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VISION SYNERGY HOLDINGS LIMITED

共生智築控股有限公司

(formerly known as Japan Kyosei Group Company Limited

日本共生集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00627)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025:

- The revenue was approximately RMB121,704,000 (2024: RMB99,700,000);
- The loss attributable to owners of Vision Synergy Holdings Limited (the “**Company**”) was approximately RMB167,975,000 (2024: loss of RMB852,224,000);
- Basic and diluted loss per share attributable to owners of the Company were RMB11.82 cents (2024: basic and diluted loss per share of RMB59.99 cents); and
- The board (the “**Board**”) of directors (the “**Directors**”) of the Company does not recommend the payment of any final dividend.

The Board is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	4		
Contracts with customers		121,366	99,123
Leases		<u>338</u>	<u>577</u>
Total revenue		121,704	99,700
Cost of sales		<u>(186,681)</u>	<u>(300,747)</u>
Gross loss		(64,977)	(201,047)
Other income		404	6,111
Other gains and losses, net		7,292	(1,074)
Selling and distribution expenses		(918)	(1,981)
Administrative expenses		(17,853)	(28,461)
Change in fair value of investment properties	11	(2,252)	(500)
Expected credit loss allowances, net of reversal	6	(360)	(1,192,774)
Other expenses		(65,769)	(151,620)
Loss on disposal of a subsidiary	16(A)	–	(4,315)
Loss on deemed disposal of a subsidiary	16(B)	–	(39,476)
Gain on deconsolidation of subsidiaries	17	–	782,404
Finance costs		(18,938)	(213,484)
Share of result from an associate		<u>(5,874)</u>	<u>(1,673)</u>
Loss before taxation		(169,245)	(1,047,890)
Income tax (expense)/credit	7	<u>(127)</u>	<u>10,281</u>
Loss for the year	8	<u>(169,372)</u>	<u>(1,037,609)</u>

	<i>NOTES</i>	2025 RMB'000	2024 <i>RMB'000</i>
Other comprehensive income/(expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		<u>9,601</u>	<u>(7,884)</u>
Other comprehensive income/(expense) for the year		<u>9,601</u>	<u>(7,884)</u>
Total comprehensive expense for the year		<u>(159,771)</u>	<u>(1,045,493)</u>
Loss for the year attributable to:			
Owners of the Company		(167,975)	(852,224)
Non-controlling interests		<u>(1,397)</u>	<u>(185,385)</u>
		<u>(169,372)</u>	<u>(1,037,609)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(158,374)	(860,108)
Non-controlling interests		<u>(1,397)</u>	<u>(185,385)</u>
		<u>(159,771)</u>	<u>(1,045,493)</u>
Loss per share			
– Basic (<i>RMB cents</i>)	<i>10</i>	<u>(11.82)</u>	<u>(59.99)</u>
– Diluted (<i>RMB cents</i>)	<i>10</i>	<u>(11.82)</u>	<u>(59.99)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		31 December 2025	31 December 2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current Assets			
Property, plant and equipment		281	290
Right-of-use assets		2,425	-
Investment properties	11	4,848	7,100
Interest in an associate		4,367	10,241
Interest in a joint venture		-	-
Equity instrument designated at fair value through other comprehensive income (“FVTOCI”)		500	500
Deferred tax assets		225	225
		<u>12,646</u>	<u>18,356</u>
Current Assets			
Properties under development/properties for sale	12	288,345	384,662
Trade and other receivables and prepayments	13	3,129,674	3,071,647
Tax recoverable		34,323	33,807
Restricted bank deposits		1,238	532
Bank balances and cash		5,802	3,922
		<u>3,459,382</u>	<u>3,494,570</u>

		31 December	31 December
		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current Liabilities			
Trade and other payables and accruals	14	5,042,564	4,898,797
Contract liabilities		9,302	35,675
Tax payable		184,118	183,992
Lease liabilities		1,297	–
Borrowings – due within one year	15	<u>192,661</u>	<u>193,860</u>
		<u>5,429,942</u>	<u>5,312,324</u>
Net Current Liabilities		<u>(1,970,560)</u>	<u>(1,817,754)</u>
Total Assets Less Current Liabilities		<u>(1,957,914)</u>	<u>(1,799,398)</u>
Capital and Reserves			
Share capital		12,924	12,924
Reserves		<u>(2,044,595)</u>	<u>(1,886,221)</u>
Deficit attributable to owners of the Company		(2,031,671)	(1,873,297)
Non-controlling interests		<u>65,166</u>	<u>66,563</u>
Total Deficit		<u>(1,966,505)</u>	<u>(1,806,734)</u>
Non-current Liabilities			
Provision of restoration expenses		467	–
Lease liabilities		788	–
Deferred tax liabilities		<u>7,336</u>	<u>7,336</u>
		<u>8,591</u>	<u>7,336</u>
		<u>(1,957,914)</u>	<u>(1,799,398)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

The Company is incorporated in Bermuda as a limited liability company and its shares (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is Flat/Room 2905, 29/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong. The principal activity of the Company is investment holding and the principal activities of its subsidiaries and joint venture are principally engaged in property development, property investment and supply chain business.

Prior to the Group Reorganisation, the immediate and ultimate holding company of the Company was Tongda Enterprises Limited (“**Tongda**”), a company established in the British Virgin Islands (the “**BVI**”) with limited liability and was previously 100% owned by Mr. Pan Weiming. On 9 September 2019, the Company was notified by Mr. Pan Weiming that he transferred (the “**Tongda Transfers**”) (i) all the issued Shares in Tongda to his son, Mr. Pan Haoran; and (ii) the 1,080,000 ordinary Shares of par value HK\$0.01 each in the Company directly held by him to Tongda, by way of a gift with no monetary consideration as part of a family succession plan. Mr. Pan Haoran became then ultimate controlling shareholder of the Company, indirectly holding approximately 56.45% of all the issued Shares through Tongda upon the completion of the Tongda Transfers.

As part of the Group Reorganisation, the Company completed the Shares Consolidation and Capital Reduction on 17 July 2023. Subsequently on 26 July 2023, 994,019,402 ordinary shares was issued to Jet Power Investments Limited (“**Jet Power**”) and 313,000,000 ordinary shares was issued to several placees. Jet Power which is interested in 69.97% of the ordinary shares of the Company, becomes the immediate and ultimate holding company of the Company from 26 July 2023 onwards.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statement have been prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial assets at FVTOCI, which are carried at fair value.

Going Concern Basis

The Group reported a net loss of RMB169.4 million during the year ended 31 December 2025. As at 31 December 2025, the Group’s total deficit attributable to the owners of the Company amounted to RMB2,031.7 million and its current liabilities exceeded its current assets of RMB1,970.6 million. At the same date, the Group’s total borrowings amounted to RMB192.7 million were all classified as current liabilities, of which approximately RMB151.5 million were collateralised by the Group’s properties under development/properties for sale recorded at a total carrying amount of RMB243.2 million. As at 31 December 2025, the Group only had total unrestricted cash and cash equivalents of RMB5.8 million.

As at 31 December 2025, the Group was unable to repay overdue borrowings and interests (the “**Defaulted Borrowings**”) according to the repayment schedule with total principal amounts of approximately RMB151.5 million and related interest payables of approximately RMB44.0 million which were included in current liabilities. Other than these Defaulted Borrowings, other borrowings with total principal amounts of approximately RMB41.2 million and related interest payables of approximately RMB16.2 million are also repayable within one year or on demand.

Management of the Company has undertaken the following plans and measures to improve the Group’s liquidity and financial position:

- The Group has been actively pursuing opportunities for expansion in its property development, property management services, and various revenue streams.
- The Group has been actively exploring new investment opportunities to diversify its operations. In addition, the Group is exploring an opportunity to enter into telecommunication infrastructure in Asia.
- The Group is actively negotiating with banks and financial institutions to explore alternative financing options and refinancing solutions for its current financial commitments, including loans and bond issuances. Furthermore, the Group is engaging potential investors to assess fundraising opportunities in the capital markets, such as private placements and the issuance of corporate bonds, along with other financing mechanisms to support its forthcoming operational and capital expenditures.

- The Group is seeking potential buyers for its subsidiaries that are encumbered by net liabilities.
- The Group has proactively adopted strategic initiatives to manage costs effectively while ensuring the right headcount for operational efficiency.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including, inter alia, (a) the Group's ability to pursue expansion, investment and fundraising opportunities and seek potential buyers; (b) negotiating results with bank and financial institutions; and (c) further costs control.

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of not less than twelve months from 31 December 2025. The Directors are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 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.

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 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 these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards that are mandatory effective for the current year

In the current year, the Company has applied amendments to HKAS 21, the Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Company has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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 ¹
Amendments to HKFRS 9 and HKFRS 7 Annual Improvements to HKFRS Accounting Standards – Volume 11	Contracts Referring Nature-dependent Electivity ¹ Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The Directors are in the process of assessing the potential impact of the new and amended HKFRS Accounting Standards but are not yet in a position to determine whether the new and amended HKFRS Accounting Standards will have material impact on the Group's performance and financial position and on the disclosure. The new and amended HKFRS Accounting Standards may result in changes to how the Group's performance and financial position are prepared and presented in the future.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods		
Sales of completed properties	30,793	99,123
Sales of commodities	<u>90,573</u>	<u>–</u>
Revenue from contracts with customers	<u><u>121,366</u></u>	<u><u>99,123</u></u>
Geographical market		
The People's Republic of China (the "PRC")	<u><u>121,366</u></u>	<u><u>99,123</u></u>
Timing of revenue recognition		
At a point in time	<u><u>121,366</u></u>	<u><u>99,123</u></u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the year ended 31 December 2025			
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Supply chain business <i>RMB'000</i>	Consolidated total <i>RMB'000</i>
Sales of completed properties	30,793	–	–	30,793
Sales of commodities	<u>–</u>	<u>–</u>	<u>90,573</u>	<u>90,573</u>
Revenue from contracts with customers	<u><u>30,793</u></u>	<u><u>–</u></u>	<u><u>90,573</u></u>	<u><u>121,366</u></u>
Leases	<u>–</u>	<u>338</u>	<u>–</u>	<u>338</u>
Total revenue	<u><u><u>30,793</u></u></u>	<u><u><u>338</u></u></u>	<u><u><u>90,573</u></u></u>	<u><u><u>121,704</u></u></u>

	For the year ended 31 December 2024		
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Consolidated total <i>RMB'000</i>
Sales of completed properties	99,123	–	99,123
Revenue from contracts with customers	<u>99,123</u>	<u>–</u>	<u>99,123</u>
Leases	–	577	577
Total revenue	<u><u>99,123</u></u>	<u><u>577</u></u>	<u><u>99,700</u></u>

(ii) **Performance obligations for contracts with customers**

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Based on the relevant contract terms, the legal environment and relevant legal precedent, the Directors concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to the customer, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 5% to 100% of the contract value from customers when they sign the sale and purchase agreement. For the customers who use mortgage loans provided by the banks, the remaining portion of the total contract value will be paid to the Group from the banks once the customers meet the requirements of the banks. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price while construction work of properties is still ongoing.

The Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer. The Group has applied the practical expedient in HKFRS 15 Revenue from Contracts with Customers and has not considered the financing component of contracts which are expected to be completed within one year from the date of payment made by customers.

For contracts entered into customers on sales of commodities, the Group does not receive advance payment from customers.

Revenue from the sale of commodities is recognised when control of the goods has transferred, being when the goods has been dispatched to the customer’s specific location. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods is delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional.

The Group has applied the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024, and the expected timing of recognising revenue related to sales of properties are as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Within one year	9,302	35,675
More than one year	<u>—</u>	<u>—</u>
	<u>9,302</u>	<u>35,675</u>

(iv) Leases

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	<u>338</u>	<u>577</u>

5. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision makers (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segment* are as follows:

Property development	Developing and selling of commercial, apartments and residential properties in the PRC
Property investment	Leasing of investment properties in the PRC
Supply chain	Trading of commodities in the PRC

Segment revenue and results

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

For the year ended 31 December 2025

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Supply chain business <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment revenue (external)	<u>30,793</u>	<u>338</u>	<u>90,573</u>	<u>121,704</u>
Segment profit/(loss)	<u>(70,730)</u>	<u>(1,992)</u>	<u>419</u>	(72,303)
Expected credit loss allowances, net of reversal				(360)
Finance costs				(18,938)
Bank interest income				2
Exchange gain				7,293
Provision for tax surcharges				(65,742)
Share of result from an associate				(5,874)
Unallocated expense				<u>(13,323)</u>
Loss before taxation				<u>(169,245)</u>

For the year ended 31 December 2024

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment revenue (external)	<u>99,123</u>	<u>577</u>	<u>99,700</u>
Segment loss	<u>(297,298)</u>	<u>(3,274)</u>	(300,572)
Expected credit loss allowances, net of reversal			(1,192,774)
Finance costs			(213,484)
Bank interest income			331
Exchange loss			(1,088)
Loss on disposal of a subsidiary			(4,315)
Loss on deemed disposal of a subsidiary			(39,476)
Gain on disposal of a subsidiary			782,404
Provision for tax surcharges			(63,610)
Share of result from an associate			(1,673)
Unallocated expense			<u>(13,633)</u>
Loss before taxation			<u>(1,047,890)</u>

Segment loss represents the loss incurred arising from each segment without allocation of loss on disposal of a subsidiary, loss on deemed disposal of a subsidiary, gain on deconsolidation of a subsidiary, bank interest income, exchange gain/(loss), expected credit loss allowances (other than properties under development/properties for sales and net of reversal), provision of tax surcharges, share of result from an associate, finance costs and unallocated expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

Segment assets

At 31 December 2025

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Supply chain business <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment assets	<u>914,354</u>	<u>4,862</u>	<u>71,423</u>	<u>990,639</u>
Unallocated				<u>2,481,389</u>
Consolidated total assets				<u>3,472,028</u>

At 31 December 2024

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment assets	<u>1,011,323</u>	<u>7,113</u>	<u>1,018,436</u>
Unallocated			<u>2,494,490</u>
Consolidated total assets			<u>3,512,926</u>

Segment liabilities

At 31 December 2025

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Supply chain business <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment liabilities	<u>1,268,812</u>	<u>168</u>	<u>70,478</u>	<u>1,339,458</u>
Unallocated				<u>4,099,075</u>
Consolidated total liabilities				<u>5,438,533</u>

At 31 December 2024

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Segment total <i>RMB'000</i>
Segment liabilities	<u>1,231,563</u>	<u>167</u>	<u>1,231,730</u>
Unallocated			<u>4,087,930</u>
Consolidated total liabilities			<u>5,319,660</u>

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

- all assets are allocated to operating segments other than certain property, plant and equipment, right-of-use assets, interest in a joint venture, equity instrument designated at FVTOCI, deferred tax assets, certain trade and other receivables and prepayments, prepaid income tax, restricted bank deposits, bank balances and cash and unallocated corporate assets of headquarter.
- all liabilities are allocated to operating segments other than certain trade and other payables, income tax payable, borrowings, lease liabilities, provision of restoration expenses, deferred tax liabilities and unallocated corporate liabilities of headquarter.

6. EXPECTED CREDIT LOSS ALLOWANCE, NET OF REVERSAL

	2025	2024
	RMB'000	RMB'000
Other receivables	360	451,187
Amounts due from non-controlling shareholders	–	110,323
Amounts due from former subsidiaries	–	31,489
Financial guarantees	–	599,775
	<u>360</u>	<u>1,192,774</u>

7. INCOME TAX EXPENSE/(CREDIT)

	2025	2024
	RMB'000	RMB'000
Current tax expense:		
PRC Enterprise Income Tax (“ EIT ”)	127	2,658
PRC Land Appreciation Tax (“ LAT ”)	–	(23,424)
Underprovision of EIT in prior year	–	30,450
	<u>127</u>	<u>9,684</u>
Deferred tax credit	–	(19,965)
	<u>127</u>	<u>(10,281)</u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Hong Kong subsidiaries incurred tax losses during current and prior years.

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

The provision of LAT is estimated according to the requirement set forth in the relevant PRC tax law and regulations. LAT has been provided at ranges of progressive rate of the appreciation value, with certain allowable exemptions and deductions.

8. LOSS FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year has been arrived at after charging/(crediting):		
Auditors' remuneration		
Audit service – current year	1,026	1,250
Audit service – under provision	290	–
Non-audit services	<u>102</u>	<u>230</u>
	<u>1,418</u>	<u>1,480</u>
Cost of properties for sale included in cost of sales	27,377	134,264
Cost of commodities included in cost of sales	89,654	–
Impairment loss on properties under development/properties for sale included in cost of sales, net of reversal	69,609	166,440
Gain on disposal and written off of property, plant and equipment	–	(14)
Depreciation of property, plant and equipment	8	1,026
Depreciation of right-of-use assets	<u>653</u>	<u>340</u>
Total depreciation	<u>661</u>	<u>1,366</u>
Gross rental income from investment properties	(338)	(577)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	<u>41</u>	<u>43</u>
	<u>(297)</u>	<u>(534)</u>
Staff costs		
Staff salaries and allowances	4,899	12,091
Retirement benefit contributions	<u>358</u>	<u>1,057</u>
Total staff costs, excluding directors' remuneration	<u>5,257</u>	<u>13,148</u>

9. DIVIDENDS

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

10. LOSS PER SHARE

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

Loss are calculated as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share for the year attributable to owners of the Company	<u>(167,975)</u>	<u>(852,224)</u>

Number of shares

	2025	2024
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,420,673,262</u>	<u>1,420,673,262</u>

The weighted average number of shares used for the purpose of calculating basic loss per share for the years ended 31 December 2025 and 2024 are determined by reference to the number of ordinary shares issued.

Since there was no dilutive ordinary shares during the years ended 31 December 2025 and 2024, diluted loss per share is equal to basic loss per share.

11. INVESTMENT PROPERTIES

	Completed Investment Properties <i>RMB'000</i>
Completed properties, at fair value	
At 1 January 2024	578,100
Change in fair value of investment properties	(500)
Eliminated upon deconsolidation of a subsidiary (Note 17)	<u>(570,500)</u>
At 31 December 2024 and at 1 January 2025	7,100
Change in fair value of investment properties	<u>(2,252)</u>
At 31 December 2025	<u><u>4,848</u></u>
Unrealised change in fair value of investment properties included in profit or loss for the year ended	
– 31 December 2025	(2,252)
– 31 December 2024	<u><u>(500)</u></u>

All of the Group's property interests held under operating leases to earn rentals or intended to earn rentals in future or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The investment properties are situated in the PRC and held under-long-term lease for both years.

As at 31 December 2025 and 2024, the fair value of the Group's completed investment properties were arrived at on the basis of a valuation carried out by independent qualified professional valuers not connected with the Group, which have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

12. PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

	31 December 2025 RMB'000	31 December 2024 RMB'000
Properties under development	84,991	122,660
Properties for sale	<u>203,354</u>	<u>262,002</u>
	<u><u>288,345</u></u>	<u><u>384,662</u></u>

The inventory of properties are located in the PRC (2024: the PRC). The properties under development of approximately RMB84,991,000 (2024: RMB122,660,000) are expected to be completed and realised after more than twelve months from the end of the reporting period.

The Group recognised impairment loss on properties under development/properties for sale of approximately RMB69,609,000 (2024: RMB160,440,000) which was included under cost of sales.

As at 31 December 2025, the Group's properties under development and properties for sales with carrying amounts of RMB84,991,000 and RMB158,204,000 (2024: RMB122,660,000 and RMB172,781,000), respectively, were pledged to financial institutions to secure borrowings of the Group (Note 15).

As at 31 December 2025, the Group's properties for sale with carrying amount of RMB183,835,000 (2024: RMB195,645,000) were freezed by the court in the PRC.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables from sales of commodities (<i>note a</i>)	71,081	–
Other receivables, deposits and prepayments (<i>note b</i>)	3,052,471	3,064,426
Refundable deposits paid	–	28
Prepayments to suppliers	4,919	5,990
Other taxes prepaid	1,203	1,203
	<u>3,129,674</u>	<u>3,071,647</u>

The following is an aged analysis of trade receivables based on the date of delivery of the commodities to the customers at the end of each reporting period.

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 90 days	58,284	–
91 to 180 days	12,797	–
181 to 365 days	–	–
Over 1 year	–	–
	<u>71,081</u>	<u>–</u>

No impairment loss on trade receivables was provided during the years ended 31 December 2025, taking into account their credit terms.

Notes:

- a. Trade receivables mainly arose from sales of commodities. Consideration in respect of commodities sold is paid in accordance with the terms of the related contracts, normally within 180 days from the date of delivery.
- b. Other receivables, deposits and prepayments consist of amounts due from related companies of approximately RMB4,000 (2024: RMB5,000) and amounts due from former subsidiaries of approximately RMB3,037,277,000 (2024: RMB3,047,745,000) arising from the Group Reorganisation. All of the amounts are unsecured, interest-free and have no fixed terms of repayment.

14. TRADE AND OTHER PAYABLES AND ACCRUALS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables	70,397	43
Retention payables	1,062	1,062
Interest payables	60,150	41,285
Other payables and accruals (note a)	3,650,312	3,661,055
Other tax payables	180,057	178,552
Consideration payables for acquisition of a subsidiary	82,658	82,658
Deposit received	1,354	1,453
Accrued construction costs	207,446	180,283
Provision for litigation	25,112	89,021
Provision for tax surcharges	164,241	63,610
Provision for financial guarantees	599,775	599,775
	<u>5,042,564</u>	<u>4,898,797</u>

The following is an aged analysis of the Group's trade payables presented based on delivery date and invoice date at the end of reporting period.

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 90 days (note *)	59,692	–
91 to 180 days (note *)	10,662	–
181 to 365 days	–	–
Over 1 year (note #)	43	43
	<u>70,397</u>	<u>43</u>

Note *: Ageing is based on delivery date. The credit terms of commodities purchased are 180 days from the delivery date based on the purchase contracts.

Note #: Ageing is based on invoice date.

Note:

- a. Other payables and accruals consist of amounts due to former subsidiaries of RMB3,115,046,000 (2024: RMB3,140,253,000), amounts due to former related companies of RMB386,991,000 (2024: RMB384,604,000), amounts due to related companies of RMB18,774,000 (2024: RMB10,080,000) and amount to an associate of RMB8,123,000 (2024: RMB3,363,000), respectively. These amounts are unsecured, interest-free and have no fixed terms of repayment.

15. BORROWINGS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Repayable immediately or on demand or within one year		
Secured borrowings	151,500	151,500
Unsecured borrowings	41,161	42,360
	192,661	193,860

16. DISPOSAL OF A SUBSIDIARY/DEEMED DISPOSAL OF A SUBSIDIARY

(A) 湖南亞太美立方投資置業有限公司(“HUNAN YATAI”)

On 21 May 2024, the Group entered into a sale and purchase agreements with an independent third party to dispose the equity interest in Hunan Yatai at the consideration of approximately RMB500,000. The disposal was completed on 21 May 2024. Upon completion of the disposal, Hunan Yatai ceased to be an indirectly wholly owned subsidiary of the Group, resulting to a loss on disposal of approximately RMB4,315,000.

The net assets of Hunan Yatai at the date of disposal were as follows:

	<i>RMB'000</i>
Properties for sale	81,100
Other receivables and prepayments	5,769
Tax recoverables	2,262
Restricted bank deposits	5
Bank balances and cash	41
Trade and other payables and accruals	(80,646)
Contract liabilities	(3,248)
Deferred tax liabilities	(468)
Net assets derecognised of	<u>4,815</u>
Loss on disposal of Hunan Yatai:	
Cash consideration	500
Net assets derecognised of Hunan Yatai	<u>(4,815)</u>
Loss on disposal of Hunan Yatai	<u>(4,315)</u>
Net cash inflow arising from disposal of Hunan Yatai:	
Cash consideration	500
Less: bank balances and cash derecognised	<u>(41)</u>
	<u>459</u>

(B) 寧德市碧晟房地產開發有限公司(“NINGDE BISHENG”)

On 12 November 2024, the two shareholders who in total had 33% shareholding disposed the equity interest in Ningde Bisheng and thus the agreement entered into between the two shareholders and the Group has become invalid. As a result, the Group lost control over Ningde Bisheng which became an associate of the Group thereafter.

The net assets of Ningde Bisheng at the date of deemed disposal were as follows:

	<i>RMB'000</i>
Deferred tax assets	211
Other receivables and prepayments	18,983
Amounts due from non-controlling shareholders	13,915
Restricted bank deposits	83
Bank balances and cash	34,403
Trade and other payables and accruals	(31,414)
Contract liabilities	<u>(1,140)</u>
Net assets derecognised of	35,041
Non-controlling interest	16,349
Loss on deemed disposal of Ningde Bisheng	<u>(39,476)</u>
Investment in an associate	<u><u>11,914</u></u>
Net cash outflow arising from deemed disposal of Ningde Bisheng:	
Cash consideration	–
Less: bank balances and cash derecognised	<u>(34,403)</u>
	<u><u>(34,403)</u></u>

17. DECONSOLIDATION OF SUBSIDIARIES

DECONSOLIDATION OF 湖南隆祥城房地產開發有限公司 (“HUNAN LONGXIANG”) AND 嘉興市鉑金置業有限公司 (“JIAXING BOJING”)

The Group deconsolidated Hunan Longxiang, a wholly owned indirect subsidiary of the Group and Jiaxing Bojing, a non-wholly owned indirect subsidiary of the Group as a result of the appointment of liquidators following the forced liquidation orders imposed by the Changsha City Intermediate People’s Court (“**Changsha Court**”) on 24 July 2024 and the Jiaxing City Intermediate People’s Court (“**Jiaxing Court**”) on 20 November 2024 respectively, resulting to a gain on deconsolidation of approximately RMB782,404,000.

The net liabilities of Human Longxiang and Jiaxing Bojing at the date of deconsolidation were as follows:

	<i>RMB’000</i>
Property, plant and equipment	17,537
Investment properties	570,500
Right-of-use assets	19,811
Deferred tax assets	7,913
Properties under development/properties for sale	1,519,614
Trade and other receivables and prepayments	224,392
Amounts due from non-controlling shareholders	37,064
Bank balances and cash	19,043
Trade and other payables and accruals	(1,386,490)
Contract liabilities	(176,600)
Tax payable	(49,133)
Borrowing-due within one year	(1,461,520)
Deferred tax liabilities	(144,332)
	<hr/>
Net liabilities derecognised of	(802,201)
	<hr/>
Gain on deconsolidation of Hunan Longxiang and Jiaxing Bojing:	
Cash consideration	–
Net liabilities derecognised of	802,201
Non-controlling interest	(19,797)
	<hr/>
Gain on deconsolidation of Hunan Longxiang and Jiaxing Bojing	782,404
	<hr/> <hr/>
Net cash outflow arising from deconsolidation of Hunan Longxiang and Jiaxing Bojing:	
Cash consideration	–
Less: bank balances and cash derecognised	(19,043)
	<hr/>
	(19,043)
	<hr/> <hr/>

18. LITIGATIONS

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgements and the legal advice. No provision has been made for pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

19. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting date and up to the date of this consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, the total revenue of the Group was approximately RMB121,704,000, increased by 22.07% as compared to that of the year ended 31 December 2024 (the “**Previous Year**”) (Previous Year: RMB99,700,000).

During the Year, the loss attributable to owners of the Company was RMB167,975,000 (Previous Year: The loss attributable to owners of the Company RMB852,224,000).

During the Year, the basic loss per share was RMB11.82 cents (Previous Year: basic loss per share RMB59.99 cents). During the Year, the diluted loss per share was RMB11.82 cents (Previous Year: diluted loss per share RMB59.99 cents).

PROPERTY DEVELOPMENT

During the Year, the revenue from sales of properties was approximately RMB30,793,000 (Previous Year: RMB99,123,000).

The revenue from sales of properties was mainly contributed by projects in Hunan Province in Mainland China. The recognised sales during the Year has decreased by 68.9% as compared to that of the Previous Year due to weakened demand during the Year.

PROPERTY INVESTMENT

Rental income for the Year was approximately RMB338,000 (Previous Year: approximately RMB577,000). Rental income was mainly contributed by the commercial investment properties in Changsha. During the Year, fair value loss on the Group’s investment properties portfolio was approximately RMB2,252,000 (Previous Year: approximately RMB500,000), owing to the ongoing deterioration and instability of the property market in the PRC.

SUPPLY CHAIN BUSINESS

Revenue from the supply chain business, which involves the trading of commodities, contributed approximately RMB90,573,000 to the Group's revenue during the Year.

OPERATING EXPENSES

During the Year, selling and distribution expenses was approximately RMB918,000 (Previous Year: RMB1,981,000), the cost-income ratio calculated as the relevant expenses divided by the revenue for the Year was 0.8% (Previous Year: 2.0%). During the Year, administrative expenses was approximately RMB17,853,000 (Previous Year: RMB28,461,000), the cost-income ratio calculated as the relevant expenses divided by the revenue for the Year was 14.7% (Previous Year: 28.5%). The decrease in operating expenses was due to the downsizing of the Group's operations and scale and effective cost control of the operation during the Year.

FINANCE COSTS

Finance costs comprised of interest on other borrowings, interest on lease liabilities and imputed interest expenses. The finance costs was approximately RMB18,938,000 for the Year (Previous Year: RMB213,484,000). The significant decrease in finance cost was due to the deconsolidation of subsidiaries in Previous Year.

INCOME TAX EXPENSE

During the Year, the Group's income tax expenses amounted to approximately RMB127,000, representing an increase of 101.2% when compared to income tax credit of approximately RMB10,281,000 for the Previous Year.

DIVIDEND

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

PROSPECT

Looking ahead, the Group remains cautiously optimistic yet vigilant in navigating a complex and evolving global landscape. The operating environment for China's property market continues to be characterized by volatility, with persistent challenges including geopolitical uncertainties, U.S. tariff policies, fluctuating domestic demand, and ongoing liquidity constraints. As the market undergoes a prolonged correction, the Group is proactively adapting its strategies to mitigate risks while capitalizing on emerging opportunities that align with its renewed corporate vision.

To better reflect this evolution, the Company changed its name from "Japan Kyosei Group Company Limited" to "Vision Synergy Holdings Limited", with the new Chinese secondary name "共生智築控股有限公司", effective on 14 October 2025. The Group believes that this change of company name more accurately represents the direction of the Group's future development, enhancing its corporate image and establishing a clearer identity. This underscores the Group's commitment to synergistic growth and is in the best interests of the Group and the Company's shareholders as a whole.

The Group continues to pursue a balanced investment strategy, with its future focus drawing not only on its core strength and expertise as a residential property developer, but also on actively pursuing opportunities to expand into logistics hubs, data centres in high-growth areas and other construction-related opportunities with strong cash flow potential so as to respond to the rising demand for such facilities across China. Simultaneously, the Group is capitalizing on compelling opportunities in Japan, particularly within the tourism and hospitality sectors, which are experiencing robust recovery driven by increasing international visitor arrivals and supportive government policies, thereby creating diversified revenue streams that complement its core operations in the PRC. This enhances overall profitability through geographical diversification, reduces dependency on any single market, and is designed to deliver sustainable, long-term returns to shareholders.

As artificial intelligence continues to reshape industries worldwide, the demand for robust, secure, and ultra-fast data transmission infrastructure has never been greater. In response, the Group will actively explore opportunities to expand its portfolio by developing data transmission infrastructure across Asia. Such infrastructure represents the critical backbone enabling global information connectivity and powering the AI-driven economy. In addition, the Group is evaluating a distressed asset investment opportunity involving a large-scale commercial complex in Hebei Province. This project offers a potential pathway to acquire a prime asset at a significantly reduced entry cost through bankruptcy reorganization. Our assessment is focused on the financial viability, legal framework, and post-acquisition value enhancement strategies. The Group look forward to sharing more details as we progress.

Leveraging its renewed corporate identity, diversified business portfolio, and disciplined investment strategy, the Group is well-positioned to navigate market uncertainties, capitalize on emerging opportunities and strengthen its profitability, enhance corporate resilience, and deliver sustainable, long-term value to its shareholders. Looking forward, the Board remains committed to executing this strategic vision with prudence and agility, ensuring the Group is equipped to thrive in the evolving global landscape.

LIQUIDITY, FINANCIAL RESOURCE AND GEARING RATIO

As at 31 December 2025, bank balances and cash amounted to approximately RMB5,802,000 (2024: RMB3,922,000), which were principally denominated in RMB and HKD. The Group had total other borrowings of approximately RMB192,661,000 (2024: RMB193,860,000) which carried interest at fixed interest rates and were denominated in RMB and HKD. The Group's total borrowings divided by total assets as at 31 December 2025 was 5.5% (2024: 5.5%). The net gearing ratio calculated as total borrowings less of amounts of bank balances and cash and restricted bank deposits divided by total deficit (2024: deficit) of the Group as at 31 December 2025 was -9.4% (2024: -10.5%).

As at 31 December 2025, the Group had current assets of approximately RMB3,459,382,000 (2024: RMB3,494,570,000) and current liabilities of approximately RMB5,429,942,000 (2024: RMB5,312,324,000). The net liabilities of the Group as at 31 December 2025 was approximately RMB1,966,505,000 (2024: net liabilities of approximately RMB1,806,734,000) increased by approximately 8.8%.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 106 employees, including the Directors. Remuneration of employees is determined by reference to the market terms and commensurate with the level of pay for similar positions within the industry. Discretionary year-end bonuses are payable to employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations. The employees of the Group in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC, and the employees in Hong Kong are members of the Mandatory Provident Fund Scheme of Hong Kong.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Group has complied with the code provisions set out in Appendix C1 (the “**CG Code**”) to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange throughout the Year and, where appropriate, the applicable recommended best practices of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have a designated position of Chairman from 30 November 2023 onwards. The responsibilities of the chairman and the chief executive officer of the Company are currently vested in Dr. Hiroshi Kaneko (the executive Director and the chief executive officer of the Company). As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she had complied with the required standards as set out in the Model Code throughout the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including any sale of treasury shares) during the Year. As of 31 December 2025, the Company did not have any treasury share as defined under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee of the Company was established with written terms of reference which are in line with the CG Code and comprises three independent non-executive Directors as at 31 December 2025.

The Audit Committee has reviewed the Group’s annual results for the Year, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SCOPE OF WORK OF PKF HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and related notes thereto for the year ended 31 December 2025 as set out above in this announcement have been agreed by the Auditor, PKF Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PKF Hong Kong Limited in this respect did not constitute an assurance engagement 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 PKF Hong Kong Limited on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below paragraphs set out an extract of the report by PKF Hong Kong Limited, the Auditor, regarding 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 matter as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for 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 the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Related to Going Concern

As described in note 2 to the consolidated financial statements, the Group reported a net loss of RMB169.4 million during the year ended 31 December 2025. As at 31 December 2025, the Group's total deficit attributable to the owners of the Company amounted to RMB2,031.7 million and its current liabilities exceeded its current assets of RMB1,970.6 million. At the same date, the Group's total borrowings amounted to RMB192.7 million were all classified as current liabilities, of which approximately RMB151.5 million were collateralised by the Group's properties under development/properties for sale recorded at a total carrying amount of RMB243.2 million. As at 31 December 2025, the Group only had total unrestricted cash and cash equivalents of RMB5.8 million.

As at 31 December 2025, the Group was unable to repay overdue borrowings and interests (the “**Defaulted Borrowings**”) according to the repayment schedule with total principal amounts of approximately RMB151.5 million and related interest payables of approximately RMB44 million which were included in current liabilities. Other than these Defaulted Borrowings, other borrowings with total principal amounts of approximately RMB41.2 million and related interest payables of approximately RMB16.2 million are also repayable within one year or on demand.

Management of the Company has undertaken the following plans and measures to improve the Group’s liquidity and financial position:

- The Group has been actively pursuing opportunities for expansion in its property development, property management services, and various revenue streams.
- The Group has been actively exploring new investment opportunities to diversify its operations. In addition, the Group is exploring an opportunity to enter into telecommunication infrastructure in Asia.
- The Group is actively negotiating with banks and financial institutions to explore alternative financing options and refinancing solutions for its current financial commitments, including loans and bond issuances. Furthermore, the Group is engaging potential investors to assess fundraising opportunities in the capital markets, such as private placements and the issuance of corporate bonds, along with other financing mechanisms to support its forthcoming operational and capital expenditures.
- The Group is seeking potential buyers for its subsidiaries that are encumbered by net liabilities.
- The Group has proactively adopted strategic initiatives to manage costs effectively while ensuring the right headcount for operational efficiency.

In view of the associated with the aforementioned plans and measures, the potential interaction of these uncertainties, the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation of appropriate.

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 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 these consolidated financial statements.

Other Matters

This "Other Matters" section does not form part of the "Basis for Disclaimer of Opinion" section. Had we not disclaimed our opinion regarding the matters described in the Basis for Disclaimer of Opinion section above, we would otherwise have qualified our opinion regarding the matters detailed below.

Limitation of Scope – Tax Surcharges

As disclosed in the consolidated statement of financial position, tax payable of RMB184.1 million and RMB184.0 million and other tax payable (including value added tax payable) of RMB180.1 million and RMB178.6 million were included in the consolidated statement of financial position as at 31 December 2025 and 2024 respectively.

They were arising from the sales of properties and profits generated from the group entities operating in the People's Republic of China (the "**PRC Entities**") in prior financial years. Management of the Group explained to us that these payables had been long outstanding because the PRC Entities recognised revenue and profits in their local financial statements on different bases from the Group's consolidated financial statements. As at 31 December 2025 and 2024, a provision for tax surcharges of RMB164.2 and RMB63.6 million were estimated and made respectively for the subsequent payments to the PRC tax authorities.

However, we were not provided with sufficient appropriate audit evidence to evaluate if the provisions made were adequate. Consequently, we were unable to determine whether any adjustments to the provision were necessary. Any adjustments to the amount might have consequential effects on the Group's financial position as at 31 December 2025 and 2024 and its financial performance for the years ended 31 December 2025 and 2024, and the related elements and disclosures thereof in these consolidated financial statements.

Limitation of Scope – Inaccessibility to Books and Records as a Result of Deconsolidation of Subsidiaries

As disclosed in Note 33 to the consolidated financial statements, the Group lost control on two subsidiaries, namely 湖南隆祥房地產開發有限公司 and 嘉興市鉑金置業有限公司 as a consequence of defaulted borrowings leading to the appointment of liquidators by court on 24 July 2024 and 20 November 2024 respectively.

Upon disposal of the two subsidiaries as mentioned above (the “**Deconsolidated Subsidiaries**”), the liquidators of the Deconsolidated Subsidiaries did not allow the management of the Company to access these accounting books and records, despite repeated requests were made by the management of the Company.

Due to the inaccessibility of the accounting books and records, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves concerning the aggregate amounts of revenue of RMB3.0 million, cost of sales of RMB2.7 million and expenses of RMB12.2 million recognised in the consolidated profit or loss for the year ended 31 December 2024 which then affects the amounts of assets and liabilities being disposed of and the recognition of gain on loss of control of subsidiaries.

THE MANAGEMENT'S VIEW AND THE AUDIT COMMITTEE'S VIEW TOWARDS THE DISCLAIMER OF OPINION

The management of the Company concurs with the view of the Auditors. The Audit Committee also confirms and concurs with the view of the Auditors.

REMOVAL OF THE DISCLAIMER OF OPINION

As described in Note 2 to the consolidated financial statements, the management of the Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position. The above action plans and measures have been fully discussed with the Audit Committee and the Auditors. Contingent on the aforementioned plans and measures having a successful or favourable outcome, the Company expects that the Disclaimer of Opinion can be removed in the following year's audit of the Company (i.e. the audit for the financial year ending 31 December 2026). The Auditor's concern is on the status and development of (a) the Group's ability to pursue expansion, investment and fundraising opportunities and seek potential buyers; (b) negotiating results with bank and financial institutions. When the Group is able to resolve each of these matters to a satisfactory level, the Auditors will consider the removal of the Disclaimer of opinion in the coming audits of the Company.

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

This announcement is published on the websites of the Company (www.vshl.com.hk) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere appreciation to our stakeholders for their continued support to the Group. The Board would also wish to thank to our management and all the staff who have contributed their time, efforts and supports to the Group's business operations.

By order of the Board
Vision Synergy Holdings Limited
Dr. Hiroshi Kaneko

Executive Director and Chief Executive Officer

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises one executive Director, namely Dr. Hiroshi Kaneko, one non-executive Director, namely Mr. Chung Ho Wai Alan, and three independent non-executive Directors, namely Mr. Huang Zhongquan, Ms. Tang Ying Sum and Ms. Ha Sze Wan.