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Zall Smart Commerce Group Ltd.

卓爾智聯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board (the “**Board**”) of directors (the “**Directors**”) of Zall Smart Commerce Group Ltd. (the “**Company**” or “**Zall Smart**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 as follows:

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025

(Expressed in Renminbi)

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	155,029,341	162,359,281
Gross profit	585,652	698,971
Profit for the year	101,631	93,361
Earnings per share		
— Basic (RMB cents)	1.19	1.04
— Diluted (RMB cents)	1.19	1.04
Total non-current assets	27,949,568	26,866,732
Total current assets	33,776,783	42,618,024
Total assets	61,726,351	69,484,756
Total non-current liabilities	7,451,017	7,798,716
Total current liabilities	39,869,765	47,343,087
Total liabilities	47,320,782	55,141,803
Net assets	14,405,569	14,342,953

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Revenue	4(a)	155,029,341	162,359,281
Cost of sales		<u>(154,443,689)</u>	<u>(161,660,310)</u>
Gross profit		585,652	698,971
Other net income	5	29,493	88,616
Selling and distribution expenses		(205,047)	(266,918)
Administrative and other expenses		(449,993)	(431,311)
Impairment loss recognised under expected credit loss model, net of reversal	6(b)	(146,312)	(232,661)
Impairment loss on goodwill		(251,498)	–
Net valuation gain on investment properties		1,060,892	629,380
Net gain on disposal of a subsidiary		–	16,364
Net gain on disposal of associates		–	69,961
Profit from operations		623,187	572,402
Finance income	6(a)	238,865	286,804
Finance costs	6(a)	(599,493)	(621,213)
Share of net profits of associates		5,238	8,916
Share of net profits of joint ventures		15,662	11,640
Profit before taxation	6	283,459	258,549
Income tax expense	7	(181,828)	(165,188)
Profit for the year		<u>101,631</u>	<u>93,361</u>
Profit for the year attributable to:			
Equity shareholders of the Company		147,449	128,953
Non-controlling interests		(45,818)	(35,592)
		<u>101,631</u>	<u>93,361</u>
Earnings per share (RMB cents)			
— Basic and diluted	8	<u>1.19</u>	<u>1.04</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

(Expressed in Renminbi)

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	101,631	93,361
Other comprehensive (expense)/income for the year		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Share of other comprehensive income/(expense) of associates and joint ventures	288	(22)
— Exchange differences on translation of foreign operations, net of nil tax	(36,648)	17,774
Other comprehensive (expense)/income for the year	(36,360)	17,752
Total comprehensive income for the year	65,271	111,113
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	131,077	146,956
Non-controlling interests	(65,806)	(35,843)
	65,271	111,113

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in Renminbi)

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Investment properties		26,067,838	24,879,292
Property, plant and equipment		343,462	336,042
Intangible assets		417,466	416,889
Goodwill		–	251,498
Interests in associates		385,379	343,512
Interests in joint ventures		155,655	30,113
Equity investments at fair value through other comprehensive income		80,408	80,408
Contract assets		54,369	30,564
Deferred tax assets		444,991	498,414
		27,949,568	26,866,732
Current assets			
Inventories		3,778,833	3,975,854
Trade and other receivables	10	20,812,139	26,286,928
Financial assets at fair value through profit or loss		77,176	37,788
Amounts due from related parties and non-controlling shareholders of subsidiaries		579,906	729,527
Prepaid taxes		27,195	27,903
Pledged bank deposits		6,991,681	10,014,072
Cash and cash equivalents		1,509,853	1,545,952
		33,776,783	42,618,024

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Current liabilities			
Trade and other payables	<i>11</i>	12,679,459	18,755,310
Contract liabilities		13,675,924	14,924,656
Lease liabilities		11,690	6,901
Amounts due to related parties and non-controlling shareholders of subsidiaries		1,338,036	1,523,142
Interest-bearing borrowings		11,744,536	11,568,152
Current taxation		420,120	564,926
		<u>39,869,765</u>	<u>47,343,087</u>
Net current liabilities		<u>(6,092,982)</u>	<u>(4,725,063)</u>
Total assets less current liabilities		<u>21,856,586</u>	<u>22,141,669</u>
Non-current liabilities			
Interest-bearing borrowings		2,655,388	3,263,285
Deferred income		1,423	1,864
Lease liabilities		23,920	22,826
Deferred tax liabilities		4,770,286	4,510,741
		<u>7,451,017</u>	<u>7,798,716</u>
NET ASSETS		<u>14,405,569</u>	<u>14,342,953</u>
CAPITAL AND RESERVES			
Share capital	<i>12</i>	34,454	34,454
Reserves		14,047,840	13,916,763
Total equity attributable to equity shareholders of the Company		<u>14,082,294</u>	<u>13,951,217</u>
Non-controlling interests		323,275	391,736
TOTAL EQUITY		<u>14,405,569</u>	<u>14,342,953</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1. STATEMENT OF COMPLIANCE

The annual result set out in the announcement are extracted from the Group's consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment properties, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest;
- financial assets at fair value through profit or loss or other comprehensive income; and
- derivative financial instruments.

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand. Items included in the financial statements of each entity in the Group are measured using currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("**functional currency**"). Most of the companies comprising the Group are operating in the People's Republic of China (the "**PRC**") and their functional currency is RMB, hence, RMB is used as the presentation currency of the Group.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year ended 31 December 2025, the Group recorded net operating outflows of RMB2,358,713,000 and net current liabilities of approximately RMB6,092,982,000 as at 31 December 2025. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have given careful consideration to the future liquidity requirements and performance of the Group and its available sources of financing in assessing the Group's ability to continue as a going concern for at least the next twelve months and to meet its repayment obligations, as and when they fall due. Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position which include but not limited to the following:

- the Group expects to generate positive operating cash flows for the next twelve months by implementing various strategies to improve the Group's income from supply chain management and trading business and rentals from investment properties to generate additional operating cash inflows, and to reduce the operating costs as appropriate;
- the Group is actively and regularly reviewing its capital structure, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings, and delay the payment of overdue interests where appropriate;
- the Group plans to raise additional funding from bank borrowings. As at 31 December 2025, investment properties with fair value of RMB11,604,377,000 are not pledged for borrowings. The Group considers these properties could be pledged to the banks and raise required funds successfully; and
- the Group may further dispose of certain non-core business and assets to raise additional working capital.

In addition, bank loans and loans from other financial institutions of RMB3,727,190,000 were guaranteed and/or secured by certain investment properties, properties under development for sale, completed properties held for sale and other assets of the Group with their carrying amount of RMB14,751,522,000 in aggregate as at 31 December 2025 and bank loans and loans from other financial institutions of RMB1,744,692,000 were guaranteed by corporate guarantees of certain of the Group's subsidiaries. The Group considered that the carrying amounts of the pledged assets are far exceeding the carrying amounts of the corresponding borrowings, therefore, management considered that the roll-over or refinancing of a substantial portion of the existing borrowings to extend the repayment dates to beyond twelve months from the end of the reporting period would be succeeded. In making this assessment, the Group has considered, among other things, the nature, the value and the volatility of value of its overall property portfolio, including those properties that are currently not pledged.

After considering the above, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period. Consequently, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to achieve the above plans and measures such that it would not be operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts and to provide for financial liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED STANDARDS

(a) *Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) *New and amendments to IFRS Accounting Standards in issue but not yet effective*

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ³
Amendments to IAS 21	Translation into a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

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

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are developing and operating of large-scale consumer product-focused wholesale shopping malls in the PRC, and providing supply chain management and trading business, e-commerce services, financial services, warehousing and logistics services for both online and offline customers. Further details regarding the Group's principal activities are disclosed in note 4(b).

(i) Disaggregation of revenue

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

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15:		
Disaggregated by major products or service lines		
— Revenue from sale of properties and related services	102,056	243,246
— Revenue from supply chain management and trading business	154,581,144	161,735,969
— Others	83,644	80,918
	<u>154,766,844</u>	<u>162,060,133</u>
Revenue from other sources		
Gross rentals from investment properties		
— Lease payments that are fixed	216,107	235,643
Finance income	46,390	63,505
	<u>155,029,341</u>	<u>162,359,281</u>
Revenue from contracts with customers within the scope of IFRS 15:		
By geographical markets:		
– The PRC	100,649,728	121,392,480
– Singapore	54,117,116	40,667,653
Total	<u>154,766,844</u>	<u>162,060,133</u>
Timing of revenue recognition:		
– At point in time	154,660,772	161,940,172
– Over time	106,072	119,961
Total	<u>154,766,844</u>	<u>162,060,133</u>

The Group's customer base is diversified and the Group does not have any single customer with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2025 (2024: nil).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by mixture of business lines (product and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Property development and related services: this segment develops, sells and operates large-scale consumer product-focus wholesale shopping malls and provides related value-added business, such as warehousing and logistics services.
- Supply chain management and trading: this segment operates trading of agricultural products, chemical materials, plastic raw materials, consumer goods, black and non-ferrous metals, etc., and also provides trading-related supply chain financial services.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit or loss is the profit/(loss) before finance income, finance costs, income tax, and are further adjusted for items not specifically attributed to individual segments, such as share of profits or losses of associates and joint ventures, directors' remuneration and other head office or corporate administration costs.

In addition, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances, borrowings and derivative managed directly by the segments and depreciation to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	Property development and related services		Supply chain management and trading		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Reportable segment revenue	<u>318,163</u>	<u>478,889</u>	<u>154,696,689</u>	<u>161,857,971</u>	<u>155,014,852</u>	<u>162,336,860</u>
Reportable segment (loss)/profit	<u>51,892</u>	<u>56,848</u>	<u>(513,710)</u>	<u>(280,154)</u>	<u>(461,818)</u>	<u>(223,306)</u>

(ii) *Reconciliation of reportable segment revenues and profit or loss*

Revenue

	2025 RMB'000	2024 RMB'000
Reportable segment revenue	155,014,852	162,336,860
Other revenue	<u>14,489</u>	<u>22,421</u>
Consolidated revenue (note 4(a))	<u>155,029,341</u>	<u>162,359,281</u>

Profit

	2025 RMB'000	2024 RMB'000
Reportable segment loss	(461,818)	(223,306)
Other net income	29,493	88,616
Net valuation gain on investment properties	1,060,892	629,380
Net gain on disposal of a subsidiary	–	16,364
Net gain on disposal of associates	–	69,961
Finance income	238,865	286,804
Finance costs	(599,493)	(621,213)
Share of net profits of associates	5,238	8,916
Share of net profits of joint ventures	15,662	11,640
Unallocated head office and corporate expenses	<u>(5,380)</u>	<u>(8,613)</u>
Consolidated profit before taxation	<u>283,459</u>	<u>258,549</u>

5. OTHER NET INCOME/(LOSS)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net fair value changes on financial instruments at fair value through profit or loss		
— listed equity securities	(3,872)	(1,275)
— wealth management products and trust products	—	814
— forward contracts	(12,620)	44,582
— contingent consideration	—	4,156
	<u>(16,492)</u>	<u>48,277</u>
Government subsidies	32,174	33,005
Gain on debt restructuring	4,204	—
Others	9,607	7,334
	<u>29,493</u>	<u>88,616</u>

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived after (crediting)/charging:

(a) Finance (income)/costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income		
Interest income from bank deposits	<u>(238,865)</u>	<u>(286,804)</u>
Finance costs		
Interest on interest-bearing borrowings	547,167	565,539
Interest on lease liabilities	885	800
Other borrowing costs	1,498	2,988
Less: Amounts capitalised into properties under development for sale*	<u>(39,439)</u>	<u>(69,323)</u>
	510,111	500,004
Bank charges and others	84,301	129,276
Net foreign exchange losses/(gains)	<u>5,081</u>	<u>(8,067)</u>
	<u>599,493</u>	<u>621,213</u>

* The borrowing costs have been capitalised at 3.80%–10.80% (2024: 9.37%–9.98%) per annum for the year ended 31 December 2025.

(b) **Impairment loss recognised under expected credit loss model, net of reversal**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impairment losses (reversed)/recognised under expected credit loss model		
— trade debtors and bills receivable	8,856	(4,364)
— rental receivables	95,715	187,081
— loans and factoring receivables	(1,449)	11,512
— other receivables	(24,746)	34,193
— advance to suppliers	67,936	4,239
	<u>146,312</u>	<u>232,661</u>

(c) **Other items**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amortisation of intangible assets	43,762	41,191
Depreciation		
— property, plant and equipment (other than right-of-use assets)	8,108	11,544
— right-of-use assets	35,470	32,754
	<u>43,578</u>	<u>44,298</u>
Staff costs		
— Salaries, wages and other benefits	275,004	294,830
— Contributions to defined contribution retirement plans	19,910	21,004
	<u>294,914</u>	<u>315,834</u>
Auditor's remuneration		
— audit services	4,000	4,000
Research and development costs (included in administrative and other expenses)	9,855	15,434
Rentals receivable from investment properties less direct outgoings of RMB2,350,000 (2024: RMB2,230,000)	(213,757)	(233,413)
Cost of commodities sold	154,426,039	161,533,237
Cost of properties sold	1,395	80,850

7. INCOME TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC Corporate Income Tax (“ PRC CIT ”)	20,055	43,727
PRC Land Appreciation Tax (“ PRC LAT ”)	<u>(73)</u>	<u>7,034</u>
、	19,982	50,761
Over-provision in prior years		
PRC CIT	<u>(40,037)</u>	<u>–</u>
Deferred tax		
Origination and reversal of temporary differences	<u>201,883</u>	<u>114,427</u>
	<u><u>181,828</u></u>	<u><u>165,188</u></u>

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on profit attributable to ordinary equity shareholders of the Company of approximately RMB147,449,000 (2024: approximately RMB128,953,000) and the weighted average of 12,399,506,000 (2024: 12,399,506,000) ordinary shares in issue during the year. There was no movement in issued ordinary shares during 2024 and 2025.

(b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding due to outstanding share options, because the exercise price of those options was higher than the average market price for ordinary shares during 2024 and 2025.

9. DIVIDENDS

No dividend was paid or proposed for equity shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, net of loss allowance	<i>10(a)</i>	5,335,763	8,725,888
Loans and factoring receivables, net of loss allowance	<i>10(b)</i>	781,246	1,282,860
		6,117,009	10,008,748
Advances to suppliers		13,183,090	13,981,971
Other receivables, deposits and prepayments		1,512,040	2,296,209
		20,812,139	26,286,928

As at 31 December 2025, other receivables of RMB250,000 (2024: RMB8,250,000) were pledged as collateral for the Group's interest-bearing borrowings.

Note: The trade receivables balance includes trade debtors, bills receivables and rental receivables.

(a) Ageing analysis of trade receivables

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	4,855,410	7,739,161
Over 6 months but within 12 months	354,528	821,325
Over 12 months	125,825	165,402
	5,335,763	8,725,888

Customers are normally granted credit terms of 0 to 360 days, depending on the credit worthiness of individual customers.

(b) **Loans and factoring receivables, net of loss allowance**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Secured loans receivables, net of loss allowance (<i>Note</i>)	645,347	1,106,477
Factoring receivables, net of loss allowance	135,899	176,383
	<u>781,246</u>	<u>1,282,860</u>

Note: Secured loans receivables represent loans advanced to associates and third parties which are secured by the borrowers' inventories, properties or unlisted shares.

Ageing analysis

At the end of the reporting period, the ageing analysis of loans and factoring receivables, based on recognition date of loans and factoring receivables and net of loss allowance, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	271,744	1,077,822
Over 6 months but within 12 months	382,657	117,935
Over 12 months	126,845	87,103
	<u>781,246</u>	<u>1,282,860</u>

Borrowers are normally granted credit terms of 0 to 360 days, depending on the credit worthiness of individual customers.

11. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bills payables (i)	8,667,151	14,779,661
Receipts in advance (ii)	95,388	76,313
Other payables and accruals	<u>3,916,920</u>	<u>3,899,336</u>
	<u>12,679,459</u>	<u>18,755,310</u>

The amount of receipts in advance expected to be settled after one year is approximately RMB3,791,000 (2024: RMB6,871,000). All of the other trade and other payables are expected to be settled within one year or repayable on demand.

- (i) As at the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	7,226,843	13,737,077
Over 6 months but within 12 months	758,711	727,534
Over 12 months	<u>681,597</u>	<u>315,050</u>
	<u>8,667,151</u>	<u>14,779,661</u>

- (ii) Receipts in advance mainly represents rental receipts in advance for investment properties.

12. SHARE CAPITAL

Share capital

	2025		2024	
	Number of shares ('000)	Amount HK\$'000	Number of shares ('000)	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.00333 each	<u>24,000,000</u>	<u>80,000</u>	<u>24,000,000</u>	<u>80,000</u>
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	<u>12,399,506</u>	<u>41,329</u>	<u>12,399,506</u>	<u>41,329</u>
		<i>RMB'000</i>		<i>RMB'000</i>
Shown on the consolidated financial statements		<u>34,454</u>		<u>34,454</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Baker Tilly Hong Kong Limited:

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 IFRS Accounting Standards issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which indicates that the Group had net current liabilities of approximately RMB6,092,982,000 as at 31 December 2025. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Consumer product-focused wholesale trading

The Group's core project, North Hankou International Trade Center (“**North Hankou**”), had formed 32 large comprehensive clusters of specialized markets covering, among other things, branded clothing, small merchandise, hotel supplies, and secondhand vehicles. It has established an efficient collaborative development model of “leading by major markets, supported by specialized markets, and driven by featured markets,” thus accelerating the establishment of China's largest and world's leading supply chain management center and commercial logistics platform.

In 2025, North Hankou focused on the continuous upgrading of commodity market, centering on three major objectives of “supply chain management center, business service-oriented national logistics hub, and world shopping park”, and vigorously developed the new mode of “industry integration, experiential consumption, trade digitization, supply chain services and new foreign trade business”, enabling the transformative leap from “commercial logistics hub” toward “new highland of value hub”. During the year, North Hankou focused on developing the first-store economy, strengthening supply chain construction, improving logistics networks, deepening digital-intelligence integration, enhancing the empowerment of exhibitions, and promoting the integration of culture, business and tourism – all with remarkable results. The 2025 Government Work Report of Hubei Province mentioned “hosting major open events such as the Wuhan Commodities Fair (漢交會)”, while the 2025 Government Work Report of Wuhan City proposed “building North Hankou into an integrated domestic and international trade base”. North Hankou ranked third nationwide and first in midwestern China in the “Top 100 Commodity Markets in China,” and was awarded the honorary titles of “National Model Market for Digital and Intelligent Development” and “National Model Market for Logistics Supply Chain Innovation”.

Focusing on first-store economy. North Hankou has continued to promote the iterative upgrade of markets, gradually establishing a sound development pattern of “first-store leadership, concentration of leading companies, and industry chain synergy”. The Automobile Town has adopted the “first-store leadership + full-chain services” model, improving its new energy vehicle matrix and building a comprehensive automobile trade ecosystem; the Hotel Supplies City successfully introduced several brands to open their first stores in Central China, leading over 200 merchants to upgrade their shops and showrooms, thus creating an immersive procurement experience; the Branded Clothing City achieved platform iteration, connecting source supply chain enterprises, supporting both established brands and emerging popular labels to grow side by side, and strengthening the coordination between production and sales and brand incubation capabilities; the Footwear and Leatherwear City has committed triple guarantee of “good storefronts, good brands, and good logistics”, with several brand factory outlets opening

in succession; the Flavor Town has integrated the entire seasoning industry chain through “logistics + finance + digitalization”; the New Textile Wharf has gathered high-quality fabric sources from across the country; Haining Leather Plaza has deepened its professional and branding development; the Hardware and Electrical City has built a three-dimensional service system covering foreign trade, distribution, and live streaming; the Culture, Sports and Toys City has promoted ecosystem evolution through “exhibition + supply chain + digitalization”.

Strengthening supply chain construction. North Hankou continues to deepen its efforts in building digital supply chain across vertical segments, enhancing resource aggregation and allocation efficiency, and continuously consolidating the industrial foundation. Seafood Chain innovated the “Fast Chain” model, establishing strategic cooperation with core production regions such as Malaysia, enabling rapid delivery of high-quality overseas fresh products; Clothing Chain strengthened collaboration with industrial belts in Tianmen and Xiantao, leveraging the Wuhan Commodities Fair platform to facilitate multiple production and sales partnerships, successfully attracting source supply chain enterprises to establish their presence; Flower Chain maintained steady growth in daily sales, reinforcing its position as the largest flower trading base in Central China; Chili Chain gathered resources from 24 core production regions worldwide, becoming a digital trading platform serving Central China; Coffee Street brought together more than 30 large-scale supply chain enterprises, connecting with over 50 countries and regions, driving mutual empowerment of consumption and industrial chain.

Improving logistics networks. North Hankou is firmly aligned with the goal of building a national logistics hub for commerce and services, continuously improving its logistics system and empowering commerce through logistics, thereby contributing to the establishment of the new “dual-circulation” development pattern. The Huahu Airport Hankou North Cargo Terminal jointly developed by North Hankou and SF Express Group has officially commenced operations, enabling strategic synergy between the Wuhan-Ezhou Airport-type National Logistics Hub and the Hankou North National Commerce and Services Logistics Hub. Leveraging its prime location with multi-modal transport capabilities including air, water, rail, and road, North Hankou is accelerating the development of a modern logistics operation system of “Channel + Hub + Network”, and is fully committed to creating a three-in-one logistics ecosystem integrating smart warehousing and distribution, line-haul transportation, and urban delivery. As the core zone of the national logistics hub for commerce and services, North Hankou has established a one-stop commerce and logistics service center covering the entire chain of warehousing, distribution, transportation, transshipment, and trade, while accelerating the expansion of “one-stop going global” channels for advantageous industries.

Deepening digital-intelligence integration. North Hankou continues to advance its digital-intelligence transformation, driving the deep integration of digital technology with market operations, yielding fruitful results. The “Smart North Hankou” digital management platform undergoes continuous iteration, utilizing big data tools to assist merchants in enhancing decision-making and operational efficiency. The online “Wuhan Commodities Fair” digital platform was officially launched during the 2025 Wuhan Commodities Fair, enabling a leap from traditional exhibitions to “cloud interconnectivity” and creating a “twenty-four seven” digital trade platform. North Hankou entered into a tripartite strategic collaboration with Han-e-Cai (漢e採) platform and JD Group, with nearly 100 Hankou North merchants simultaneously signing contracts to join the Han-e-Cai supply chain service platform. The Live Streaming E-commerce Base added 200 new merchants, over 50 live-streaming teams, and more than 120 live-streaming hosts, with daily sales of live-streaming session for certain categories hitting new highs. Twelve major live-streaming studios commenced regular operations, driving simultaneous growth in merchant traffic and sales. With its well-developed ecosystem and outstanding performance, North Hankou has been rated as Grade-A E-commerce Live Streaming Cluster in Wuhan for three consecutive years, and as a founding member of the China Trade Market Digital-Intelligent Development Alliance, it has become a pivotal force in promoting the sixth-generation market development.

Enhancing the empowerment of exhibitions. The 2025 Wuhan Commodities Fair was held at North Hankou from 19 to 23 November, at which key provincial and municipal leaders attended and announced its opening. For the first time, the exhibition established three major segments: commodity trade, service trade, and digital trade, truly becoming a structural platform linking the domestic grand circulation and the domestic and international dual circulations. The strategic positioning of the Wuhan Commodities Fair has become increasingly clear: it not only promotes the interconnection of business flow, logistics, information flow and capital flow, but also carries the mission of serving China’s new “dual circulation” development model and supporting Hubei’s “key construction”. The fair attracted a number of diplomatic envoys, heads of chambers of commerce and associations, entrepreneurs, experts and specialists as well as domestic and foreign enterprises for participation. With its unprecedented scale, high-level participation, and fruitful outcomes, it has become known as the “Top Exhibition of Dual Circulation in China”. Furthermore, North Hankou has successively hosted over a hundred professional exhibition and sales events, including the Spring and Autumn Curtain Industry Ordering Fair, the World Health Expo and Traditional Chinese Medicine Culture Week, the North Hankou Cultural Expo, the Clothing Live Streaming Festival, the Curtain Live Streaming Festival, and the New Talent Live Streaming Competition. These events highlight North Hankou’s strong momentum of “attracting business through events, revitalizing the market through fairs, and promoting industry through exhibitions”.

Promoting the integration of culture, business and tourism. North Hankou has broken through traditional commercial models by deeply implementing the development philosophy of “using commerce to support culture, using culture to promote tourism, and using tourism to boost commerce”. It aims to build a world shopping park that integrates global commodity trading, trendy cultural experiences and urban micro-vacation functions, creating a new three-dimensional cultural–business–tourism scenario of “immersive shopping + urban micro-vacation + cross-border social space”. During the year, North Hankou meticulously designed Citywalk and Cityrun micro-vacation routes connecting core areas such as the Hankou Business Museum, Drama Wharf, Universal Town, Ferris Wheel and Carnival Park, and hosted events including the New Year Goods Festival, Lantern Festival Dragon Dance, May Day Carnival, Lobster and Beer Carnival, and Warm Winter Consumption Season Campaign, linking online and offline channels to reach diverse customer groups and continuously stimulate consumption vitality.

Supply Chain Management and Trading

The Group has established and operated a B2B trading platform matrix for agricultural products, chemical plastics, steel, and energy.

Shenzhen Sinoagri E-commerce Co., Ltd. (“**Sinoagri**”), a large-scale B2B trading platform for agricultural products under the Group, serves as a comprehensive service platform for the entire agricultural industry chain. During the year, Sinoagri achieved operating revenue of approximately RMB43.9 billion, and was awarded the “National Key Leading Enterprise in Agricultural Industrialization”, further consolidating its comprehensive competitiveness. During the year, domestic sugar prices fluctuated downward due to supply-demand imbalance, with an annual decline of over 12%. Despite industry-wide pressure, the sweetener segment achieved resilient growth through a dual-driven strategy of “controlling upstream resources and strengthening downstream services”. On the upstream side, it deepened outreach to production regions, with cooperative sugarcane planting area exceeding 12,000 acres, of which over 7,000 acres adopted a digital planting management system integrating AI, IoT, and blockchain, enabling full data control across cultivation, management and harvesting. On the downstream side, it enhanced customer loyalty by enriching the sugar product matrix and introducing multiple customized service solutions. Active customers reached 810 for the year, a 25% year-on-year increase, with the customer repurchase rate increased from 59% to 78%. Moreover, Sinoagri actively expanded multiple business sectors. By adopting the “cloud factory” model and constructing self-owned processing bases, it established a production capacity synergy system for silk spinning, fodder, and spices sectors. Silk spinning sector achieved a year-on-year increase of 142% in revenue, with the launching of 4 shared silk-reeling factories under the cloud factory model. Supported by ERP and IoT equipment, these factories connected raw material supply, capacity scheduling and market demand, resulting in an overall capacity growth of 42% and cooperation efficiency improvement of 40%. In fodder sector, transformation to customized fodder business yielded remarkable results. Five fodder formula optimization projects boosted monthly customized fodder sales from 500 tons to 4,500 tons, with medium-scale farming customers accounting for over 70%. In spices sector, the Xinjiang

Aksu Spices Deep Processing Center has commenced operations and obtained ISO22000 food safety management system and HACCP international certification, achieving standardized and intelligent upgrades in processing. As strategically cultivated emerging businesses, coffee and rubber sectors have already become essential growth engines for Sinoagri. In coffee sector, Sinoagri established direct sourcing channels in six core production areas worldwide including Ethiopia and Peru, and entered into strategic cooperation with major importers. It achieved a 100% contract fulfillment rate for the year, and a year-on-year increase of 38.7% in KA customers. In rubber sector, it achieved a year-on-year increase of 276% in revenue, with the number of customers served increased by 119%, and successfully expanded cooperation with several leading enterprises in the rubber industry. Meanwhile, Sinoagri is using rubber business as a pilot to explore a comprehensive online trade model that integrates “trading, payment, warehouse receipts and risk control”, further unlocking the value of technology empowerment.

HSH International Inc. (“**HSH**”), a subsidiary of the Company, is an integrated service platform focused on the plastics and chemical sector. Adopting an innovative “platform + supply chain services” model, it integrates cutting-edge digital technologies such as internet, big data, and artificial intelligence to launch a full-spectrum of supply chain products and services, including portfolio trading, smart front distribution logistics, digital intelligent warehousing, SaaS system customization, and integrated industrial and financial services. HSH focuses on three core product categories, namely olefins, aromatics, and polyesters, with the objectives of “guaranteeing quality, price and supply”. It actively expands upstream resources, having added more than 10 high-quality petrochemical plants during the year, thereby strengthening direct sourcing capabilities and ensuring supply chain stability and quality. It also explores hedging strategies through futures-spot trading to lock in costs, enhance price competitiveness, and secure stable returns across the industry chain. In terms of downstream customer structure, it continues to penetrate into end-users in the real economy, with manufacturing end customers reaching 70%, effectively empowering stable production and efficient development of the manufacturing industry. As the industry’s first builder of a digital cloud factory for recycled plastics, HSH has in recent years deeply implemented the “dual carbon” strategy by establishing a full-process digital management system covering “collection – recycling – application”. Since the launch of its digital cloud factory in Liaoning in 2023, HSH has continued to expand its footprint nationwide, with the model being replicated in Shandong, Jiangxi, and Guizhou, creating an end-to-end closed-loop plastic recycling system. Through sorting and recycling processes, plastic waste is transformed into high-performance recycled materials, which are then precisely put into new product manufacturing cycles. These recycled materials have been successfully applied in various fields, including automotive exterior parts and industrial tote boxes, promoting the efficient circulation and value creation of resources within the industry chain. In terms of logistics optimization, HSH efficiently integrates logistics resources through regional network layout, order consolidation, and cross-departmental coordination, enhancing its supply chain logistics capabilities which combine cost advantages with service depth. Simultaneously, HSH actively advances digital-intelligent

construction by launching TMS (transportation management system) to efficiently handle key processes such as logistics orders, inquiries and quotations, transportation scheduling and cost calculation. Through supporting mini-programs, they enable real-time interaction with logistics carriers and achieve visual management of the entire logistics process, effectively optimizing transportation routes and reducing transportation costs. Additionally, HSH continuously upgrades its integrated supply chain service platform, focusing on optimizing system functionalities and service processes to better align with actual business scenarios and user habits. This deepens the integration of logistics, information flow, capital flow and business flow, comprehensively enhancing operational efficiency and supply chain transparency. As of 31 December 2025, the cumulative number of customers on the HSH platform reached 56,881, with an operating revenue of approximately RMB17.1 billion.

In the ferrous commodities sector, Shanghai Zall Steel E-commerce Co., Ltd.* (上海卓鋼鏈電子商務有限公司) (“**Zall Steel**”), a subsidiary of the Company, has keenly seized opportunities arising from industry transformation, deeply explored vertical segments, and connected the upstream and downstream of the industrial chain to drive efficient coordination of steel industry production, supply and demand in full force. Leveraging its core “Smart Trading” framework, supplemented by the dual engines of “Supply Chain Services + Technology Services”, Zall Steel has built a six-service ecosystem comprising smart trading, supply chain service, digital intelligent services, warehousing and Internet of Things, smart logistics, and data information. The “multi-bank, multi-product” supply chain service supermarket, which was created by Zall Steel jointly with 16 financial institutions, has effectively solved corporate financing difficulties, and has served over 5,000 customers to date. The digital intelligent service segment integrates SaaS, ERP, MES, WMS, TMS and other supply chain systems, enabling precise matching with the digitalization needs of different enterprises, and has successfully served more than 2,000 enterprises, including numerous large-scale central and state-owned enterprises and listed companies. Zall Steel also provides customers with safe and efficient warehousing and processing solutions. It has established 32 standard warehouses and 372 certified warehouses nationwide, serving over 5,000 cargo owners. Zall Steel’s one-stop smart logistics platform, “Xiaohuo Zhiyun”, integrates over 600 logistics carriers and 6,000 core transportation routes nationwide. Through intelligent matching algorithms, it achieves precise cargo-vehicle matching, ensuring cargo safety and information transparency throughout the process. Its services cover 260 prefecture-level cities nationwide, providing standardized and efficient logistics services to over 2,000 enterprises. In terms of market expansion, Zall Steel achieved a breakthrough in exporting finished steel products from Vietnam to the Taiwan market, while driving product upgrades from raw materials to finished goods. During the year, Zall Steel achieved operating revenue of approximately RMB13.8 billion. By virtue of its outstanding contributions to the industry, it has been honored with multiple awards, including Shanghai Municipal E-Commerce Demonstration Enterprise, Shanghai Productive Service Industry Demonstration Case, Shanghai Top 100 Enterprise, and “Strengthening the Source and Helping Enterprises (強源助企)” Industry-Finance Service Base of Shanghai Futures Exchange.

In respect of business in Singapore, since its launch in October 2018, the Commodities Intelligence Centre (“CIC”) has focused on the online trading of bulk commodities, utilizing blockchain technology as its underlying infrastructure to reduce international trade risks, enhance operational efficiency and provide one-stop solutions. As of 31 December 2025, the CIC platform had accumulated 17,229 registered users and a total transaction volume exceeding USD43.5 billion, with primary trading categories including coal, nickel, copper, iron and electrolytic copper. In 2025, CIC’s supply chain financial services reached a new level, with deepening cooperation with ZMA Smart Capital Pte. Ltd., actively providing online financing solutions for small and medium-sized enterprises engaged in cross-border trade. Meanwhile, leveraging its platform’s accumulated data and blockchain technology, CIC continuously improves the efficiency of value-added services, provides effective risk management, expands procurement channels, reduces transaction costs, and enhances transaction efficiency. During the year, CIC and other Singapore subsidiaries of the Company recorded an aggregate operating revenue of approximately RMB54.1 billion.

The Group has achieved a significant growth in supply chain management and trading businesses through online and offline integrated development in recent years. Given appropriate opportunities, the Group will continue to expand to other sectors through organic growth or merger and acquisitions, thereby constantly enriching and improving the intelligent ecosphere of Zall Smart and further enhancing operational efficiency.

FUTURE PROSPECTS

Currently, digital trade has become a new trend in the development of international trade and a new growth driver of the global economy. Zall Smart is actively cultivating new productive forces, continuously improving its matrix of intelligent trading platforms, and deeply serving sectors such as agricultural products, chemicals and plastics, ferrous metals, wholesale markets and cross-border trading. It provides more than 300,000 enterprises with comprehensive digital services covering trading, warehousing, logistics, finance and supply chain management, thus helping to enhance the resilience and security of industrial and supply chains.

Going forward, Zall Smart will focus on technological innovation and industrial upgrading, continuously increasing research and development and scenario-based application of digital technologies such as AI to build a service system integrating “B2B trading services, supply chain services and digital technology cloud services”, comprehensively enhancing the coordination efficiency across trading, warehousing, logistics and capital, so as to help enterprises reduce costs, increase efficiency and improve quality. Additionally, the Company will leverage its industrial advantages and market demand to expand and strengthen vertical sectors, actively extending its reach along the industrial chain to ascend to the high-end of the value chain. This will continuously improve operational efficiency and core value of the industrial chain, creating differentiated core competitiveness. In the future, the Company will collaborate with ecosystem partners to create an open, collaborative, and mutually beneficial digital industrial ecosystem, contributing to the high-quality development of the industry.

INVESTMENT PORTFOLIO

The portfolio of listed equity investments of the Group as at 31 December 2025 and 31 December 2024 were as follows:

As at 31 December 2025

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost <i>RMB'000</i>	Carrying amount as at 31 December 2025 <i>RMB'000</i>	Unrealised holding loss arising on revaluation for the year ended 31 December 2025 <i>RMB'000</i>	Dividend received for the year ended 31 December 2025 <i>RMB'000</i>
00607.HKEX	Fullshare Holdings Limited ("Fullshare")	11,819,250	1.86%	620,157	1,601	3,872	-

As at 31 December 2024

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost <i>RMB'000</i>	Carrying amount as at 31 December 2024 <i>RMB'000</i>	Unrealised holding loss arising on revaluation for the year ended 31 December 2024 <i>RMB'000</i>	Dividend received for the year ended 31 December 2024 <i>RMB'000</i>
00607.HKEX	Fullshare	11,819,250	1.86%	620,157	5,473	1,275	-

The performance and prospects of the listed equity investments during the year are as follows:

As at 31 December 2025, the Group held 11,819,250 (31 December 2024: 11,819,250) shares in Fullshare, representing approximately 1.9% of its entire issued share capital (31 December 2024: approximately 1.9%). Fullshare is listed on the Main Board of The Stock Exchange of Hong Kong Limited. Its principal activities are property development, tourism, investment, provision of healthcare products and services business and new energy business. The Group recognised an unrealised holding loss of approximately RMB3.9 million for the year ended 31 December 2025 (31 December 2024: approximately RMB1.3 million). The carrying amount of investment in Fullshare accounts for less than 0.01% of the Group's total assets as at 31 December 2025 (31 December 2024: less than 0.01%). The Group will closely monitor the performance of its investment and adjust its investment plan and portfolio when necessary.

Results of Operation

Revenue

Revenue of the Group decreased by approximately 4.5% from approximately RMB162,359.3 million for the year ended 31 December 2024 to approximately RMB155,029.3 million for the year ended 31 December 2025. The decrease was primarily due to the decrease in revenue from supply chain management and trading business.

Revenue from supply chain management and trading business

The Group's revenue from supply chain management and trading business has contributed approximately 99.7% of the Group's total revenue for the year ended 31 December 2025. For the year ended 31 December 2025, the Group's revenue from supply chain management and trading business was approximately RMB154,581.1 million (2024: approximately RMB161,736.0 million). The decrease in revenue from supply chain management and trading business was primarily attributable to the decrease in revenue from the PRC market.

Rental income from investment properties

The Group's rental income from investment properties decreased by approximately 8.3% from approximately RMB235.6 million for the year ended 31 December 2024 to approximately RMB216.1 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in both rented area and rental rate during the year.

Revenue from finance income

The Group's finance income decreased by approximately 27.0% from approximately RMB63.5 million for the year ended 31 December 2024 to approximately RMB46.4 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in supply chain finance income from Sinoagri.

Sales of properties and related services

Revenue from sales of properties and related services decreased by approximately 58.0% from approximately RMB243.2 million for the year ended 31 December 2024 to approximately RMB102.1 million for the year ended 31 December 2025.

The Group's revenue from sales of properties was attributed to the sales of retail shops and auxiliary facilities units. The decrease in revenue from sales of properties and related services was mainly attributed to the decrease in the gross floor area delivered in 2025.

Cost of sales

For the year ended 31 December 2025, cost of sales of the Group was approximately RMB154,443.7 million (2024: approximately RMB161,660.3 million). The total cost of sales of the Group decreased accordingly as the revenue decreased.

Gross profit

Gross profit of the Group decreased by approximately 16.2% from approximately RMB699.0 million for the year ended 31 December 2024 to approximately RMB585.7 million for the year ended 31 December 2025. The Group's gross profit margin decreased from approximately 0.43% for the year ended 31 December 2024 to approximately 0.38% for the year ended 31 December 2025, which is mainly due to decrease in revenue from sales of properties and related services which has high profit margin.

Other net income

The Group's other net income decreased from approximately RMB88.6 million for the year ended 31 December 2024 to approximately RMB29.5 million for the year ended 31 December 2025. The decrease was mainly due to the fair value loss on forward contract of approximately RMB12.6 million for the year ended 31 December 2025, compared to fair value gain of approximately of RMB44.6 million for the year ended 31 December 2024.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately 23.2% from approximately RMB266.9 million for the year ended 31 December 2024 to approximately RMB205.0 million for the year ended 31 December 2025. The decrease was primarily due to (i) a decrease in staff cost of approximately RMB40.4 million; and (ii) a decrease in logistic expenses of approximately RMB14.9 million.

Administrative and other expenses

Administrative and other expenses of the Group increased by approximately 4.3% from approximately RMB431.3 million for the year ended 31 December 2024 to approximately RMB450.0 million for the year ended 31 December 2025. The increase was primarily due to (i) a decrease in other taxes of approximately RMB21.9 million; and (ii) an increase in general office and other expenses of approximately RMB50.4 million.

Impairment loss under expected credit loss model, net of reversal

The impairment loss under expected credit loss model, net of reversal of the Group decreased by approximately 37.1% from approximately RMB232.7 million for the year ended 31 December 2024 to approximately RMB146.3 million for the year ended 31 December 2025. The decrease was mainly due to (i) the decrease in impairment loss recognised for rental receivables of approximately RMB91.4 million; (ii) the impairment loss recognised for other receivables of approximately RMB34.2 million for the year ended 31 December 2024, compared to impairment loss reversed of approximately RMB24.7 million for the year ended 31 December 2025; and (iii) the increase in impairment loss recognised for advances to suppliers of approximately RMB63.7 million.

Impairment loss on goodwill

The Group recorded impairment loss on goodwill of approximately RMB251.5 million (2024: nil) for the year ended 31 December 2025. It was mainly due to the fact that the financial performance of Sinoagri being worse than expected.

Net valuation gain on investment properties

The Group recorded a net valuation gain on investment properties which amounted to approximately RMB1,060.9 million (2024: approximately RMB629.4 million) for the year ended 31 December 2025. The net valuation gain was mainly due to additional properties transferred to investment properties for rental purposes during the year and the stable value of properties.

Net gain on disposal of a subsidiary

The Group did not record any gain or loss on disposal of a subsidiary for the year ended 31 December 2025 (2024: net gain of approximately RMB16.4 million).

Net gain on disposal of associates

The Group did not record any gain or loss on disposal of associates for the year ended 31 December 2025 (2024: net gain of approximately RMB70.0 million).

Share of net profits of associates

Share of net profits of associates of the Group for the year ended 31 December 2025 was approximately RMB5.2 million (2024: approximately RMB8.9 million). The decrease was mainly due to increase in losses of certain associates.

Finance income and costs

Finance income of the Group decreased by approximately 16.7% from approximately RMB286.8 million for the year ended 31 December 2024 to approximately RMB238.9 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in interest income from fixed deposits.

Finance costs of the Group decreased by approximately 3.5% from approximately RMB621.2 million for the year ended 31 December 2024 to approximately RMB599.5 million for the year ended 31 December 2025. The decrease was primarily due to the combined effect of (i) decrease in interest on interest-bearing borrowings of approximately RMB18.4 million; (ii) decrease in amounts capitalised into properties under development for sale of approximately RMB29.9 million; and (iii) decrease in bank charges and others of approximately RMB45.0 million.

Income tax expense

For the year ended 31 December 2025, income tax expense was approximately RMB181.8 million (2024: approximately RMB165.2 million). The increase was mainly due to the combined effect of (i) the decrease in current tax of approximately RMB30.8 million; (ii) over-provision of current tax in prior years of approximately of RMB40.0 million; and (iii) the increase in deferred tax recognised of approximately RMB87.5 million mainly arising on increase in net valuation gain on investment properties and decrease in impairment loss recognised under expected credit loss model, net of reversal.

Profit for the year

For the year ended 31 December 2025, the Group recorded a net profit of approximately RMB101.6 million (2024: approximately RMB93.4 million). For the year ended 31 December 2025, the profit attributable to equity shareholders of the Company was approximately RMB147.4 million (2024: approximately RMB129.0 million).

Liquidity and capital resources

As at 31 December 2025, the Group had net current liabilities of approximately RMB6,093.0 million (31 December 2024: approximately RMB4,725.1 million) and net assets of approximately RMB14,405.6 million (31 December 2024: approximately RMB14,343.0 million). Certain measures have been and are being taken to manage its liquidity needs and improve its financial position, which includes (i) the Group expects to generate positive operating cash flows for the next twelve months by implementing various strategies to improve the Group's income from supply chain management and trading business and rentals from investment properties to generate additional operating cash inflows, and to reduce operating costs as appropriate; (ii) the Group is actively and regularly reviewing its capital structure, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings and will consider raising additional fundings by bank borrowings and share placement, where appropriate; and (iii) the Group may further dispose of non-core business and assets to raise additional working capital. As at 31 December 2025, the total equity attributable to equity shareholders of the Company amounted to approximately RMB14,082.3 million (31 December 2024: approximately RMB13,951.2 million), comprising issued capital of approximately RMB34.5 million (31 December 2024: approximately RMB34.5 million) and reserves of approximately RMB14,047.8 million (31 December 2024: approximately RMB13,916.8 million).

Cash position

The Group's cash and cash equivalents consist primarily of cash on hand and bank balances, which are primarily held in RMB-denominated accounts with banks in the PRC. As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB1,509.9 million (31 December 2024: approximately RMB1,546.0 million). The Group's level of cash and cash equivalents has remained stable. The Group regularly and closely monitors its funding and treasury position to meet the funding needs of the Group.

Interest-bearing borrowings

The Group's total interest-bearing borrowings decreased by approximately 2.9% from approximately RMB14,831.4 million as at 31 December 2024 to approximately RMB14,399.9 million as at 31 December 2025. Majority of the loans were denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Details of the interest rates during the year ended 31 December 2025 are set out in note 6(a) of the consolidated financial statements in this announcement.

Net gearing ratio

The Group's net gearing ratio increased from 23.7% as at 31 December 2024 to 42.1% as at 31 December 2025. The net gearing ratio is calculated by dividing interest-bearing borrowings and lease liabilities, net of cash and cash equivalents and pledged bank deposits, by total equity attributable to equity shareholders of the Company.

Foreign exchange risk

The Group's sales were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Board expects that any future exchange rate fluctuation will not have any material effect on the Group's business. As at 31 December 2025, the Group did not use any financial instruments for hedging purpose. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Charge on assets

As at 31 December 2025, the Group had pledged certain of its assets with a total book value of approximately RMB18,566.8 million (31 December 2024: approximately RMB16,863.1 million) and a total book value of approximately RMB6,676.8 million (31 December 2024: approximately RMB9,841.8 million) for the purpose of securing certain of the Group's interest-bearing borrowings and bills payables respectively.

Material acquisitions and disposals of subsidiaries, associated companies and/or joint ventures

The Group has no material acquisition or disposal during the year ended 31 December 2025. The Group will seek opportunities to sell non-core assets and businesses to enhance liquidity and devote investment resources to core businesses.

Segment reporting

Details of the segment reporting of the Group for the year ended 31 December 2025 are set out in note 4(b) of the consolidated financial statements in this announcement.

Contingent liabilities

In accordance with the industrial practice, the Group has made arrangements with various PRC banks to provide mortgage facilities to the purchasers of its pre-sold properties. Pursuant to the terms of the guarantees, if there is a default of the mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyers obtained the individual property ownership certificate and the full settlement of mortgage loans by the buyers. As at 31 December 2025, the guarantees in relation to mortgage facilities granted to purchasers of the Group's properties amounted to approximately RMB156.5 million (31 December 2024: approximately RMB82.8 million).

As at 31 December 2025, the Group provided a financial guarantee to third parties of approximately RMB547.0 million (31 December 2024: approximately RMB679.5 million).

CONNECTED TRANSACTION – SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 27 January 2025, the Company and Zall Holdings Company Limited (“**Zall Holdings**”) entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which the Company conditionally agreed to issue, and Zall Holdings conditionally agreed to subscribe for, 1,200,000,000 shares (representing approximately 9.68% of the total existing issued share capital of the Company as at the date thereof) under a specific mandate at the price of HK\$0.26 per share for a consideration of HK\$312,000,000. The net proceeds of the subscription were expected to amount to approximately HK\$311,700,000 and was intended to be applied principally towards repayment of the Group's debt.

The relevant resolution was not passed at the extraordinary general meeting of the Company held on 12 March 2025.

As at the date of the Subscription Agreement, Zall Holdings was interested in approximately 10.56% of the total issued share capital of the Company. Zall Holdings is wholly owned by Mr. Yan Zhi who in turn holds (i) approximately 0.60% of the total issued share capital of the Company directly; and (ii) 100% shareholding interest in Zall Development Investment Company Limited (“**Zall Development**”) which is interested in approximately 59.07% of the total issued share capital of the Company. Mr. Yan Zhi, Zall Holdings and Zall Development are the controlling shareholders of the Company under the Listing Rules. Accordingly, the Subscription Agreement constituted a connected transaction of the Company under the Listing Rules and was subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer the announcements of the Company dated 27 January 2025 and 12 March 2025 as well as the circular of the Company dated 19 February 2025.

DISCLOSEABLE TRANSACTION – PROVISION OF GUARANTEE

On 17 October 2025, Sinoagri entered into a maximum guarantee agreement in favour of Industrial and Commercial Bank of China Limited, Wuchang branch in Wuhan (“**ICBC Wuchang**”), pursuant to which Sinoagri agreed to provide guarantee to ICBC Wuchang (the “**Guarantee**”) for aggregate outstanding loan principal up to a maximum amount of RMB147.0 million for the due performance of the repayment obligations of Hubei Agricultural Digital Trade Co., Ltd.* (湖北農業數字貿易有限公司)(“**Hubei Digital Trade**”), being a 49% owned associate of Sinoagri, under loan agreement(s) and other financing agreement(s) entered/to be entered into between Hubei Digital Trade and ICBC Wuchang during the period from 28 September 2025 to 28 September 2028 (both days inclusive).

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of such provision of financial assistance is more than 5% but less than 25%, the provision of the Guarantee constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and was therefore subject to the notification and announcement requirements under the Listing Rules.

For further details, please refer to the announcements of the Company dated 17 October 2025 and 28 October 2025.

CHANGES IN ACCOUNTING POLICIES

For details of change in accounting policies, please refer to note 3 to the consolidated financial statements of the Company in this announcement.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Up to the date of this announcement, there are no material events affecting the Group which have occurred since the end of the financial year ended 31 December 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total of 1,381 full time employees (2024: 1,575). Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the year ended 31 December 2025, the employees benefit expenses were approximately RMB294.9 million (2024: approximately RMB315.8 million). The remuneration policy of the Group is to provide remuneration packages, in terms of basic salary, short term bonuses and long term rewards such as shares and options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when the occasion requires.

The Group has adopted a share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants, including the Directors, and full-time or part-time employees, executives or officers of the Group who had contributed to the success of the Group’s operations. The Share Option Scheme has expired on 20 June 2021. In relation to the Share Option Scheme, 15,547,407 share options were outstanding as at 31 December 2025, and no share option was lapsed, exercised or cancelled under the Share Option Scheme during the year ended 31 December 2025. The Company has approved and adopted a new share option scheme on 28 May 2021 (the “**2021 Share Option Scheme**”) to continue the grant of share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group. As at 31 December 2025, no share options have been granted under the 2021 Share Option Scheme.

The Group has also adopted a share award scheme (the “**Share Award Scheme**”) to recognise the contributions by any employees (including without limitation any director) of any member of the Group, who the administration committee of the Board considers, in their absolute discretion, to have contributed or will contribute to the Group, to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. During the year ended 31 December 2025, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules as its corporate governance code of practices. In the opinion of the Board, the Company had complied with the code provisions as set out in the CG Code throughout the year ended 31 December 2025.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code for dealing in securities of the Company by the Directors during the year ended 31 December 2025. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the required standards of the Model Code for the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE AND REVIEW OF THE AUDITED ANNUAL RESULTS

The audit committee of the Company (the “**Audit Committee**”) has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company and to assist the Board to fulfill its responsibilities over the audit.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu. Mr. Cheung Ka Fai serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the Company’s audited consolidated financial statements for the year ended 31 December 2025 which have been agreed by the auditors of the Company, and is of the view that the Group’s audited consolidated financial statements for the year ended 31 December 2025 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The Audit Committee has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and risk and management systems and financial reporting matters of the Group.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's independent auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly HK**"), which is consistent with the figures set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Baker Tilly HK 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 Baker Tilly HK on this preliminary announcement of results.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2025 (2024: nil). No interim dividend was paid or declared during the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 28 May 2026. A notice convening the AGM will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS TO ASCERTAIN SHAREHOLDERS' ENTITLEMENT TO ATTEND AND VOTE AT THE AGM

In order to determine who are eligible to attend and vote at the AGM, the Company's register of members will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to be qualified to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 21 May 2026.

PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the Company's website at <http://www.zallcn.com>. The annual report for the year ended 31 December 2025 of the Group containing all the information required by the Listing Rules is expected to be published on the same websites and be dispatched upon request to the shareholders of the Company for viewing in due course.

By Order of the Board
Zall Smart Commerce Group Ltd.
Yan Zhi
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises eight members, of which Mr. Yan Zhi, Dr. Gang Yu, Mr. Qi Zhiping, Mr. Yu Wei and Ms. Fan Xiaolan are executive Directors; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu are independent non-executive Directors.