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# GR Life Style

## 国锐生活

### GR LIFE STYLE COMPANY LIMITED

### 國銳生活有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 108)**

## ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of GR Life Style Company Limited (the “**Company**”) hereby presents the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, which have been reviewed by the audit committee of the Company, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
<b>REVENUE</b>	5	<b>327,914</b>	310,017
Other income and gains, net	6	<b>28,167</b>	34,999
Employee benefit expenses		<b>(88,354)</b>	(86,742)
Depreciation and amortisation		<b>(1,462)</b>	(2,279)
Utilities, repairs and maintenance and rental expenses		<b>(118,928)</b>	(111,465)
Other operating costs		<b>(63,363)</b>	(43,989)
Finance costs	7	<b>(153,120)</b>	(124,549)
Other expenses, net		<b>(19,141)</b>	(11,687)
Reversal of impairment/(impairment) of trade, lease and other receivables, net	8	<b>8,268</b>	(1,081)
Remeasurement gain upon transfer of certain properties held for sale to investment properties	12	<b>7,098</b>	4,109
Fair value loss of investment properties, net	12	<b>(62,780)</b>	(934,841)
<b>LOSS BEFORE TAX</b>	8	<b>(135,701)</b>	(967,508)

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>LOSS BEFORE TAX</b>	8	<b>(135,701)</b>	(967,508)
Income tax credit	9	<u>25,677</u>	<u>48,164</u>
<b>LOSS FOR THE YEAR</b>		<b><u>(110,024)</u></b>	<b><u>(919,344)</u></b>
Attributable to:			
Shareholders of the Company		<b>(109,634)</b>	(918,501)
Non-controlling interests		<u>(390)</u>	<u>(843)</u>
		<b><u>(110,024)</u></b>	<b><u>(919,344)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<i>11</i>		
Basic and diluted ( <i>HK cent per share</i> )		<b><u>(3.41)</u></b>	<b><u>(28.71)</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>LOSS FOR THE YEAR</b>	<b>(110,024)</b>	(919,344)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>70,539</u>	<u>(57,042)</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair value of equity investments at fair value through other comprehensive income	<u>–</u>	<u>1,930</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<u>70,539</u>	<u>(55,112)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><b>(39,485)</b></u>	<u><b>(974,456)</b></u>
Attributable to:		
Shareholders of the Company	<u>(39,095)</u>	(973,613)
Non-controlling interests	<u>(390)</u>	<u>(843)</u>
	<u><b>(39,485)</b></u>	<u><b>(974,456)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,263</b>	951
Investment properties	<i>12</i>	<b>4,687,539</b>	4,466,719
Right-of-use assets		<b>7,173</b>	1,063
Computer software		<b>2,547</b>	1,673
		<hr/>	<hr/>
Total non-current assets		<b>4,699,522</b>	4,470,406
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>101,044</b>	136,574
Inventories		<b>1,062</b>	906
Trade and lease receivables	<i>13</i>	<b>142,897</b>	145,641
Prepayments, deposits and other receivables		<b>439,056</b>	325,337
Other tax recoverables		<b>43,232</b>	33,301
Restricted cash	<i>14</i>	<b>191,547</b>	118,155
Cash and cash equivalents		<b>121,218</b>	193,151
		<hr/>	<hr/>
Total current assets		<b>1,040,056</b>	953,065
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>15</i>	<b>83,364</b>	71,016
Receipts in advance		<b>71,095</b>	79,985
Other payables and accruals		<b>444,850</b>	320,810
Bank and other borrowings		<b>1,253,251</b>	744,707
Income tax payables		<b>20,035</b>	28,253
Other tax payables		<b>5,541</b>	7,321
		<hr/>	<hr/>
Total current liabilities		<b>1,878,136</b>	1,252,092
<b>NET CURRENT LIABILITIES</b>		<b>(838,080)</b>	(299,027)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,861,442</b>	4,171,379
		<hr/>	<hr/>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings		<b>1,586,233</b>	1,860,779
Liability component of perpetual convertible bonds		<b>50,531</b>	47,838
Deferred tax liabilities		<b>131,576</b>	130,252
		<hr/>	<hr/>
Total non-current liabilities		<b>1,768,340</b>	2,038,869
		<hr/>	<hr/>
Net assets		<b>2,093,102</b>	2,132,510
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	<i>16</i>	<b>3,168,384</b>	3,152,571
Equity component of perpetual convertible bonds		<b>1,156,431</b>	1,172,244
Reserves		<b>(2,232,024)</b>	(2,193,006)
		<hr/>	<hr/>
		<b>2,092,791</b>	2,131,809
Non-controlling interests		<b>311</b>	701
		<hr/>	<hr/>
Total equity		<b>2,093,102</b>	2,132,510
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## **NOTES:**

### **1. CORPORATE AND GROUP INFORMATION**

The Company is a limited liability company incorporated in Hong Kong and shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office and the principal place of business of the Company is located at Unit 1802, 18/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.

During the year ended 31 December 2025, the Group was involved in the following principal activities:

- property development and investment in the United Kingdom (the “**UK**”), the United States of America (the “**USA**”) and the mainland (“**Chinese Mainland**”) of the People’s Republic of China (the “**PRC**”); and
- provision of property management services in Chinese Mainland.

As at 31 December 2025, the immediate holding company of the Company was Wintime Company Limited, which is incorporated in the British Virgin Islands with limited liability. In the opinion of the directors of the Company, the ultimate holding company of the Company is Widewealth Company Limited, which is incorporated in the British Virgin Islands with limited liability.

### **2. BASIS OF PRESENTATION AND PREPARATION**

#### **Basis of preparation**

This announcement has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to The Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated 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 (the “**HKICPA**”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results for the year ended 31 December 2025 do not constitute the Company’s statutory annual consolidated financial statements for those years, but in respect of the year ended 31 December 2024, is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

*The consolidated financial statements for the year ended 31 December 2025 have yet to be reported on by the Company’s auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.*

*The Company’s auditor has reported on the consolidated financial statements for the year ended 31 December 2024. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.*

## **Basis of presentation**

### ***Going concern***

As at 31 December 2025, the Group had net current liabilities of HK\$838,080,000, which included interest-bearing bank and other borrowings of HK\$1,253,251,000 that were classified as current liabilities with a maturity of less than 1 year. Among these borrowings, an interest-bearing loan from a financial institution of US\$26,968,000 (equivalent to HK\$209,864,000) with a maturity date on 5 April 2026 had not been renewed up to the date of this report. The Group is currently negotiating with the relevant lending institution regarding the renewal of this loan, and the management believes that the loan can be successfully renewed. In an extreme circumstance where the lending institution does not agree to the loan renewal, it may demand immediate repayment of the entire loan.

This condition indicates the existence of a material uncertainty relating to going concern. In assessing the Group's ability to operate as a going concern, a cash flow projection covering a period of not less than twelve months from 31 December 2025 has been prepared by the management, which, inter alia, takes into account the operating performance of the Group and the following:

- Regarding a bank loan of £60,850,000 (equivalent to HK\$635,614,000) for financing the operation of the Group's investment properties in the UK which will be matured in July 2026, subsequent to the reporting period, in March 2026, the Group obtained a new loan from a financial institution of £62,450,000 and early repaid its existing bank loan, and restricted deposit of £10,000,000 placed in a designated cure account with the bank has been released.
- Regarding a loan from a financial institution for financing the construction of the Culver City project in the USA of US\$42,000,000 (equivalent to HK\$326,841,000) which will be matured in April 2026, subsequent to the reporting period, in March 2026, the Group received a confirmation letter from a financial institution committing to a new loan of US\$42,000,000 to refinance its existing loan.
- Regarding another loan from a financial institution for financing the construction of the Culver City project in the USA of US\$26,968,000 (equivalent to HK\$209,864,000) which will also be matured in April 2026, the Group is currently negotiating with the relevant lending institution regarding the loan renewal, and the management believes that the loan can be refinanced.
- Regarding the shareholder loans of £16,711,000 (equivalent to HK\$174,550,000) obtained from Mr. Wei Chunxian (“**Mr. Wei**”, the Chairman and the shareholder of the Company), the repayment of these loans will not be made until the Group is in a position to repay without impairing its liquidity and financial position.
- The Group has obtained a shareholder loan facility of HK\$200,000,000 from Gang Rui International Investment (HK) Limited (“**Gang Rui**”, which holds a 11.86% shareholding in the Company as at 31 December 2025 and in which Mr. Wei and Mr. Sun Zhongmin (“**Mr. Sun**”) have beneficial interests), of which HK\$107,631,000 remains unutilised by the Group as at 31 December 2025.

The directors of the Company have reviewed the Group's cash flow projection prepared by management, which cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, after taking into account the aforementioned plans and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Group's ability to generate sufficient cash flows to continue as a going concern is subject to significant uncertainty and will depend on whether the loan provided by the aforesaid financial institution for the Culver City project can be successfully renewed. Should the financial institution not agree on the loan renewal resulting in an immediate repayment of the entire loan, the Group may be unable to continue as a going concern, in that case adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group has directly disposed of the related assets or liabilities.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's 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 overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments did not have any impact on the Group's financial statements.

### 4. OPERATING SEGMENT INFORMATION

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

- (a) the property development and investment segment engages in property development and investment in the UK, the USA and Chinese Mainland; and
- (b) the property management segment engages in the provision of property management and other services for office buildings, residential properties and car parks in Chinese Mainland.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 profit/loss before tax except that head office and corporate income and expenses are excluded from this measurement.

	Property development and investment		Property management		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue (note 5)	<u>140,978</u>	<u>140,201</u>	<u>186,936</u>	<u>169,816</u>	<u>327,914</u>	<u>310,017</u>
Segment results	<u>(95,020)</u>	<u>(936,788)</u>	<u>(10,290)</u>	<u>(10,269)</u>	<u>(105,310)</u>	<u>(947,057)</u>
<i>Reconciliation:</i>						
Other unallocated income and gains					636	4,937
Corporate and other unallocated expenses					<u>(31,027)</u>	<u>(25,388)</u>
Loss before tax					<u>(135,701)</u>	<u>(967,508)</u>

	Property development and investment		Property management		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other segment information:</b>						
Depreciation and amortisation						
– Operating segments	413	523	785	719	1,198	1,242
– Amount unallocated					264	1,037
					<u>1,462</u>	<u>2,279</u>
Remeasurement gain upon transfer of certain properties held for sale to investment properties	7,098	4,109	–	–	7,098	4,109
Fair value loss of investment properties, net	62,780	934,841	–	–	62,780	934,841
(Reversal of impairment)/impairment of trade, lease and other receivables, net	(130)	452	(8,138)	629	(8,268)	1,081
Loss on remeasurement of financial guarantee contracts	19,141	7,645	–	–	19,141	7,645
Capital expenditure*	<u>113,232</u>	<u>131,524</u>	<u>9,562</u>	<u>1,147</u>	<u>122,794</u>	<u>132,671</u>

\* Capital expenditure consists of additions of property, plant and equipment, investment properties, right-of-use assets and computer software.

### Geographical information

#### Revenue from external customers

	2025	2024
	HK\$'000	HK\$'000
Chinese Mainland	241,682	226,700
The UK	51,211	57,779
The USA	35,021	25,538
	<u>327,914</u>	<u>310,017</u>

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

#### Information about major customers

During each of the years ended 31 December 2025 and 2024, there was no single external customer which contributed 10% or more of the Group's total revenue for each of these years.

## 5. REVENUE

An analysis of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
– Rendering of property management and other services	186,936	168,895
– Revenue from restaurant operation	–	921
Revenue from another source		
– Gross rental income from investment property operating leases	140,978	140,201
	<u>327,914</u>	<u>310,017</u>

## 6. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b><u>Other income</u></b>		
Bank interest income	2,552	7,883
Interest income from loan receivables	3,204	5,213
Government grants ( <i>note</i> )	6,794	5,024
Financial guarantee income	7,677	10,080
Income from tenants arising from the early termination of leases	1,358	1,011
Others	6,201	5,755
	<u>27,786</u>	<u>34,966</u>
<b><u>Other gains, net</u></b>		
Foreign exchange gain, net	381	–
Gain on early termination of lease contract	–	33
	<u>381</u>	<u>33</u>
	<u>28,167</u>	<u>34,999</u>

*Note:* The amount mainly represents government subsidies, value-added tax refund and other tax refunds. There are no unfulfilled conditions or contingencies relating to these grants.

## 7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on loans from banks and financial institutions	145,440	159,576
Interest on a loan from a shareholder of the Company	12,006	1,623
Interest on loans from director-controlled entities, net*	(511)	(2,153)
Imputed interest on a loan from director-controlled entity	3,162	825
Interest on loans from former director-controlled entities, net <sup>#</sup>	–	(9,503)
Imputed interest on a loan from a former director-controlled entity	6,194	1,902
Imputed interest on perpetual convertible bonds	2,693	2,555
Interest on lease liabilities	181	240
	<hr/>	<hr/>
Total finance costs	169,165	155,065
Less: Amount capitalised in investment property under construction	(16,045)	(30,516)
	<hr/>	<hr/>
	<b>153,120</b>	<b>124,549</b>
	<hr/> <hr/>	<hr/> <hr/>

\* Included in this amount during the year is income derived from the waiver of relevant interest payables accrued in current and prior years of HK\$511,000. Included in this amount during the year ended 31 December 2024 was (i) interest on loans from director-controlled entities of HK\$2,499,000; and net of (ii) income derived from the waiver of relevant interest payables accrued in 2024 and prior years of HK\$4,652,000.

<sup>#</sup> Included in this amount during the year ended 31 December 2024 was (i) interest on loans from former director-controlled entities of HK\$4,405,000; and net of (ii) income derived from the waiver of relevant interest payables accrued in 2024 and prior years of HK\$13,908,000.

## 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation of property, plant and equipment	351	610
Depreciation of right-of-use assets	831	1,467
Amortisation of computer software	280	202
Write-off of property, plant and equipment	–	156
Employee benefit expenses (including directors' remuneration):		
– Salaries, allowances and benefits in kind	86,604	84,962
– Equity-settled share option expense	–	3,130
– Pension scheme contributions	1,750	1,780
	<hr/>	<hr/>
	88,354	89,872
	<hr/>	<hr/>
(Reversal of impairment)/impairment of trade and lease receivables	(7,845)	376
(Reversal of impairment)/impairment of other receivables*	(423)	705
	<hr/>	<hr/>
	(8,268)	1,081
	<hr/>	<hr/>
Foreign exchange differences, net	(381)	773
Loss on remeasurement of financial guarantee contracts	19,141	7,645
	<hr/> <hr/>	<hr/> <hr/>

\* During the year, a reversal of impairment of HK\$423,000 (2024: a impairment of HK\$705,000) was provided on the other receivables using a general approach with an expected credit loss rate of 2.5% (2024: 1.5%).

## 9. INCOME TAX CREDIT

An analysis of the Group's income tax charge/(credit) is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Chinese Mainland		
– Charge for the year	1,619	639
– Overprovision in prior years	(8,665)	(6,294)
Current – UK		
– Charge for the year	–	3,897
– Overprovision in prior years	(17,409)	(1,290)
Current – USA	–	60
Withholding tax – Chinese Mainland	941	2,125
Deferred	(2,163)	(47,301)
	<u>(25,677)</u>	<u>(48,164)</u>
Total tax credit for the year	<u>(25,677)</u>	<u>(48,164)</u>

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 (2024: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in countries/ jurisdictions in which the Group operates, based on the prevailing legislation, interpretations and practices in respect thereof.

## 10. DIVIDEND

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

## 11. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

In respect of the year ended 31 December 2025, no adjustment has been made to the basic loss per share amount presented in respect of a dilution as the impact of the perpetual convertible bonds and share options outstanding had an anti-dilutive effect on the basic loss per share amount presented (2024: no diluting effect).

The calculations of the basic and diluted loss per share amounts are based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to shareholders of the Company, used in the basic and diluted loss per share calculation	<u>(109,634)</u>	<u>(918,501)</u>
	<b>Number of ordinary shares</b>	
	2025	2024
Weighted average number of ordinary shares in issued during the year, used in the basic and diluted loss per share calculation	<u>3,216,360,287</u>	<u>3,199,373,986</u>

## 12. INVESTMENT PROPERTIES

	<b>Completed</b> <i>HK\$'000</i>	<b>Under construction</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Carrying amount as at 1 January 2024	4,823,638	499,717	5,323,355
Additions	–	131,524	131,524
Net loss from fair value adjustments	(842,322)	(92,519)	(934,841)
Transfer from properties held for sale ( <i>note</i> )	24,443	–	24,443
Exchange realignment	(74,652)	(3,110)	(77,762)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Carrying amount as at 31 December 2024 and 1 January 2025	3,931,107	535,612	4,466,719
Additions	50,179	63,042	113,221
Net loss from fair value adjustments	(101,083)	38,303	(62,780)
Transfer from properties held for sale ( <i>note</i> )	46,079	–	46,079
Transfer upon completion of construction	638,117	(638,117)	–
Exchange realignment	123,140	1,160	124,300
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Carrying amount as at 31 December 2025	<u>4,687,539</u>	<u>–</u>	<u>4,687,539</u>

*Note:* During the year, the use of certain units in the properties held for sale has been changed upon the inception of operating leases with external third parties. As a result, the leased portion of the properties held for sale was transferred to completed investment properties and a remeasurement gain of HK\$7,098,000 (2024: HK\$4,109,000) was recognised in profit or loss during the year.

## 13. TRADE AND LEASE RECEIVABLES

An ageing analysis of the trade and lease receivables, based on the invoice date and net of impairment, is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Less than 1 year	<b>122,675</b>	104,334
1 year to 2 years	<b>18,550</b>	15,159
2 years to 3 years	<b>1,672</b>	26,148
	<u>                    </u>	<u>                    </u>
	<u><b>142,897</b></u>	<u>145,641</u>

#### 14. RESTRICTED CASH

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Restricted cash for bank loans	<i>(a)</i>	<b>119,107</b>	14,996
Restricted cash for a loan from a financial institution	<i>(b)</i>	<b>72,440</b>	103,159
		<b>191,547</b>	118,155

*Notes:*

- (a) The restricted cash represents deposits placed in designated banks as part of the security given to secure general banking facilities granted to the Group.
- (b) The restricted cash represents cash drawn under a construction loan which can only be used to pay relevant costs of the Culver City project.

#### 15. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	<b>38,989</b>	28,655
4 to 6 months	<b>20,375</b>	12,387
7 to 12 months	<b>18,889</b>	25,010
Over 1 year	<b>5,111</b>	4,964
	<b>83,364</b>	71,016

#### 16. SHARE CAPITAL

During the year ended 31 December 2025, certain of the perpetual convertible bonds with an aggregate principal amount of HK\$16,000,000 were converted by a bondholder into 20,000,000 ordinary shares of the Company at the conversion price of HK\$0.80 per share. The market price of ordinary shares of the Company is HK\$0.70 as at the date of conversion. The carrying amount of the equity component of these perpetual convertible bonds at the date of conversion, which amounted to HK\$15,813,000, was transferred to the share capital account of the Company. The calculation of the amount is based on the proportion of the number of outstanding perpetual convertible bonds of 20,000,000 to the total number of conversion rights outstanding of 1,363,741,500 as of 1 January 2025, applied to the equity component amount of HK\$1,078,217,000 as of 1 January 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the year ended 31 December 2025 (the “**Year**”), the operations of the Group were organised into business units based on the nature of their products and services. There were two reportable operating segments, including (i) the property management segment; and (ii) the property development and investment segment. The first segment was carried out in the People’s Republic of China (the “**PRC**”) whereas the second segment was carried out in the PRC, the United States of America (the “**USA**”) and the United Kingdom (the “**UK**”).

#### Property management segment

Beijing AOCEAN Property Management Company Limited\* (北京澳西物業管理有限公司), (“**AOCEAN**”), a wholly-owned subsidiary of the Company, provides property management services for office buildings, residential properties and car parks. As at 31 December 2025, AOCEAN managed 20 major residential and commercial property projects, which were located in the PRC. The services provided by AOCEAN under the management agreements include, *inter alia* (i) provision of heating supply and maintenance services of heat exchange stations and pipeline network; (ii) provision of management services to car parks such as maintenance of various facilities and equipment in the car parks; and (iii) provision of property management services to vacant properties and general management services such as repair and maintenance of buildings and fire safety equipment and facilities for residential and commercial property projects.

Adhering to the principle of being human-oriented, and perceiving the market from the perspective of customers and market needs, AOCEAN has been improving and perfecting its management system and continues to provide professional services to its customers.

#### Property development and investment segment

During the Year, the Group carried on its property development and investment business in the USA, the UK and the PRC.

- ***Santa Monica project***

The Santa Monica project, located in Santa Monica, the County of Los Angeles, State of California, the USA, has a total site area of approximately 40,615 square feet (the “**US Complex**”). According to the land title, the development for the site is a mixed-use three stories development. Total rentable/saleable floor area is approximately 25,000 square feet for commercial use and 38,000 square feet for residential use and there are 190 on-site subterranean parking spaces. Approximate average of 91% of the commercial area and average of 89% of the residential area have been leased out, respectively, during the Year. The plan for the Santa Monica project is to lease out all the commercial units and the residential units.

- ***Culver City project***

Culver City project is a 36,319 square feet redevelopment site located at the south corner of Washington Boulevard and Motor Avenue in Culver City, Los Angeles County, California, the USA (the “**Culver City Complex**”). The land title allows for the development of 139 residential units, of which 14 units would be income restricted for residents at the extremely low income level, and 1,969 square feet of ground floor would be commercial space. Its construction has started since September 2021. The temporary certificate of occupancy was granted in July 2025, which permitted the properties of the Culver City project being leased out.

Total rentable/saleable floor area is approximately 1,969 square feet for commercial use and 119,527 square feet for residential use and there are 140 on-site subterranean parking spaces. Approximate average of 100% of the commercial area and average of 45% of the residential area have been leased out, respectively, during the Year. The plan for the Culver City project is to lease out all the commercial units and the residential units.

- ***Juxon House***

Juxon House is located at 100 St Paul’s Churchyard, London, the UK. It is situated in a prominent location on the northwest side of St Paul’s Cathedral, with St Paul’s Churchyard at its south, Ave Maria Lane at its west and Paternoster Square to the east, which is a prime professional and financial district with the London Stock Exchange and some multinational organisations having offices in the near vicinity. Juxon House is a grade A commercial building with a net lettable floor area of approximately 123,781 square feet, among which the office accommodation, the retail accommodation, and the ancillary and storage area have a net lettable floor area of 100,774 square feet, 20,083 square feet and 2,924 square feet respectively. Juxon House comprises a lower ground floor, a ground floor and five upper floors, basement storage and 20 car park spaces. Juxon House was let to 2 office tenants and 3 retail tenants, which contributed approximately £5.0 million rental income to the Group for the Year.

- ***Guorui Square Block B***

The Group holds all units with a gross floor area of approximately 68,685 square meters in Building No. 2 of Kingdom Guorui (國銳 • 金嶺), No.1 Ronghua South Road, Daxing District, Beijing, the PRC (“**Guorui Square Block B**”), which are for office use.

The Company planned to sell or lease certain units of Guorui Square Block B, subject to market conditions in Yizhuang (亦莊), Beijing, the PRC. Currently, certain units were leased out to tenants under medium or long term leases.

## FINANCIAL REVIEW

	<b>Year ended 31 December 2025 HK\$'000</b>	Year ended 31 December 2024 HK\$'000
Revenue	<b><u>327,914</u></b>	<u>310,017</u>
Loss for the year	<b><u>(110,024)</u></b>	<u>(919,344)</u>
	<b>As at 31 December 2025 HK\$'000</b>	As at 31 December 2024 HK\$'000
Total assets	<b>5,739,578</b>	5,423,471
Total liabilities	<b><u>(3,646,476)</u></b>	<u>(3,290,961)</u>
Net assets	<b><u>2,093,102</u></b>	<u>2,132,510</u>
Net debt <sup>^</sup>	<b>2,718,266</b>	2,412,335
Capital liquidity ratio <sup>**</sup>	<b>0.06</b>	0.15
Gearing ratio <sup>#</sup>	<b><u>126.8%</u></b>	<u>110.7%</u>

<sup>^</sup> The amount represented bank and other borrowings less cash and cash equivalents

<sup>\*\*</sup> The ratio represented cash and cash equivalents divided by current liabilities

<sup>#</sup> The ratio represented net debt divided by equity attributable to shareholders of the Company and liability component of perpetual convertible bonds

## Financial analysis

During the Year, the Group generated revenue of approximately HK\$327,914,000 (31 December 2024: approximately HK\$310,017,000). The property management segment reported segment revenue of approximately HK\$186,936,000 (31 December 2024: approximately HK\$169,816,000). The property development and investment segment reported segment revenue of approximately HK\$140,978,000 (31 December 2024: approximately HK\$140,201,000), contributed by the rental income from the operating leases of certain portion of units in the US Complex, the Culver City Complex, Juxon House and Guorui Square Block B. The Group recorded a loss for the Year of approximately HK\$110,024,000 (31 December 2024: approximately HK\$919,344,000). The decrease in loss for the Year of approximately HK\$809,320,000 is mainly due to the combined effect of (i) the decrease in fair value loss of investment properties of approximately HK\$872,061,000; (ii) the increase in other operating costs of approximately HK\$19,374,000; (iii) the increase in finance costs of approximately HK\$28,571,000; and (iv) the increase in other expenses, net of approximately HK\$7,454,000 during the Year.

As at 31 December 2025, the outstanding balance of bank and other borrowings was approximately HK\$2,839,484,000 (31 December 2024: approximately HK\$2,605,486,000), of which the balance mainly consisted of (i) six bank loans of approximately HK\$1,501,960,000 (31 December 2024: approximately HK\$1,523,803,000) secured by Juxon House, certain portion of Guorui Square Block B and lease receivables; (ii) other loans of approximately HK\$1,330,776,000 (31 December 2024: approximately HK\$1,080,382,000) secured by the US Complex and its lease receivables and rights to future lease receivables over the Culver City project; and (iii) lease liabilities balances of approximately HK\$6,748,000 (31 December 2024: approximately HK\$1,301,000).

As of 31 December 2025, the outstanding balance of the Group's bank loans was approximately HK\$1,501,960,000, of which approximately HK\$866,346,000 was bearing at fixed interest rates, and approximately HK\$635,614,000 was bearing at floating interest rates. In addition, approximately HK\$635,614,000 and approximately HK\$866,346,000, were denominated in Pound Sterling (“£”) and Renminbi (“RMB”), respectively.

As of 31 December 2025, the outstanding balance of the Group's other loans was approximately HK\$1,330,776,000 of which approximately HK\$1,117,316,000 was bearing at fixed interest rates, and approximately HK\$213,460,000 was bearing at floating interest rates. In addition, approximately HK\$902,456,000, approximately HK\$174,550,000, approximately HK\$92,369,000 and approximately HK\$161,401,000, were denominated in United States dollars (“US\$”), £, Hong Kong dollars (“HK\$”) and RMB, respectively.

As at 31 December 2025, the Group had available cash and bank balances of approximately HK\$121,218,000 (31 December 2024: approximately HK\$193,151,000).

## **Foreign currency exposure**

During the Year, the Group's business operations were principally located in the PRC, the UK and the USA and the main operational currencies are HK\$, RMB, £ and US\$. The Group's transactions were mainly denominated in RMB, £ and US\$. The majority of its assets and liabilities are denominated in HK\$, RMB, £ and US\$. Any significant exchange rate fluctuations of foreign currencies against HK\$ may have financial impact to the Group. The Group does not have a foreign currency hedging policy at present. However, the Group will closely monitor the exchange rate movement trend and take corresponding measures in a timely manner to reduce foreign currency exchange risk and exposure.

## **Human resources and remuneration policy**

As at 31 December 2025, the total number of employees of the Group (excluding Directors) was 438 (31 December 2024: 428). Most of them were located in the PRC.

The total remuneration of the employees of the Group for the Year was approximately HK\$88,354,000 (31 December 2024: approximately HK\$86,742,000).

The emolument of each of the Directors and the employees of the Group is determined on the basis of their merit, qualification, competence and experience in the industry, the profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

## **Treasury policies**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained an appropriate liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial condition of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

## **Final dividend**

The Board resolved not to declare any final dividend for the Year (31 December 2024: Nil).

## **Pledge of assets**

As at 31 December 2025, the Group had investment properties and properties held for sale amounting to approximately HK\$4,788,583,000 in total (31 December 2024: approximately HK\$4,603,293,000) to secure bank and other borrowings and financial guarantee contracts. Such bank and other borrowings comprise of loans presented in the section headed "Financial analysis" of this announcement.

As at 31 December 2025, certain trade and lease receivables of approximately HK\$61,383,000 (31 December 2024: approximately HK\$61,324,000) in total were pledged to secure bank and other loans granted to the Group.

To secure a bank loan and a loan from a financial institution granted to the Group, bank deposits amounting to approximately HK\$191,547,000 (31 December 2024: approximately HK\$118,155,000) has been classified as restricted cash.

### **Capital and other development related commitment and contingent liabilities**

As at 31 December 2025, the Group had no material contingent liabilities (31 December 2024: Nil). As at 31 December 2025, the Group did not have contracted but not provided for commitments for construction in progress for an investment property (31 December 2024: approximately HK\$59,439,000).

### **Significant investments and material acquisitions and disposals of subsidiaries, associates and joint ventures**

On 5 December 2025, the Company (through its consolidated affiliated entity, Changsha Yurui Health Technology Co., Ltd.\* (長沙雨銳健康科技有限公司) (the “**PRC Holdco**”)) entered into certain sale and purchase agreements and subscription agreements with 16 vendors (the “**Vendors**”), pursuant to which the PRC Holdco conditionally agreed to purchase approximately 78.3% of the issued share capital of Beijing Chunyu Tianxia Software Co., Ltd.\* (北京春雨天下軟件有限公司) (the “**Acquired Company**”) for a consideration of approximately RMB269.0 million (equivalent to approximately HK\$294.8 million) from the Vendors. The Acquired Company operates a leading mobile internet medical and health platform in the PRC, known as Doctor Chunyu (春雨醫生), which was founded in 2011. The acquisition was completed on 11 March 2026. For details, please refer to the announcements dated 15 September 2025, 5 December 2025, 2 February 2026 and 11 March 2026.

Save as disclosed, the Group had not made any significant investments, or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

### **Share Option Scheme**

30,000,000 share options were granted to an employee on 28 April 2023 under the Company’s share option scheme (the “**Share Option Scheme**”), which were vested on 28 April 2024 and can be exercised within 3 years from the date of grant to 27 April 2026. The exercise price of the share options is HK\$0.922 per share. Further details are set out in the Company’s announcement dated 28 April 2023.

As at 31 December 2025, the total number of outstanding share options under the Share Option Scheme is 30,000,000, representing approximately 0.9% of the total number of issued shares of the Company. The total number of shares that may be issued in respect of share options granted under all schemes of the Company during the Year divided by the weighted average number of Shares in issue for the Year was approximately 0.9%. The total number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 31 December 2025 were 289,937,398 and 289,937,398, respectively.

During the year ended 31 December 2025, no share option was exercised or cancelled that, as at 1 January 2025 and 31 December 2025, the total number of shares available for issue under the Share Option Scheme (i.e. the 10% limit of shares to be issued less shares exercised or cancelled under the Share Option Scheme) were 319,937,398, and 319,937,398, respectively, representing 10% of the total number of issued shares of the Company.

## **FUTURE PROSPECT**

Looking ahead, the Group will take property-based scenarios as the gateway and AI digital healthcare as its core capability to build a health service ecosystem covering the entire user lifecycle and spans all aspects of daily life, thereby achieving an upgrade from traditional asset operation to scenario-based infrastructure. Meanwhile, the Group will take the development, investment and asset management of high-quality properties as its solid foundation, continue to strengthen its underlying value, prudently seize opportunities for quality assets in major cities both domestically and internationally, maintain steady operation and optimise its income structure.

Subsequent to the reporting period, the Group has successfully completed the strategic acquisition of Beijing Chunyu Tianxia Software Co., Ltd.\* (北京春雨天下軟件有限公司), formally entering a new phase of development driven by the dual engines of “high-quality property assets + AI-powered digital healthcare services”. Leveraging this acquisition, the Group has been fully upgraded from a traditional real estate and property management service provider to an AI-driven health and quality lifestyle service provider, completing a leapfrog strategic transformation. The Group’s core assets have also expanded from single physical spaces to scenario-based infrastructure catering to the health needs of hundreds of millions of users.

The Group has deeply complemented its years of accumulated high-end property scenarios, customer networks and brand heritage with Beijing Chunyu Tianxia Software Co., Ltd.\* (北京春雨天下軟件有限公司)’s medical resources, AI technological capabilities and user base, to jointly build a dual-engine driven pattern of “high-quality high-end properties + AI-powered digital healthcare”, breaking down the temporal and spatial barriers of medical resources with the power of AI. Relying on its core AI product, “Chunyhuiwen (春雨慧問)”, the Group has enabled 680,000 practising physicians from public hospitals to provide 24/7 health support through digital means, benefiting hundreds of millions of families. Meanwhile, with a focus on the vast off-hospital market, including primary healthcare, online specialist service and chronic disease management, the Group has provided efficient, accessible and affordable healthcare services for elderly group, patients with chronic conditions, maternal and infant groups as well as family units, accelerating the scenario-based implementation of AI-powered digital healthcare, breaking down the temporal and spatial constraints of medical resources through digital means, improving service quality and physician efficiency, and promoting the scalable and inclusive development of medical service capabilities.

The Group will pioneer a new track for the integrated development of “property + healthcare”, elevating property spaces from mere physical carriers to gateways for health services, and redefining the value boundaries between property and healthcare. By building a three-in-one service network of “Community Health Stations + Smart Health Stewards + In-home Medical & Nursing Services”, we will achieve a value upgrade from asset management to life management, and a full transition from space operation to health lifestyle services. The Group believes that the deep integration of property and healthcare is not only an industry innovation trend but also an inevitable trend of the times. As a pioneer, the Group is committed to opening a new era in this golden track.

Looking ahead, the Group will adhere to a development framework of “Foundation + Growth Engine + Synergistic Ecosystem”. It will take high-quality property as its solid foundation, and Beijing Chunyu Tianxia Software Co., Ltd.\* (北京春雨天下軟件有限公司)’s AI-powered digital healthcare as its core growth engine to continue to advance the scenario integration and offline expansion of the healthcare ecosystem, with the aim of building a full-lifecycle healthcare service platform. On this basis, the Group will enhance quality and efficiency with AI empowerment, deeply explore market needs with refined operations, amplify brand value with scenario-based operations, leverage digital means to broaden revenue streams and improve overall profitability, and accelerate the development of a leading AI-powered healthcare service platform in China to connect the healthy lifestyles of hundreds of millions of users, so as to consistently deliver long-term, stable, and sustainable value returns to shareholders.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company’s listed securities during the Year.

During the year ended and as at 31 December 2025, the Company did not have any treasury shares.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as stated in Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) throughout the Year except for the following deviations:

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

During the Year, Mr. Wei Chunxian acted as the chairman and the chief executive officer of the Company. Given all major decisions are reserved to the Board, the Company considers that there is an adequate balance of power and authority in place between the Board and the management of the Company.

Code provision C.1.6 stipulates that the independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

All independent non-executive Directors of the Company attended (i) the annual general meeting of the Company held on 27 June 2025; and (ii) the extraordinary general meeting of the Company held on 15 August 2025.

## **COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

## **AUDIT COMMITTEE**

The audit committee has reviewed the annual results and has no dissenting view on the accounting policies of the Company adopted by the Group and on the Group’s internal controls and risk management, accounting and financial reporting functions.

As at 31 December 2025, the audit committee comprised three independent non-executive Directors, namely Mr. Tung Woon Cheung Eric (chairman of the audit committee), Ms. To Tsz Wan Vivien and Mr. Leung Louis Ho Ming.

## **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this announcement, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company maintained sufficient public float as required under the Listing Rules throughout the Year.

## **EVENTS AFTER THE REPORTING PERIOD**

On 26 January 2026, the Company entered into a non-binding strategic cooperation memorandum with Mingzhi Medical Technology (Shanghai) Co., Ltd.\* (明智醫療科技(上海)有限公司), pursuant to which the parties agreed to integrate their core resources and leverage AI technology to deepen collaboration in the fields of oncology real-world research and innovative research and development of traditional Chinese medicine. For details, please refer to the announcement dated 26 January 2026.

On 11 March 2026, following the satisfaction (or waiver) of the relevant preconditions and the first tranche of payment, the proposed acquisition of the Acquired Company was completed. Upon completion of the transaction, the Company immediately holds approximately 78.3% of the equity interest in the Acquired Company, which becomes an indirect non-wholly owned subsidiary of the Company, and the financial results of the Acquired Company will be consolidated in the financial statements of the Group for the year ending 31 December 2026. The second tranche of payment is expected to take place by the end of May 2026. For details, please refer to the announcements dated 5 December 2025, 2 February 2026 and 11 March 2026.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

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 31 December 2025 as set out in this announcement have been agreed by the Company's auditor 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 the preliminary announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Ernst & Young on the Group's draft consolidated financial statements:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended 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 (the "HKICPA") and the Hong Kong Companies Ordinance.

### **Material Uncertainty related to Going Concern**

We draw attention to note 2.1 to the consolidated financial statements which indicates that as at 31 December 2025, the Group had net current liabilities of HK\$838,080,000, which includes an interest-bearing bank borrowing of HK\$1,253,251,000 classified as current liability maturity dates of less than 1 year. This condition, along with other matters as set forth in note 2.1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **PUBLICATION OF RESULTS ON WEBSITES**

Pursuant to the Listing Rules, the results of the Company are published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.grlifestyle.com.hk](http://www.grlifestyle.com.hk)).

By Order of the Board  
**GR Life Style Company Limited**  
**Wei Chunxian**  
*Chairman*

Hong Kong, 31 March 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Wei Chunxian, Mr. Wei Laier and Mr. Sun Zhongmin; and the independent non-executive directors of the Company are Mr. Tung Woon Cheung Eric, Ms. To Tsz Wan Vivien and Mr. Leung Louis Ho Ming.*

*\* for identification purposes only*