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Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

**(1) ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025; AND
(2) ADOPTION OF THE AMENDED AND
RESTATEMENT MEMORANDUM AND
ARTICLES OF ASSOCIATION**

RESULTS HIGHLIGHTS

- Revenue was approximately RMB14,193.8 million.
- As at 31 December 2025, total interest-bearing debts were RMB23,468.4 million, representing a decrease of RMB1,133.8 million as compared to that of RMB24,602.2 million as at 31 December 2024.
- Weighted average cost of indebtedness was 4.85%, representing a decrease of 0.41 percentage point as compared with 5.26% for the corresponding period in 2024.

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2025 with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
REVENUE	3	14,193,794	24,766,044
Cost of sales		<u>(15,754,090)</u>	<u>(30,565,283)</u>
Gross loss		(1,560,296)	(5,799,239)
Other income and gains	3	18,057	27,518
Selling and distribution expenses		(691,728)	(784,580)
Administrative expenses		(411,382)	(566,453)
Finance income		4,991	21,143
Finance costs	4	(694,304)	(364,480)
Other expenses		(56,131)	(99,672)
Impairment losses recognised for property, plant and equipment		(238,823)	–
Impairment losses recognised for right-of-use asset		(28,214)	–
Disposal of investment in a joint venture		(107,823)	–
Fair value losses on investment properties		(728,036)	(619,518)
Fair value losses on financial assets at fair value through profit or loss		–	(84,375)
Share of profits and losses of:			
Joint ventures		(713,068)	(118,442)
Associates		<u>(1,463,882)</u>	<u>(433,955)</u>

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
LOSS BEFORE TAX	5	(6,670,639)	(8,822,053)
Income tax expense	6	<u>(1,268,245)</u>	<u>(1,230,123)</u>
LOSS FOR THE YEAR		<u>(7,938,884)</u>	<u>(10,052,176)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(7,938,884)</u>	<u>(10,052,176)</u>
Attributable to:			
Owners of the parent		(6,919,392)	(9,111,234)
Non-controlling interests		<u>(1,019,492)</u>	<u>(940,942)</u>
		<u>(7,938,884)</u>	<u>(10,052,176)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted loss per share	8	<u>RMB(1.71)</u>	<u>RMB(2.25)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	707,598	987,488
Right-of-use assets	634,299	694,330
Investment properties	15,725,900	16,368,800
Intangible assets	14,747	19,777
Investments in joint ventures	2,849,976	3,615,935
Investments in associates	4,080,212	5,558,031
Deferred tax assets	1,282,794	1,857,739
Other non-current assets	940,000	940,000
	<hr/>	<hr/>
Total non-current assets	26,235,526	30,042,100
CURRENT ASSETS		
Properties under development	27,319,279	40,041,139
Completed properties held for sale	12,118,268	11,734,976
Trade receivables	38,204	37,491
Contract cost assets	390,984	802,815
Due from related parties	3,261,466	3,841,100
Prepayments, other receivables and other assets	6,635,579	6,846,278
Tax recoverable	791,916	918,739
Financial assets at fair value through profit or loss	2,258	2,315
Restricted cash	274,258	560,621
Cash and bank balances	815,450	1,829,772
	<hr/>	<hr/>
Total current assets	51,647,662	66,615,246

		31 December	31 December
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade payables	<i>10</i>	10,483,224	10,236,011
Other payables and accruals		3,544,220	3,614,388
Contract liabilities		10,027,387	20,419,460
Due to related parties		5,735,262	5,219,487
Tax payable		6,802,868	6,195,266
Interest-bearing bank and other borrowings		11,660,583	6,292,790
Proceeds from asset-backed securities		31,286	20,818
Corporate bonds		1,625,751	1,219,287
Lease liabilities within one year		1,869	2,266
		<hr/>	<hr/>
Total current liabilities		49,912,450	53,219,773
		<hr/>	<hr/>
NET CURRENT ASSETS		1,735,212	13,395,473
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,970,738	43,437,573
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		6,383,080	13,275,377
Proceeds from asset-backed securities		1,642,760	1,659,824
Corporate bonds		2,124,914	2,134,120
Lease liabilities		984	1,013
Deferred tax liabilities		2,116,942	2,239,725
		<hr/>	<hr/>
Total non-current liabilities		12,268,680	19,310,059
		<hr/>	<hr/>
Net assets		15,702,058	24,127,514
		<hr/> <hr/>	<hr/> <hr/>

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY		
Equity attributable to owners of the parent		
Share capital	35,095	35,095
Reserves	<u>7,878,935</u>	<u>14,798,327</u>
	7,914,030	14,833,422
Non-controlling interests	<u>7,788,028</u>	<u>9,294,092</u>
Total equity	<u><u>15,702,058</u></u>	<u><u>24,127,514</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all standards and interpretations, International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations) as issued by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an 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 owners of the parent of the Group 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 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 retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Estimation of spot exchange rates

When an entity estimates the spot exchange rate because one currency cannot be exchanged into another currency, supplementary information as required under paragraphs 57A and A19 to A20 of HKAS 21 should be disclosed (see paragraph 19A of HKAS 21).

Going concern basis

During the year ended 31 December 2025, the Group recorded a net loss of RMB7,938,884,000 and as at 31 December 2025, the Group has borrowings amounting to RMB23,468,374,000, out of which RMB13,317,620,000 will be due for repayments within the next twelve months, while its cash and cash equivalents amounted to RMB815,450,000. The Group had not repaid an aggregate amount of principal and interest of RMB306,624,000 for certain borrowings according to their scheduled repayment dates during the year ended 31 December 2025 triggering events of default (the "**Defaulted Borrowings**"), which further triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB4,661,877,000 ("**Cross Defaulted Borrowings**").

The above conditions indicate the existence of a material uncertainty which cast significant doubt on the Group's ability to continue as a going concern. In view of the above circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (i) The Group has been proactively communicating with the relevant lenders with restructuring plans of its defaulted borrowings, in order to reach a consensual solution with all the stakeholders as soon as practical;

- (ii) The Group has been actively negotiating with the Group's existing lenders of the defaulted borrowings and cross defaulted borrowings and reaching agreements with them for not taking any actions against the Group as soon as practical;
- (iii) The Group is actively negotiating with several financial institutions on the renewal of certain borrowings and obtain additional loans in a timely manner;
- (iv) The Group will continue to implement measures to accelerate the sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and
- (v) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

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. They 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.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (i) successfully and timely completing the restructuring of the Group's defaulted borrowings and continuing to comply with the terms and conditions in the respective loan restructuring agreements;
- (ii) successfully negotiating with the Group's existing lenders of the defaulted borrowings and cross defaulted borrowings and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings;
- (iii) successfully negotiating with the lenders for the renewal or extension for the repayment of the Group's bank and other borrowings, obtaining new project development loans for qualified project developments and issuing new corporate bonds and asset- backed securities in a timely manner;
- (iv) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; and
- (v) successfully managing the payments to construction contractors and other development vendors.

Should the Group be unable to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern, 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.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 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 IAS 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 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 IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS 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 are not expected to have any significant impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development, property leasing, the provision of management consulting services and the hotel services. Property leasing, the provision of management consulting services and hotel services are not significant in revenue contribution. Thus, property development is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Chinese Mainland and no non-current assets of the Group are located outside Chinese Mainland.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	13,903,061	24,433,226
Revenue from other sources		
Property lease income	<u>290,733</u>	<u>332,818</u>
Total	<u><u>14,193,794</u></u>	<u><u>24,766,044</u></u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Sale of properties	13,779,215	24,347,082
Hotel services	108,227	71,422
Management consulting services	<u>15,619</u>	<u>14,722</u>
Total revenue from contracts with customers	<u><u>13,903,061</u></u>	<u><u>24,433,226</u></u>
Timing of revenue recognition		
Properties transferred at a point in time	13,779,215	24,347,082
Services transferred over time	<u>123,846</u>	<u>86,144</u>
Total revenue from contracts with customers	<u><u>13,903,061</u></u>	<u><u>24,433,226</u></u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u><u>11,833,868</u></u>	<u><u>19,760,305</u></u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and the Group has already received the payment or has the right to receive the payment probably.

Management consulting services and hotel services

For management consulting services and hotel services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the management consulting service contracts and hotel services do not have a fixed term. The term of the contracts is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

Amounts expected to be recognised as revenue:

	2025	2024
	RMB'000	RMB'000
Within one year	7,557,207	16,971,144
After one year	1,642,233	2,480,212
Total	<u>9,199,440</u>	<u>19,451,356</u>

An analysis of other income and gains is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income and gains		
Subsidy income	2,391	1,817
Deposit forfeiture	4,086	15,306
Foreign exchange differences, net	9,851	–
Gain on disposal of items of property, plant and equipment	399	10,167
Others	1,330	228
	<u>18,057</u>	<u>27,518</u>
Total	<u><u>18,057</u></u>	<u><u>27,518</u></u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on loans and borrowings	1,148,513	1,411,029
Interest expense arising from revenue contracts	106,090	312,905
Interest on lease liabilities	321	328
	<u>1,254,924</u>	<u>1,724,262</u>
Total interest expense on financial liabilities not at fair value through profit or loss	1,254,924	1,724,262
Less: Interest capitalised	(560,620)	(1,359,782)
	<u>694,304</u>	<u>364,480</u>
Total	<u><u>694,304</u></u>	<u><u>364,480</u></u>

5. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold (excluding impairment losses recognised for properties under development and properties held for sale)	10,757,974	21,397,542
Cost of services provided	84,359	10,306
Impairment losses recognised for properties under development	2,851,493	6,663,782
Impairment losses recognised for properties held for sale	2,060,264	2,493,653
Impairment losses reversed in financial assets	(350)	(12,997)
Impairment losses recognised for property, plant and equipment	238,823	–
Impairment losses recognised for right-of-use asset	28,214	–
Depreciation of items of property, plant and equipment	48,187	42,173
Amortisation of intangible assets	4,988	4,975
Depreciation of right-of-use assets	33,999	34,504
Rental expenses	2,103	3,133
Auditors' remuneration	3,580	4,800
Other audit services	6,770	5,349
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	119,769	219,651
Pension scheme contributions and social welfare	23,737	37,068
Total	<u>16,263,910</u>	<u>30,903,939</u>

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax.

Subsidiaries of the Group operating in Chinese Mainland were subject to PRC corporate income tax with a tax rate of 25% for the year.

Land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Corporate income tax	432,755	481,091
LAT	383,328	417,074
Deferred tax	<u>452,162</u>	<u>331,958</u>
 Total tax charge for the year	 <u><u>1,268,245</u></u>	 <u><u>1,230,123</u></u>

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception for recognizing and disclosing deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted and is effective in certain jurisdictions where the Group operates, commencing from the Group's financial year beginning on 1 January 2025.

The Group has assessed its potential exposure using the available information regarding its financial performance for the 2025 financial year. Accordingly, this assessment may not be fully indicative of future circumstances. Based on this assessment, the Group does not expect to be subject to any material Pillar Two income tax exposure.

Tax payable in the consolidated statement of financial position represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Tax payables:		
Corporate income tax	2,396,714	1,882,176
LAT	<u>4,406,154</u>	<u>4,313,090</u>
Total tax payable	<u><u>6,802,868</u></u>	<u><u>6,195,266</u></u>

7. DIVIDENDS

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

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,045,227,000 (2024: 4,045,227,000) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

The calculation of the basic loss per share amounts is based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss attributable to owners of the parent	<u><u>(6,919,392)</u></u>	<u><u>(9,111,234)</u></u>

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year	<u>4,045,227,000</u>	<u>4,045,227,000</u>
Loss per share		
Basic	<u>RMB(1.71)</u>	<u>RMB(2.25)</u>

9. TRADE RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	40,636	39,614
Impairment	<u>(2,432)</u>	<u>(2,123)</u>
Total	<u>38,204</u>	<u>37,491</u>

The Group's trade receivables primarily consist of receivables from its property sales and property lease. Proceeds from property sales and property lease are generally received in accordance with the terms stipulated in the sale and purchase agreements. Trade receivables are settled based on the progress payment schedule stipulated in the contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	37,220	36,629
1 to 3 years	<u>984</u>	<u>862</u>
Total	<u>38,204</u>	<u>37,491</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At beginning of year	2,123	2,224
Impairment losses (<i>note 5</i>)	309	(101)
At the end of the year	2,432	2,123

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	1.9%	14.3%	100.0%	6.0%
Gross carrying amount	37,951	1,148	1,537	40,636
Expected credit losses	731	164	1,537	2,432

As at 31 December 2024:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	2.4%	15.9%	100.0%	5.4%
Gross carrying amount	37,514	1,025	1,075	39,614
Expected credit losses	885	163	1,075	2,123

10. 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	9,854,231	9,621,850
Over 1 year	628,993	614,161
Total	<u>10,483,224</u>	<u>10,236,011</u>

There were no trade payables as at 31 December 2025 (31 December 2024: Nil) due to suppliers that have signed up to a supply chain financing program.

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am pleased to present the annual results and business review for the year ended 31 December 2025 as well as the prospects for 2026 of Radiance Holdings (Group) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**us**” or “**our**”).

Annual Results

For the year ended 31 December 2025, the Group recorded revenue of RMB14,193.8 million, representing a year-on-year decrease of 42.7%. Gross loss for the period was approximately RMB1,560.3 million, narrowing by 73.1% as compared with the corresponding period of last year. Net loss for the period was approximately RMB7,938.9 million, narrowing by 21.0% year-on-year. Loss attributable to owners of the Company for the period was approximately RMB6,919.4 million, narrowing by 24.1% as compared with the corresponding period of last year.

Persistently enhancing cost efficiency and strengthening credit stability

The Group has adhered to a long-term business strategy of prudent progression, actively responding to market and policy changes while firmly upholding the bottom line of financial security. For the year ended 31 December 2025, the Group’s outstanding debt balance amounted to approximately RMB23,468.4 million, representing a decrease of about 4.6% from approximately RMB24,602.2 million as at 31 December 2024. The Group’s weighted average cost of debt during the period was approximately 4.85%, representing a decrease of about 0.41 percentage point from approximately 5.26% for the year ended 31 December 2024. In July and December 2025, the Group successfully issued the first and second tranches of medium-term notes for the year, with issuance sizes of RMB410 million and RMB1,188 million respectively, both being five-year bonds.

Upholding prudent operations and a commitment to quality delivery

The Group continued to respond to the call for ‘guaranteed delivery’ in 2025, honoring its commitments to customers by delivering more than 7,000 high-quality residential units across 18 cities nationwide. While enhancing delivery efficiency, the Group also maintained delivery quality, which has profoundly demonstrated the Group’s long-term prudence and deep industry cultivation, showcased its brand strength, presented a stable and healthy fundamental outlook to the market, and conveyed positive assurance to homebuyers.

Outlook for 2026

In 2026, real estate policies will focus on the overarching goal of ‘stabilizing the market’, continuing the coordinated framework of central guidance and local implementation, with an overall accommodative orientation. The core policy directions will revolve around three major themes: controlling new supply, reducing inventory, and optimizing supply. The overall trend of the real estate market is expected to feature continued accommodative policy support, a gradual stabilization of the market with a relatively slow pace of recovery, further intensification of market differentiation, and accelerated industry transformation and upgrading. The Group will continue to seize opportunities, embrace changes, actively adjust its business strategies, establish new management and product upgrade models, adhere to the principle of building ‘good housing’ and enhance commercial operations, thereby further aligning with the evolving market and industry developments and demands, and continue to progress prudently.

Appreciation

On behalf of members of the board of directors of the Group, I would like to express the most sincere appreciation to all the shareholders of the Company (the “**Shareholder(s)**”), investors, business partners and customers of the Group for their supports for, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work in the preceding year. In the future, the Group will continue to maintain a stable, balanced and high-quality corporate development prospects, and adhere to the philosophy of “Building Properties with Craftsmanship and Make Better Homes” to facilitate urban development, help people live a better life, bring better products and services to the industry and users and create higher value for shareholders and investors.

Lam Ting Keung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights

	As of 31 December	
	2025	2024
Highlights of financial information		
Recognised revenue (<i>RMB'000</i>)	14,193,794	24,766,044
Gross (loss)/profit (<i>RMB'000</i>)	(1,560,296)	(5,799,239)
Loss attributable to the owners of the Company (<i>RMB'000</i>)	(6,919,392)	(9,111,234)
Gross profit margin (%)	-11.0%	-23.4%
Net profit margin (%)	-55.9%	-40.6%
Loss per Share (basic and diluted) (<i>RMB cents</i>)	(171)	(225)
Total assets (<i>RMB'000</i>)	77,883,188	96,657,346
Total indebtedness (<i>RMB'000</i>) ⁽¹⁾	23,468,374	24,602,216
Net indebtedness (<i>RMB'000</i>) ⁽²⁾	22,378,666	22,211,823
Equity attributable to owners of the parent company (<i>RMB'000</i>)	7,914,030	14,833,422
Current ratio (<i>times</i>) ⁽³⁾	1.0	1.3
Weighted average cost of indebtedness (%) ⁽⁴⁾	4.85%	5.26%
Net gearing ratio (%) ⁽⁵⁾	142.5%	92.1%
Liability asset ratio after excluding receipts in advance (%) ⁽⁶⁾	76.9%	68.4%

Notes:

1. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes.
2. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
3. Current ratio is calculated based on total current assets divided by total current liabilities as of the respective dates.
4. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
5. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
6. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

Property development and sales

We focus on suitable locations in selected cities in eight major regions of Yangtze River Delta, the Bohai Economic Rim, Southeastern China, Eastern China, Central China, Southwestern China, Northwestern China and Shenzhen/Huizhou. The table below sets forth our revenue generated from each region, total gross floor area (“GFA”) delivered in each region and the respective recognised average selling price (“ASP”) per square meter for each region for the periods indicated:

	Year ended 31 December							
	2025				2024			
	Revenue		GFA Delivered	Recognised ASP	Revenue		GFA Delivered	Recognised ASP
	<i>RMB'000</i>	<i>%</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	<i>RMB'000</i>	<i>%</i>	<i>sq.m.</i>	<i>RMB/sq.m</i>
Yangtze River Delta	1,022,478	7.4	65,185	15,686	2,075,338	8.5	109,860	18,891
Northwestern China	514,023	3.7	40,673	12,638	5,859,699	24.1	358,728	16,335
Southwestern China	879,779	6.4	54,966	16,006	1,311,142	5.4	88,510	14,814
Southeastern China	3,644,408	26.5	314,385	11,592	2,458,995	10.1	247,414	9,939
Central China	3,043,301	22.1	220,641	13,793	4,891,400	20.1	442,162	11,062
Eastern China	1,795,564	13.0	203,383	8,829	5,946,583	24.4	538,353	11,046
Bohai Economic Rim	2,261,193	16.4	180,013	12,561	339,334	1.4	34,224	9,915
Shenzhen/Huizhou	618,469	4.5	49,688	12,447	1,464,591	6.0	100,671	14,548
Total	13,779,215	100	1,128,934	12,206	24,347,082	100	1,919,922	12,681

Investment Properties

As at 31 December 2025, the Group had 27 investment properties with a total GFA of approximately 1,348,098 square meters (“sq.m.”), and one investment property held for future development with a total GFA of approximately 69,530 sq.m.

Projects under Construction

As at 31 December 2025, the total planned GFA of the Group’s projects under construction was approximately 7,348,981 sq.m., representing a decrease of approximately 30.5% compared to the total planned GFA of approximately 10,566,823 sq.m. as at 31 December 2024.

Land Bank

As of 31 December 2025, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 17,145,120 sq.m. and 14,061,776 sq.m., respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 31 December 2025:

Region

Land Bank of the Group	Area of Land Bank <i>Sq. m</i>	Area of Attributable Land Bank <i>Sq. m</i>
Chongqing Company	838,324	637,183
Wuhuan Company	2,121,377	1,745,208
Beijing Company	909,142	860,984
Shanghai Company	3,584,742	3,291,057
Xi'an Company	4,599,815	4,415,822
Fujian Company	<u>1,883,050</u>	<u>1,642,165</u>
Subtotal of land bank of the Group	<u>13,936,450</u>	<u>12,592,419</u>
Land bank of the Group's joint ventures and associates		
Chongqing Company	98,556	34,799
Wuhuan Company	60,280	23,514
Beijing Company	561,664	200,776
Shanghai Company	1,330,513	647,160
Xi'an Company	368,120	185,843
Fujian Company	<u>789,537</u>	<u>377,265</u>
Subtotal of land bank of the Group's joint ventures and associates	<u>3,208,670</u>	<u>1,469,357</u>
Total	<u><u>17,145,120</u></u>	<u><u>14,061,776</u></u>

Note:

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the revenue of the Group was approximately RMB14,193.8 million, representing a decrease of approximately 42.7% as compared to approximately RMB24,766.0 million of the corresponding period last year. Our revenue was mainly derived from the development and sales of the Group's residential properties and commercial properties. We also derived revenue from leasing of commercial properties, provision of management consulting services for the overall operation of property projects to our joint ventures and associates and provision of hotel services.

The table below sets forth the information related to our revenue for the periods indicated:

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development and sales	13,779,215	97.1	24,347,082	98.3
Residential	13,007,742	91.6	23,356,433	94.3
Commercial	771,473	5.5	990,649	4.0
Property leasing	290,733	2.0	332,818	1.3
Management consulting services	15,619	0.1	14,722	0.1
Hotel services	108,227	0.8	71,422	0.3
Total	<u>14,193,794</u>	<u>100</u>	<u>24,766,044</u>	<u>100</u>

Revenue from Property Development and Sales

As of 31 December 2025, the revenue from property development and sales was approximately RMB13,779.2 million, representing a decrease of approximately 43.4% as compared to approximately RMB24,347.1 million of the corresponding period last year. The decrease in the Group's revenue from property development and sales was primarily attributable to a decrease in the total GFA delivered by the Group due to the generally weak market sentiment in the PRC and adjustments in the real estate industry which has posed downward pressure on the Group's contracted sales prices during the year ended 31 December 2025.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income decreased by approximately 12.6% to approximately RMB290.7 million for the year ended 31 December 2025 from approximately RMB332.8 million for the year ended 31 December 2024 caused by lack of significant improvement in the business economic environment leading to lower than expected occupancy rates and rental levels of properties during the year ended 31 December 2025.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services increased by approximately 6.1% to approximately RMB15.6 million for the year ended 31 December 2025 from approximately RMB14.7 million for the year ended 31 December 2024, which was mainly due to the settlement of management consultancy services provided to certain joint ventures and associates during the period.

Hotel services

During the year ended 31 December 2025, the Group recorded revenue amounting to RMB108.2 million from the provision of hotel services.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the year ended 31 December 2025, our cost of sales amounted to approximately RMB15,754.1 million, representing a decrease of 48.5% as compared to that of RMB30,565.3 million for the year ended 31 December 2024, which was primarily attributable to a decrease in the total GFA delivered during the year ended 31 December 2025.

Gross Loss and Gross Profit Margin

As a result of the foregoing, for the year ended 31 December 2025, the Group recorded gross loss of approximately RMB1,560.3 million, as compared to gross loss of RMB5,799.2 million for the year ended 31 December 2024.

The Group recorded negative gross margin of approximately 11.0% for the year ended 31 December 2025, as compared to negative gross profit margin of approximately 23.4% for the year ended 31 December 2024.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits, interest income from funds the Group advanced to our joint ventures and associates and interest received from third parties. For the year ended 31 December 2025, the Group's finance income was approximately RMB5.0 million, representing a decrease of approximately 76.4% as compared to approximately RMB21.1 million for the year ended 31 December 2024, which was mainly due to the decrease in average bank deposits of the Group as a result of the Group's efforts in settling its outstanding debts during the year ended 31 December 2025.

Other Income and Gains

The Group's other income and gains decreased to approximately RMB18.1 million for the year ended 31 December 2025 from approximately RMB27.5 million for the year ended 31 December 2024, which was mainly due to the decrease of gain on disposal of property, plant and equipment in 2025.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses decreased by approximately 11.8% to approximately RMB691.7 million for the year ended 31 December 2025 from approximately RMB784.6 million for the year ended 31 December 2024, which was mainly due to the contract assets carried forward as sales agency fees in accordance with the carry-forward ratio of projects decreased during the year ended 31 December 2025 as compared with the corresponding period of last year.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Group leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 27.4% to approximately RMB411.4 million for the year ended 31 December 2025 from approximately RMB566.5 million for the year ended 31 December 2024, which was primarily attributable to the decrease in staff salaries and office expenses.

Finance Costs

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost increased by approximately 90.5% to approximately RMB694.3 million for the year ended 31 December 2025 from approximately RMB364.5 million for the year ended 31 December 2024, which was primarily attributable to the increase in the expensed project interest expenses due to the completion of property projects of the Group in 2025.

The Group's weighted average cost of debt as at 31 December 2025 was approximately 4.85% (31 December 2024: 5.26%).

Other Expenses

The Group's other expenses decreased to RMB56.1 million for the year ended 31 December 2025 from RMB99.7 million for the year ended 31 December 2024, which was primarily due to the absence of significant provision for impairment losses on financial assets and investment by the Group for the year ended 31 December 2025.

Fair Value Losses on Investment Properties

Fair value losses on investment properties represent the changes in the fair value of our investment properties. For the year ended 31 December 2025, the Group recorded fair value losses on investment properties of approximately RMB728.0 million, representing an increase of approximately 17.5% compared to fair value losses on investment properties of approximately RMB619.5 million for the year ended 31 December 2024. Such was mainly due to the decrease in assessed value of the investment properties as a result of the decrease in rental income in 2025 caused by lack of significant improvement in the business economic environment leading to lower than expected occupancy rates and rental levels of properties during the year ended 31 December 2025.

Share of Losses of Joint Ventures

For the year ended 31 December 2025, the Group recorded share of losses of joint ventures of approximately RMB713.1 million, while we recorded share of losses of joint ventures of approximately RMB118.4 million for the year ended 31 December 2024. Such increase was mainly attributable to decrease in the gross profit margin of the Group's joint ventures during the year ended 31 December 2025.

Share of Losses of Associates

For the year ended 31 December 2025, the Group recorded share of losses of associates of RMB1,463.9 million, while we recorded share of losses of associates of RMB434.0 million for the year ended 31 December 2024. This change was primarily attributable to the increase in the impairment provision of the Group's associates during the year ended 31 December 2025.

Loss before Tax

The Group recorded loss before tax of approximately RMB6,670.6 million for the year ended 31 December 2025, as compared to the loss before tax recorded of approximately RMB8,822.1 million for the year ended 31 December 2024.

Income Tax Expenses

The Group's income tax expenses for the year ended 31 December 2025 included the provision made for PRC enterprise Income tax and land appreciation tax. The Group's income tax expenses increased by approximately 3.1% to RMB1,268.2 million for the year ended 31 December 2025 from RMB1,230.1 million for the year ended 31 December 2024, which was primarily attributable to the increase in corporate income tax for the current year.

Loss for the Year

As a result of the change in the Group's financial data mentioned above, the Group recorded a net loss of approximately RMB7,938.9 million for the year ended 31 December 2025, as compared to the net loss of approximately RMB10,052.2 million for the year ended 31 December 2024, representing a decrease of approximately 21.0%.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 31 December 2025, the Group's net current assets was approximately RMB1,735.2 million (2024: approximately RMB13,395.5 million). In particular, the Group's total current assets decreased by approximately 22.5% to approximately RMB51,647.7 million as at 31 December 2025 from approximately RMB66,615.2 million as at 31 December 2024. The Group's total current liabilities decreased by approximately 6.2% to RMB49,912.5 million as at 31 December 2025 from RMB53,219.8 million as at 31 December 2024. The decrease of the Group's net current assets was mainly attributable to (i) the decrease in properties under development as a result of our completion and delivery of properties during the year ended 31 December 2025; (ii) the decrease in cash and bank balances during the year ended 31 December 2025 for settlement of certain of the Group's outstanding debts; and (iii) the increase in provision for inventory impairment for the year ended 31 December 2025 due to the prolonged downturn in the real estate market in the PRC and deteriorating consumer sentiment.

Cash Position

As at 31 December 2025, the Group's cash and bank balances was approximately RMB1,089.7 million (2024: approximately RMB2,390.4 million).

Indebtedness

As at 31 December 2025, the Group's outstanding borrowings amounted to approximately RMB23,468.4 million (2024: approximately RMB24,602.2 million). Among them the RMB-denominated borrowings in 2025 amounted to approximately RMB22,391.4 million (2024: approximately RMB23,575.9 million), and the US dollar-denominated borrowings in 2025 amounted to RMB1,077.0 million (2024: approximately RMB1,026.3 million). The weighted average cost of indebtedness in 2025 was 4.85% (2024: 5.26%).

The table below sets forth the components of the Group's borrowings as at the dates indicated:

	As of 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Current portion of long term bank loans – secured	6,944,419	5,638,676
Current portion of other loans – secured	4,471,495	652,836
Current portion of other loans – unsecured	4,681	1,278
Bank borrowings – secured	89,988	–
Other borrowings – unsecured	150,000	–
Corporate bonds	1,625,751	1,219,287
Proceeds from asset-backed securities	31,286	20,818
	<u>13,317,620</u>	<u>7,532,895</u>
Non-current		
Bank loans – secured	5,308,907	8,250,310
Other loans – secured	–	4,000,000
Other loans – unsecured	1,074,173	1,025,067
Corporate bonds	2,124,914	2,134,120
Proceeds from asset-backed securities	1,642,760	1,659,824
	<u>10,150,754</u>	<u>17,069,321</u>
Total borrowings	<u>23,468,374</u>	<u>24,602,216</u>
Secured	22,239,520	23,575,871
Unsecured	1,228,854	1,026,345
Total borrowings	<u>23,468,374</u>	<u>24,602,216</u>

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	As of 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans repayable:		
Within one year	7,034,407	5,638,676
Between one and two years	3,463,516	5,239,338
Between two and five years	1,431,871	2,642,172
More than five years	413,520	368,800
	<u>12,343,314</u>	<u>13,888,986</u>
Other borrowings repayable:		
Within one year	4,626,176	654,114
Between one and two years	–	395,000
Between two and five years	1,074,173	1,485,067
Over five years	–	3,145,000
	<u>5,700,349</u>	<u>5,679,181</u>
Other corporate bonds and asset-backed securities repayable		
Within one year	1,657,037	1,240,105
Between one and four years	658,005	1,667,921
Over four years	3,109,670	2,126,023
	<u>5,424,711</u>	<u>5,034,049</u>
Total	<u><u>23,468,374</u></u>	<u><u>24,602,216</u></u>
By fixed or floating interest rates		
Fixed interest rate	14,778,219	14,196,117
Floating interest rate	8,690,155	10,406,099
Total Indebtedness	<u><u>23,468,374</u></u>	<u><u>24,602,216</u></u>

Pledged Assets

As at 31 December 2025, the Group's borrowings were secured by the Group's assets in the amount of approximately RMB36,670.5 million (2024: approximately RMB41,233.3 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantially all of its revenue and expenses are denominated in Renminbi. As at 31 December 2025, among the Group's cash and bank balances, approximately RMB1.0 million and RMB1.1 million was denominated in Hong Kong dollars and US dollars, respectively, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. As at 31 December 2025, the Group did not incur any material losses in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value was immaterial. As such, no provision has been made in connection with the guarantees.

As at 31 December 2025, the Group has provided guarantee to the banks amounting to RMB10,967.3 million (2024: approximately RMB15,729.9 million) in total for the financing granted to the purchasers of the Group's properties. As at 31 December 2025, the Group has provided guarantee to the banks and other institutions amounting to approximately RMB1,256.9 million (2024: approximately RMB1,242.1 million) in total for the financing granted to the Group's related companies. As at 31 December 2025, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group up to the latest practicable date for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during the ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 31 December 2025, the Group had capital commitment of approximately RMB12,106.0 million (2024: approximately RMB13,157.8 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 31 December 2025, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2025, the Company has no significant investments held or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plan for Significant Investment

The Group did not have any immediate plans for material investments and capital assets as at 31 December 2025.

Employees

As at 31 December 2025, the Group has a total of 478 employees (2024: 713 employees), with most of them based in China. For the year ended 31 December 2025, staff costs (including Directors) were approximately RMB143.5 million (2024: approximately RMB256.7 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the year ended 31 December 2025, the Company applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) except for the following deviation from code provision C.2.1 of the CG Code for reasons set out below. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company. Having made specific enquiries to each of the Directors, they have confirmed their compliance with the required standards set out in the Model Code during the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS

The Board established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The Audit Committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the internal control and financial reporting matters as well as the annual results of the Group for the year ended 31 December 2025.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by Ernst & Young 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 Ernst & Young on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report issued by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong on the consolidated financial statements of the Group for the year ended 31 December 2025:

Opinion

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter 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 the 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

As set out in note 2.1 to the consolidated financial statements, during the year ended 31 December 2025, the Group recorded a net loss of RMB7,938,884,000 and as at 31 December 2025, the Group has borrowings amounting to RMB23,468,374,000, out of which RMB13,317,620,000 will be due for repayments within the next twelve months, while its cash and cash equivalents amounted to RMB815,450,000. During the year ended 31 December 2025, the Group had not repaid an aggregate amount of principal and interest of RMB306,624,000 for certain bank and other borrowings triggering events of default, which further triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB4,661,877,000. Accordingly, the banks and other lenders may request the Group for immediate repayment of these defaulted and cross-defaulted borrowings, and these defaulted and cross-defaulted borrowings had been classified as current liabilities. These conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking restructuring plans and measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, including:

- (i) successfully and timely completing the restructuring of the Group's defaulted borrowings and continuing to comply with the terms and conditions in the respective loan restructuring agreements;
- (ii) successfully negotiating with the Group's existing lenders of the defaulted borrowings and cross defaulted borrowings and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings;
- (iii) successfully negotiating with the lenders for the renewal or extension for the repayment of the Group's bank and other borrowings, obtaining new project development loans for qualified project developments and issuing new corporate bonds and asset-backed securities in a timely manner;
- (iv) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; and

- (v) successfully managing the payments to construction contractors and other development vendors.

Given the severe financial situation faced by the Group due to the default and cross default of its bank and other borrowings, the execution of the plans and measures by the Group is still in progress and no written contractual agreements or other documentary supporting evidence from the relevant lenders that are available as at the approval date of the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence we considered necessary to assess the assumptions underlying the cash flow forecasts and the likelihood of success of the plans and measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could perform to satisfy ourselves with the appropriateness of the directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements.

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 amount 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. The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's annual report for the year ended 31 December 2025 will be despatched to the Shareholders (if requested) and published on the aforementioned websites in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sale or transfer of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company does not hold any treasury shares.

FINAL DIVIDEND

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

ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing third amended and restated memorandum and articles of association of the Company (the “**Existing Memorandum and Articles**”) to, among others, reflect the Stock Exchange’s proposals and related rule amendments concerning (a) the introduction of a treasury shares regime; (b) the further expansion of the paperless listing regime and other rule amendments (including the use of electronic means for the giving and receipt of shareholder instructions); and (c) the implementation of an uncertificated securities market, by adopting the necessary enabling and consequential provisions (the “**Proposed Amendments**”). The Board proposes to effect the Proposed Amendments by way of adoption of the fourth amended and restated memorandum and articles of association of the Company (the “**Amended and Restated Memorandum and Articles**”) in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The adoption of the Amended and Restated Memorandum and Articles to incorporate the Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution to be proposed at the forthcoming annual general meeting of the Company (the “**2026 AGM**”). Prior to the passing of such special resolution at the 2026 AGM, the Existing Memorandum and Articles shall remain valid.

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles, together with a notice convening the 2026 AGM will be despatched to the Shareholders in due course.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu and Ms. Wu Yankun and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.