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景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED

景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2231)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of JY Grandmark Holdings Limited (the “**Company**” or “**JY Grandmark**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 with the comparative figures for 2024 as follows:

The following discussion should be read in conjunction with the consolidated financial information of the Group, including the related notes, set forth in the financial information section of this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	4	559,115	3,426,674
Cost of sales		<u>(521,795)</u>	<u>(2,926,185)</u>
Gross profit before net impairment losses on completed properties held for sale and properties under development		37,320	500,489
Net impairment losses on completed properties held for sale and properties under development		<u>(163,710)</u>	<u>(154,516)</u>
Gross (loss)/profit after net impairment losses on completed properties held for sale and properties under development		(126,390)	345,973
Selling and marketing expenses		(36,040)	(135,297)
Administrative expenses		(71,701)	(96,270)
Net impairment losses on financial assets		(99,620)	(95,588)
Other income	5	822	590
Other losses, net	6	<u>(28,238)</u>	<u>(42,991)</u>
Operating loss		<u>(361,167)</u>	<u>(23,583)</u>
Finance income	7	245	1,213
Finance costs	7	<u>(134,332)</u>	<u>(32,948)</u>
Finance costs, net		(134,087)	(31,735)
Share of (loss)/profit of an associate		<u>(14)</u>	<u>94</u>
		<u>(134,101)</u>	<u>(31,641)</u>
Loss before income tax	8	(495,268)	(55,224)
Income tax expenses	9	<u>(31,492)</u>	<u>(77,351)</u>
Loss for the year		<u>(526,760)</u>	<u>(132,575)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(408,897)	(344,100)
Non-controlling interests		<u>(117,863)</u>	<u>211,525</u>
		<u>(526,760)</u>	<u>(132,575)</u>
Loss per share (expressed in RMB)			
– Basic and diluted	10	<u>(0.25)</u>	<u>(0.21)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other comprehensive income/(expenses)		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<u>54,982</u>	<u>(38,358)</u>
Other comprehensive income/(expenses) for the year	<u>54,982</u>	<u>(38,358)</u>
Total comprehensive expense for the year	<u>(471,778)</u>	<u>(170,933)</u>
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	(353,915)	(382,458)
Non-controlling interests	<u>(117,863)</u>	<u>211,525</u>
	<u>(471,778)</u>	<u>(170,933)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		169,314	216,419
Right-of-use assets		75,523	84,612
Investment properties		30,100	50,200
Intangible assets		786	1,964
Interests in associates		585	739
Interest in a joint venture		–	–
Other receivables	<i>14</i>	5,437	11,306
Deferred income tax assets		260,323	230,467
		542,068	595,707
Current assets			
Inventories		1,029	515
Contract costs		62,950	64,633
Properties under development	<i>12</i>	2,704,461	2,805,918
Completed properties held for sale	<i>13</i>	1,839,734	2,178,066
Trade and other receivables and prepayments	<i>14</i>	778,211	961,806
Prepaid taxes		212,650	199,114
Restricted cash		51,646	133,757
Cash and cash equivalents		20,671	21,175
		5,671,352	6,364,984
Asset classified as held for sale		–	6,049
		5,671,352	6,371,033
Total assets		6,213,420	6,966,740
EQUITY			
Share capital		14,746	14,746
Other reserves		1,233,639	1,171,954
Accumulated losses		(1,916,532)	(1,500,144)
Equity attributable to owners of the Company		(668,147)	(313,444)
Non-controlling interests		1,310,938	1,428,801
Total equity		642,791	1,115,357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	15	37,058	580,000
Lease liabilities		56,734	63,704
Deferred income tax liabilities		336,265	294,883
		430,057	938,587
Current liabilities			
Trade and other payables	16	1,137,779	1,448,333
Bank and other borrowings	15	3,411,138	2,672,539
Contract liabilities		197,671	419,514
Lease liabilities		11,407	9,677
Current income tax liabilities		382,577	362,733
		5,140,572	4,912,796
Total liabilities		5,570,629	5,851,383
Total equity and liabilities		6,213,420	6,966,740
Net current assets		530,780	1,458,237
Total assets less current liabilities		1,072,848	2,053,944

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Unit No. 1101, 11th Floor, The Bay Hub, 17 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and the Group are principally engaged in property development, property management, hotel operations and commercial property investment in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and in compliance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are set out below.

Going concern basis

For the year ended 31 December 2025, the Group recorded a loss for the year of RMB527 million. As at 31 December 2025, the Group had total bank and other borrowings of RMB3,448 million, of which RMB3,411 million were bank and other borrowings repayable within 12 months, while the Group’s cash and cash equivalents amounted to RMB21 million and restricted cash amounted to RMB52 million only.

As at 31 December 2025, certain borrowings of RMB989 million and interest payables of RMB132 million, relating to borrowings with a total principal amount of RMB1,700 million, were overdue (the “**Defaulted Borrowings**”). As a result of such default, the principal amount of borrowings of RMB69 million, were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregated principal amount of RMB1,490 million (the “**Subsequent Defaulted Borrowings**”). Such overdue amount also form part of the defaulted borrowings mentioned above.

Due to the continued decline of the property market in Chinese Mainland during the year ended 31 December 2025, the Group continued to underperform in the business of property development and sales. The pre-sales and sales volumes, amounts and collection of pre-sale and sales proceeds continue to decrease which give rise to significant pressure on the Group’s liquidity.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed construction cost payable for the projects which have properties sold under pre-sale arrangement that is scheduled to delivery to the customers within next twelve months.

All of the above conditions indicated the existence of multiple uncertainties which cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The following plans and measures have been taken to mitigate the liquidity pressure, to improve its financial position:

- (i) In respect of Defaulted Borrowings and Subsequent Defaulted Borrowings, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the defaulted borrowings. Out of the Defaulted Borrowings, the Group has successfully extended the repayment terms of loans with principal amount of RMB131 million. The directors of the Company are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements and waiver with such lenders in due course;
- (ii) The Group has maintained active communication with other relevant lenders in respect of the Defaulted Borrowings. Based on latest communication, the directors of the Company are confident to convince the relevant lenders not to exercise their rights to demand immediate repayment of these borrowings prior to their scheduled contractual repayment dates;
- (iii) In January 2025, the Group successfully exchanged its senior notes with an aggregate principal amount of US\$159 million (equivalent to RMB1,145 million) due on 9 January 2025 with a newly issued senior note amounted to US\$174 million due on 6 January 2026 (the "**New Senior Notes**");
- (iv) The Group will continue to actively adjust pre-sales and sales activities to better respond to market needs, and make efforts to achieve the latest budgeted pre-sales and sales volumes and amounts. The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of outstanding sales proceeds;
- (v) As at 31 December 2025, the Group's restricted cash amounted to RMB52 million, which mainly represented the restricted pre-sale proceeds in designated bank accounts and can be used to settle certain construction payables or project loans subject to the approval of the PRC State-Owned Land and Resource Bureau. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule as planned, so that the Group is able to release restricted cash to meet its other financial obligations; and
- (vi) The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The directors of the Company 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. In the opinion of the directors of the Company, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial information on a going concern basis.

Notwithstanding the above, material 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 Group's ability to generate adequate financing and operating cashflows through:

- (i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;
- (ii) Continuous compliance the terms and conditions of the bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;
- (iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;
- (iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;
- (v) Successful completion and delivery of properties to the customers on schedule such that restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and
- (vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate 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 further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards, which collectively includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (the “**Ints**”) as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are mandatorily effective for the annual periods beginning on or after 1 January 2025.

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The application of above amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements of the Group.

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

The Group has not applied the following new and amendments to HKFRS Accounting Standards and the Interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2025.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Int 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Directors of the Company anticipate that, except as described below, the application of other amendments to HKFRS Accounting Standards and the Interpretation will not have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit/(loss) subtotal. Entities' net profit/(loss) will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit/(loss) subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's consolidated statement of comprehensive income, consolidated statement of cash flows and additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/(losses)) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs and adjusted earnings before interest, taxes, depreciation, and amortization in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit/(loss) subtotal will be the required starting point for the indirect method.

4. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The executive directors of the Company, as the chief operating decision-maker (the “CODM”) of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management of the Group has determined the operating segments based on these reports.

The Group is organised into four business segments: property development and sales, commercial property investment, hotel operations and property management.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC, and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

(b) Segment performance

The segment information provided to the executive directors of the Company for the reportable segments for the years ended 31 December 2025 and 2024 are as follows:

	Property development and sales RMB'000	Commercial property investment RMB'000	Hotel operations RMB'000	Property management RMB'000	Total RMB'000
Year ended 31 December 2025					
Recognised at a point in time	478,358	–	–	–	478,358
Recognised over time	–	–	30,692	49,426	80,118
Segment revenue	<u>478,358</u>	<u>–</u>	<u>30,692</u>	<u>49,426</u>	<u>558,476</u>
Revenue from other sources: rental income	–	4,658	–	–	4,658
Inter-segment revenue	–	(4,019)	–	–	(4,019)
Revenue from external customers	<u>478,358</u>	<u>639</u>	<u>30,692</u>	<u>49,426</u>	<u>559,115</u>
Gross profit/(loss) before net impairment losses on completed properties held for sale and properties under development	47,591	282	(18,166)	7,613	37,320
Net impairment losses on completed properties held for sale and properties under development	<u>(163,710)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(163,710)</u>
Gross profit/(loss) after net impairment losses on completed properties held for sale and properties under development	(116,119)	282	(18,166)	7,613	(126,390)
Selling and marketing expenses					(36,040)
Administrative expenses					(71,701)
Net impairment losses on financial assets					(99,620)
Other income					822
Other losses, net					(28,238)
Finance costs, net					(134,087)
Share of loss of an associate	(14)	–	–	–	(14)
Loss before income tax					(495,268)
Income tax expenses					<u>(31,492)</u>
Loss for the year					<u>(526,760)</u>
Depreciation and amortisation recognised as expenses	7,727	–	8,729	404	16,860
Fair value losses on investment properties, net	–	(1,100)	–	–	(1,100)
Segment assets	<u>5,787,080</u>	<u>43,175</u>	<u>95,625</u>	<u>27,217</u>	<u>5,953,097</u>
Segment assets include:					
Interests in associates	585	–	–	–	585
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,437	–	20	231	3,688
Segment liabilities	<u>1,281,163</u>	<u>23,313</u>	<u>69,672</u>	<u>29,443</u>	<u>1,403,591</u>

	Property development and sales <i>RMB'000</i>	Commercial property investment <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property management <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024					
Recognised at a point in time	3,323,347	–	–	–	3,323,347
Recognised over time	–	–	58,938	45,816	104,754
Segment revenue	<u>3,323,347</u>	<u>–</u>	<u>58,938</u>	<u>45,816</u>	<u>3,428,101</u>
Revenue from other sources: rental income	–	5,946	–	–	5,946
Inter-segment revenue	–	(3,481)	(329)	(3,563)	(7,373)
Revenue from external customers	<u>3,323,347</u>	<u>2,465</u>	<u>58,609</u>	<u>42,253</u>	<u>3,426,674</u>
Gross profit/(loss) before net impairment losses on completed properties held for sale and properties under development	501,598	560	(982)	(687)	500,489
Net impairment losses on completed properties held for sale and properties under development	<u>(154,516)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(154,516)</u>
Gross profit/(loss) after net impairment losses on completed properties held for sale and properties under development	347,082	560	(982)	(687)	345,973
Selling and marketing expenses					(135,297)
Administrative expenses					(96,270)
Net impairment losses on financial assets					(95,588)
Other income					590
Other losses, net					(42,991)
Finance costs, net					(31,735)
Share of profit of an associate	94	–	–	–	94
Loss before income tax					(55,224)
Income tax expenses					<u>(77,351)</u>
Loss for the year					<u>(132,575)</u>
Depreciation and amortisation recognised as expenses	8,763	–	12,664	216	21,643
Fair value losses on investment properties, net	–	(12,249)	–	–	(12,249)
Segment assets	6,571,329	60,558	81,039	23,347	6,736,273
Segment assets include:					
Interests in associates	739	–	–	–	739
Additions to non-current assets (other than financial instruments and deferred income tax assets)	15	–	77	26	118
Segment liabilities	<u>1,819,357</u>	<u>14,873</u>	<u>82,700</u>	<u>24,298</u>	<u>1,941,228</u>

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

For the years ended 31 December 2025 and 2024, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

(i) Segment assets

The amounts provided to the executive directors of the Company with respect to segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group's deferred income tax assets are not considered to be segment assets but rather are managed on a central basis.

Segment assets are reconciled to total assets as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Segment assets	5,953,097	6,736,273
Unallocated:		
– Deferred income tax assets	260,323	230,467
Total assets	<u>6,213,420</u>	<u>6,966,740</u>

(ii) Segment liabilities

The amounts provided to the executive directors of the Company with respect to segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's current and deferred income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

Segment liabilities are reconciled to total liabilities as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Segment liabilities	1,403,591	1,941,228
Unallocated:		
– Current income tax liabilities	382,577	362,733
– Deferred income tax liabilities	336,265	294,883
– Short-term borrowings and current portion of long-term borrowings	3,411,138	2,672,539
– Long-term borrowings	37,058	580,000
Total liabilities	<u>5,570,629</u>	<u>5,851,383</u>

5. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Forfeited customer deposits	–	100
Government grants	21	319
Compensation	801	171
	<u>822</u>	<u>590</u>

6. OTHER LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Legal expenses related to the compulsory auction of a building	–	(32,958)
Exchange (losses)/gains, net	(5,436)	3,365
(Loss)/gain on disposal of property, plant and equipment	(27,341)	42,606
Gain/(loss) on disposal of investment properties	3,587	(43,681)
Loss on disposal of intangible assets	–	(74)
Gain on disposal of a subsidiary	702	–
Loss on disposal of an associate	(52)	–
Fair value losses on investment properties	(1,100)	(12,249)
Gain on early termination of lease	1,402	–
	<u>(28,238)</u>	<u>(42,991)</u>

7. FINANCE INCOME/(COSTS)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income		
– Interest income from bank deposits	245	1,213
Finance costs		
– Interest expense on bank and other borrowings	(236,307)	(258,783)
– Interest expense on leases	(3,077)	(5,823)
– Net exchange gains on foreign currency borrowings	(3,219)	2,047
	<u>(242,603)</u>	<u>(262,559)</u>
Less: Interest capitalised	108,271	229,611
	<u>(134,332)</u>	<u>(32,948)</u>
Finance costs, net	<u>(134,087)</u>	<u>(31,735)</u>

8. LOSS BEFORE INCOME TAX

Loss before income tax for the year has been arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration		
– Audit services	648	1,260
– Non-audit services	–	140
Staff costs (including directors' emoluments)	54,736	84,169
Depreciation charge on property, plant and equipment	11,490	16,058
Depreciation charge on right-of-use assets	4,192	4,933
Amortisation charge on intangible assets	1,178	736
Cost of properties recognised as expenses	449,123	2,800,650
Expenses related to short-term leases	201	–
	<u>201</u>	<u>–</u>

9. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax:		
– Corporate income tax	1,211	2,545
– Land appreciation tax	15,619	(14,681)
	<u>16,830</u>	<u>(12,136)</u>
Deferred income tax:		
– Corporate income tax	14,662	89,487
	<u>31,492</u>	<u>77,351</u>

10. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2025 and presented as follows:

	2025	2024
The Group's loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share (<i>RMB'000</i>)	<u>(408,897)</u>	<u>(344,100)</u>
Weight average number of ordinary shares in issue for the purpose of calculating basic and diluted loss per share (<i>'000</i>)	<u>1,646,173</u>	<u>1,646,173</u>
Basic and diluted loss per share (expressed in RMB)	<u>(0.25)</u>	<u>(0.21)</u>

11. DIVIDEND

No dividend was proposed during the year ended 31 December 2025 (2024: nil), nor has any dividend been proposed since 31 December 2025 up to the date of this announcement.

12. PROPERTIES UNDER DEVELOPMENT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Properties under development expected to be completed:		
– Land use rights	2,052,554	2,077,156
– Contractual rights of land	154,513	155,963
– Construction costs	895,619	857,440
– Interests capitalised	959,442	912,547
	<u>4,062,128</u>	<u>4,003,106</u>
Less: provision for impairment of properties under development	<u>(1,357,667)</u>	<u>(1,197,188)</u>
	<u>2,704,461</u>	<u>2,805,918</u>

13. COMPLETED PROPERTIES HELD FOR SALE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Completed properties held for sale developed by the Group:		
– Land use rights	897,655	1,187,416
– Construction costs	1,270,919	1,575,931
– Interest capitalised	274,914	229,496
	<u>2,443,488</u>	<u>2,992,843</u>
Less: provision for impairment of completed properties held for sale	<u>(603,754)</u>	<u>(814,777)</u>
	<u>1,839,734</u>	<u>2,178,066</u>

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– Third parties	42,842	40,878
– Related parties	97	97
	<u>42,939</u>	<u>40,975</u>
Other receivables		
– Third parties	325,638	447,730
– Non-controlling interest	344,606	323,579
– Related parties	54,260	56,260
	<u>724,504</u>	<u>827,569</u>
Prepayments		
– Acquisition of land use rights	202,561	202,561
– Others	76,057	75,363
	<u>278,618</u>	<u>277,924</u>
Trade and other receivables and prepayment, gross	1,046,061	1,146,468
Less: allowance for impairment	<u>(262,413)</u>	<u>(173,356)</u>
Trade and other receivables and prepayment, net	783,648	973,112
Less: non-current portion	<u>(5,437)</u>	<u>(11,306)</u>
Current portion	<u>778,211</u>	<u>961,806</u>

At 31 December 2025, the ageing analysis of trade receivables, based on invoice date, are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	23,914	19,502
Over 1 year	19,025	21,473
	<u>42,939</u>	<u>40,975</u>

15. BANK AND OTHER BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings	1,934,734	1,885,880
Senior notes	1,345,627	1,250,988
Other borrowings	167,835	115,671
	<u>3,448,196</u>	<u>3,252,539</u>
Included in non-current bank borrowings:		
– Secured	1,799,121	1,851,392
– Unsecured	34,150	52,000
Less: current portion of non-current bank borrowings	<u>(1,796,213)</u>	<u>(1,323,392)</u>
	<u>37,058</u>	<u>580,000</u>
Included in current bank and other borrowings:		
– Secured	192,886	34,488
– Unsecured	1,422,039	1,314,659
Add: current portion of non-current bank borrowings	<u>1,796,213</u>	<u>1,323,392</u>
	<u>3,411,138</u>	<u>2,672,539</u>
Total borrowings	<u>3,448,196</u>	<u>3,252,539</u>

16. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	732,535	889,690
Amounts due to non-controlling interests and their related parties	13,758	55,303
Outstanding consideration payables for acquisitions	22,440	22,440
Deposits payable	12,452	15,784
Factoring of trade payables	53,476	56,638
Accrued expenses	20,611	34,379
Salaries payable	13,266	13,608
Other taxes payable	134,682	90,041
Other payables	74,785	220,319
Provision of legal cases	59,774	50,131
	<u>1,137,779</u>	<u>1,448,333</u>

At 31 December 2025, the ageing analysis of trade payables based on recognition dates are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	31,739	250,003
Over 90 days and within 365 days	143,501	210,757
Over 365 days	<u>557,295</u>	<u>428,930</u>
	<u>732,535</u>	<u>889,690</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board of JY Grandmark Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, Stock Code: 02231), I present the Chairman’s statement of the Group for the year ended 31 December 2025 (the “**Year**”), which sets forth the Group’s operational review and future prospects.

Review and Business Overview of the Year

In 2025, the real estate market in China remained at a critical stage of transformation and upgrading. The market was characterised by structural divergence, with core cities demonstrating notable resilience while certain non-core regions continued to face challenges. In such a complex industry environment, the Group’s business was inevitably affected. During the Year, the Group’s real estate development business in non-core cities faced dual pressures from sales destocking and capital recovery, while the hotel business encountered operational challenges due to intensified industry competition and properties entering maintenance cycle. Overall, the Group encountered significant operational pressures during the Year.

In the face of adversity, the Board and the management remained committed to their roles, responded with composure and consistently placed the protection of all stakeholders’ interests at the core. The Group strictly adhered to the guiding principles of “stabilising operation, ensuring delivery, controlling risks and enhancing synergy”, made every effort to ensure stable operations, and achieved phased progress in the following key areas:

1. Upholding delivery standards and fulfilling commitments to customers: The Group prioritised project completion and delivery, and successfully delivered a gross floor area of approximately 91,967 square metres comprising a total of 960 residential units during the Year, thereby earnestly fulfilling its responsibilities to customers and effectively safeguarding its brand reputation.
2. Innovating marketing strategies to accelerate asset turnover: The Group actively explored diversified sales channels and strategies, and strived to accelerate the destocking of existing properties with an aim to improve operating cash flow.
3. Proactively managing debt and pursuing long-term solutions: The Group has been continuously and proactively engaging in constructive negotiations with relevant financial institutions and creditors to actively advance loan extensions and debt restructuring, with an aim to optimise its financial structure and mitigate liquidity risks.
4. Implementing lean management to reduce costs and enhance efficiency: The Group comprehensively implemented cost control measures, reduced non-essential expenditures, and continuously optimised organisational structures and project management processes, with an aim to improve overall operational efficiency.

Future Prospects and Strategic Priorities

Looking ahead to 2026, the industry is expected to continue its adjustment cycle. The Group regards this year as a pivotal year for mitigating risks, restoring its operational fundamentals and reshaping its future. We will closely follow the national policy guidance of “seeking progress while maintaining stability, and promoting stability through progress”. With firm resolve and practical measures, we will focus on the following core initiatives to gradually propel the Group back onto a path of steady development:

1. **Prioritising debt restructuring:** This is our current top priority. We will accelerate negotiations with principal creditors and professional advisers, and strive to formulate and implement a solution that is fair, feasible and balances the interests of all parties, thereby fundamentally eliminating the material uncertainties regarding the Group’s ability to continue as a going concern.
2. **Revitalising existing assets and optimising asset structure:** The Group will prudently evaluate existing resources, and actively revitalise such assets through various means, including asset disposal and collaborative development, to enhance asset returns, with an aim to improve the Group’s balance sheet position and financial health.
3. **Continuously strengthening governance and transparency:** We will further improve our corporate governance, internal control and risk management systems to ensure compliant operations. Through more transparent and timely information disclosure, we will strive to rebuild the long-term confidence in the Group among the capital markets and all stakeholders.

Appreciation

Finally, on behalf of the Board, I hereby express my sincere gratitude to all shareholders of the Company for their continued trust and support during these challenging times. I also wish to express my heartfelt appreciation to all employees for their hard work, dedication and perseverance, as well as to our customers, business partners, financial institutions and government authorities at all levels for their consistent understanding and assistance. While the path forward presents significant challenges, the entire Group will stand united, make every effort to overcome current difficulties with unyielding resilience and practical actions, and uphold our unwavering commitment to creating and safeguarding long-term value for all stakeholders.

Shek Lai Him, Abraham
Chairman of the Board

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Overall performance

In 2025, the aggregated contracted sales of the Group, including those of the Group's joint venture and associates, was approximately RMB266 million, representing a decrease of 43.5% as compared to RMB470.5 million in 2024. The corresponding contracted gross floor area (“GFA”) was approximately 59,000 square metres (“sq.m.”), representing an increase of 15.7% as compared to approximately 51,000 sq.m. in 2024. Although the contracted GFA increased by 15.7% compared to the full year 2024, the average selling price dropped significantly, leading to a substantial decrease in the aggregated contracted sales for 2025.

In 2025, the Group's recognised revenue was RMB559.1 million, representing a significant year-on-year decrease of 83.7% as compared to RMB3,426.7 million in 2024. The operating loss was RMB361.2 million, as compared to operating loss of RMB23.6 million in 2024. Loss for the Year was RMB526.8 million, as compared to loss for the year of RMB132.6 million in 2024.

Revenue

Our revenue represents consolidated revenue from (i) property development and sales; (ii) hotel operations; (iii) property management; and (iv) commercial property investment which are all derived in the PRC. In 2025, revenue of the Group amounted to RMB559.1 million (2024: RMB3,426.7 million), representing a year-on-year decrease of 83.7%.

Property development and sales

We focus on the development of quality residential properties with comfortable and convenient living environment. In 2025, revenue from property development and sales business of the Group recorded a decrease of 85.6%, from RMB3,323.3 million in 2024 to RMB478.4 million in 2025, accounting for 85.5% of the Group's total revenue. The decrease in revenue was due to a reduction in the aggregate GFA delivered and a decline in the recognised average selling price to RMB5,162 per sq.m. (2024: RMB14,003 per sq.m.).

The following table sets forth the breakdown of our revenue from property development and sales by geographical location for the years ended 31 December 2025 and 2024.

City	Year ended 31 December 2025				Year ended 31 December 2024			
	Recognised revenue from sales of properties RMB'000	% of total revenue from sales of properties %	Total GFA delivered sq.m.	Recognised average selling price RMB/sq.m.	Recognised revenue from sales of properties RMB'000	% of total revenue from sales of properties %	Total GFA delivered sq.m.	Recognised average selling price RMB/sq.m.
Guangzhou	157,703	33	13,502	11,680	1,438,953	43.3	100,987	14,249
Zhaoqing	9,805	2	1,759	5,574	6,318	0.2	1,552	4,071
Qingyuan	62,646	13	17,858	3,508	99,482	3.0	27,545	3,612
Lingao	5,696	1.2	903	6,309	5,309	0.2	855	6,209
Tengchong	11,484	2.4	1,186	9,687	60,527	1.8	5,300	11,420
Zhuzhou	141,615	29.6	49,556	2,858	7,678	0.2	2,721	2,822
Nanjing	85,816	18	7,203	11,913	1,702,965	51.2	98,225	17,337
Other revenue (Note)	3,593	0.8	N/A	N/A	2,115	0.1	N/A	N/A
Total/overall	478,358	100.0	91,967	5,162	3,323,347	100.0	237,185	14,003

Note: Other revenue represented service income from property development and management.

Hotel operations

Apart from property development and sales, we also operate Just Stay Resort and Just Stay Inn under our hotel operations business. In 2025, revenue from hotel operations of the Group amounted to RMB30.7 million, representing a decrease by 47.6% from RMB58.6 million in 2024. The downward trend was mainly due to the closure of Just Stay Hotel in November 2024. As a significant component of hotel business, the closure of the Just Stay Hotel has had a direct impact on the overall hotel operation revenue.

Property management

We also derived income from our property management services provided to purchasers of the residential properties. In 2025, revenue from property management services of the Group reached RMB49.4 million, representing an increase of 16.8% as compared with RMB42.3 million in 2024, mainly driven by stable growth in total GFA of properties under management.

Commercial property investment

In 2025, revenue from commercial property investment of the Group amounted to RMB0.64 million, with a year-on-year decrease of 74.4% as compared with RMB2.5 million in 2024. The decrease was primarily due to the sale of investment properties, resulting in a reduction in rental properties being leased.

Cost of sales

Cost of sales of the Group primarily represents costs of properties sold which are directly associated with the Group's property development activities, as well as costs incurred in relation to other businesses. In 2025, cost of sales of the Group amounted to RMB521.8 million, representing a decrease of 82.2% as compared with RMB2,926.2 million in 2024. The significant decrease in cost of sales was in line with less properties being delivered in 2025.

Gross profit and gross profit margin before impairment losses on completed properties held for sale and properties under development

In 2025, the Group's gross profit before impairment losses on completed properties held for sale and properties under development amounted to RMB37.3 million, representing a decrease of 92.5% as compared with RMB500.5 million in the corresponding period of 2024. The Group's gross profit margin before impairment losses on completed properties held for sale and properties under development decreased to 6.67% from 14.61% for the same period of 2024.

In 2025, the Group's gross profit margin before impairment losses on completed properties held for sale and properties under development from our property development and sales decreased to 10.0% from 15.1% in 2024. Such decrease was mainly due to lower recognised average selling price in order to accelerate the pace of sales in view of the weakening sales trend in PRC property sector in 2025.

Analysing based on the gross profit margin before impairment losses on completed properties held for sale and properties under development by city, top three cities ranked by revenue including Guangzhou, Zhuzhou and Nanjing attained an average gross profit margin before impairment losses on completed properties held for sale and properties under development of 9.7%, and the revenue of these three cities accounted for 80.5% of our total revenue from property development and sales in 2025.

Net impairment losses on completed properties held for sale and properties under development

In 2025, net impairment losses on completed properties held for sale and properties under development amounting to RMB163.7 million (2024: RMB154.5 million) was provided for in accordance with the remeasurement of net realisable value of the property projects based on the prevailing selling prices as well as other related market conditions.

Selling and marketing expenses

Our selling and marketing expenses consist primarily of commission fees, advertising costs, employee benefit expenses and other miscellaneous expenses. During the Year, selling and marketing expenses of the Group amounted to RMB36 million, representing a decrease of 73.4% as compared with RMB135.3 million in 2024. The downward trend was mainly attributable to the decrease in commission fees recognised by RMB88 million year-on-year, as a result of the decrease in recognised revenue from property development and sales. We have capitalised the commission fees incurred as contract costs and subsequently recognised the amounts as expenses when the related revenue is recognised. Excluding commission fees, other selling and marketing expenses decreased by 58% year-on-year, mainly attributable to the continuous efforts on cost control measures over marketing activities throughout the Year.

Administrative expenses

Administrative expenses primarily comprised of employee benefit expenses, depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets, tax and other levies, entertainment expenses for our business, office and travelling expenses and other miscellaneous expenses. In 2025, the Group's administrative expenses amounted to RMB71.7 million, representing a decrease of 25.5% as compared with RMB96.3 million in 2024. The decrease was also resulted from continuous cost control measures imposed.

Other gains/losses, net

In 2025, our other gains/losses, net primarily consisted of net losses on disposals of investment properties and property, plant and equipment, fair value losses on investment properties, net and net foreign exchange gains and losses. The Group's other losses, net decreased from RMB43 million in 2024 to RMB28.2 million in 2025, mainly due to an increase of RMB10.1 million arising from legal expenses related to the auction of buildings and gain on disposals of investment properties and property, plant and equipment.

Finance costs, net

Finance costs, net comprised mainly interest expense on borrowings and leases (net of capitalised interest expense), net exchange gains on foreign currency borrowings and interest income from bank deposits. The Group's finance costs, net increased from RMB31.7 million in 2024 to RMB134.1 million in 2025, mainly due to the suspension of certain projects, which resulted in borrowing interest not meeting the criteria for capitalisation.

Share of profit/(loss) of investments accounted for using the equity method

In 2025, the Group's share of profit/(loss) of investments accounted for using the equity method changed from profit of RMB0.1 million in 2024 to loss of RMB0.01 million in 2025.

Income tax expense

Income tax expense included corporate income tax and land appreciation tax (“LAT”). In 2025, corporate income tax expense amounted to RMB15.9 million (2024: RMB92.0 million), mainly due to the effect of losses not recognised as deferred income tax assets. LAT recorded tax expense of RMB15.6 million (2024: LAT credit of RMB14.7 million).

Loss for the Year

As a result of the aforementioned, the Group recorded a net loss of RMB526.8 million in 2025, as compared to loss of RMB132.6 million in 2024. Loss attributable to owners of the Company amounted to RMB408.9 million, as compared to loss attributable to owners of the Company amounted to RMB344.1 million in 2024.

Basic and diluted losses per share in 2025 was RMB0.25, as compared to basic and diluted losses per share of RMB0.21 in 2024.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group funded and is expected to continue to fund its operations principally from cash generated from its operations, borrowings from financial institutions and proceeds from issuance of senior notes.

Cash positions and fund available

As at 31 December 2025, the total cash and bank balances of the Group were RMB72.3 million (31 December 2024: RMB154.9 million), of which RMB20.7 million (31 December 2024: RMB21.2 million) was cash and cash equivalents and RMB51.6 million (31 December 2024: RMB133.8 million) was restricted cash.

As at 31 December 2025, the Group had placed at designated bank accounts the pre-sale proceeds of properties received of RMB36.6 million (31 December 2024: RMB117.1 million) as the guarantee deposits for the constructions of related properties.

As at 31 December 2025, the Group's undrawn banking facilities were approximately RMB302.5 million (31 December 2024: RMB340.5 million).

Borrowings

As at 31 December 2025, the total interest-bearing borrowings and senior notes of the Group were RMB3,448.2 million (31 December 2024: RMB3,252.5 million), of which RMB37 million (31 December 2024: RMB580.0 million) was included in non-current liabilities and RMB3,411.2 million (31 December 2024: RMB2,672.5 million) was included in current liabilities of the Group, respectively.

- (a) As at 31 December 2025, certain borrowings of RMB989 million and interest payables of RMB132 million, relating to borrowings with a total principal amount of RMB1,700 million, were overdue. As a result of such default, the principal amount of borrowings of RMB69 million were considered as cross default. The aggregate principal amount of the aforesaid borrowings of RMB1,769 million would be immediately repayable if requested by the lenders. The amount includes borrowings of RMB337 million with original contractual repayment date falling after 31 December 2026 (reclassified as current liabilities as at 31 December 2025).
- (b) On 7 January 2025, the Company issued the senior notes with nominal interest rate 9.5% due 6 January 2026 in an aggregate principal amount of US\$174,332,581. The issuance of the new senior notes included an exchange offer of the senior notes due on 9 January 2025 amounting to US\$159,284,612 and interest accrued and unpaid.
- (c) As at 31 December 2025, the Group's borrowings were denominated in following currencies:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
RMB	1,560,552	1,489,004
HK\$	542,017	512,547
US\$	1,345,627	1,250,988
	<u>3,448,196</u>	<u>3,252,539</u>

- (d) As at 31 December 2025, bank and other borrowings totalling RMB1,992 million (31 December 2024: RMB1,885.9 million) of the Group were secured by the pledge of the following assets together with the Group's shares of certain subsidiaries as collaterals:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Lands	10,547	11,090
Property, plant and equipment	121,920	129,800
Properties under development	944,128	1,025,241
Completed properties held for sale	990,623	1,199,241
Restricted cash	57	144
	<u>2,067,275</u>	<u>2,365,516</u>

Cost of borrowings

In 2025, total cost of borrowings of the Group amounted to RMB236.3 million, representing a decrease of 8.7% from RMB258.8 million in 2024. The weighted average effective interest rate was 7.20% per annum (2024: 7.94% per annum).

Net gearing ratio

As at 31 December 2025, net gearing ratio* was at 525.19% (31 December 2024: 277.7%).

* *Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as at the end of the reporting period.*

Contingent liabilities

- (a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

As at 31 December 2025, the outstanding guarantees were RMB1,326.2 million (31 December 2024: RMB1,482.2 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The Group considers that in case of default in payments by purchasers, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

- (b) As at 31 December 2025, the Group had provided guarantees for borrowings of the Group's joint venture amounting to RMB349.3 million (31 December 2024: RMB344.7 million), with a provision amounting to RMB35.9 million (31 December 2024: RMB25.3 million) being made in the financial statements for the guarantee.

Commitments

As at 31 December 2025, the commitments of the Group for property development expenditure amounted to RMB19.9 million (31 December 2024: RMB276.1 million).

Currency risks

The Group's businesses are principally conducted in Renminbi ("RMB"). The monetary assets and liabilities of the Group's subsidiaries in the PRC are mainly denominated in RMB and the foreign exchange risk is immaterial. The non-PRC subsidiaries' functional currency is Hong Kong Dollar ("HK\$"). As at 31 December 2025 and 31 December 2024, major non-HK\$ assets and liabilities of the non-PRC subsidiaries are cash and cash equivalents, restricted cash, other receivables, borrowings and other payables, which are denominated in RMB or US Dollar ("US\$"). Fluctuation of the exchange rate of HK\$ against RMB or US\$ could affect the Group's results of operations.

The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have plan for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MAJOR ACQUISITIONS AND DISPOSALS

The Group did not hold significant investments, or conduct material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

EMPLOYEES AND REMUNERATIONS

As at 31 December 2025, the Group had a total of 437 employees (2024: 552 employees). For the year ended 31 December 2025, the Group has recognised staff costs of RMB60.8 million (2024: RMB91.1 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contribution to the Group. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group was committed to cultivating all-level skilled employees. The Group provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group also engaged external experts to provide training courses for its employees from time to time.

CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code in the year ended 31 December 2025.

COMPLIANCE WITH THE 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 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding the securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code in the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) in the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public. Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this announcement, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. WU William Wai Leung, Mr. MA Ching Nam and Mr. LEONG Chong, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. WU William Wai Leung who possesses appropriate accounting and related financial management expertise. The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has, in conjunction with the external auditor of the Company, McMillan Woods (Hong Kong) CPA Limited, reviewed the consolidated financial statements for the year ended 31 December 2025, including the accounting policies of the Group.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of 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 Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor 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 as issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited, on this announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the auditor’s report for the year ended 31 December 2025 from the external auditor of the Company:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which states that, for the year ended 31 December 2025, the Group recorded a loss for the year of RMB527 million. As at 31 December 2025, the Group’s total borrowings was RMB3,448 million of which the Group’s current borrowings amounted to RMB3,411 million while its cash and cash equivalents amounted to RMB21 million and restricted cash amounted to RMB52 million only. As at 31 December 2025, certain borrowings of RMB989 million and interest payables of RMB132 million, relating to borrowings with a total principal amount of RMB1,700 million, were overdue (the “**Defaulted Borrowings**”). As a result of such default, the principal amount of borrowings of RMB69 million, were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of RMB1,769 million would be immediately repayable if requested by the lenders. This amount included borrowings of RMB337 million with original contractual repayment dates after 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025.

Subsequent to 31 December 2025, the Group failed to settle certain borrowings with aggregated principal amount of RMB1,490 million (the “**Subsequent Defaulted Borrowings**”). Such overdue amount also form part of the defaulted borrowings mentioned above.

Due to the slow down of Mainland China property market during the year ended 31 December 2025, the Group’s operations had experienced a decline in the business of property development and sales. The pre-sales and sales volumes, amounts and collection of presale and sales proceeds continue to decrease which give rise to certain pressure on the Group’s liquidity.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed construction cost payable for the projects which have properties sold under pre-sale arrangement that is scheduled to delivery to the customers within next twelve months.

These events or conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate that multiple uncertainties exist that cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the overdue loan repayments, which are set out in note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including:

- (i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;
- (ii) Continuous compliance the terms and conditions of the bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;
- (iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;
- (iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;
- (v) Successful completion and delivery of properties to the customers on schedule such that the restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and
- (vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above-mentioned plans and measures and operate 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.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025

Subsequent to the end of the reporting period, given that the Group continued to negotiate with the lenders for renewal and extension of those bank and other borrowings, the Group continued to fail to settle certain bank and other borrowings and breach certain financial covenants of the bank and other borrowings, and such breaches constituted the default and cross-default on the other borrowings.

The hotel held by the Group with carrying amount of approximately RMB121,920,000 as at 31 December 2025 was still subject to forced auction by the Court commencing from 15 January 2025 (the “**Forced Auction**”). The Forced Auction continued during the year ended 31 December 2025 and up to the date of approving these consolidated financial statements with no significant progress.

Given that the uncertainties arising from the results and the auction price of the Forced Auction, the financial impact and results arising from the loss of control over the hotel and the Forced Auction could not be estimated by the directors of the Company up to the date of the approving these consolidated financial statements.

ANNUAL GENERAL MEETING

Annual general meeting of the Company will be held on Thursday, 28 May 2026 (the “**AGM**”). The notice of the AGM will be published and despatched to the Shareholders in accordance with the requirements of the Listing Rules in April 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.jygrandmark.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders and made available on the above websites in April 2026.

By Order of the Board
JY Grandmark Holdings Limited
SHEK Lai Him, Abraham
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Shek Lai Him, Abraham, GBS, SBS, JP as non-executive Director; Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong and Ms. Yu Jiafeng as executive Directors; and Mr. Ma Ching Nam, BBS, CStJ, JP, Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive Directors.