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從玉

Congyu Intelligent Agricultural Holdings Limited

從玉智農集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 875)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Congyu Intelligent Agricultural Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2024 (the “**Corresponding Period**”).

FINANCIAL HIGHLIGHTS

The financial highlights of the Group for the Reporting Period are summarised as follows:

- The Group recorded a revenue of approximately HK\$3,536.6 million for the Reporting Period, representing an increase of approximately 182.2% from approximately HK\$1,253.0 million for the Corresponding Period.
- Gross profit of the Group during the Reporting Period was approximately HK\$50.9 million, representing an increase of approximately HK\$5.1 million or 11.2%, as compared with approximately HK\$45.8 million for the Corresponding Period.
- Net loss of the Group for the Reporting Period was approximately HK\$390.3 million, as compared to that of approximately HK\$128.7 million for the Corresponding Period.
- Basic loss per share was HK 88.31 cents for the Reporting Period (Corresponding Period: HK 32.80 cents).

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

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	3,536,616	1,253,026
Cost of sales		<u>(3,485,676)</u>	<u>(1,207,210)</u>
Gross profit		50,940	45,816
Other income and gains	5	3,345	10,873
Selling and distribution expenses		(12,308)	(6,665)
Administrative and other expenses		(20,774)	(38,308)
Impairment losses on trade and other receivables		(321,224)	(104,774)
Impairment losses on right-of-use assets		(12,829)	–
Impairment losses on interests in associates		(301)	–
Impairment losses on goodwill		–	(1,457)
Impairment losses on property, plant and equipment		(14,299)	(7,607)
Gain on disposal of subsidiaries		89	112
Provision of litigation		(30,061)	–
Finance costs	6	<u>(22,089)</u>	<u>(18,406)</u>
Loss before tax	7	(379,511)	(120,416)
Income tax expense	8	<u>(10,784)</u>	<u>(8,327)</u>
Loss for the year		(390,295)	(128,743)
Other comprehensive income/(expense), net of tax:			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences on translating foreign operations		22,070	(21,929)
— Exchange difference reclassified to profit or loss upon disposal of subsidiaries		<u>5</u>	<u>5</u>
Other comprehensive income/(expense) for the year, net of tax		<u>22,075</u>	<u>(21,924)</u>
Total comprehensive expense for the year		<u>(368,220)</u>	<u>(150,667)</u>

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Loss for the year attributable to:			
Owners of the Company		(407,989)	(124,383)
Non-controlling interests		17,694	(4,360)
		<u>(390,295)</u>	<u>(128,743)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(386,494)	(146,369)
Non-controlling interests		18,274	(4,298)
		<u>(368,220)</u>	<u>(150,667)</u>
Loss per share (<i>HK cents</i>)	<i>10</i>		
Basic		<u>(88.31)</u>	<u>(32.80)</u>
Diluted		<u>(88.31)</u>	<u>(32.80)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		–	20,739
Right-of-use assets		–	18,774
Goodwill		–	–
Interests in associates		–	286
		<u>–</u>	<u>39,799</u>
Current assets			
Inventories		146	134
Trade and other receivables	<i>11</i>	2,135,639	911,212
Bank and cash balances		17,158	4,575
		<u>2,152,943</u>	<u>915,921</u>
Current liabilities			
Trade and other payables	<i>12</i>	1,562,165	165,687
Bank and other borrowings		454,353	382,293
Bond payable		27,720	–
Lease liabilities		1,874	3,740
Deferred income		1,672	1,247
Income tax payables		27,027	15,593
		<u>2,074,811</u>	<u>568,560</u>
Net current assets		<u>78,132</u>	<u>347,361</u>
Total assets less current liabilities		<u>78,132</u>	<u>387,160</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Bank and other borrowings		–	7,209
Lease liabilities		13,630	17,713
Deferred income		9,868	7,573
		<u>23,498</u>	<u>32,495</u>
Net assets		<u>54,634</u>	<u>354,665</u>
Capital and reserves			
Share capital		5,491	3,823
Reserves		29,693	349,664
		<u>35,184</u>	<u>353,487</u>
Equity attributable to owners of the Company		35,184	353,487
Non-controlling interests		19,450	1,178
		<u>54,634</u>	<u>354,665</u>
Total equity		<u>54,634</u>	<u>354,665</u>

NOTES

For the year ended 31 December 2025

1. GENERAL INFORMATION

Congyu Intelligent Agricultural Holdings Limited (the “**Company**”) was incorporated in Bermuda as an exempted Company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business in Hong Kong is Room 53, 6B/F., Liven House, 61-63 King Yip Street, Kwun Tong, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are growing, processing and trading of agricultural produce and bulk commodities.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), while the ultimate controlling party of the Company is Mr. Lin Yuhao, the executive director of the Company.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.2 provides information on any changes in accounting policies resulting from initial application to the extent that they are relevant to the Group for current and prior accounting periods reflected in the consolidated financial statements.

Going concerns

The Group reported a net loss attributable to the owners of the Company of approximately HK\$407,989,000 during the year ended 31 December 2025, and, as at 31 December 2025, the Group bank and other borrowings amounted to approximately HK\$454,353,000, while its cash and cash equivalents amounted to approximately HK\$17,158,000 only. In addition, as at 31 December 2025, the Group was in default in relation to, inter alia, the principal amount of bank borrowings totaling approximately RMB72,810,000 (equivalent to HK\$81,139,000) (“**In Default Borrowings**”) due to the late or overdue payments of principal and interests as at 31 December 2025. Consequently, two banks, with principal amount of bank borrowings of approximately RMB3,275,000 (equivalent to HK\$3,650,000) and RMB9,200,000 (equivalent to HK\$10,252,000), respectively, commenced litigations against the Group. These cases were heard in the district courts in the People’s Republic of China (“**Courts**”), the Courts issued first instance judgement against the Group, following which the Group promptly filed an appeal.

Subsequent to the end of the reporting period, the Group defaulted in relation to the principal amount of bank borrowings totaling approximately RMB149,750,000 (equivalent to HK\$166,881,000) due to the late or overdue payments of principal and interests in accordance with the scheduled repayment dates of certain bank loan agreements.

The Group is in active negotiations with all the lenders in respect of the In Default Borrowings for renewal and extension of the relevant borrowings and the Directors are confident that agreements will be reached in due course.

All of the above events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the date of these consolidated financial statements were authorised for issue. They are of the opinion that, taking into account the certain plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from the date of these consolidated financial statements were authorised for issue. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be 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 cash flows through the following:

- (i) The Group has been actively negotiating with existing lenders for renewal and extension of bank loans and credit facilities;
- (ii) The Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future;
- (iii) The Group has implemented measures to speed up the collection of outstanding trade debts proceeds; and
- (iv) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustments and containment of capital expenditures.

Should the Group failed to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.2 ADOPTION 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 issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has 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 HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS Accounting Standards — Volume 11	Annual Improvements to HKFRS Accounting Standards ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to Hong Kong Interpretation 5 (Revised)	Amendments to Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKFRS 10 and HKAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

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

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

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the most senior executive management, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses only on revenue analysis by nature of revenue and geographical location of customers.

Since there is only one operating and reporting segment of the Group, which is agricultural produce and bulk commodities (redefined from “agricultural, seafood and meat business” in year 2025), no segment information is presented other than entity-wide disclosures.

(i) Geographical information

Over 90% (2024: over 90%) of the Group’s non-current assets and revenue are located and generated in the People’s Republic of China (the “**PRC**”) in 2025. Accordingly, no further geographical information of non-current assets and revenue was disclosed.

(ii) Information about major customers

Details of the customers individually representing 10% or more of the Group’s revenue are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	473,963	536,071
Customer B	N/A [^]	132,662

[^] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of agricultural produce and bulk commodities	3,514,101	1,253,026
Others	22,515	–
Revenue recognised at point in time	3,536,616	1,253,026

5. OTHER INCOME AND GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	2	25
Gain on early termination of lease	95	145
Government grants (<i>note</i>)	2,665	4,334
Services income	263	1,224
Sundry income	320	814
Waiver of other payables	–	4,331
	3,345	10,873

Note: It represents the receipt of government grants for (i) the construction of property, plant and equipment, which is amortised to profit or loss on a straight-line basis over the estimated useful life of the relevant assets; and (ii) the trading of food for the years ended 31 December 2025 and 2024 with no unfulfilled conditions and other contingencies attached to the receipts of those government grants.

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	1,200	1,399
Interest expenses on bank and other borrowings	14,836	17,007
Finance charges on bank borrowings	5,333	–
Imputed interest expense on bonds	720	–
	<u>22,089</u>	<u>18,406</u>

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Staff costs (including directors' emoluments):		
Salaries and allowances	13,676	16,322
Retirement benefit scheme contribution (<i>note</i>)	827	1,042
	<u>14,503</u>	17,364
Total staff costs		
Auditor's remuneration		
— Audit services	865	750
Cost of inventories recognised as an expense	3,482,632	1,201,354
Consultancy fee	2,174	9,971
Stamp duty	3,156	619
Depreciation of:		
— property, plant and equipment	7,748	6,834
— right-of-use assets	2,555	3,847
Short-term lease expenses	390	63
Foreign exchange losses, net	—*	—*
Impairment losses on trade and other receivables	321,224	104,774
Impairment losses on right-of-use assets	12,829	–
Impairment losses on interests in associates	301	–
Impairment losses on goodwill	–	1,457
Impairment losses on property, plant and equipment	14,299	7,607
Loss on disposal of property, plant and equipment	17	–
Provision of litigation	30,061	–
	<u>30,061</u>	<u>–</u>

Note: There were no forfeited contributions utilised during the years ended 31 December 2025 and 2024 to reduce future contributions.

* *The amount is less than HK\$1,000*

8. INCOME TAX EXPENSE

Income tax expense has been recognised in profit or loss as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
— Hong Kong profits tax	—	6,861
— Corporate Income Tax (“CIT”) in the PRC	10,764	71
— Under provision in respect of prior years	20	1,395
	<u>10,784</u>	<u>8,327</u>

The tax rate applicable to the Company and the subsidiaries of the Company incorporated in Hong Kong was 16.5% (2024: 16.5%) during the years ended 31 December 2025 and 2024.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The CIT in the PRC was provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

According to the PRC tax law and its interpretation rules (the “**PRC tax law**”), enterprises engaged in qualifying agricultural business are eligible for full CIT exemption or half reduction of CIT on profits derived from such business. The Group’s PRC subsidiaries engaged in qualifying agricultural business, which includes growing, processing and selling of vegetables, are thus entitled to full exemption of CIT.

The Group is not subject to taxation in other jurisdictions.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the purpose of calculating basic and diluted loss per share attributable to owners of the Company	<u>(407,989)</u>	<u>(124,383)</u>
Number of shares	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>462,007,806</u>	<u>379,257,038</u>

The computation of diluted loss per share for both years does not assume the conversion of preference shares and exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share, which is anti-dilutive.

11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables		1,741,505	333,693
Less: Provision for impairment losses		<u>(192,313)</u>	<u>(95,216)</u>
Trade receivables, net	<i>(a)</i>	<u>1,549,192</u>	238,477
Other receivables	<i>(b)</i>	310,417	314,925
Less: Provision for impairment losses		<u>(144,246)</u>	<u>(35,206)</u>
Other receivables, net		<u>166,171</u>	279,719
Trade deposits	<i>(c)</i>	596,991	454,587
Less: Provision for impairment losses		<u>(176,859)</u>	<u>(62,215)</u>
Trade deposits, net		<u>420,132</u>	392,372
Rental and utilities deposits	<i>(d)</i>	190	382
Less: Provision for impairment losses		<u>(46)</u>	<u>(14)</u>
Rental and utilities deposits, net		<u>144</u>	368
Prepayments	<i>(e)</i>	423	276
Less: Provision for impairment losses		<u>(423)</u>	<u>–</u>
Prepayments, net		<u>–</u>	276
Total trade and other receivables		<u>2,135,639</u>	<u>911,212</u>

The trade and other receivables are denominated in HK\$ and RMB.

- (a) The average credit period on sales of agricultural produce and bulk commodities is 60 days (2024: 60 days). As at 31 December 2025, the ageing analysis of trade receivables, based on the invoice date and net of accumulated impairment, is as follows:

	2025	2024
	HK\$'000	HK\$'000
0–60 days	1,437,718	167,977
61–120 days	5,167	4,176
121–365 days	106,307	28,734
Over 365 days	–	37,590
	<u>1,549,192</u>	<u>238,477</u>

The movements of provision for impairment losses on trade receivables are as follows:

	2025	2024
	HK\$'000	HK\$'000
At 1 January	95,216	41,835
Impairment losses recognised	97,085	53,388
Exchange realignment	12	(7)
	<u>192,313</u>	<u>95,216</u>
At 31 December	<u>192,313</u>	<u>95,216</u>

- (b) Other receivables included (i) amounts due from Shenzhen Taihengfeng Technology Company Limited and its subsidiaries (the “**Taihengfeng Group**”) of approximately HK\$53,295,000 (2024: HK\$54,091,000), which were unsecured, interest-free and repayable within 1 year (2024: repayable within 1 year); and (ii) Amount due from a director of a subsidiary of approximately HK\$10,583,000, which was unsecured, interest-free and repayable within 1 year (2024: nil).

The movements of provision for impairment losses on other receivables are as follows:

	2025	2024
	HK\$'000	HK\$'000
At 1 January	35,206	14,223
Impairment losses recognised	109,040	20,983
	<u>144,246</u>	<u>35,206</u>
At 31 December	<u>144,246</u>	<u>35,206</u>

- (c) Trade deposits are related to payments to suppliers for purchase of goods which was not yet delivered to the Group. The Group pays deposits upon acceptance of orders by suppliers on a case-by-case basis and before receipts of goods. Purchase is recognised when goods are received.

The movement of provision for impairment losses on trade deposits are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	62,215	31,816
Impairment losses recognised	114,644	30,399
	<hr/>	<hr/>
At 31 December	176,859	62,215
	<hr/> <hr/>	<hr/> <hr/>

(d) The movement of provision for impairment losses on rental and utilities deposits are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	14	10
Impairment losses recognised	32	4
	<hr/>	<hr/>
At 31 December	46	14
	<hr/> <hr/>	<hr/> <hr/>

(e) The movement of provision for impairment losses on prepayments are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	–	–
Impairment losses recognised	423	–
	<hr/>	<hr/>
At 31 December	423	–
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	1,283,424	40,536
Accruals		26,584	17,041
Other payables		33,253	108,110
Receipt in advance	<i>(c)</i>	188,014	–
Provision for litigation	<i>(b)</i>	30,890	–
		<hr/>	<hr/>
		1,562,165	165,687
		<hr/> <hr/>	<hr/> <hr/>

The credit periods granted by the suppliers normally ranging from 30 days to 120 days for both years.

- (a) Trade payables arising from trading of agricultural produce and bulk commodities principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days (2024: 30 days). The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–60 days	1,231,043	1,207
61–120 days	51,137	288
Over 120 days	1,244	39,041
	<u>1,283,424</u>	<u>40,536</u>

- (b) The amount represents provision for litigation costs:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	–	–
Additional provision made during the year	30,061	–
Exchange realignment	829	–
	<u>30,890</u>	<u>–</u>
As at 31 December	<u>30,890</u>	<u>–</u>

The provision is made on the best estimate of the litigation costs for the civil complaint as disclosed in the “Litigation” section under “Management Discussion and Analysis Business Review”.

- (c) Receipt in advance represents the contract considerations that relate to advance payments received by the Group from customer in relation to the trading of agricultural produce and bulk commodities.

13. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group defaulted in relation to the principal amount of bank borrowings totaling approximately RMB149,750,000 (equivalent to HK\$166,881,000) due to the late or overdue payments of principal and interests in accordance with the scheduled repayment dates of certain bank loan agreements.

These events and conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

Save as disclosed above, there is no material event undertaken by the Company or by the Group after the end of the reporting period and up to the date of this announcement.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Company’s consolidated financial statements for the year ended 31 December 2025.

DISCLAIMER OF OPINION

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

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements

As disclosed in note 2.1 in the consolidated financial statements, the Group reported a net loss attributable to the owners of the Company of approximately HK\$407,989,000 during the year ended 31 December 2025 and, as at 31 December 2025, the Group has bank and other borrowings amounted to approximately HK\$454,353,000, while its cash and cash equivalents amount to approximately HK\$17,158,000 only. In addition, as at 31 December 2025, the Group was in default in relation to, inter alia, the principal amount of bank borrowings totaling approximately RMB72,810,000 (equivalent to HK\$81,139,000) (“**In Default Borrowings**”) due to the late or overdue payments of principal and interests as at 31 December 2025. Consequently, two banks, with principal amount of bank borrowings of approximately RMB3,275,000 (equivalent to HK\$3,650,000) and RMB9,200,000 (equivalent to HK\$10,252,000), respectively, commenced litigations against the Group. These cases were heard in the district courts in the People’s Republic of China (“**Courts**”), the Courts issued first instance judgement against the Group, following which the Group promptly filed an appeal.

Subsequent to the end of the reporting period, the Group defaulted in relation to the principal amount of bank borrowing totaling approximately RMB149,750,000 (equivalent to HK\$166,881,000) due to the late or overdue payments of principal and interests in accordance with the scheduled repayment dates of certain bank loan agreements.

These events and conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

Notwithstanding the abovementioned and those events set forth in note 2.1 to the consolidated financial statements for the year ended 31 December 2025, the consolidated financial statements have been prepared on a going concern basis on the assumption that the below events will be successfully completed as disclosed in note 2.1, and that the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future on,

the validity of which is dependent on the outcome of plans and measure to be taken by the management of the Group, including:

- (i) the successful negotiations with the Group's existing lenders for the renewal of or extension for repayment of outstanding In Default borrowings, including those with overdue principals and interests;
- (ii) successfully raising additional new sources of financing as and when needed;
- (iii) successful collection of trade receivables and controlling costs and containing capital expenditure so as to generate adequate net cash inflows; and
- (v) the successful maintenance of relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payment in default.

The directors of the Company are in the opinion that, based on the assumptions that the plans and measures described in note 2.1 to the consolidated financial statements would improve the liquidity and financial position of the Group, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025 and would be able to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

However, the appropriateness of the management's use of the going concern basis of accounting in the preparation of the consolidated financial statements depends on the reliability of the underlying data generated to prepare the forecasts and adequacy of support for the assumptions underlying the forecasts, including the feasibility of the plans and measures referred to above. We were unable to obtain sufficient appropriate evidence to satisfy ourselves that the assumptions underlying the forecasts, including the feasibility of the management's plans and measures for future actions to deal with these events and conditions, were reasonable and supportable. There were no alternative audit procedures that we could perform to obtain sufficient appropriate audit evidence to support the feasibility of the above plans and measures and whether they can be successfully implemented. As a result, we were unable to obtain sufficient appropriate evidence to conclude whether the directors' use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current liabilities as current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements and we were unable to determine whether such adjustments might have been found necessary.

Details of the Audit Modification and the Management's Position, View and Assessment on the Relevant Audit Modification

The Management has carefully assessed the Group's ability to continue as a going concern, taking into full consideration the Group's future liquidity, operating performance, and available sources of financing. While acknowledging the material uncertainties raised by the independent auditor, the Management has been proactively taking steps to mitigate the liquidity pressure and improve the cash flow position of the Group. Accordingly, the Directors are of the opinion that it remains appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current liabilities as current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements and we were unable to determine whether such adjustments might have been found necessary.

The Action Plan in Response to the Audit Modification of the Group and the Impact of the Audit Modification on the Financial Position of the Company

In response to the uncertainties that may cast doubt regarding the Group's ability to continue as a going concern and for the purpose of the removal of the Audit Modification, the Company has adopted and intends to continue the implementation of the following measures, including but not limited to:

- (i) The Management is in continuous and active negotiations with various financial institutions regarding the renewal or extension of outstanding borrowings, including those with overdue principal and interest. Based on recent constructive dialogues and current market conditions, the Management is optimistic that, upon the settlement or waiver of certain overdue interests, the financial institutions will be amenable to extending the repayment schedules and waiving penalty interests. The goal is to reach agreements whereby lenders will not demand immediate repayment.
- (ii) To fundamentally improve the Group's cash position and strengthen its capital structure, the Management is actively seeking and engaging in discussions with potential investors to explore opportunities for equity financing. The successful implementation of such fundraising activities will inject vital working capital into the Group.
- (iii) The Group will continue to implement stringent cost-control measures, expedite the collection of trade receivables, and defer non-essential capital expenditures to preserve working capital and generate positive operational cash inflows.

The Directors are of the view that the aforementioned action plan is reasonable, adequate, and viable. Based on the progress of these measures, the Directors believe the Group will secure sufficient working capital to meet its financial obligations as they fall due.

Audit Committee's View on the Audit Modification

The Audit Committee has maintained close and ongoing communication with both the Management and the independent auditor regarding the Audit Modification. The Management has provided regular updates to the Audit Committee concerning the liquidity enhancement measures and their respective progress.

The Audit Committee has critically reviewed the actions taken by the Management prior to the publication of the audited consolidated financial statements, particularly focusing on (i) the progress of renewing or extending outstanding borrowings, and (ii) the initiatives to secure additional equity financing.

Taking into account the magnitude of the overdue principal and interest, the Audit Committee acknowledges that the execution of the action plan is still ongoing as of the date of approval of the financial statements, and the Company requires additional time to formalize these arrangements.

The Audit Committee believes that the Management has utilised its best endeavors to execute the mitigation plans. The Audit Committee fully supports the Management's ongoing efforts and will continue to hold regular meetings to strictly monitor the progress of the debt restructuring and fundraising activities.

The Audit Committee is also of the view that the Management should continue to act in the best interests of the Shareholders in implementing the actions and measures set out in the action plan with the intention of mitigating the Group's liquidity pressure and removing the Audit Modification.

The Company will make further announcement(s) to keep Shareholders and potential investors informed of any material developments regarding the negotiations with banks, financial institutions, and potential investors as and when appropriate.

DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 December 2025 and 2024 to the holders of both ordinary shares and preference shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

BUSINESS REVIEW

The Group was principally engaged in growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood, prepared food and bulk commodities in the People's Republic of China (the "PRC") ("**Agricultural and Meat Business**") during the Reporting Period.

Agricultural and Meat Business

The Group's Agricultural and Meat Business experienced significant growth during the Reporting Period, primarily driven by the Group's active expansion into bulk commodity trading. Meanwhile, the Group continued to strengthen its revenue stream and enlarge its customer base by supplying food produce, including agricultural and meat produce, poultry and seafood to supermarkets and other customers in the PRC, as well as developing online sales. As a result, during the Reporting Period, revenue from the Agricultural and Meat Business increased by approximately 182.2%, from approximately HK\$1,253.0 million for the Corresponding Period to approximately HK\$3,536.6 million for the Reporting Period. During the Reporting Period, the Agricultural and Meat Business recorded a gross profit of approximately HK\$50.9 million (2024: HK\$45.8 million).

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with business partners to further strengthen the cultivation and trading of agricultural, poultry, seafood and prepared food with high potential for development, or pursue acquisitions when opportunities arise.

Investment in an associate

The Group held 40% equity interest in each of Shenzhen Congyu Wanxing Technology Agriculture Co. Ltd.*(深圳市從玉萬興科技農業有限公司) (“**Congyu Wanxing**”) and Jiamusi Congyu Modern Agriculture Co. Ltd.*(佳木斯從玉現代農業有限公司) (“**Jiamusi Congyu**”), respectively.

During the Reporting Period, no revenue was recorded (2024: nil) as no business operation was conducted by Congyu Wanxing and Jiamusi Congyu (2024: nil).

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to approximately HK\$3,536.6 million, representing an increase of approximately 182.2% from approximately HK\$1,253.0 million for the Corresponding Period. Gross profit of the Group during the Reporting Period was approximately HK\$50.9 million, representing an increase of approximately HK\$5.1 million or 11.2%, as compared with approximately HK\$45.8 million for the Corresponding Period. The increase in revenue was mainly due to an increase in sales of products with lower profit margin during the Reporting Period. As a result, the overall gross profit of the Group increased during the Reporting Period.

Please refer to the paragraph headed “Business Review” above for further details on the reasons for the increase in revenue of the Group.

The Group recorded other income and gains in the net amount of approximately HK\$3.3 million during the Reporting Period, representing a decrease of approximately HK\$7.5 million or 69.2%, as compared to approximately HK\$10.9 million for the Corresponding Period. Such decrease was mainly attributable to (i) the absence of the waiver of other payables during the Reporting Period (Corresponding Period: approximately HK\$4.3 million); (ii) a decrease in government grants of approximately HK\$1.7 million; and (iii) a decrease in services income of approximately HK\$1.0 million.

During the Reporting Period, selling and distribution expenses of the Group increased by approximately HK\$5.6 million or 84.7% to approximately HK\$12.3 million (Corresponding Period: HK\$6.7 million). Such increase was mainly attributable to the Group's active expansion into bulk commodity trading, the resulting increase in revenue.

Administrative and other expenses of the Group decreased by approximately HK\$17.5 million or 45.8% to approximately HK\$20.8 million during the Reporting Period (Corresponding Period: HK\$38.3 million). Such decrease was mainly attributable to (i) a decrease in consultancy fee of approximately HK\$9.9 million; (ii) a decrease in staff costs of approximately HK\$2.3 million; and (iii) a decrease in depreciation expenses of approximately HK\$1.2 million during the Reporting Period.

Impairment losses on trade receivables of approximately HK\$97.1 million (2024: HK\$53.4 million) was recognised for the Reporting Period. Impairment losses on other receivables of approximately HK\$109.0 million was recognised for the Reporting Period (2024: HK\$21.0 million). Impairment losses on trade deposits of approximately HK\$114.6 million was recognised for the Reporting Period (2024: HK\$30.4 million). Impairment losses on rental and utilities deposits of approximately HK\$32,000 was recognised for the Reporting Period (2024: HK\$4,000). Impairment losses on goodwill of approximately HK\$nil was recognised for the Reporting Period (2024: HK\$1.5 million). Impairment losses on property, plant and equipment of approximately HK\$14.3 million were recognised for the Reporting Period (2024: HK\$7.6 million). For the Reporting Period, impairment losses on right-of-use assets of approximately HK\$12.8 million (2024: nil); impairment losses on interests in associates of approximately HK\$0.3 million (2024: nil); and impairment losses on prepayments of approximately HK\$0.4 million (2024: nil).

The gain on disposal of subsidiaries of approximately HK\$89,000 recognised during the Reporting Period was due to the Group's disposal of its entire equity interest in the subsidiaries (2024: HK\$0.1 million).

The net loss of the Group for the Reporting Period was approximately HK\$390.3 million, as compared to approximately HK\$128.7 million for the Corresponding Period.

Liquidity and Financial Resources

Apart from equity fund raising from the Company as detailed in the paragraph headed "Capital Structure and Gearing Ratio" below, the Group mainly financed its business operations with internally generated cash flows and general banking facilities during the Reporting Period.

As at the end of the Reporting Period, the Group had bank balances and cash of approximately HK\$17.2 million (2024: HK\$4.6 million), mainly denominated in Hong Kong dollar and Renminbi ("RMB"). The Group's quick ratio (measured as total current assets less inventories, deposits and prepayments divided by total current liabilities) was approximately 0.84 times (2024: 0.92 times).

As at the end of the Reporting Period, the total borrowings of the Group, which comprised of bond, bank and other borrowings denominated in Hong Kong dollar and RMB, amounted to approximately HK\$482.1 million (2024: HK\$389.5 million). As at 31 December 2025, borrowings of approximately HK\$482.1 million (2024: HK\$382.3 million) were repayable within one year or on demand. As at 31 December 2025, borrowings of approximately HK\$98.9 million (2024: HK\$40.9 million) and HK\$383.2 million (2024: HK\$348.6 million) were denominated in Hong Kong dollar and RMB, respectively. Borrowings of approximately HK\$413.0 million (2024: HK\$317.9 million) were charged at fixed interest rates as at 31 December 2025.

As at the end of the Reporting Period, the Group had no capital expenditure commitments. Operating lease payments represent rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 11 to 12 years.

The Group will continue adopting a positive yet prudent approach in managing its financial resources. Should other opportunities arise, thus prompting the need for additional funding, the management believes that the Group is well-positioned to obtain financing on favourable terms.

CAPITAL STRUCTURE AND GEARING RATIO

The Group assumes capital management to ensure that the business of the Group will continue as a going concern whilst maximising the return to Shareholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from last year.

The Group reviews its capital structure on a regular basis. As a part of this review, the Group monitors capital on the basis of net debt to adjusted equity ratio, the ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "adjusted equity", as shown in the consolidated financial statement, plus net debt. The Group considers the cost of capital and the risks associated with issued share capital. To maintain or adjust the capital structure, the Group may adjust the ratio through dividend payments, issuing new shares, raising new debt financing or selling assets to reduce existing debts.

Fund raising activities

Save as the heading of "**Subscription of New Shares**" and "**Placing of New Shares**" below, there was no significant change in the Group's capital structure for the Reporting Period.

Subscription of New Shares

Reference is made to the announcements of the Company dated 21 February 2025, 24 February 2025, 12 March 2025 and 18 March 2025, respectively (the "**Announcements**") in relation to, amongst others, the Subscription. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

After trading hours on 21 February 2025, the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the Subscribers agreed to subscribe for, an aggregate of 75,851,407 Subscription Shares at the Subscription Price of HK\$0.560 per Share. The closing price per share of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 February 2025, the date of the Subscription Agreements, was HK\$0.70. On 24 February 2025, the Company entered into supplemental agreements to the Subscription Agreements (the “**Supplemental Agreements**”) with each of the Subscribers, pursuant to which the Company and each of the Subscribers have agreed to amend the Subscription Agreements that the Subscription Price per Subscription Share be changed from HK\$0.560 to HK\$0.565. The gross proceeds from the Subscription were approximately HK\$42.9 million and the net proceeds were approximately HK\$42.3 million. It was intended that the net proceeds from the Subscription would be utilised approximately (i) HK\$25.0 million for procurement, including the purchase of agricultural and meat produce, poultry, seafood, and prepared food; (ii) HK\$14.0 million will be used for repayment of other borrowings and other payables; and (iii) HK\$3.3 million will be used for the other general working capital purposes of the Group.

Details of the Subscription, Subscription Agreements and Supplemental Agreements were set out in the Announcements.

As at 31 December 2025, detailed breakdown and description of the utilisation of the net proceeds from the Subscription were as follows:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds
21 February 2025 (completed on 18 March 2025)	Subscription of new shares under general mandate	Approximately HK\$42.3 million	(i) Approximately HK\$25.0 million for procurement, including the purchase of agricultural and meat produce, poultry, seafood, and prepared food; (ii) Approximately HK\$14.0 million will be used for repayment of other borrowings and other payables; and (iii) Approximately HK\$3.3 million will be used for the other general working capital purposes of the Group.	(i) Approximately HK\$25.0 million was fully utilised for procurement, including the purchase of agricultural and meat produce, poultry, seafood, and prepared food; (ii) Approximately HK\$14.0 million was fully utilised for repayment of other borrowings and other payables; and (iii) Approximately HK\$3.3 million was fully utilised for the other general working capital purposes of the Group.

Placing of New Shares

Reference is made to the announcements of the Company dated 12 September 2025 and 2 October 2025, respectively (the “Announcements A”) in relation to, amongst others, the placing (the “Placing”) of new shares under the general mandate granted to the Directors at the annual general meeting held on 2 June 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements A.

After trading hours on 12 September 2025, the Company and the Placing Agent entered into the placing agreement (the “Placing Agreement”) pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, places to subscribe for up to 91,021,689 new shares at a price of HK\$0.29 per placing share. The closing price per share of the Company as quoted on the Stock Exchange on 12 September 2025, the date of the Placing Agreement, was HK\$0.335. The gross proceeds from the Placing were approximately HK\$26.4 million and the net proceeds were approximately HK\$25.9 million. It was intended

that the net proceeds from the Placing for (i) repayment of loan in the amount of approximately HK\$15.0 million (being approximately 57.9% of the net proceeds); (ii) development of an agricultural vertical e-commerce platform and agricultural low-altitude economy in the amount of approximately HK\$8.0 million (being approximately 30.9% of the net proceeds); and (iii) general working capital of the Group in the amount of approximately HK\$2.9 million (being approximately 11.2% of the net proceeds).

Details of the Placing and Placing Agreement were set out in the Announcements A.

As at 31 December 2025, detailed breakdown and description of the utilisation of the net proceeds from the Placing were as follows:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds (Note)
12 September 2025 (completed on 2 October 2025)	Placing of new shares under general mandate	Approximately HK\$25.9 million	(i) approximately HK\$15.0 million for repayment of loan;	(i) approximately HK\$15.0 million was fully utilised for repayment of loan;
			(ii) approximately HK\$8.0 million for development of an agricultural vertical e-commerce platform and agricultural low-altitude economy; and	(ii) not utilised approximately HK\$8.0 million, and will be utilised as intended on or before 30 June 2026; and
			(iii) approximately HK\$2.9 million general working capital of the Group.	(iii) approximately HK\$2.9 million was fully utilised general working capital of the Group.

Note: The expected timetable for fully utilising the unutilised net proceeds is determined based on the Group's best estimate of future market conditions, and is subject to change depending on current market conditions and future market developments.

The Company has 546,130,134 issued ordinary shares as at 31 December 2025.

As at 31 December 2025, the net debt to adjusted equity ratio was 0.93 (2024: 0.52). The Group's gearing ratio as at 31 December 2025 was 13.70 (2024: 1.10), which was measured as total debt to total shareholders' equity. The increase in the Group's gearing ratio was mainly due the increase in bank and other borrowings during the Reporting Period.

As at 31 December 2025, the outstanding balances of unsecured promissory notes issued by the Company to Mr. Lin Yuhao, an executive Director and Mr. Lin Yupa, a former Director, who is a close member of a key management personnel of the Company was HK\$16.3 million (classified to other borrowings) (2024: HK\$16.3 million), respectively.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save for the disclosure under paragraph headed “Business Review”, the Group did not have material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

CHARGES ON GROUP’S ASSETS

As at 31 December 2025, no bank deposits (2024: nil) were pledged to secure bills payables of the Group.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in Hong Kong dollars and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary.

CONTINGENT LIABILITIES

Save for the matters disclosed under the section headed “Litigation”, the Group did not have any material contingent liabilities as at 31 December 2025.

TREASURY POLICIES

The objective of the Group’s treasury policy is to ensure that there is sufficient cash and access to finance the Group’s ongoing operations and to execute its current and future plans. The Group has adopted prudent treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. To manage liquidity risk, the management closely monitors the Group’s liquidity position and uses their best endeavours to maintain sufficient cash and cash equivalents and credit facilities available to fulfill the payment obligations of the Group.

NON-COMPLIANCE WITH LISTING RULES

On 15 January 2026, following the resignation of Mr. Li Shaohua as the independent non-executive Directors, the Company fails to meet the requirements of (i) have at least three independent non-executive directors on the Board under 3.10(1) of the Listing Rules, and (ii) audit committee comprise a minimum of the three members under 3.21 of the Listing Rules. The Company is in the process of identifying a suitable candidate to fill the vacancy as soon as practicable and will make further announcement(s) as and when appropriate.

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish the Company's annual results for the year ended 31 December 2024 (the "**2024 Annual Results**") not later than three months after the end of the financial year (i.e. on or before 31 March 2025). On 31 March 2025, the Company was not able to publish the 2024 Annual Results on or before 31 March 2025 as required by the Listing Rules. The 2024 Annual Results were subsequently published on 22 April 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2025.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 33 (2024: 62) full-time employees in Hong Kong and the PRC. Total staff costs (including Directors' emoluments) for the Reporting Period amounted to HK\$14.5 million (2024: HK\$17.4 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme (the "**MPF Scheme**") in Hong Kong and the central provident fund scheme (the "**Retirement Benefit Scheme**") in the PRC. The Group operates the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately. Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in the Retirement Benefit Scheme organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the Reporting Period. Contributions to the Retirement Benefit Scheme vest immediately. As at 31 December 2025, there was no forfeited contribution under the MPF Scheme and the Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years. The Company adopted a share option scheme on 6 June 2013 (the "**Scheme**") with a valid period 10 years. Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive

directors (including independent non-executive directors) of the Group. The Scheme expired on 6 June 2023 and no further options should be offered or granted under the Scheme on or after 6 June 2023. The Company has adopted a new share option scheme at its special general meeting held on 29 January 2026.

LITIGATION

During 2024, two wholly-owned subsidiaries of the Group were named as defendants in a lawsuit filed by an independent third party, alleging that the Group failed to deliver agricultural produce in accordance with a procurement agreement entered into in January 2023. The plaintiff claimed that it had made full payment of the consideration of approximately RMB25.1 million, and is seeking claims with an aggregate amount of approximately RMB45.8 million from the Group.

The case was heard in the People's Court of Shunde District, Foshan City, Guangdong Province. Following a first-instance judgment against the Group in 2024, the Group promptly filed an appeal. The second-instance hearing was held on 26 February 2025, and the Court subsequently issued a second-instance judgment against the Group. The Court ruled in favor of the plaintiff and ordered the Group to refund the consideration of approximately RMB25.1 million and interest, legal fee of approximately RMB60,000 and insurance fee of approximately RMB23,000. Despite the current ruling, the Group is actively seeking professional legal advice and plans to file a further appeal (or pursue further legal recourse) to vigorously defend its position. As at 31 December 2025 and up to the date of this announcement, the Group remains committed to safeguarding its legal rights and interests and will continue to respond proactively to the litigation in full compliance with applicable laws and regulations.

In light of the latest development of the litigation and based on the preliminary assessment by the management, out of prudence, the Group has recognised a provision for litigation of approximately HK\$30.1 million in the consolidated financial information for the period. However, as the Group is pursuing further legal avenues, the ultimate outcome and its final financial impact remain subject to uncertainties.

The Group remains committed to safeguarding its legal rights and interests and will continue to respond proactively to the litigation in full compliance with applicable laws and regulations. Further updates regarding the case will be provided in a timely manner as developments arise.

During the year ended 31 December 2025, the Group experienced temporary delays in meeting the original repayment schedules for certain bank borrowings with a carrying amount of approximately RMB72.8 million (equivalent to approximately HK\$81.1 million) as at 31 December 2025. Consequently, the relevant banks initiated legal proceedings to facilitate the settlement of the outstanding balances.

The case was heard in the Shenzhen Nanshan District People's Court. Following a first-instance judgment issued by the Court, the Group has promptly filed an appeal to protect its legitimate interests.

While the lenders have the right to demand immediate repayment under the relevant loan agreements, the directors of the Company have been actively engaging in constructive dialogues with the respective banks to explore amicable solutions, including the potential restructuring or extension of the borrowing terms. Up to the date of approval for issuance of the consolidated financial statements, such negotiations are progressing and remain ongoing.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the Reporting Period are set out in Note 13.

PROSPECTS

The Group will seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in new business with growth potential. The Group will identify cutting-edge opportunities with high growth potential, high technological barriers and high synergy to pursue diversified businesses and expand revenue streams, while enhancing its existing core businesses or creating potential synergies.

To diversify its income streams and smooth out the cyclical fluctuations of the Agricultural and Meat Business, the Company has been actively developing its digital trading and branded operation business of agricultural and meat produce, poultry, seafood and pre-prepared dishes, and has commenced the supply of high-quality products to large-scale supermarkets, retail chains, and mainstream online platforms in China.

In order to expand its agricultural bases, the Group has established long-term and stable cooperative relationships with various neighboring farms, agricultural cooperatives, and agricultural entities in various production areas across the country. The Group is responsible for providing brand output, standard output, digital empowerment, supply chain empowerment, and channel empowerment to such partners, creating a “Company + Farmers + Government + Digital Platform” four-in-one common prosperity model, providing green, safe, traceable, and low-carbon certified food from farm to table, building a core food supply guarantee base for the Guangdong-Hong Kong-Macau Greater Bay Area (“**Greater Bay Area**”), and ensuring food safety and supply stability for the 120 million people in the Greater Bay Area.

The Group also conducts unified procurement, deep processing, intelligent grading, and brand packaging for agricultural products from cooperative bases, efficiently reaching end consumers through its established national customer network.

In terms of broadening sales channels and deepening digital transformation, the Group is fully advancing the construction of agricultural vertical e-commerce and industrial internet platforms. Through this platform, we not only strengthen our cooperation with various e-commerce operators to promote the online sales of agricultural and meat products, but are also committed to integrating data across the entire industry chain to construct an agricultural industry brain, providing industry standards, digital technologies, and one-stop integrated solutions to the market.

Looking ahead, the Group will rely on this vertical platform to vigorously promote contract farming, branded agriculture, and smart supply chains, creating a world-class benchmark for modern agriculture and further promoting the diversification of its revenue sources and enhancing its anti-cyclical capabilities.

In terms of agricultural technology innovation, the Group will actively expand the application scenarios and business landscape of the agricultural low-altitude economy. We will continue to optimize the all-domain smart planting management system based on drone cluster operations, the low-altitude Internet of Things, and AI-based agricultural large model. In the future, the Group plans to gradually replicate and promote this model of full-chain data closed-loop + second-level traceability + blockchain certification to external customers and cooperative farms, after fully achieving product digitalization, intelligent management, and process visualization at its own bases.

This move will effectively reduce the overall operating costs of orchards and farms, enhance the quality and safety of agricultural products, and lead the entire industry towards efficient, green, low-carbon, and sustainable new quality productive forces.

The Group primarily focuses on landmark agricultural products, regional public brands, and specialty high-quality agricultural products, particularly with national-level and provincial-level iconic products as the core. By connecting its national cooperation bases with the Ten Thousand Stores Alliance, community group buying, and new retail channels, the Group is committed to bringing high-quality agricultural products to thousands of households in the Greater Bay Area. This goal will support national rural revitalisation, implement the “Vegetable Basket” and “Rice Bag” security projects, and at the same time enable more of China’s high-quality agricultural products to reach the entire country and the world. This also marks an important milestone in the Group’s digital transformation and industrial upgrading.

Meanwhile, the Group is seeking business opportunities in vertical integration, cold chain logistics, central kitchens, and intra-city instant delivery, among others, to further strengthen the link in the “farm to table” chain and enhance its comprehensive profitability.

In addition to the aforementioned strategies, the Group will also actively explore potential high-growth businesses such as bio-agriculture, smart breeding, carbon sink agriculture, and agricultural AI Software-as-a-Service (SaaS), to continuously enhance its mid-to-long-term profitability and consolidate its leading position in the fields of modern agriculture and food technology.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company's corporate governance practices are based on the principles and the code provisions (“**Code Provisions**”) set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules (the requirements under which are applicable to the Company during the Reporting Period). During the Reporting Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the CG Code except the deviations from Code Provisions C.1.6 of part 2 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders and C.2.1 of part 2 of the CG Code which provides that the roles and responsibilities of chairman and chief executive should be separated.

The Company periodically reviews its corporate governance practices to ensure that the requirements of the CG Code are continuously satisfied. The key corporate governance principles and practices of the Company are summarised in this announcement.

Board Meetings and Annual General Meetings

Code Provision C.1.6 of part 2 of the CG Code provides that independent non-executive Directors and other non-executive Directors should attend the annual general meeting of the Company to gain and develop a balanced understanding of the views of the shareholders. The independent non-executive Director, Ms. Li Yang, did not attend the annual general meeting of the Company held on 2 June 2025 due to other commitments.

Chairman and Chief Executive Officer

Code Provision C.2.1 of part 2 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairman and chief executive of the Company are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. Mr. Lin Yuhao is the Chairman. The Chairman provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in Code Provision C.2 of Part 2 of the CG Code. The chief executive of the Company has the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations. Currently, Mr. Lin Yuhao and Mr. Wu Ya serve as the co-chief executive officers of the Company. As Mr. Lin Yuhao is the Chairman and has served as the chief executive officer of the Group since 15 October 2021, such practice deviates from Code Provision C.2.1 of part 2 of the CG Code. The Board believes that vesting the roles of both the Chairman and the chief executive officer in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of part 2 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises two executive Directors and two independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and

the Shareholders. Mr. Lin Yuhao and Mr. Wu Ya jointly serving as the co-chief executive officers of the Company can also share the responsibilities of the Group's overall business development, operation and management work.

With the support from all the other Directors and the company secretary, the Chairman ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information in a timely manner. The Board considers that there are adequate balance of power and safeguards in place and will review and monitor this situation periodically to ensure that present structure would not impair the balance of power of the Company.

The Company periodically reviews its corporate governance practices to ensure that the requirements of the CG Code are continuously satisfied. The key corporate governance principles and practices of the Company are summarised in this announcement.

INTERNAL CONTROL

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the Shareholders and assets of the Company at all times. The Board is ultimately responsible for evaluating the effectiveness of its internal control and risk management systems. The internal controls system aims to help achieve the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives, being sought.

To facilitate the management and standardisation of internal operation, the Company has regulations in place that specify the responsibilities and scopes of anti-corruption works. Anti-corruption policy has been adopted and all employees of the Group have been required to strictly abide them. To encourage employees to report the improprieties they found or suspected, the Company has established appropriate whistleblowing procedures pursuant to its whistleblowing policy so as to provide a secure and fully confidential environment for employees to report the improprieties that they genuinely concerned.

Risk management and internal control

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensures that the Group has established and maintained appropriate and effective risk management and internal control systems.

The audit committee of the Board ("**Audit Committee**") reviews the risk management and internal controls systems that are significant to the Group on an on-going basis, including financial, operational and compliance controls. The Audit Committee would consider and discuss with the management of the Group in respect of the adequacy of resource, qualifications, experience and training of staff and external advisors of the Group's accounting and financial reporting departments and budget of the Group's accounting, auditing and financial reporting functions.

The management of the Group is responsible for designing, maintaining, implementing and monitoring the risk management and internal control systems to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle significant risks associated with its business. The Board would perform annual review on any significant change of business and the external environment and establish procedures to respond to the risks resulting from significant change of business and the external environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include politics, economy, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and chance of occurrence. The relevant risk management strategies would be applied to each type of risks according to the assessment results. Types of risk management strategies are listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;
- Risk avoidance: change business process or objective so as to avoid risk;
- Risk sharing and diversification: diversify the effect of risk or allocate to different locations or products or markets;
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulting from the risks. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company engages an external consultant to perform internal audit function and to review the effectiveness of the material controls (including financial, operational and compliance controls), internal control system, and risk management functions of the Company and the Group's major subsidiaries on a rotation basis annually. The Audit Committee and the Board, having reviewed the internal control and risk management review report for the Reporting Period, were reasonably satisfied that no material deficiencies or inadequacies existed or identified and the Company considers the risk management and internal control systems are effective and adequate for the Reporting Period. The Company has complied with the requirements under Code Provisions D.2.1 to D.2.5 and D.3.3 of part 2 of the CG Code relating to risk management and internal control. The Company will review the need for having an internal audit department on an annual basis.

During the Reporting Period, there were no changes in the nature and extent of the significant risks of the Group and no significant control failings or weaknesses that have been identified. The Board has received a confirmation from the management of the Company on the effectiveness and adequacy of the risk management and internal control systems.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.

BOARD COMMITTEES

Audit Committee

As at the date of this announcement, the Audit Committee comprises two members, all are independent non-executive Directors, namely Ms. Li Yang (Chairlady of Committee) and Ms. Zhu Rouxiang. Currently, the Company fails to meet the requirement of an audit committee comprising a minimum of three members under Rule 3.21 of the Listing Rules. In order to comply with the Listing Rules, the Board is in the process of identifying suitable candidate(s) to fill the casual vacancy of the Board as soon as practicable and in any event. The Company will make further announcement(s) as and when appropriate.

The Board has adopted a terms of reference of the Audit Committee in compliance with the CG Code, which is available on the websites of the Company and Stock Exchange.

REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters with the management of the Company, and has also reviewed the Group's audited consolidated annual results for the year ended 31 December 2025.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Infinity CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Infinity CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Infinity CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the “AGM”) to be held on 26 June 2026. The register of members of the Company will be closed from 23 June 2026 to 26 June 2026, both days inclusive, during the period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on 22 June 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.cfi.hk) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the Reporting Period will be despatched to the Shareholders and will be available at the above websites in due course.

By order of the Board
Congyu Intelligent Agricultural Holdings Limited
LIN Yuhao
Chairman and Co-Chief Executive Officer

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises four Directors, including two executive Directors, namely Mr. Lin Yuhao and Ms. Yang Yan, and two independent non-executive Directors, namely Ms. Zhu Rouxiang and Ms. Li Yang.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *For identification purpose only*