(138,515)
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(195,802)</u>	<u>(138,515)</u>

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		<u>2,244</u>	<u>925</u>
Other comprehensive income for the year		<u>2,244</u>	<u>925</u>
Total comprehensive loss for the year		<u>(193,558)</u>	<u>(137,590)</u>
Total comprehensive loss attributable to:			
Owners of the Company		<u>(193,558)</u>	<u>(137,590)</u>
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(193,558)</u>	<u>(137,590)</u>
		RMB	RMB
Loss per share	8		
Basic and diluted		<u>(38.0) cent</u>	<u>(26.9) cent</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		393,284	448,400
Plant and equipment		5,922	8,318
Right-of-use assets		3,920	–
Intangible assets		2,730	3,120
Interests in an associate		135,753	134,450
		541,609	594,288
Current assets			
Properties under development		229,013	345,517
Completed properties held for sale		1,262,697	1,537,382
Trade receivables	9	3,782	2,301
Prepayments, deposits and other receivables	10	106,711	49,938
Tax recoverable		17,268	17,222
Restricted bank deposits		5,327	28,100
Cash and cash equivalents		60,395	122,604
		1,685,193	2,103,064
Current liabilities			
Trade payables	11	115,324	254,776
Accruals and other payables	12	49,064	51,421
Contract liabilities	13	192,742	348,497
Lease liabilities		1,951	–
Provision for tax		418,782	389,104
		777,863	1,043,798
Net current assets		907,330	1,059,266
Total assets less current liabilities		1,448,939	1,653,554

	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Lease liabilities	2,039	–
Borrowings	33,256	33,256
Deferred tax liability	109,131	122,227
	<u>144,426</u>	<u>155,483</u>
Net assets	<u>1,304,513</u>	<u>1,498,071</u>
EQUITY		
Share capital	4,703	4,703
Reserves	1,299,610	1,493,168
	<u>1,304,313</u>	<u>1,497,871</u>
Equity attributable to the owners of Company	1,304,313	1,497,871
Non-controlling interests	200	200
	<u>1,304,513</u>	<u>1,498,071</u>
Total equity	<u>1,304,513</u>	<u>1,498,071</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users. These consolidated financial statements also comply with the applicable disclosure of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the new and amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current year.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following 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 a 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.

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

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are property development, property investment and property management.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15 Disaggregated by major products or service fees		
Sales of properties	215,503	259,026
Properties management fees	<u>10,794</u>	<u>12,042</u>
	226,297	271,068
Gross rental income from investment properties (outside the scope of HKFRS 15) – Lease payments that are fixed	<u>15,504</u>	<u>13,505</u>
Total	<u>241,801</u>	<u>284,573</u>

(b) Segment reporting

The Group is organised into three (2024: three) business units, based on which information is prepared and reported to the Group's chief decision makers, for the purposes of resource allocation and assessment of performance.

Information of the Group's operating and reportable segments are shown as follows:

For the year ended 31 December 2025

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Total RMB'000
Reportable segment revenue				
Revenue	<u>215,503</u>	<u>15,504</u>	<u>10,794</u>	<u>241,801</u>
Timing of revenue recognition for those within the scope of HKFRS 15				
A point in time	215,503	–	–	215,503
Over time	–	–	10,794	10,794
Revenue from other source				
Rental income	<u>–</u>	<u>15,504</u>	<u>–</u>	<u>15,504</u>
Total	<u>215,503</u>	<u>15,504</u>	<u>10,794</u>	<u>241,801</u>
Reportable segment (loss)/profit	<u>(87,219)</u>	<u>(42,232)</u>	<u>1,121</u>	<u>(128,330)</u>
Share of result of an associate				1,299
Finance costs				(1,635)
Income tax expenses				(34,921)
Unallocated expenses				(33,800)
Unallocated income				<u>1,585</u>
Loss for the year				<u>(195,802)</u>
Reportable segment assets	1,635,989	404,436	2,089	2,042,514
Corporate assets				<u>184,288</u>
Group assets				<u>2,226,802</u>
Reportable segment liabilities	336,997	42,642	2,995	382,634
Corporate liabilities				<u>539,655</u>
Group liabilities				<u>922,289</u>

For the year ended 31 December 2024

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue				
Revenue	259,026	13,505	12,042	284,573
Timing of revenue recognition for those within the scope of HKFRS 15				
A point in time	259,026	–	–	259,026
Over time	–	–	12,042	12,042
Revenue from other source				
Rental income	–	13,505	–	13,505
Total	259,026	13,505	12,042	284,573
Reportable segment (loss)/profit	(39,371)	(41,678)	3,188	(77,861)
Share of result of an associate				(5,275)
Finance costs				(4,238)
Income tax expenses				(142)
Unallocated expenses				(55,563)
Unallocated income				4,564
Loss for the year				(138,515)
Reportable segment assets	2,040,460	458,737	2,743	2,501,940
Corporate assets				195,412
Group assets				2,697,352
Reportable segment liabilities	633,168	41,873	1,797	676,838
Corporate liabilities				522,443
Group liabilities				1,199,281

The measure used for reporting segment profits or losses is adjusted losses before interest and taxes. To arrive at adjusted losses, the Group's losses are further adjusted for items not specifically attributed to individual segments, such as share of results of an associate, finance costs, income tax expenses, and other unallocated income and corporate administration costs.

Segment assets consist primarily of investment properties, certain plant and equipment, right-of-use assets, certain prepayments, deposits and other receivables, properties under development, completed properties held for sales, trade receivables, restricted bank deposits and certain cash and cash equivalent.

Segment liabilities consists primarily of trade payables, certain accruals and other payables, contract liabilities, lease liabilities and borrowings.

Other segment information for the year ended 31 December 2025 is as follows:

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Other segment information:					
Addition to non-current segment assets					
during the year	7,300	-	-	-	7,300
Depreciation and amortisation	(4,600)	-	-	(469)	(5,069)
Fair value changes on investment					
properties	-	(55,116)	-	-	(55,116)
Impairment loss of properties under					
development and completed properties					
held for sale	(69,838)	-	-	-	(69,838)
Loss on disposal of property under					
development	(2,448)	-	-	-	(2,448)
	<u>7,300</u>	<u>(55,116)</u>	<u>(69,838)</u>	<u>(469)</u>	<u>(117,123)</u>

Other segment information for the year ended 31 December 2024 is as follows:

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Other segment information:					
Addition to non-current segment assets					
during the year	6,133	-	-	-	6,133
Impairment loss of trade receivables	-	(967)	-	-	(967)
Depreciation and amortisation	(5,677)	-	-	(921)	(6,598)
Fair value changes on investment					
properties	-	(51,700)	-	-	(51,700)
Impairment loss of properties under					
development and completed properties					
held for sale	(69,461)	-	-	-	(69,461)
	<u>6,133</u>	<u>(52,667)</u>	<u>(69,461)</u>	<u>(921)</u>	<u>(126,416)</u>

Three customers from property development segment (2024: four) individually contributed over 10% of the Group's total revenue during the year ended 31 December 2025.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	-	29,524
Customer B	-	29,524
Customer C	-	29,048
Customer D	-	28,571
Customer E	83,656	-
Customer F	30,101	-
Customer G	30,000	-
	<u>143,757</u>	<u>127,647</u>

All the Group's revenues from external customers is derived from the PRC.

Non-current assets of the Group are divided into the following geographical areas:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong (domicile) <i>(note)</i>	154	643
Mainland China	<u>541,455</u>	<u>593,645</u>
	<u>541,609</u>	<u>594,288</u>

note: The place of domicile is determined based on the location of central management.

The geographical location of customers is based on the location at which the services were provided or the location of properties sold and/or leased out. The geographical locations of the non-current assets and interests of associate are based on the physical location of the assets and location of operation of the associate respectively.

4. OTHER REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income on financial assets carried at amortised costs	531	2,254
Interest income on loan to an associate	28	28
Management fee income from an associate	8	8
Gain from settlement of construction cost payables with properties	5,230	4,760
Others	<u>1,018</u>	<u>2,274</u>
	<u>6,815</u>	<u>9,324</u>

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on secured bank loans	1,436	4,122
Interest on lease liabilities	<u>199</u>	<u>116</u>
	<u>1,635</u>	<u>4,238</u>

6. LOSS BEFORE TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before income tax is arrived at after charging/(crediting):		
Amortisation of intangible assets	390	390
Cost of properties sold	217,985	216,689
Cost of service for property management	9,666	8,849
Expected credit losses of trade receivables	–	967
Tax and other levies	3,812	4,937
Depreciation of plant and equipment (<i>note (a)</i>)	2,719	4,453
Depreciation of right-of-use assets (<i>note (a)</i>)	1,960	1,755
Auditors' remuneration		
– Audit services	784	784
– Non-audit services	277	184
Impairment loss of properties under development	17,581	48,255
Impairment loss of completed properties held for sale	52,257	21,206
Rental income from investment properties less direct outgoings (<i>note (b)</i>)	<u>(12,909)</u>	<u>(11,074)</u>

notes:

(a) Depreciation expenses

Depreciation expenses of approximately RMB4,679,000 (2024: RMB6,208,000) have been included in administrative expenses.

(b) Rental income from investment properties

Direct outgoings incurred for rental income from investment properties amounted to approximately RMB2,595,000 (2024: RMB2,431,000).

7. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax (credit)/expense		
The PRC – Enterprise Income Tax		
– Tax (credit)/expense for the year	(719)	12,789
– (Over)/Under provision in respect of prior years	(159)	42
	<u>(878)</u>	<u>12,831</u>
The PRC – Land Appreciation Tax		
– Current year	45,816	4,467
	<u>45,816</u>	<u>4,467</u>
The PRC – Withholding Tax		
– Current year	3,068	3,717
	<u>3,068</u>	<u>3,717</u>
Deferred tax		
– Credit for the year	(13,085)	(20,873)
	<u>(13,085)</u>	<u>(20,873)</u>
Total income tax expense	<u><u>34,921</u></u>	<u><u>142</u></u>

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the rate of 25% (2024: 25%) on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

PRC land appreciation tax is levied at progressive rate 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 lease charges of land use rights and all properties development expenditures.

8. LOSS PER SHARE

Basic loss per share

The calculation of loss per share is based on the loss attributable to the owners of the Company of approximately RMB195,802,000 (2024: RMB138,515,000) and on the weighted average of 514,656,827 (2024: 514,656,827) ordinary shares in issue during the year.

Diluted loss per share

There was no difference between basic and diluted loss per share as the Company did not have any dilutive potential shares outstanding during the year ended 31 December 2025 and 2024.

9. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– from property investment	3,836	2,355
Less: allowance for expected credit losses	(54)	(54)
	<u>3,782</u>	<u>2,301</u>
Trade receivables – net	<u><u>3,782</u></u>	<u><u>2,301</u></u>

The directors of the Company considered that the fair value of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods in their inspection.

As at 31 December 2024 and 2025, trade receivables are mainly arose from rental income from investment properties. Proceeds are to be received in accordance with the terms of related tenancy agreements.

Allowance for expected credit losses of trade receivables are recorded using allowance accounts on trade receivable is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	54	54
Impairment loss recognised	–	967
Amounts written off	–	(967)
	<hr/>	<hr/>
At the end of the year	54	54
	<hr/> <hr/>	<hr/> <hr/>

At each reporting date, the Group reviews trade receivables for evidence of expected credit loss on both an individual and collective basis. As at 31 December 2025, no trade receivables (2024: RMB967,000) were individually determined to be impaired. The individually impaired receivables in 2024 were related to customers that were in financial difficulties and the management assessed that the receivables were not expected to be recovered.

Based on the terms of related tenancy agreements, the ageing analysis of the trade receivables net of allowance for expected credit losses is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	3,782	2,301
	<hr/> <hr/>	<hr/> <hr/>

The concentration of credit risk is limited due to the customer base being large and unrelated.

As at 31 December 2024 and 2025, none of the Group's trade receivables past due. These balances were related to a large number of diversified customers that had a good track record of credit with the Group.

The Group is holding rental deposits from tenants as collateral in respect of trade receivables for rental income.

As at 31 December 2024 and 2025, all of the Group's trade receivables are denominated in RMB, no interest is charged on trade receivables.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepaid value-added tax	22,990	29,935
Receivable from disposal of property under development (<i>note (a)</i>)	65,281	–
Other receivables, prepayments and deposits (<i>note (b)</i>)	18,440	20,003
	<hr/>	<hr/>
	106,711	49,938
	<hr/> <hr/>	<hr/> <hr/>

All of the current portion prepayments, deposits and other receivables are expected to be recognised as expenses, recovered or could be withdrawn within one year.

note:

- (a) During the year ended 31 December 2025, properties under development with an amount of RMB84,049,000 was disposed with a cash consideration of RMB81,601,000 of which RMB65,281,000 was receivables as at the current year end and subsequently settled on 14 February 2026. Details of the disposal was disclosed in the public announcement of the Company dated 15 September 2025.
- (b) It mainly includes prepaid construction cost, residences maintenance fund, rental and sundry deposits. As at 31 December 2025, advance receipts from customers for the sale of properties under development of approximately RMB2,474,000 (2024: RMB6,000,000) were placed in Xuzhou Real Estate Management Service Center, a PRC local government authority, for security purpose. The Group can request for withdrawal of the balances in accordance to agreed procedures for the payment of construction cost.

11. TRADE PAYABLES

Based on the invoice dates, the ageing analysis of the trade payables for construction cost in respect of property development segment were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	96,216	228,530
91 to 180 days	–	–
181 to 365 days	10,000	23,604
Over 365 days	9,108	2,642
	<u>115,324</u>	<u>254,776</u>

All of the trade payables are expected to be settled within one year or are repayable on demand. The trade payables are normally due immediately from the date of billing.

As at 31 December 2025, the balance includes potential claim from ongoing litigation cases amounted RMB2,680,000 (2024: RMB49,175,000).

12. ACCRUALS AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Rental received in advance from tenants and other deposits	10,443	10,235
Tax and other levies	1,397	1,275
Amount due to a director of the Company	604	708
Accrued compensation for delay delivery	21,597	26,005
Other (<i>note</i>)	15,029	13,198
	<u>49,064</u>	<u>51,421</u>

All of the accruals and other payables are expected to be settled within one year or are repayable on demand.

note: It included the accrued salaries, administrative expenses, finance costs and sundry creditors.

13. CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Receipt in advance from customers in respect of property development segment	<u>192,742</u>	<u>348,497</u>

All the contract liabilities are expected to be settled within the Group's normal operating cycle and the whole balances are classified as current.

Movements in contract liabilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	348,497	369,896
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(143,260)	(110,645)
Increase in contract liabilities as a result of receiving sales deposit related to sales not yet recognised during the year	16,529	89,246
Decrease in contract liabilities as a result of refunding sales deposit related to sales of properties	<u>(29,024)</u>	<u>–</u>
Balance at 31 December	<u>192,742</u>	<u>348,497</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Overview

The principal activity of Talent Property Group Limited is investment holding. The Group engages in the businesses of (i) property development, (ii) property investment and (iii) property management in the PRC since the Group completed the acquisition of equity interests in various real estate projects in the PRC in 2011.

Revenue and gross profit

For the year ended 31 December 2025, the Group recorded a revenue and gross profit of RMB241.8 million and RMB8.9 million, respectively, compared to revenue and gross profit of RMB284.6 million and RMB54.8 million, respectively, for the year ended 31 December 2024.

During the year, revenues of RMB68.1 million and RMB146.4 million (2024: RMB183.7 million and RMB54.3 million) were recognized from the respective delivery of properties sold for Guangzhou Xintian Banshan and Xuzhou Linan Intelligent Industrial Park, with gross floor area of approximately 1,300 square meters (“**sqm**”) and 25,600 sqm (2024: 3,100 sqm and 5,400 sqm), respectively. No revenue was recorded from Yangzhou Intelligence Living City (2024: RMB1.4 million) and revenue from the sale of other properties of RMB1.0 million (2024: RMB19.7 million) was also recorded. Rental income and property management fee income of RMB14.7 million (2024: RMB12.4 million) and RMB3.3 million (2024: RMB3.9 million), respectively, were recorded from our Talent Shoes Trading Center, whereas rental income and property management fee generated from other properties of the Group was RMB8.3 million in total (2024: RMB9.2 million).

The Group offered higher discounts and made bulk sales to facilitate destocking and improve liquidity. Due to decreased revenue, discounted selling prices and changes in the sales mix, gross profit fell to RMB8.9 million, with a gross profit margin of 3.7% (compared to RMB54.8 million and 19.3% in 2024).

Distribution costs, administrative and other operating expenses

During the year, distribution costs, administrative and other operating expenses totalling RMB48.8 million (2024: RMB71.9 million) were recorded.

During the adjustment cycle of the property market, the Group maintained a cautious approach to cost control. Distribution costs decreased from RMB8.3 million to RMB6.4 million. Administrative and other operating expenses decreased from RMB63.6 million (including a one-time charge of RMB19.2 million) to RMB42.4 million.

Share of result of an associate

The Linhe Cun Rebuilding Project is an old village redevelopment project located in the CBD of Tianhe District, Guangzhou, adjacent to Guangzhou East Railway Station. The project is undertaken by an associate (the “Associate”) which is 30% owned by the Group and 70% owned by Sun Hung Kai Properties Group. All commercial and residential units were sold and delivered in previous years. Modest income from the sales and rental of parking spaces was recorded for the year. The Group’s share of the Associate’s profit for 2025 was RMB1.3 million (2024: loss of RMB5.3 million).

Fair value changes on investment properties and provision for impairment losses of property portfolio

In 2025, the Chinese’s real estate market remained in a correction phase characterized by a persistent slump in prices and sales volume despite increased government stimulus. While Tier-1 cities showed some resilience, lower-tier cities struggled with high vacancy rates and weaker buyer confidence. Reference was made to the valuation conducted by an independent valuer as well as recent sales and leasing records of our property portfolio. A fair value deficit of RMB55.1 million (2024: RMB51.7 million) were recorded, mainly attributable to our Talent Shoes Trading Center. Provision for impairment losses of RMB30.2 million (2024: RMB52.1 million) and RMB39.6 million (2024: RMB17.4 million) were made for our logistic commercial projects and remaining units in Zone B of our Xintian Banshan, respectively.

Finance costs

Finance costs were decreased to RMB1.6 million (2024: RMB4.2 million) due to the early repayment of certain borrowings in 2025.

Income tax expenses

An income tax charge of RMB34.9 million was recorded compared to RMB0.1 million in last year. Despite lower profitability led to a tax credit of RMB0.8 million for PRC Enterprise Income Tax (2024: charge of RMB12.8 million), the increase of charge of PRC Land Appreciation Tax from RMB4.5 million to RMB45.8 million was mainly by reference to the result of tax settlement during the year. While deferred tax credit reduced to RMB13.1 million (2024: RMB20.9 million).

Loss for the year attributable to owners of the company

Despite the total amount of fair value deficits and provision for impairment loss against our property portfolio being at a similar level to last year, reduced revenue, a thinner gross profit margin and increased income tax charges resulted in the loss attributable to owners of the Company widened to RMB195.8 million (2024: RMB138.5 million).

PROSPECT

In 2026, China's real estate market will remain in bottoming-out phase with significant differentiation. Core cities are expected to experience some rebound due to policy relaxation, while lower-tier cities will continue clearing inventory. The Group will promote the sales of its property portfolio to maintain cash flow and financial health.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total assets as at 31 December 2025 were approximately RMB2,226.8 million (31 December 2024: approximately RMB2,697.4 million) which were financed by the total equity and total liabilities of approximately RMB1,304.5 million (31 December 2024: approximately RMB1,498.1 million) and approximately RMB922.3 million (31 December 2024: approximately RMB1,199.3 million) respectively.

The directors consider the Group will have sufficient working capital for its operations and financial resources for financing future investment opportunities.

The Group borrowings were all denominated in Renminbi. Bank balances and cash were mainly denominated in Renminbi. As at 31 December 2025, there were no outstanding forward contracts in foreign currency committed by the Group that might involve it in significant foreign exchange risks and exposures.

CAPITAL STRUCTURE

As at 31 December 2025, the Group's gearing ratio then computed as total liabilities over total assets was approximately 41.4% (31 December 2024: 49.5%). As at 31 December 2025, bank borrowings amounted to RMB33.3 million (31 December 2024: RMB33.3 million) carry variable interest rate of the People's Bank of China 5 years loan base interest rate or plus 0.55% inflated rate.

EXPOSURE TO FOREIGN EXCHANGE

The revenue and the cost of goods sold and of service of the Group are mainly denominated in Renminbi. Therefore, the Group is not exposed to any other material foreign currency exchange risk. An average rate and a closing rate of HK\$1.09264:RMB1 and HK\$1.10715:RMB1, respectively, were applied on consolidation of the financial statements for the year ended 31 December 2025. No hedging measure has been implemented by the Group.

CHARGES ON ASSETS

As at 31 December 2025, an investment property amounted RMB369.7 million (31 December 2024: RMB415.0 million) were pledged to secure general banking facilities.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Details of the capital commitment and contingent liabilities as at 31 December 2025 are to be shown in the consolidated financial statements of the annual report.

SUBSEQUENT EVENT

There were no significant events affecting the Group which have occurred after 31 December 2025 and to up to the date of this announcement.

NUMBERS AND REMUNERATION OF EMPLOYEES

As at 31 December 2025, the Group had 143 (31 December 2024: 147) employees, with about 141 in the Mainland China and 2 in Hong Kong. All employees are remunerated based on industry practice and in accordance with prevailing labor law. In Hong Kong, apart from basic salary, staff benefits including medical insurance, performance related bonus, and mandatory provident fund would be provided by the Group.

CORPORATE GOVERNANCE

The Board is responsible for determining and reviewing the policies and performance for the corporate governance for the Group. During the year, the management of the Company from time to time reported to the Board for their review on various policies and practices about corporate governance of the Company, which included training and continuous professional development of directors and senior management, Company's policies and practices on compliance of legal and regulatory requirements and conduct of employees. In addition, the corporate governance report together with other content of the annual report was circulated for review and approval by the Board.

CG Code Part 2 Provision C.2.1

Currently, the Company does not appoint chief executive officer. In view of the operation of the Group, the Board believes that the present structure of the Board will provide a strong leadership for the Group to implement prompt decisions and to formulate efficient strategies, which is for benefits of the Group.

Moreover, the day-to-day operation of the Group's businesses are shared among those executive directors and the management of the Company. Therefore, there should be a clear division of the responsibilities at the board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules for directors' securities transactions. Having made specific enquiries of all directors of the Company, they have confirmed that they complied with the required standard set out in the Model Code throughout the accounting period covered by the annual report.

CONFIRMATION OF INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or its subsidiaries during the year.

DIVIDEND

The Board does not recommend payment of any dividend for the years ended 31 December 2025 and 2024.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Company's directors.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors (the "**Audit Committee**") and reports to the board of directors. A written terms of reference had been established. The committee members performed their duties therein which includes duties set out in the code provision D.3.3 (a) to (n) of Part 2 of the Corporate Governance Code. The Audit Committee held three meetings in 2025 and reviewed the Group's annual results for 2024 and interim results for 2025; reviewed the audit plans and findings of the external auditor; made recommendation to the Board on the re-appointment of the external auditor and its remuneration; and reviewed the risk management and internal control systems and financial matters pursuant to its terms of reference. The Audit Committee meets the external auditors at least once a year to discuss any areas of concerns during the audits without the presence of the management. The annual results for the year ended 2025 of the Company have been reviewed by the Audit Committee.

For the year ended 31 December 2025, the fees paid/payable to the auditor of the Company in respect of the audit services and non audit services in 2025 were amounted to approximately RMB0.8 million and RMB0.3 million respectively.

SCOPE OF WORK OF MESSRS. CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. CHENG & CHENG LIMITED, Certified Public Accountants to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by Messrs. CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Messrs. CHENG & CHENG LIMITED on the preliminary announcement.

ANNUAL GENERAL MEETING

The notice of the annual general meeting will be published and dispatched to shareholders in the manner specified in the Listing Rules in due course.

PUBLICATION OF THE ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.760hk.com) and the 2025 annual report of the Company containing all the information required by the Listing Rules will also be published on the websites of the Company and The Stock Exchange of Hong Kong Limited in due course.

By Order of the Board
Talent Property Group Limited
Zhang Gao Bin
Chairman and Executive Director

Hong Kong, PRC
30 March 2026

As at the date hereof, the Board comprises Mr. Zhang Gao Bin and Mr. Luo Zhangguan as Executive Directors, Ms. Zhou Hanlu as Non-executive Director and Mr. Lo Wai Hung, Mr. Mak Yiu Tong and Mr. Fok Chi Tat Michael as Independent Non-executive Directors.