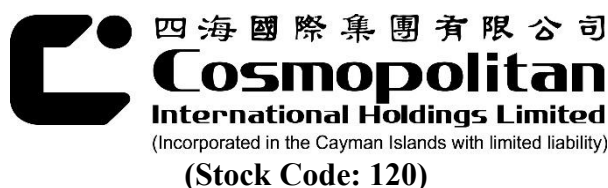


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## ANNOUNCEMENT OF 2025 GROUP FINAL RESULTS

### FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2025	Year 2024	% Change
	HK\$'M	HK\$'M	
Revenue	32.8	368.9	-91.1%
Gross profit	6.3	25.4	-75.2%
Operating loss before depreciation, finance costs and tax*	(437.4)	(285.1)	+53.4%
Loss for the year attributable to equity holders of the parent	(453.1)	(453.1)	–
Basic loss per share (including ordinary share and convertible preference share) attributable to equity holders of the parent	HK(29.56) cents	HK(30.85) cents	-4.2%
	As at 31st December,		
	2025	2024	
	(Unaudited)	(Unaudited)	
Net asset value per share (including ordinary share and convertible preference share) attributable to equity holders of the parent			
Basic	HK\$0.21	HK\$0.46	-54.3%
Fully diluted**	HK\$0.14	HK\$0.25	-44.0%

\* after accounting for, among others, the fair value and impairment losses on properties

\*\* assumed full conversion of the outstanding convertible notes

- **The overall property market in China remained sluggish throughout 2025, particularly with respect to the commercial and retail segments. Under this continuing unfavourable market condition, the progress on the sale of the remaining commercial and retail components in the Group's two composite development projects in Chengdu and Tianjin was very slow.**
- **Due to the depressed property values, impairment losses in an aggregate amount of approximately HK\$393.4 million on the properties held for sale in those two developments were incurred, which adversely affected the Group's financial results for the year under review.**
- **Although the progress on the unit sales of the remaining commercial and retail components at the Group's development project Regal Cosmopolitan City in Chengdu was sluggish, the Group has entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations. This transaction is anticipated to be completed in the second quarter of this year and the net proceeds to be received will be used to reduce the Group's indebtedness and to replenish its working capital.**
- **The Group will continue to closely monitor the changing market conditions to relaunch the sale programmes for its two development projects in Chengdu and Tianjin, either on unit sales or en bloc basis, with a view to generating revenues to strengthen its liquidity position.**
- **In the meantime, the Group is exploring suitable investment opportunities that could serve long-term development and sustainable growth of the Group.**

## **FINANCIAL RESULTS**

For the financial year ended 31st December, 2025, the Company incurred a loss attributable to shareholders of HK\$453.1 million (2024 – loss of HK\$453.1 million).

As explained in the Company's announcement on Update on Financial Information published on 25th March, 2026, the overall property market in China remained sluggish throughout 2025, particularly with respect to the commercial and retail segments. Under this continuing unfavourable market condition, the progress on the sale of the remaining commercial and retail components in the Group's two composite development projects in Chengdu and Tianjin was very slow. In addition, due to the depressed property values, impairment losses in an aggregate amount of approximately HK\$393.4 million on the properties held for sale in those two developments were incurred, which adversely affected the Group's financial results for the year under review.

## **BUSINESS OVERVIEW**

Amidst the complex changes in the domestic and global economic environments, the Gross Domestic Product of China in 2025 had increased by 5% over the previous year at constant prices. However, its real estate market continued to adjust, despite the series of fiscal and administrative measures rolled out by the Central Government to stabilise the market. While property prices have generally declined, the primary real estate sales in 2025 were projected to have dropped by more than 10% from the level in 2024.

With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks in May 2025, the development works at the composite project at Regal Cosmopolitan City in Chengdu have been fully completed.

Although the progress on the unit sales of the remaining commercial and retail components at Regal Cosmopolitan City was sluggish, the Group has entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations. This transaction is anticipated to be completed in the second quarter of this year and the net proceeds to be received will be used to reduce the Group's indebtedness and to replenish its working capital.

The Group's other development project in China is the Regal Renaissance in Tianjin. After the sale of the residential components and certain commercial units in prior years, the remaining

components in this development being held for sale principally comprise a commercial complex and two office towers atop of a four-storey podium. Sale progress at this development has likewise been adversely affected by the worsening market conditions.

Further detailed information on these two development projects as well as the reforestation and land grant project in Urumqi is contained in the “Management Discussion Analysis” section.

## **OUTLOOK**

The Central Government has confirmed its commitment to stabilise the real estate market in China during this 15th Five-Year Plan period. In the meanwhile, it is expected that there would be increased demand for commercial properties from high-growth domestic enterprises, particularly those in the high technology and finance sectors.

The Group will continue to closely monitor the changing market conditions to relaunch the sale programmes for its two development projects in Chengdu and Tianjin, either on unit sales or en bloc basis, with a view to generating revenues to strengthen its liquidity position.

In the meantime, the Group is exploring suitable investment opportunities that could serve long-term development and sustainable growth of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in property development and investment, which are mainly focused in the PRC, and other investments including financial assets investments.

The operating performance of the Group’s property and other investment businesses for the year and its future prospects are contained in the sections headed “Business Overview” and “Outlook” above as well as in this sub-section.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the above section headed “Business Overview” and this subsection.

A brief review on the property projects currently undertaken by the Group in the PRC and the Group’s other investments is set out below.

### **Property Development**

#### *Chengdu Project – Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the latest phase of the development had been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,314.0 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the latest phase of the residential site in the development project is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold, for aggregate sale considerations of approximately RMB93.2 million (HK\$107.5 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 593 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB58.9 million (HK\$67.4 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The remaining commercial components of the final stage of the development, comprise a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet). With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), commenced in 2021. Up to date, 368 office units with a total of about 16,411 square metres (176,648 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB141.0 million (HK\$159.0 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been sold, for aggregate sale considerations of approximately RMB8.1 million (HK\$9.3 million).

The Group entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations at a gross consideration of RMB143.0 million. This transaction is anticipated to be completed in the second quarter of this year and the net proceeds to be received will be used by the Group to reduce its indebtedness and to replenish its working capital.

#### *Tianjin Project – Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development had been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK\$419.5 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium.

### *Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Group will be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Group incurred.

The Group continues to maintain the overall re-forested area. Based on the legal advice obtained, the legitimate interests of the Group in the relevant re-forestation contract remain valid and effective.

### **Other Investments**

Due to the changes in the overall economic environment, the Group no longer holds a significant portfolio of other investments, which were initially planned to complement the Group's property development and investment businesses. The Group may, however, consider reinvesting in this business segment if circumstances are appropriate.

## **FINANCIAL REVIEW**

### **ASSETS VALUE**

As at 31st December, 2025, the Group's net assets attributable to equity holders of the parent amounted to HK\$384.4 million, representing approximately HK\$0.21 per share (including ordinary share and convertible preference share). Assuming full conversion of the outstanding convertible notes as at 31st December, 2025, the Group's net assets attributable to equity holders of the parent would be approximately HK\$0.14 per share (including ordinary share and convertible preference share) on a fully diluted basis.

## CAPITAL RESOURCES AND FUNDING

### Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

The acquisitions of the two ongoing development projects in the PRC in 2013 were financed by the vendors by way of deferred payment of the considerations payable for a period of 3 years, subject to the terms of the relevant sale and purchase agreements. With an objective to align the due dates of the considerations payable with the anticipated progress and completion schedules of the two development projects, by virtue of the agreements entered into between the Group and the vendors and completed in 2016, (i) the consideration payables owing to one of the vendors were refinanced by new 5-year loan facilities, and (ii) the consideration payable owing to the other vendor was repaid through its subscription of the optional convertible bonds issued by the Group.

In September 2021, the Group entered into a supplemental agreement with Regal Hotels International Holdings Limited group for the extension of the repayment date of the revised loan facilities in the aggregate amount of HK\$857.0 million from 12th October, 2021 to 12th October, 2024. In September 2024, the Group further entered into a second supplemental agreement with the Regal group, principally with the objective to extending the repayment date of the revised loan facilities from 12th October, 2024 to 12th October, 2027, in order that the Group can further align the timing for the repayment of the revised loan facilities with the latest sale progress and completion schedules of the Group's development projects in Chengdu and Tianjin.

Construction and related costs for the property projects for the time being are principally financed by internal resources, proceeds from the presale of the units and drawdown of loan facilities granted by the Regal group as well as through other borrowings.

### **Cash Flows**

Net cash flows used in operating activities during the year under review amounted to HK\$70.3 million (2024 – HK\$238.3 million). Net interest payment for the year amounted to HK\$73.5 million (2024 – HK\$69.0 million).

### **Borrowings and Gearing**

As at 31st December, 2025, the Group had cash and bank balances and deposits of HK\$22.0 million (2024 – HK\$52.5 million) and the Group’s borrowings including convertible notes, net of cash and bank balances and deposits, amounted to HK\$1,241.0 million (2024 – HK\$1,324.0 million).

As at 31st December, 2025, the gearing ratio of the Group was 44.3% (2024 – 40.1%), representing the Group’s borrowings including convertible notes, net of cash and bank balances and deposits, of HK\$1,241.0 million (2024 – HK\$1,324.0 million), as compared to the total assets of the Group of HK\$2,802.5 million (2024 – HK\$3,303.5 million).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2025 are shown in the consolidated financial statements (“Financial Statements”) contained in the annual report of the Company for the year ended 31st December, 2025 (the “2025 Annual Report”) to be published on or before 30th April, 2026.

### **Lease Liabilities**

As at 31st December, 2025, the Group did not have any lease liabilities (2024 – Nil).

### **Pledge of Assets**

The Group’s equity interests in companies holding certain property interests were pledged to secure the other borrowings of the Group.

As at 31st December, 2024, certain of the Group’s bank deposits and financial assets at fair value through profit or loss in the amount of HK\$27.2 million were pledged to secure general banking facilities granted to the Group.

### **Capital Commitments**

Details of the capital commitments of the Group as at 31st December, 2025 are shown in the Financial Statements.

### **Contingent Liabilities**

Details of the contingent liabilities of the Group as at 31st December, 2025 are shown in the Financial Statements.

## **DIVIDEND**

The Directors have resolved not to recommend the payment of a final dividend for the year ended 31st December, 2025 (2024 – Nil). No interim dividend was paid for the year ended 31st December, 2025 (2024 – Nil).

## **ANNUAL GENERAL MEETING**

An Annual General Meeting of the Company will be convened to be held on Wednesday, 10th June, 2026. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company and sent to the shareholders of the Company, together with the Company’s 2025 Annual Report, in due course.

## **CLOSURE OF REGISTER**

For the purpose of ascertaining shareholders' entitlement to attend and vote at the 2026 Annual General Meeting, the Register of Ordinary Shareholders of the Company will be closed from Friday, 5th June, 2026 to Wednesday, 10th June, 2026, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to be entitled to attend and vote at the 2026 Annual General Meeting, all transfers of ordinary shares and/or conversions of the convertible securities, duly accompanied by the relevant share certificates and/or the certificates of the convertible securities, together with, where appropriate, the relevant conversion notices, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 4th June, 2026.

## YEAR END RESULTS

### Consolidated Statement of Profit or Loss

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	32.8	368.9
Cost of sales	(26.5)	(343.5)
Gross profit	6.3	25.4
Other income and gains (Note 3)	2.1	7.4
Fair value losses on investment properties	(1.2)	(3.6)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	(0.4)	4.2
Impairment loss on properties under development	–	(114.4)
Impairment loss on properties held for sale	(393.4)	(145.9)
Property selling and marketing expenses	(1.8)	(7.4)
Administrative expenses	(49.0)	(50.8)
OPERATING LOSS BEFORE DEPRECIATION	(437.4)	(285.1)
Depreciation	(0.6)	(0.9)
OPERATING LOSS (Note 4)	(438.0)	(286.0)
Finance costs (Note 5)	(70.8)	(80.7)
LOSS BEFORE TAX	(508.8)	(366.7)
Income tax (Note 6)	55.6	(86.4)
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(453.2)	(453.1)

## Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
Attributable to:		
Equity holders of the parent	(453.1)	(453.1)
Non-controlling interests	(0.1)	–
	<u>(453.2)</u>	<u>(453.1)</u>
LOSS PER SHARE (INCLUDING ORDINARY SHARE AND CONVERTIBLE PREFERENCE SHARE) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	<u>HK(29.56) cents</u>	<u>HK(30.85) cents</u>

## Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2025	Year ended 31st December, 2024
	HK\$'M	HK\$'M
LOSS FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(453.2)	(453.1)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	82.9	(53.8)
Other comprehensive gain/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income	(0.8)	1.6
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	82.1	(52.2)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(371.1)	(505.3)
Attributable to:		
Equity holders of the parent	(371.1)	(505.3)
Non-controlling interests	–	–
	(371.1)	(505.3)

## Consolidated Statement of Financial Position

	31st December, 2025	31st December, 2024
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	6.8	7.5
Investment properties	37.6	37.0
Investment in a joint venture	2.4	2.4
Prepayments (Note 9)	159.1	144.3
Equity investments designated at fair value through other comprehensive income	4.0	4.8
Total non-current assets	<u>209.9</u>	<u>196.0</u>
CURRENT ASSETS		
Properties under development	–	1,207.6
Properties held for sale	2,537.6	1,660.2
Loans receivable	1.6	1.6
Deposits, prepayments and other assets (Note 9)	30.5	156.0
Financial assets at fair value through profit or loss	0.9	29.6
Restricted cash	0.5	38.6
Pledged bank balances	–	1.6
Cash and bank balances	21.5	12.3
Total current assets	<u>2,592.6</u>	<u>3,107.5</u>

## Consolidated Statement of Financial Position (Cont'd)

	31st December, 2025	31st December, 2024
	HK\$'M	HK\$'M
<b>CURRENT LIABILITIES</b>		
Creditors and accruals	(210.3)	(325.3)
Contract liabilities	(12.1)	(17.8)
Deposits received	(52.9)	(101.4)
Interest bearing bank borrowing	–	(12.5)
Other borrowings (Note 10)	(375.0)	(156.0)
Tax payable	(312.0)	(312.6)
Total current liabilities	<u>(962.3)</u>	<u>(925.6)</u>
NET CURRENT ASSETS	<u>1,630.3</u>	<u>2,181.9</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,840.2</u>	<u>2,377.9</u>
<b>NON-CURRENT LIABILITIES</b>		
Creditors and accruals	(25.8)	(25.8)
Amount due to related companies	(443.3)	(314.5)
Deposits received	(0.9)	(0.9)
Other borrowings (Note 10)	(857.0)	(1,169.0)
Convertible notes	(31.0)	(39.0)
Deferred tax liabilities	(93.7)	(147.6)
Total non-current liabilities	<u>(1,451.7)</u>	<u>(1,696.8)</u>
Net assets	<u><u>388.5</u></u>	<u><u>681.1</u></u>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital	37.4	29.4
Reserves	347.0	651.7
	<u>384.4</u>	<u>681.1</u>
<b>Non-controlling interests</b>	<u>4.1</u>	<u>–</u>
Total equity	<u><u>388.5</u></u>	<u><u>681.1</u></u>

Notes:

1. Basis of Preparation and Accounting Policies

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest million except when otherwise indicated.

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

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

The Group had a net loss attributable to owners of the parent of HK\$453.1 million (2024 – HK\$453.1 million) for the year ended 31st December, 2025 and net current assets of HK\$1,630.3 million (2024 – HK\$2,181.9 million) and net assets of HK\$388.5 million (2024 – HK\$681.1 million) as at 31st December, 2025.

The consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the Group will

have sufficient working capital to finance its operations in the next twelve months from 31st December, 2025, after taking into consideration the following:

- (i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;
- (ii) the extension of the maturity date of the secured note for a two-year term, from 13th April, 2026, as agreed in March 2026;
- (iii) the plan for acceleration of the sales of the Group's property assets which are readily available for sale, including the hotel property, office units and other components of the development projects in Chengdu and Tianjin; and
- (iv) the financial support provided by the listed parent company of the Group.

## 2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties and the leasing of properties; and
- (b) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that certain interest income, non-lease-related finance costs, head office and corporate gains and expenses are excluded from such measurement.

Segment assets exclude loans receivable, restricted cash, pledged bank balances, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude convertible notes, interest bearing bank borrowing, amount due to related companies, certain other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2025 and 2024:

	Property development and investment		Financial assets investments		Consolidated	
	2025	2024	2025	2024	2025	2024
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment revenue (Note 3):						
Sales to external customers	31.2	339.1	1.6	29.8	32.8	368.9
Segment results before depreciation	(417.1)	(295.4)	1.2	34.0	(415.9)	(261.4)
Depreciation	(0.6)	(0.9)	–	–	(0.6)	(0.9)
Segment results	(417.7)	(296.3)	1.2	34.0	(416.5)	(262.3)
Unallocated interest income and unallocated non-operating and corporate gains					1.7	0.9
Unallocated non-operating and corporate expenses					(23.2)	(24.6)
Finance costs (other than interest on lease liabilities)	(40.2)	(45.3)	–	–	(40.2)	(45.3)
Unallocated finance costs					(30.6)	(35.4)
Loss before tax					(508.8)	(366.7)
Income tax					55.6	(86.4)
Loss for the year before allocation between equity holders of the parent and non-controlling interests					(453.2)	(453.1)
Attributable to:						
Equity holders of the parent					(453.1)	(453.1)
Non-controlling interests					(0.1)	–
					(453.2)	(453.1)

	Property development and investment		Financial assets investments		Consolidated	
	2025	2024	2025	2024	2025	2024
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment assets	2,770.9	3,078.5	4.9	167.8	2,775.8	3,246.3
Investment in a joint venture	2.4	2.4	–	–	2.4	2.4
Cash and unallocated assets					24.3	54.8
Total assets					<u>2,802.5</u>	<u>3,303.5</u>
Segment liabilities	(653.4)	(601.3)	–	–	(653.4)	(601.3)
Unallocated liabilities					(1,760.6)	(2,021.1)
Total liabilities					<u>(2,414.0)</u>	<u>(2,622.4)</u>
Other segment information:						
Capital expenditure	12.8	37.1	–	–		
Fair value (gains)/losses on financial assets at fair value through profit or loss, net	–	–	0.4	(4.2)		
Fair value losses on investment properties	1.2	3.6	–	–		
Gain on disposal of items of property, plant and equipment	(0.1)	–	–	–		
Impairment loss on properties held for sale	393.4	145.9	–	–		
Impairment loss on properties under development	–	114.4	–	–		

## Geographical information

### (a) Revenue from external customers

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Hong Kong	<b>1.6</b>	29.8
Mainland China	<b>31.2</b>	339.1
	<hr/>	<hr/>
Total revenue	<b>32.8</b>	368.9
	<hr/>	<hr/>

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

### (b) Non-current assets

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Hong Kong	–	–
Mainland China	<b>205.9</b>	191.2
	<hr/>	<hr/>
Total non-current assets	<b>205.9</b>	191.2
	<hr/>	<hr/>

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

## Information about a major customer

Sales to the Group's largest customer accounted for 14% (2024 – 59%) of the total sales for that year. No more than 10% of the Group's revenue was derived from sales to any other single customer.

3. Revenue, other income and gains are analysed as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Proceeds from sale of properties	<b>29.1</b>	337.6
<i>Revenue from other sources</i>		
Rental income	<b>2.1</b>	1.5
Net gain from sale of financial assets at fair value through profit or loss	<b>1.0</b>	27.9
Dividend income from listed investments	<b>0.6</b>	1.9
Total	<b>32.8</b>	368.9
<u>Other income and gains</u>		
Bank interest income	–	0.2
Other interest income	<b>1.7</b>	0.7
Gain on disposal of items of property, plant and equipment	<b>0.1</b>	–
Others	<b>0.3</b>	6.5
Total other income and gains	<b>2.1</b>	7.4

4. An analysis of profit/(loss) on sale of properties and depreciation of the Group is as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Profit/(Loss) on disposal of properties, net	<b>3.0</b>	(5.5)
Depreciation of property, plant and equipment	<b>0.6</b>	0.7
Depreciation of right-of-use assets	–	0.2
Total	<b>0.6</b>	0.9

5. Finance costs of the Group are as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Interest on a bank loan	<b>0.2</b>	0.8
Interest on convertible notes	<b>3.4</b>	3.4
Interest on other borrowings	<b>67.2</b>	76.5
Total	<b>70.8</b>	80.7

6. The income tax charge/(credit) for the year arose as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Current – Hong Kong		
Charge for the year	–	0.9
Overprovision in prior years	<b>(0.9)</b>	–
Current – PRC		
Corporate income tax	<b>0.3</b>	15.2
Land appreciation tax	<b>(3.0)</b>	81.2
Deferred	<b>(52.0)</b>	(10.9)
Total	<b>(55.6)</b>	86.4

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year.

In the prior year, the provision for Hong Kong profits tax had been calculated by applying the applicable tax rate of 16.5% to the estimated assessable profits which were earned in or derived from Hong Kong during that year.

Taxes on the profits of subsidiaries operating in the PRC are calculated at the applicable prevailing rates.

The PRC land appreciation tax is levied on the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for tax was required for the joint venture as no assessable profits were earned by the joint venture during the year (2024 – Nil).

7. Dividend

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

8. (a) Basic loss per share

The calculation of the basic loss per share for the year ended 31st December, 2025 is based on the loss for the year attributable to equity holders of the parent of HK\$453.1 million (2024 – HK\$453.1 million) and on the weighted average of 1,532.7 million (2024 – 1,469.2 million) shares of the Company outstanding (including ordinary shares and convertible preference shares) during the year ended 31st December, 2025.

(b) Diluted loss per share

No adjustment has been made to the loss per share amount presented for the years ended 31st December, 2025 and 2024 in respect of a dilution, as the impact of the convertible notes outstanding during the years had an anti-dilutive effect on the loss per share amount presented.

9. Deposits, prepayments and other assets are analysed as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Non-current		
Prepayments (Note (a))	<b>159.1</b>	144.3
Current		
Trade debtors (Note (b))	<b>0.9</b>	0.5
Contract costs	–	0.1
Prepayments	<b>25.7</b>	19.6
Other receivables (Note (c))	<b>3.9</b>	135.8
Total	<b>30.5</b>	156.0

Notes:

- (a) The amount related to the costs incurred in relation to a re-forestation project in Urumqi, Xinjiang Uygur Autonomous Region, the PRC. In accordance with the prevailing relevant policies and regulations, upon the agreed completion (which has to be certified by the relevant government authorities) of re-forestation works in respect of that land, as well as the completion of the land listing and tender procedures in accordance with the relevant rules and regulations, the Group shall be entitled to monetary compensation in reference to the cost incurred and/or the valuation of the land use right in respect of 30% of the overall project area for development purposes and to participate in the tender of such land use right.

In the prior years, the Group completed the milestones required by the relevant PRC government authorities and obtained affirmations to confirm the fulfillments of the conditions agreed with the relevant policies and regulations. Despite the delay in the progress of the re-forestation works, based on the latest legal opinion obtained, the legitimate interests of the Group in the relevant re-forestation contract remain valid and effective and the Directors of the Company are of the opinion that costs incurred for the re-forestation works are

fully recoverable in future in accordance with the applicable policies and regulations.

- (b) Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over certain of these balances.

The ageing analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Outstanding balances with ages:		
Within 3 months	<b>0.4</b>	–
Over 1 year	<b>1.0</b>	1.0
	<u><b>1.4</b></u>	<u>1.0</u>
Impairment	<b>(0.5)</b>	(0.5)
	<u><b>0.9</b></u>	<u>0.5</u>
Total	<u><b>0.9</b></u>	<u>0.5</u>

- (c) In the prior year, included in the balance was an amount of HK\$132.2 million due from a brokerage company, representing the proceeds from the redemption of certain financial assets as at 31st December, 2024.

10. Other borrowings are analysed as follows:

	<b>2025</b>	<b>2024</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Secured notes (Note (i))	<b>312.0</b>	468.0
Other loans (Note (ii))	<b>920.0</b>	857.0
Total	<b>1,232.0</b>	1,325.0
Analysed into:		
Other borrowings repayable:		
Within one year	<b>312.0</b>	156.0
In the second year	<b>920.0</b>	312.0
In the third to fifth years, inclusive	–	857.0
Total	<b>1,232.0</b>	1,325.0

- (i) On 19th September, 2022, the Group issued a 3-year unsecured note (“Note A”) in an aggregate nominal principal amount of US\$20.0 million at a coupon interest rate of Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.6% per annum.

On 14th April, 2023, the Group issued a 3-year secured note (“Note B”) in an aggregate nominal principal amount of US\$40.0 million at a coupon interest rate of HIBOR plus 3.11% per annum.

Upon the issuance of Note B, the Group pledged the equity interest in a holding company of the Group’s property development project in Chengdu in favour of the holder of both Note A and Note B.

The Group has redeemed Note A in full in September 2025.

As at 31st December, 2025, Note B maturing within the next twelve months was classified as a current liability and was in breach of a financial covenant related to the debt-to-asset ratio at the end of the reporting period. Subsequent to the end of

the reporting period, waiver and confirmation had been secured from the noteholder on the debt-to-asset ratio breach and Note B was re-financed for a two-year term, commencing from 13th April, 2026. As of the date of approval of these financial statements, having obtained the waiver from the noteholder, there is no longer any breach of the debt-to-asset ratio related financial covenants under Note B as at 31st December, 2025.

(ii) Other loans comprise the followings:

(a) A term loan of HK\$357.0 million (2024 – HK\$357.0 million) and revolving loan of HK\$500.0 million (2024 – HK\$500.0 million) from a fellow subsidiary, secured by a pledge over the equity interests in the relevant holding companies of the Group's property development projects. The loans mature on 12th October, 2027 and bear interest at HIBOR plus an interest margin of 1.95% per annum. Both the term loan and revolving loan are accordingly classified as non-current other borrowings as at 31st December, 2025.

(b) A revolving loan of HK\$63.0 million (2024 – nil) drawn from a loan facility of HK\$80.0 million, secured by interests in companies holding certain property interests and other assets. The loan effectively bears interest at Hong Kong Dollar Best Lending Rate, as quoted by The Hongkong and Shanghai Banking Corporation Limited, plus an interest margin of 3% per annum. The loan facility matures in January 2027, subject to the lender's right of early cancellation of the facility.

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

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

## **SCOPE OF WORK OF INDEPENDENT AUDITORS**

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

## **REVIEW OF RESULTS**

The Audit Committee has reviewed the Group's draft consolidated financial statements for the year ended 31st December, 2025, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

## **CORPORATE GOVERNANCE**

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2025, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises the following members:

***Executive Directors:***

Mr. LO Yuk Sui

*(Chairman and Chief Executive Officer)*

Mr. Jimmy LO Chun To

*(Vice Chairman and Managing Director)*

Ms. LO Po Man

*(Vice Chairman)*

Mr. Kenneth WONG Po Man

*(Chief Operating Officer)*

Mr. Kelvin LEUNG So Po

*(Chief Financial Officer)*

Mr. Kenneth NG Kwai Kai

***Independent Non-Executive Directors:***

Mr. Francis BONG Shu Ying

Ms. Alice KAN Lai Kuen

Mr. David LI Ka Fai, MH

Mr. Abraham SHEK Lai Him, GBS, JP

By Order of the Board

**LO YUK SUI**

Chairman

Hong Kong, 30th March, 2026