天譽置業(控股)有限公司

SKYFAME REALTY (HOLDINGS) LIMITED

(In Liquidation)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00059 and Bonds Stock Code: 5310, 5311, 5367, 5379, 5567, 5602 and 5855)

ANNOUNCEMENT OF CONSOLIDATED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND CONTINUED SUSPENSION OF TRADING

Reference is made to (i) the announcements of the Company dated 13 March 2025, 31 March 2025 and 19 May 2025 regarding, among other things, the delay in publication of the 2024 Annual Results and the suspension of trading in the shares of the Company; (ii) the announcements of the Company dated 30 June 2025, 30 September 2025, 9 January 2026, 8 April 2026 and 30 June 2026 in relation to, among other things, the quarterly update on status of resumption; (iii) the announcement of the Company dated 24 November 2025 in relation to the winding up of Company; (iv) the announcement of the Company dated 25 June 2025, 2 September 2025, 28 October 2025 and 5 December 2025 in relation to, among other things, the resumption guidance issued by the Stock Exchange; and (v) the announcement of the Company dated 13 April 2026 in relation to the exclusivity agreement (collectively, the "**Announcements**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") and the Joint and Several Liquidators (the "**JPLs**") of Skyfame Realty (Holdings) Limited (the "**Company**") (In Liquidation) and its subsidiaries (collectively the "**Group**") present the consolidated results of the Group for the year ended 31 December 2024, together with comparative figures for the corresponding year of 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (re-presented)
Continuing operations			
Revenue	3	**129,380**	84,051
Cost of sales and services		**(57,891)**	(43,508)
Gross profit		**71,489**	40,543
Other (losses)/gains — net		**(2,356)**	346
Sales and marketing expenses		**(569)**	(3,660)
Administrative and other expenses		**(57,838)**	(85,844)
Impairment loss on amounts due from Deconsolidated Subsidiaries		**(7,585,152)**	–
Impairment loss of trade receivables from Deconsolidated Subsidiaries		**(48,951)**	–
Impairment loss of trade receivables, deposits and other receivables (other than Deconsolidated Subsidiaries)		**(23,199)**	–
Operating loss		**(7,646,576)**	(48,615)
Finance costs — net	4	**(707,300)**	(579,871)
Loss before income tax	5	**(8,353,876)**	(628,486)
Income tax (expense)/credit	6	**(5,696)**	2,330
Loss for the year from continuing operations		**(8,359,572)**	(626,156)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	14	**3,545,557**	(3,227,870)
Loss for the year		**(4,814,015)**	(3,854,026)
(Loss)/profit for the year attributable to:			
Owners of the Company			
— From continuing operations		**(8,359,290)**	(625,862)
— From discontinued operations		**3,603,412**	(2,863,525)
		(4,755,878)	(3,489,387)

	Note	2024 RMB'000	2023 RMB'000 (re-presented)
Non-controlling interests			
— From continuing operations		**(282)**	(294)
— From discontinued operations		**(57,855)**	(364,345)
		(58,137)	(364,639)
		(4,814,015)	(3,854,026)
Loss per share	7		
From continuing and discontinued operations			
— Basic and Diluted (RMB)		**(0.563)**	(0.413)
From continuing operations			
— Basic and Diluted (RMB)		**(0.990)**	(0.074)
Other comprehensive loss:			
Item that will not be reclassified to profit or loss:			
Exchange difference arising on translation of the Company's financial statements into presentation currency		**(11,136)**	–
Other comprehensive loss for the year, net of income tax		**(11,136)**	–
Total comprehensive loss for the year		**(4,825,151)**	(3,854,026)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(4,767,014)**	(3,489,387)
Non-controlling interests		**(58,137)**	(364,639)
		(4,825,151)	(3,854,026)
Total comprehensive loss for the year attributable to:			
Owners of the Company			
— From continuing operations		**(8,370,426)**	(625,862)
— From discontinued operations		**3,603,412**	(2,863,525)
		(4,767,014)	(3,489,387)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**1,894**	62,686
Right-of-use assets		**–**	204,928
Investment properties		**–**	2,626,600
Interest in a joint venture		**–**	–
Interest in an associate		**–**	–
Financial assets at fair value through other comprehensive income		**–**	75,023
Properties under development		**–**	4,708,025
Prepayments	*9*	**–**	352,351
Deferred tax assets		**1,636**	194,144
		3,530	8,223,757
Current assets			
Properties under development		**–**	6,542,436
Properties held for sale		**–**	2,315,754
Trade receivables	*9*	**18,525**	144,934
Other receivables, deposits and prepayments	*9*	**2,929**	3,185,921
Amounts due from deconsolidated subsidiaries	*15(b)*	**–**	–
Contract costs		**–**	114,098
Restricted cash		**685**	210,811
Cash and cash equivalents		**14,007**	52,694
		36,146	12,566,648
Current liabilities			
Trade payables	*11*	**33,367**	23,768
Accruals and other payables	*11*	**73,235**	5,378,536
Amounts due to deconsolidated subsidiaries	*15(c)*	**2,470,202**	–
Contract liabilities		**–**	2,739,133
Lease liabilities		**–**	17,507
Bank and other borrowings	*10*	**5,055,598**	7,732,814
Income tax payable		**61,924**	1,731,856
		7,694,326	17,623,614
Net current liabilities		**(7,658,180)**	(5,056,966)
Total assets less current liabilities		**(7,654,650)**	3,166,791

	Note	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Bank and other borrowings	*10*	**–**	4,887,675
Lease liabilities		**–**	212,209
Deferred tax liabilities		**–**	261,701
		–	5,361,585
Net liabilities		**(7,654,650)**	(2,194,794)
Equity			
Share capital		**26,092**	26,092
Other reserves		**2,005,623**	1,824,821
Accumulated losses		**(9,687,706)**	(4,739,890)
Equity attributable to owners of the Company		**(7,655,991)**	(2,888,977)
Non-controlling interests		**1,341**	694,183
Capital deficiency		**(7,654,650)**	(2,194,794)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The trading in shares of the Company has been suspended since 1 April 2025.

Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and its principal place of business in the People's Republic of China ("**PRC**") is located at 32nd to 33rd floors of HNA Tower, 8 Linhe Zhong Road, Tianhe District, Guangzhou, Guangdong Province, PRC. Its principal place of business and registered office in Hong Kong is changed to 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong on 14 November 2025.

On 22 August 2023, Mr. Chan Leung Lee and Mr. Yuen Tze Chun, Frank of Frank Forensic and Corporate Recovery Limited were appointed by China Securities Limited ("**CSL**") as joint and several receivers over the entire issued shares of Cosmos Tianyu Holdings Limited ("**Cosmos Tianyu**"), the Company's immediate holding company (collectively the "**Charged Shares**") pursuant to a share charge executed by Sharp Bright International Limited ("**Sharp Bright**"), the Company's ultimate holding company as charger in favour of CSL.

The Receivership over the Charged Shares may result in the sale of the Charged Shares to other third-party purchasers. In the opinion of the directors of the Company and the Joint and Several Provisional Liquidators, as at 31 December 2024, its immediately holding company was Cosmos Tianyu, a private company incorporated in the British Virgin Islands and its ultimate holding company was Sharp Bright, a private company incorporated in Hong Kong controlled by Mr. YU Pan ("**Mr. Yu**").

Subsequently on 28 November 2025, CSL ceased business and all the title and associated right to the respective loan and the underlying collaterals had been sold and assigned to Mr. Leung Wai Kei (i.e. the director of CSL).

The Company and its subsidiaries are hereinafter collectively referred to as the "Group". The principal activity of the Company continues to be investment holding. The subsidiaries of the Company are principally engaged in the provision of property management services and commercial operation in the PRC.

2. BASIS OF PREPARATION AND PRESENTATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The preparation of financial statements in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

For the preparation of the consolidated financial statements for the year ended 31 December 2024, due to the circumstances set out in Note 2(g) below, certain subsidiaries engaged in property development and property investment businesses were deconsolidated and which are classified as discontinued operation.

The comparative information of the consolidated statement of comprehensive income has been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period. So their results for the year and the comparative figures are presented separately as one-line item below net loss of the continuing operations. Further details of the financial information of the discontinued operations are set out in Note 14.

(b) Historical cost convention and presentation currency

The functional currency of the Company is Hong Kong dollars ("**HK$**"). The consolidated financial statements are presented in Renminbi ("**RMB**") since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB. All values are rounded to the nearest thousand except when otherwise indicated. The measurement basis used in the preparation of the consolidated financial statements is the historical costs basis.

(c) Winding-up orders, major changes in directors and the Joint and Several Provisional Liquidators (the "JPLs")

Pursuant to an announcement made on 5 July 2022, in view of the deterioration of the cash position of the Group to a level which resulted in difficulties to meet its liabilities failing due, the former directors (the "**Former Directors**") voluntarily resolved to apply to the Commercial Court of the Supreme Court of Bermuda ("**Bermuda Court**") for a winding up and for an appointment of "light touch" provisional liquidators for the Company for debt restructuring purposes in July 2022 that was approved by the Bermuda Court on 15 August 2022 (Bermuda time). An order in favour of the Company was granted, Joel Edwards of EY Bermuda Ltd. in Bermuda, So Kit Yee Anita and Lau Wun Man both of Ernst & Young Transactions Limited in Hong Kong were appointed as the JPLs on a light touch approach with limited powers for debt restructuring purposes. The Company maintained active communication with creditors and adopted practicable measures to unite the consensus of creditors in order to promote the implementation of the debt restructuring plan (the "**Debt Restructuring Proposal**").

On 29 September 2023, the Company entered into the restructuring support agreement (the "**RSA**") with respective creditors of the Company including the borrowings as set out in 29(c) and (d) to the consolidated financial statements in relation to the terms of the debt restructuring. On 27 June 2024, the Company had extended the longstop date from 30 June 2024 to 31 March 2025 in accordance with the terms of the RSA to allow more time to proceed with the Debt Restructuring Proposal.

Despite the Group's effort in the years ended 31 December 2023 and 2024, the Group could not obtain any funding to support the restructuring and to resolve the Group's financial problem. Even worse, even if funding for restructuring could be obtained, under the continuous sluggish real estate market in the PRC, the Group's business has deteriorated and would not be able to generate the expected sale proceeds to fulfil its payment obligations under the Debt Restructuring Proposal, so as to provide better return to the Group's creditors.

For the reasons above, it was determined that there was no reasonable prospect of successfully completing the relevant proposal prior to the longstop date of the RSA dated 29 September 2023 which the longstop date subsequently extended from 30 June 2024 to 31 March 2025. Therefore, on 24 January 2025, the resolution was passed to resolve and accordingly inform the JPLs that the Former Directors had no objection to the JPLs not seeking a further adjournment at the Bermuda Court hearing (the "**Hearing**") and would not oppose any winding-up order be made by the Bermuda Court at the Hearing.

On 31 January 2025, Michael Penrose of EY Bermuda Limited in Bermuda, who was further appointed as JPLs. On 3 February 2025, the Former Directors decided to terminate the RSA accordingly.

On 18 February 2025, certain new directors (the "**Predecessor Directors**") have been appointed as executive directors while Mr. Yu resigned as director and chairman of the Company on 19 February 2025. Following the appointments, the Predecessor Directors acknowledged a change in the Company's stance regarding the restructuring and the winding up petition. This change reflects their renewed commitment to support and actively pursue the proposed restructuring. However, all of them resigned as executive directors of the Company on 1 September 2025.

The current board of directors of the Company ("**Current Board**") was appointed on 28 August 2025 which comprises one executive director, namely Mr. Zhang Guocheng and one non-executive director, namely Mr. Li Jianwen.

On 14 November 2025, the Company was ordered to be wound up by the Bermuda Court. The existing JPLs are empowered by section 175 of the Companies Act 1981. Upon the winding up order was granted by Bermuda Court on 14 November 2025, the JPLs remain on with powers granted pursuant to section 175 of the Companies Act 1981. However, the Current Board still maintains their capacity to fulfill the Company's responsibilities for the preparation of the consolidated financial statements in accordance with HKFRS Accounting Standards, under the supervision and oversight of the JPLs.

The JPLs now have been granted full statutory powers which include to collect, realise, and preserve the Company's assets, with the broader objective of developing, proposing and implementing a financial restructuring of the Company or an orderly winding up of the Company's affairs. Specifically, the JPLs are empowered to, inter alia, take into their custody or under their control all the property and things in action to which the Company is or appears to be entitled, carry on the business of the Company so far as may be necessary, for the beneficial winding up of the Company and bring or defend legal proceedings in the name and on behalf of the Company. Accordingly, whilst the Current Board continues to assist the JPLs in understanding the Group's affairs and day-to-day operations, the ultimate governance, control and statutory authority of the Company rest with the JPLs. As such, the JPLs have continued to actively explore restructuring opportunities with a view to formulating a viable proposal to maximize value for the Company's stakeholders.

Up to the date of approval of the consolidated financial statements, the JPLs have conducted a second round of consultation with the creditors in respect of the Revised Debt Restructuring Proposal (as defined in Note 2(e)). As to obtaining the requisite support from the creditors, the JPLs applied to the High Court of Hong Kong for directions to convene a creditors' meeting. The hearing of the application is scheduled to be held on 18 September 2026.

The winding-up order against the Company will be withdrawn subject to and upon the successful implementation of the Scheme of Arrangement as referred to Note 2(f)(v) to the consolidated financial statements.

(d) Suspension of trading and listing status of the Company

Since 1 April 2025, the trading of the Company's shares on the Stock Exchange was suspended. According to the announcement dated 31 March 2025, the Company was unable to publish the announcement for the 2024 annual results by the end of March 2025 pursuant to Rule 13.49(1) of the Listing Rules.

According to the announcements dated 18 June 2025, 2 September 2025, 28 October 2025 and 5 December 2025, the Stock Exchange imposed the following resumption guidance (the "**Resumption Guidance**") for the Company:

(i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(ii) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;

(iii) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position;

(iv) have the winding up order made against the Company withdrawn or dismissed and any liquidators discharged; and

(v) re-comply with Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A, 3.28 and 13.92 of the Listing Rules.

The Stock Exchange required the Company to remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange also indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period will expire on 30 September 2026. If the Company fails to remedy the issue causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2026, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company will take appropriate steps to fully comply with the Listing Rules to the Stock Exchange's satisfaction in order to have trading in the Company's shares resumed. The Company will keep the public informed of developments in this regard by making further announcements as and when appropriate.

A proposal for the resumption of trading (the "**Resumption**") in the Company's shares will be submitted to the Stock Exchange (the "**Resumption Proposal**"). If the Resumption Proposal does not proceed, the shares of the Company will be delisted by the Stock Exchange and it is likely that the Company would be wound-up.

(e) Going concern basis

During the year ended 31 December 2024, the Group sustained a loss attributable to owners of the Company approximately RMB4,755.88 million. As at 31 December 2024, the Group had net current liabilities of approximately RMB7,658.18 million and net liabilities of approximately RMB7,654.65 million respectively. The Group's total bank and other borrowings (collectively, the "**Borrowings**") and the amounts due to the Deconsolidated Subsidiaries amounted to approximately RMB5,055.60 million and RMB2,470.20 million which were all overdue, while the Group had total bank balances and cash of approximately RMB14.01 million.

These conditions, together with the winding-up orders as mentioned in Note 2(c) made against the Company, indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Group has been actively working with its legal and financial advisors and negotiating with onshore and offshore creditors to formulate and implement a practicable debt restructuring proposal for the Group's existing debts. Such plan included (i) identifying the investor for putting forward a revised debt restructuring proposal (the "**Revised Debt Restructuring Proposal**") of the Company and provision of loans to the Company; and (ii) putting forward the Revised Debt Restructuring Proposal to the creditors of the Company by way of scheme of arrangement ("**Scheme of Arrangement**"); (iii) speeding up the collection of receivables process; and (iv) tightening operating cash outflows through cutting costs and capital expenditures as set out in Note 2(f) below.

As at the date of approval of the consolidated financial statements, the implementations of these measures are still in progress. The Group continues to seek new business opportunities to improve its profitability and business prospects, consolidate or streamline its existing business, enhance its future business development and strengthen its revenue base.

Having reviewed and considered the revitalised operations and affairs of the Group and the Company, the Current Board and the JPLs (collectively, the "**Current Management**") concluded that, upon the completion of the Revised Debt Restructuring Proposal, including but not limited to the admitted claims of the creditors (the "**Admitted Claims**") against the Company (including the bank and other borrowings, the tax liabilities and the amounts due to the Deconsolidated Subsidiaries of the Company) will be compromised and discharged in full in accordance with the terms of Scheme of Arrangement. It represents the best means available for the Company to be returned to solvency and to continue the development and enhancement of its business. The Current Management are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the Scheme of Arrangement of the Company will be supported from requisite majority of creditors and court sanction, and that, following the implementation of Revised Debt Restructuring Proposal, the Group will continue to meet in full its financial obligations in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of assets to their estimated recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(f) Revised Debt Restructuring Proposal of the Group

References are made to the Company's announcements dated 13 April 2026 and 30 June 2026.

On 10 April 2026, the Company, JPLs acting as the Company's agents without personal liability, and Lion Wealth Management Limited (the "**Investor**") have entered into an exclusivity agreement (the "**Exclusivity Agreement**"). The Company has granted the Investor a six-month exclusivity period from the date of the Exclusivity Agreement (the "**Exclusivity Period**") to facilitate the implementation of a revised debt restructuring (the "**Revised Debt Restructuring**") of the Company to enable the resumption of trading in the shares of the Company on the Stock Exchange.

Details of which are set out in Note 2(f) to the consolidated financial statements.

(g) Deconsolidation of subsidiaries

The Current Management considered the control over the subsidiaries were lost and given the circumstances as described below, the consolidated financial statements have been prepared based on the available books and records as maintained by the Company and its subsidiaries (Note 16). The results, assets and liabilities of the following subsidiaries were deconsolidated from the consolidated financial statements of the Group with effect from 1 July 2024 on the basis as explained below.

Loss of control of deconsolidated subsidiaries

The following events trigger reassessment of control over subsidiaries ("**Reassessment**") and the Current Management have carried out the Reassessment when preparing the consolidated financial statements.

Save for subsidiaries engaging in the property management services as set out in Note 16, the Current Management considered the Group was unable to exercise its rights as the major shareholder either to control the assets and operations of the subsidiaries discussed below (the "**Deconsolidated Subsidiaries**") or to exercise the decision-making rights over them, on the basis that the Group no longer has: (a) power; (b) exposure, or rights, to variable returns from its involvement; or (c) the ability to use its power to affect the amount of the Group's returns.

(i) Receivership over a subsidiary during the year ended 31 December 2024

Reference was made to the announcements of the Company dated 26 June 2022, 10 July 2023 and 26 September 2024.

As detailed in the consolidated financial statements of the Group for the year ended 31 December 2023, on 10 July 2023, the Company was informed by Alvarez & Marsal Asia Limited that the joint and several receivers and managers (the "**Receivers**") have been appointed over the shares of Guangzhou Zhoutouzui Development Limited ("**GZDL**"), an indirect wholly owned Hong Kong subsidiary of the Company, for the breach of loan agreement due to default in repayments of loan with an outstanding principal of approximately HK$340 million and the accrued but unpaid interest thereon.

Notwithstanding the provisional view of The Court of First Instance of the High Court of Hong Kong Special Administration Region (the "**Court**") that the appointment of the Receivers was valid, the Company was of the view that the appointment was being contested and hence there had not yet been any final and conclusive determination on the validity of the appointment of the Receivers. On 25 September 2024, the Company was informed that the Court has found and ruled, inter alia, that the appointment and removal of directors of GZDL, caused by the Receivers were valid. The Current Management considered that the Company no longer has control over GZDL and its wholly-owned subsidiary on and after 25 September 2024.

(ii) Enforcement actions against certain subsidiaries in the PRC

The Current Management became aware of several civil rulings and judgements made during and subsequent to the year ended 31 December 2024, which ordered, inter alia, the enforcement of certain subsidiaries which are mainly engaged in the property development and investment business, for the breach of loan agreements due to default in repayments or being as a guarantors and the breach of subcontracting agreements due to failure in settlement.

In accordance with the enforcement notices issued by the PRC government or other correspondence with the lenders, certain subsidiaries' operations were suspended or ceased, assets were all sealed up and distrained and subject to auctioned or sold. The Current Management considered that the Group had lost control over these certain subsidiaries since respective dates of losing control.

(iii) Freezing orders or government measures against certain subsidiaries in the PRC

The Current Management became aware that certain subsidiaries were involved in various legal proceedings and for some of the subsidiaries, their shares and/or some significant assets, were even subject to freezing orders obtained by the creditors in the PRC during and subsequent to the year ended 31 December 2024, for the breach of loan agreement due to default in repayments or being as guarantors and the breach of subcontracting agreements due to failure in settlement. In some circumstances, certain subsidiaries engaged in the property development business were subject to the "Guarantee House Delivery" policy implemented by the PRC local government.

In accordance with the court orders or correspondences with the regulators or the lenders, certain subsidiaries' operations were suspended and/or the management of the corresponding subsidiaries might be restrained from participating in the affairs of certain subsidiaries.

After the Reassessment, the Current Management consider that it is inappropriate for the Group to consolidate the financial results and financial position of the above subsidiaries into the Group as the Group no longer can exercise its rights as a shareholder to direct the relevant activities.

(iv) In addition, the financial performance and cash flows, the assets and liabilities of the small-sized or inactive subsidiaries were not included in the consolidated financial statements of the Group since 1 July 2024. The Current Management considered that the exclusion of these subsidiaries from the consolidated financial statements would not significantly affect the results and state of affairs of the Group and this was not cost-effective to obtain all these information.

However, because of (i) the departure of Former Directors, key management and accounting personnel of the Company (collectively, "**Former Management**"), (ii) the non-responsiveness of the local management and other personnel of these subsidiaries, the Current Management had been unable to obtain and gain access to their complete books and records, and supporting documents. The Current Management do not have sufficient books and records and supporting documents which enable them to determine the dates of loss of control for each of the Deconsolidated Subsidiaries and to prepare the consolidation of these subsidiaries up to the respective dates of losing control.

Incomplete books and records of certain Deconsolidated Subsidiaries

Reference was also made to the announcements dated 11 February 2025, 13 March 2025 and 30 June 2025.

The Group had drastically reduced its head counts by approximately 30% each year during the years ended 31 December 2023 and 2024 because of its liquidity pressure and deteriorated financial position. The low level of cash and cash equivalents held by the Group was being deployed towards maintaining its basic operating activities. In view of the low level and inadequacy of funding, the Company was unable to secure certain supporting functions including book-keeping and accounting functions, especially for its property development and investment segments, significant number of management members and staff in the PRC and Hong Kong resigned.

The Predecessor Directors and Current Board were appointed in February 2025 and August 2025, respectively and were in the process of understanding the operations and affairs of the Group. Following their respective appointment, the Predecessor Directors and the Current Management immediately demanded the Former Management to return to the Company information and documents of the Group, including financial documents crucial for the preparation of the 2024 Annual Report. Nonetheless, their efforts were in vain. Despite repeated requests, the Former Management failed to provide any meaningful updates regarding the progress and state of preparation of 2024 Annual Report and only limited information and documents were returned to the Company. As announced on 27 January 2026, disciplinary action against one of the Former Directors, Mr. Yu, was imposed by the Stock Exchange as Mr. Yu failed to:

- cooperate in any investigation conducted by the listing division of the Stock Exchange and/or the Securities and Futures Commission;

- promptly and openly answer any questions addressed to the director;

- promptly attend before any meeting at which the director is requested to appear; and

- provide up-to-date contact information to the Stock Exchange for a period of three years from the date on which the Director ceases to be director, failing which any documents/notices sent by the Stock Exchange to the last known address on record shall be deemed to have been served on the director.

Following the JPLs being granted with the full power in November 2025, the Current Management had initiated and tried to establish communications to all subsidiaries of the Group requesting for their cooperation to provide the relevant information and documents.

The Current Management explained to the local management and other personnel of these subsidiaries on their duties to provide relevant information and documents and explain and validate the true state of the affairs of the subsidiaries for the preparation of the consolidated financial statements for the year ended 31 December 2024. Notwithstanding, the subsidiaries, either controlled by Former Management or received/enforced/frozen as discussed above, did not fully respond to requests of the Current Management.

Though the Current Management has actively sought to retrieve necessary financial documents from the Former Management as well as the local management and other personnel of the above subsidiaries through legal demands and communications, only limited and insufficient documents were provided, and they refused to provide the complete set of relevant information and documents.

Moreover, considering the following actions being taken, including visiting the above subsidiaries and communicating and negotiating with the local management and the personnel of the above subsidiaries and/or the Former Management, the Current Management are of the view that they were unable to ascertain the current situation of the above subsidiaries as to whether the businesses were still in operation and what assets are in the possession of the above subsidiaries, coupled with the scattered, incomplete, unreliable and selective information and documents provided by the local management and other personnel of the above subsidiaries.

The Group has initiated formal legal procedures to change the relevant senior management members of certain subsidiaries above. After taking legal advice from the PRC legal advisers, the implementation of such changes may take a prolonged time and cause undue delay. Up to the date of approval of the consolidated financial statements, the relevant legal procedures to change the senior management members are still in progress.

Excluding Deconsolidated Subsidiaries with effect from 1 July 2024

Because of the aforementioned incomplete books and records, the Current Management therefore considered that the information of the Deconsolidated Subsidiaries obtained may not be sufficient to establish an accurate and reliable view of the historical transactions, trading and financial position. Therefore, the Company is unable to prepare the consolidated financial statements of the Group with the inclusion of financial information of the Deconsolidated Subsidiaries.

Furthermore, as disclosed in Note 2(f)(vi) to the consolidated financial statements, as part of the Scheme of Arrangement, these Deconsolidated Subsidiaries would be transferred to a special purpose vehicle and the Group would no longer have control over them upon the successful completion of the Scheme of Arrangement.

Accordingly, the Current Management determined to exclude the Deconsolidated Subsidiaries from the consolidated financial statements with effect from 1 July 2024 ("**Deconsolidation**"). This determination was made based on the availability of the unaudited management accounts of the Deconsolidated Subsidiaries for the six-month period ended 30 June 2024 which were consolidated in the Group's condensed consolidated financial statements for the six months ended 30 June 2024. As such, the financial performance and cash flows of the Deconsolidated Subsidiaries for the period from 1 July 2024 to 31 December 2024 were not included in the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2024, and the assets and liabilities of the Deconsolidated Subsidiaries as at 31 December 2024 were not included in the consolidated statement of financial position of the Group as at 31 December 2024. In the opinion of the Current Management, the consolidated financial statements of the Group as at and for the year ended 31 December 2024 prepared on the aforementioned basis is the most appropriate and practical way of presenting the results and state of affairs of the Group more fairly in light of the aforesaid incomplete books and records of the Deconsolidated Subsidiaries.

As of the date of approval of the consolidated financial statements of the Group, the Current Management are satisfied that the Group have used its best efforts, to the extent commercially practicable, to attempt to obtain the accounting records of the Deconsolidated Subsidiaries for the year ended 31 December 2024, applying the best estimates and judgement based on the information of the Group that are available. In the opinion of the Current Management, any reconstruction of the correct accounting records would be impracticable as it will be necessary to verify the information with external and independent sources and such sources may not be available or may be unreliable due to their connections with the local management and other personnel of the Deconsolidated Subsidiaries or those responsible for the financial information within and outside of the Group.

Given the abovementioned circumstances, the Current Management were unable to obtain sufficient documentary information regarding whether the Deconsolidation is complied with the requirements of HKFRS 10 "Consolidated Financial Statements" as well as the transactions and balances related to the Deconsolidated Subsidiaries. Accordingly, the Current Management were unable to ascertain the impact of the Deconsolidation and make proper and adequate disclosures related to the Deconsolidated Subsidiaries in the consolidated financial statements.

Further details of the Deconsolidated Subsidiaries are set out in Note 15.

(h) Application of new and amendments to HKFRS Accounting Standards

(i) Amendments to HKFRS Accounting Standards in issue and effective

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA, which are mandatorily effective for the accounting period beginning on 1 January 2024 for the preparation of the Group's consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

(ii) New or amendments to HKFRS Accounting Standards in issue but not yet effective

The following are new or amendments to HKFRS Accounting Standards that have been issued, but are not yet effective and have not been early applied by the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments [3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity [3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 [3]
Amendments to HKAS 21	Lack of Exchangeability [2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency [4]
HKFRS 18	Presentation and Disclosure in Financial Statements [4]
HKFRS 20	Regulatory Assets and Regulatory Liabilities [5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [1]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.
[5] Effective for annual periods beginning on or after 1 January 2029.

Except for the new HKFRS Accounting Standard mentioned below, the Group has already commenced an assessment of the related impact to the Group of the above new or amendments to HKFRS Accounting Standards. So far, it has concluded that the above new and amendments to HKFRS Accounting Standards will be applied at the respective effective dates and the application of them is unlikely to have a significant impact on the consolidated financial statements of the Group in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

This standard introduces the following three sets of new requirements to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities:

- Presentation of new defined subtotals in the statement of profit or loss;
- Disclosures about management-defined performance measures; and
- Enhanced requirements for grouping (aggregation and disaggregation) of information.

HKFRS 18 supersedes HKAS 1 "Presentation of Financial Statements". Requirements in HKAS 1 that are unchanged have been transferred to HKFRS 18 and other HKFRS Accounting Standards. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

The Group is still currently assessing all impacts that HKFRS 18 will have on the presentation of and disclosures in the Group's consolidated financial statements. The initial expected material impacts on the Group's consolidated financial statements are as follows:

- There will be changes in the structure and presentation of the consolidated statement of comprehensive income based on new defined subtotals; and
- New disclosures will be added for the Group's management-defined performance measures.

3. REVENUE AND SEGMENT REPORTING

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements. The former executive directors, as the former chief operating decision-makers ("**CODM**") of the Group, review the Group's internal reporting in order to assess performance and allocate resources. The former CODM had determined the operating segments based on these reports. The Group's operating segments were strategic business units that offer different services. They were managed separately because each business requires different marketing strategies.

The Group was originally organised into four business segments: property development, property investment, property management and commercial operation. Revenue consists of sales of properties, income of property management services, rental income of investment properties and commercial operation.

As a result of the circumstances as stated in Note 2(g), the Group has excluded the Deconsolidated Subsidiaries which engaged in property development and property investment businesses, the entire “Property Development” and “Property Investment” segments were then accounted for as a discontinued operation. In respect of the segment assets and liabilities as of 31 December 2023, which were held by the Deconsolidated Subsidiaries, were no longer considered part of the reportable and operating segment. The segment information reported below does not include any amounts of the discontinued operations and details of which are disclosed in Note 14.

Since then, the Group’s financial performance was reviewed by the Current Management, the current CODM as a whole, which comprising the property management services and commercial operation services provided by the Group to customers and determined in accordance with the Group’s accounting policies, for resource allocation and performance assessment. Previously reported figures in respect of revenue and results of these two segments for the year ended 31 December 2023 have been combined to conform with the presentation of segment information adopted in respect of the current year. Therefore, no discrete segment information is prepared by the Group. Only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

Most of the Group’s consolidated revenue and results are attributable to the market in the PRC and the Group’s consolidated assets are substantially located in the PRC, no geographical information is presented.

Information about major customers

The Group had a large number of customers and none of whom contributed 10% or more of the Group’s revenue for the year ended 31 December 2024 (2023: Same).

	2024	2023
	RMB’000	*RMB’000*
		(re-presented)
Continuing operations:		
Recognised over time		
— Property management services	**127,481**	81,556
— Commercial operation	**1,899**	2,495
	129,380	84,051

The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

4. FINANCE COSTS — NET

	2024	2023
	RMB'000	*RMB'000*
		(re-presented)
Continuing operations:		
Interest expenses for bank and other borrowings	**(467,326)**	(468,661)
Default interest	**(77,539)**	(32,235)
	(544,865)	(500,896)
Foreign exchange loss on financing activities — net	**(162,458)**	(79,065)
	(707,323)	(579,961)
Finance income: Bank interest income	**23**	90
Finance costs — net	**(707,300)**	(579,871)

5. LOSS BEFORE INCOME TAX

	2024	2023
	RMB'000	*RMB'000*
		(re-presented)
Continuing operations:		
Direct costs (including cleaning fees, repair and maintenance, security service fees and etc.)	**57,891**	43,508
Legal and professional fees	**23,575**	10,601
Depreciation charged on property, plant and equipment	**172**	176
Staff costs (including directors' emoluments) comprise of:		
Basic salaries	**31,364**	41,477
Bonuses and other benefits	**1,749**	1,835
Contributions to defined contribution pension plans	**5,640**	5,658
Staff costs charged to the profit or loss	**38,753**	48,970
Auditor's remuneration	**940**	3,035
— Audit services	**940**	2,400
— non-audit services	**–**	635
Short-term lease payments	**42**	89

6. INCOME TAX EXPENSE/(CREDIT)

The amount of taxation in the consolidated statement of comprehensive income represents:

	2024	2023
	RMB'000	*RMB'000*
		(re-presented)
Continuing operations:		
Current year		
PRC corporate income tax expenses	**6,094**	–
Under/(over) provision in prior years		
— PRC corporate income tax	**1,238**	(2,330)
Deferred tax		
— PRC corporate income tax	**(1,636)**	–
Total income tax expense/(credit)	**5,696**	(2,330)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.

PRC corporate income tax

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group's entities located in the PRC is 25%.

Certain PRC subsidiaries of the Group, which are small size and low-profit enterprise under the Law of the PRC on Enterprise Income Tax, are entitled to effective PRC corporate income tax of 5% for first RMB3 million of their annual taxable income with effective period from 1 January 2023 to 31 December 2027.

PRC withholding income tax ("WHT")

Under the Enterprise Income Tax ("**EIT**") Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. The relevant overseas holding companies have successfully obtained endorsement from the PRC tax bureau to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group.

Overseas income tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions.

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year (2023: Nil).

7. (LOSS)/EARNINGS PER SHARE

	2024	2023
	RMB'000	*RMB'000*
		(re-presented)
(Loss)/profit for the year attributable to owners of the Company:		
From continuing operations	**(8,359,290)**	(625,862)
From discontinued operations	**3,603,412**	(2,863,525)
	(4,755,878)	(3,489,387)
	Number of share	
	'000	*'000*
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**8,446,331**	8,446,331
(Loss)/earnings per share		
From continuing and discontinued operations		
Basic and diluted (expressed in RMB)	**(0.563)**	(0.413)
From continuing operations		
Basic and diluted (expressed in RMB)	**(0.990)**	(0.074)
From discontinued operations		
Basic and diluted (expressed in RMB)	**0.427**	(0.339)

Basic (loss)/earnings per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2024, the dilutive potential ordinary shares of the Company are share options (2023: Same). The calculation of share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The calculation of the diluted (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of ordinary shares after adjustment for the effect of the exercise of the Company's outstanding share options (2023: Same).

As the Group incurred loss attributable to owners of the Company from continuing operations for the year ended 31 December 2024, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive (2023: Same).

For the year ended 31 December 2024, the assumed conversion of potential ordinary shares in relation to the share option has anti-dilutive effect to the basic earnings per share from discontinued operations as the average market price of ordinary shares lower than the exercise price of the share options during the year (2023: the impact of the dilutive potential ordinary shares outstanding had an anti-dilutive effect on the basic loss per share from discontinuing operations amounts presented for the year).

8. DIVIDENDS

No dividend for the year ended 31 December 2024 (2023: Nil) has been proposed by the Current Management.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
— Third parties, gross	**25,241**	164,950
Less: Loss allowance	**(6,716)**	(20,016)
	18,525	144,934
— Deconsolidated Subsidiaries, gross	**48,951**	–*
Less: Loss allowance	**(48,951)**	–*
	–	–
	18,525	144,934
Other receivables, deposits:		
Amounts due from non-controlling interests, gross	**–**	921,828
Less: Loss allowance	**–**	(275,402)
	–	646,426
Loan to the Borrower, gross	**–**	349,000
Less: Loss allowance	**–**	(161,357)
	–	187,643

* Balances were eliminated on consolidation as at 31 December 2023.

	2024	2023
	RMB'000	*RMB'000*
Guarantee deposit of an urban redevelopment project kept by a monitoring governmental authority	**–**	409,940
Sale proceeds kept by a monitoring governmental authority	**–**	136,333
Maintenance funds paid on behalf of properties owners	**–**	53,224
Tender deposit in development project	**–**	45,510
Unpaid up capital to be contributed by a non-controlling shareholder of a subsidiary	**–**	96,900
Wage deposit for migrant workers	**–**	16,547
Others	**19,199**	162,740
	19,199	921,194
Less: Loss allowance	**(16,483)**	(47,473)
	2,716	873,721
	2,716	1,707,790
Prepayments:		
Prepaid construction costs	**–**	918,635
Prepaid taxes and surcharges	**–**	505,694
Prepayment for proposed projects	**–**	561,951
Others	**213**	–
	213	1,986,280
Less: Impairment loss	**–**	(155,798)
	213	1,830,482
Total other receivables, deposits and prepayments	**2,929**	3,538,272
Less: prepayment classified as non-current assets	**–**	(352,351)
Other receivables, deposits and prepayment classified as current assets	**2,929**	3,185,921

The majority of the Group's trade receivables were derived from property management services (2023: sale of properties). Proceeds in respect of sales of properties, property management services and rental income are to be received in accordance with the terms of related sales and purchase agreements, property management service contracts and rental contracts. All trade receivables are due from independent third parties and Deconsolidated Subsidiaries (2023: independent third parties).

The ageing analysis of gross trade receivables as at the respective balance sheet date, based on the date of services provided and the revenue recognised, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**4,044**	423
Over 30 days and within 90 days	**6,287**	186
Over 90 days and within 365 days	**14,268**	623
Over 365 days	**49,593**	163,718
	74,192	164,950

10. BANK AND OTHER BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Non-current		
Bank borrowings		
— Secured	**–**	2,632,066
Other borrowings		
— Secured	**–**	663,541
— Unsecured	**–**	264,406
Bonds		
— Unsecured	**–**	1,826,033
Less: current portion of non-current borrowings	**–**	(498,371)
	–	4,887,675
Current		
Current portion of non-current borrowings	**–**	498,371
Bank borrowings		
— Secured	**499,248**	956,726
— Unsecured	**–**	88,760
Other borrowings		
— Secured	**–**	1,256,272
— Unsecured	**–**	11,080
Notes		
— Secured	**2,205,072**	1,932,667
— Unsecured	**–**	2,606,618
Bonds		
— Secured	**–**	216,037
— Unsecured	**2,351,278**	166,283
	5,055,598	7,732,814
Total	**5,055,598**	12,620,489

11. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
— Deconsolidated Subsidiaries	**10,064**	–
— Third parties	**23,303**	23,768
	33,367	23,768
Accruals and other payables		
Construction costs payable	**–**	3,317,972
Accrued taxes and surcharges before completion and settlement of project	**765**	772,964
Other payables and accruals		
— Third parties	**13,493**	1,160,322
Litigation costs	**–**	11,040
Tender payable to the suppliers	**–**	28,823
Receipt in advance, rental and other deposits from residents and tenants		
— Related parties	**–**	18
— Deconsolidated Subsidiaries	**24**	–
— Third parties	**51,753**	55,197
Accrued staff salaries and bonuses	**7,200**	32,200
	73,235	5,378,536

The ageing analysis of trade payables, based on the transaction date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**9,767**	7,765
Over 30 days and within 90 days	**7,402**	4,555
Over 90 days and within 365 days	**4,493**	4,717
Over 365 days	**11,705**	6,731
Total trade payables	**33,367**	23,768

12. COMMITMENTS

(a) Operating leases commitments

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable short-term operating leases in respect of office premises and staff quarters which fall due as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**89**	3,371

(b) Other commitments

	2024	2023
	RMB'000	*RMB'000*
Expenditure contracted but not provided for in respect of		
— Property construction and development costs	**–**	6,590,016

13. LITIGATIONS, PROVISION AND CONTINGENT LIABILITIES

Save as disclosed elsewhere in the consolidated financial statements, as at 31 December 2024, the Group has been involved in several lawsuits, provision has been made for the probable losses to the Group based on management's assessment on the outcome of the lawsuits and none of these is expected to have a significant effect on the consolidated financial statements of the Group. Other than those disclosed elsewhere in the financial statements, the Group has no other significant contingent liabilities.

Up to the date of approval of the consolidated financial statements, the number of pending litigations relating to the daily operations payables and other matters with a total subject amount of approximately RMB4,245,000. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations after taking the internal legal advice.

14. DISCONTINUED OPERATION

As disclosed in Note 3, the results of the Group's property development segment and investment property segment, as a result of the derecognition of the Deconsolidated Subsidiaries (Note 2(g)), for the period from 1 January 2024 to 30 June 2024 were presented as discontinued operations in the consolidated statement of comprehensive income for the year ended 31 December 2024, and the corresponding comparative figures for the year ended 31 December 2023 were also restated to conform with the classification of the current year.

The profit/(loss) from the discontinued operations is analysed as follows:

	Note	**2024** *RMB'000*	2023 *RMB'000*
Loss from discontinued operations		**(482,476)**	(3,227,870)
Gain on Deconsolidation	*15(a)*	**4,028,033**	–
		3,545,557	(3,227,870)

The results of the discontinued operations for the period from 1 January 2024 to 30 June 2024 and the corresponding comparative figures for the year ended 31 December 2023, which have been included in the consolidated statement of comprehensive income, are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Revenue	**394,393**	1,548,304
Cost of sales and services	**(517,359)**	(1,672,642)
Gross loss	**(122,966)**	(124,338)
Other gains/(losses) — net	**3,882**	(23,860)
Sales and marketing expenses	**(25,850)**	(166,879)
Administrative and other expenses	**(59,963)**	(406,726)
Fair value changes in investment properties	**–**	(294,500)
Impairment loss of properties under development and properties held for sale	**–**	(928,212)
Impairment loss on interest in a joint venture	**–**	(20,162)
Impairment loss of property, plant and equipment	**–**	(1,000)
Impairment loss of trade receivables		(2,036)
Impairment loss of deposits and other receivables	**–**	(4,536)
Impairment loss of loan to the borrower	**–**	(15,228)
Impairment loss on prepayments	**–**	(155,798)
Impairment loss on amounts due from non-controlling interests	**–**	(154,429)
Loss on disposal of a subsidiary	**–**	(7,725)
Operating loss	**(204,897)**	(2,305,429)
Finance costs — net	**(268,632)**	(639,500)
Loss before income tax	**(473,529)**	(2,944,929)
Income tax expense	**(8,947)**	(282,941)
Loss for the period/year	**(482,476)**	(3,227,870)

15. DECONSOLIDATION OF SUBSIDIARIES

(a) The assets and liabilities of the Deconsolidated Subsidiaries on the date of Deconsolidation, which is based on the management accounts adopted in preparation of last published interim condensed consolidated financial statements and the calculation of the gain arising thereon were as follows:

	1 July 2024
	RMB'000
Property, plant and equipment	59,534
Right-of-use assets	199,348
Investment properties	2,626,600
Financial assets at fair value through other comprehensive income	75,023
Properties under development	11,126,723
Deferred tax assets	194,113
Properties held for sale	2,290,532
Trade receivables	161,475
Other receivables, deposits and prepayments	3,543,991
Amounts due from the existing group	2,470,202
Contract costs	90,998
Restricted cash	131,681
Cash and cash equivalents	12,136
Trade payables	(7,634)
Accruals and other payables	(5,742,029)
Amounts due to the existing group	(7,585,152)
Contract liabilities	(2,353,680)
Lease liabilities	(184,772)
Bank and other borrowings	(8,557,811)
Income tax payable	(1,683,034)
Deferred tax liabilities	(261,572)
Net liabilities disposed of	(3,393,328)
Reversal of non-controlling interests upon derecognition	(634,705)
Gain on Deconsolidation	4,028,033
Deemed consideration on Deconsolidation	–
Net cash flows arising on Deconsolidation	
Cash and cash equivalents of the Deconsolidated Subsidiaries	(12,136)

(b) Amounts due from the Deconsolidated Subsidiaries

	1 July and 31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Amounts due from Deconsolidated Subsidiaries, gross	**7,585,152**	NA*
Less: Loss allowance	**(7,585,152)**	NA*
	–	NA*

* Balances were eliminated on consolidation as at 31 December 2023.

At 31 December 2024, the balances are unsecured, interest free and repayable on demand.

(c) Amounts due to the Deconsolidated Subsidiaries

At 31 December 2024, the balances are unsecured, interest free and repayable on demand.

16. SUBSIDIARIES

Details of the Company's subsidiaries at each reporting date are as follows:

Name of subsidiaries	Place of incorporation/ establishment/ operation	Particulars of issued ordinary shares/paid-up capital		Percentage of equity interest held by the Company				Principal activities
		2024	2023	**2024 Directly**	**2024 Indirectly**	2023 Directly	2023 Indirectly	
Skyfame Inno Youth Smart Link Services Limited	Cayman Island	**US$1**	US$1	**100%**	**–**	100%	–	Investment holding
Skyfame Inno Youth Limited	BVI	**US$1**	US$1	**–**	**100%**	–	100%	Investment holding
Skyfame Services Limited	Hong Kong	**HK$1**	HK$1	**–**	**100%**	–	100%	Investment holding
廣州譽創投資控股有限公司 (Guangzhou Yuchuang Investment Holdings Co. Ltd)*	PRC	**RMB2,334,500**	RMB2,334,500	**–**	**99%**	–	99%	Investment holding
廣州市天譽物業管理有限公司 (Guangzhou Tianyu Property Management Company Limited)*	PRC	**RMB53,000,000**	RMB53,000,000	**–**	**99%**	–	99%	Property management services in the PRC
廣州市天譽科技創新投資有限公司 (Guangzhou Tianyu Technology Innovative Company Limited)*	PRC	**RMB800,000**	RMB800,000	**–**	**99%**	–	99%	Property management services in the PRC

Name of subsidiaries	Place of incorporation/ establishment/ operation	Particulars of issued ordinary shares/paid-up capital 2024	2023	Percentage of equity interest held by the Company 2024 Directly	2024 Indirectly	2023 Directly	2023 Indirectly	Principal activities
廣州市天譽房產經紀有限公司 (Guangzhou Tianyu Property Agency Company Limited)*	PRC	–	–	–	99%	–	99%	Property management services in the PRC
廣州市譽享家生活服務有限公司 (Guangzhou Yuxiang Jiashenghuo Services Company Limited)*	PRC	–	–	–	99%	–	99%	Property management services in the PRC
南寧魚窩企業孵化器有限公司 (Nanning Yuwo Qiye Fuhuaqi Company Limited)*	PRC	–	–	–	99%	–	99%	Commercial operation in the PRC
廣州魚窩孵化器管理有限公司 (Guangzhou Yuwo Fuhuaqi Management Company Limited)*	PRC	–	–	–	99%	–	99%	Commercial operation in the PRC
重慶魚窩企業孵化器管理有限公司 (Chongqing Yuwo Qiye Fuhuaqi Management Company Limited)*	PRC	–	–	–	99%	–	99%	Commercial operation in the PRC
重慶魚先生商業運營管理有限公司 (Chongqing Yuxiansheng Business Operations Management Company Limited)*	PRC	–	–	–	99%	–	99%	Property management services in the PRC
重慶市家譽物業管理有限公司 (Chongqing Jiayu Property Management Co., Ltd.)*	PRC	–	–	–	99%	–	99%	Property management services in the PRC
徐州市天譽物業管理有限公司 (Xuzhou Tianyu Property Management Company Limited)*	PRC	–	–	–	99%	–	99%	Property management services in the PRC
廣東天譽物業管理有限公司 (Guangdong Tianyu Property Management Company Limited)*^ (Incorporated on 21 November 2025)	PRC	–	–	–	99%	–	99%	Inactive
佛山市天譽物業管理有限公司 (Foshan Tianyu Property Management Co., Ltd.)* (Deregistered on 20 June 2025)	PRC	–	–	–	99%	–	99%	Inactive
廣州市興譽物業管理有限公司 (Guangzhou Xingyu Property Management Co., Ltd.)* (Deregistered on 24 February 2025)	PRC	–	–	–	99%	–	99%	Inactive

* *English name is for identification purpose only*

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Group:

Basis for Disclaimer of Opinion

Limitation of scope — Deconsolidation of subsidiaries

As disclosed in Notes 2(f), 2(g) and 33 to the consolidated financial statements for the year ended 31 December 2024, the current directors of the Company (the "**Current Board**") and the joint provisional liquidators (the "**JPLs**", and together with the Current Board, the "**Current Management**") have been unable to have access to the accounting books and records and the local management and other personnel, including the finance teams, of certain subsidiaries of the Company (the "**Deconsolidated Subsidiaries**"), which are primarily engaged in property development and property investments in the People's Republic of China (the "**PRC**"). In preparing the consolidated financial statements, the Current Management considered certain events and conditions that occurred during and subsequent to the year ended 31 December 2024 which in their opinion resulted in the Group losing control over certain of the Deconsolidated Subsidiaries under HKFRS 10 "Consolidated Financial Statements" ("**HKFRS 10**"). Accordingly, reassessment of control over the subsidiaries of the Group (the "**Reassessment**") was performed by the Current Management for the purposes of the preparation of the consolidated financial statements. As a result of the Reassessment, the Current Management determined that the Deconsolidated Subsidiaries shall be deconsolidated from the consolidated financial statements on the basis set out below.

As disclosed in Note 2(g) to the consolidated financial statements, during and subsequent to 31 December 2024, various enforcement actions have been initiated against certain of the Deconsolidated Subsidiaries, which are primarily engaged in property development and property investments in the PRC, due to breaches of loan covenants, defaults in repayment of borrowings and failures to settle outstanding subcontracting obligations.

Pursuant to the enforcement actions, including notices and asset freezing orders issued by the PRC authorities during and after 31 December 2024 as became aware and known to the Current Management, the operations of these Deconsolidated Subsidiaries have been suspended or have ceased, and substantially all of their assets have been distrained, seized, and are currently subject to judicial auctions or compulsory sales.

Furthermore, certain of these property-development subsidiaries are also subject to the "Guarantee House Delivery" policy implemented by the PRC local government, which imposes additional restrictions on use of those properties.

As disclosed in Note 2(g)(i) to the consolidated financial statements, the Court of First Instance of the High Court of Hong Kong Special Administration Region issued the ruling on 25 September 2024 that the appointment of joint and several receivers and managers of Guangzhou Zhoutouzui Development Limited ("**GZDL**"), an indirect wholly owned Hong Kong subsidiary of the Company, was valid. In the opinion of the Current Management, the Group had no control over GZDL and its operating subsidiary (the "**GZDL Group**") on and after this date.

Due to lack of access to the underlying books and records, and management personnel, of the subsidiaries referred to above, as well as certain of the Deconsolidated Subsidiaries which are primarily investment holding companies and were immaterial to the Group, the Current Management are unable to obtain the requisite information and supporting documents to complete the Reassessment to determine (i) whether the Group retained control over the relevant Deconsolidated Subsidiaries as at 31 December 2024, and (ii) if control has been lost as at 31 December 2024, the date in 2024 on which such loss of control occurred.

Based on the above circumstances, the Current Management, having also considered the supporting legal opinions, have concluded that it is not practicable, as of the date of this report, to apply the requirements of HKFRS 10 that all subsidiaries controlled by the Company and its subsidiaries should be included in the consolidated financial statements up until the respective dates that control over these subsidiaries was lost.

Pursuant to the revised debt restructuring proposal ("**Revised Debt Restructuring Proposal**") prepared and presented by the Company to the Bermuda Court, as disclosed in Note 2(f) to the consolidated financial statements, the legal ownership of the Deconsolidated Subsidiaries would be transferred to a special purpose vehicle ("**SPV**") upon completion of the revised debt restructuring. The Current Management consider the Group is unable to exercise its rights as the major shareholder to control the assets and operations of the Deconsolidated Subsidiaries, and that the Group no longer controls these subsidiaries, as of the date of approval of the consolidated financial statements, and even if control existed as at 31 December 2024, these subsidiaries would eventually be transferred to the SPV as described in Note 2(f) to the consolidated financial statements.

After taking into consideration the abovementioned facts and circumstances, the Current Management are of the opinion that the Deconsolidated Subsidiaries shall be deconsolidated from the consolidated financial statements of the Group with effect from 1 July 2024. In the opinion of the Current Management, the financial results and financial position of these subsidiaries should no longer be included in the Group's consolidated financial statements with effect from 1 July 2024, as (i) the Group no longer controls these subsidiaries as of the date of approval of the consolidated financial statements; (ii) the legal ownership over these subsidiaries would eventually be transferred to the SPV as described in Note 2(f) to the consolidated financial statements; and (iii) due to lack of access to the underlying books and records, and management personnel, of these subsidiaries, the Current Management are unable to obtain the requisite financial information and supporting documents of these subsidiaries to consolidated any of them up to date after 1 July 2024.

As represented by the Current Management, as at the date of this report, the retrieval of copies of the complete books and records and supporting documents and reconstruction of the accounting books and records of the Deconsolidated Subsidiaries remain incomplete. Moreover, the Current Management do not expect that sufficient relevant information and accounting books and records would become available in the foreseeable future to enable the exact dates of loss of control over the Deconsolidated Subsidiaries to be determined, and to consolidate, or quantify the impact of deconsolidation with effect from 1 July 2024, all the Deconsolidated Subsidiaries up to and on those respective dates. Consequently, the Current Management have determined that the consolidated financial statements of the Group have prepared on the basis that all Deconsolidated Subsidiaries were deconsolidated with effect from 1 July 2024 represented the most complete set of financial information in respect of those Deconsolidated Subsidiaries that have been retained by the Group after the resignation or disappearance of the local management and other personnel as the financial information of the Deconsolidated Subsidiaries in respect of the year ended 31 December 2024 that are available to the Group are those that were included in the published interim financial information of the Group for the six months ended 30 June 2024 ("**PE2024**").

The deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2024 resulted in the recognition in the consolidated statement of comprehensive income of the Group of a net profit from discontinued operations of approximately RMB3,545,557,000 for the year ended 31 December 2024. This comprised a loss from operations of those Deconsolidated Subsidiaries of RMB482,476,000 for the period from 1 January 2024 to 30 June 2024 and a gain on deconsolidation of the Deconsolidated Subsidiaries of approximately RMB 4,028,033,000, all of which were determined based on the financial information of the Deconsolidated Subsidiaries that were included in arriving at the condensed consolidated financial statements included in the published interim financial information of the Group for the PE2024. In addition, the impairment loss of approximately RMB7,585,152,000 and RMB48,951,000 were recognised in the consolidated statement of comprehensive income of the Group for the year ended 31

December 2024 as a result of the recognition of full impairment of the amounts due from the Deconsolidated Subsidiaries and the trade receivables due from the Deconsolidated Subsidiaries as at the date of deconsolidation, respectively.

The deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2024 resulted in the exclusion from the consolidated financial statements of the assets, liabilities and reserves of the Deconsolidated Subsidiaries as at 31 December 2024, irrespective of whether control of the Deconsolidated Subsidiaries were lost as at 31 December 2024, and of the revenue, income, expenses, and cash flows of the Deconsolidated Subsidiaries from 1 July 2024 to 31 December 2024, irrespective of the date of loss of control. In accordance with the requirements of HKFRS 10, all subsidiaries controlled by the Company and its subsidiaries should be included in the consolidated financial statements up until the respective dates that control over these subsidiaries was lost. The facts and circumstances described above are not sufficient to satisfy us that the Group had lost control over the Deconsolidated Subsidiaries with effect from 1 July 2024. Under HKFRS 10, the Company should have consolidated these Deconsolidated Subsidiaries in its consolidated financial statements for the year ended 31 December 2024 up until the date control over these subsidiaries was lost. Had the Deconsolidated Subsidiaries been consolidated up until, and deconsolidated at, the date of loss of control under HKFRS 10, many elements in the consolidated financial statements for the year ended 31 December 2024 might have been materially affected.

As a result of the above matters, we were unable to obtain sufficient appropriate audit evidence to ascertain the matters in respect of the deconsolidation of the Deconsolidated Subsidiaries, as follows:

a. The consolidation of the Deconsolidated Subsidiaries up until 30 June 2024 and their deconsolidation on 1 July 2024 was prepared based on the published interim financial information of the Group for PE2024. This determination was made by Current Management based on the availability of the unaudited management accounts of the Deconsolidated Subsidiaries for PE2024 which were consolidated in the Group's interim condensed consolidated financial statements for PE2024 published on 30 September 2024. The financial performance and cash flows of the Deconsolidated Subsidiaries for the period from 1 January 2024 to 30 June 2024 were included in the consolidated statement of comprehensive income and consolidated statement of cash flows, respectively, of the Group for the year ended 31 December 2024 and the financial performance and cash flows of the Deconsolidated Subsidiaries after 30 June 2024 have not been included in the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2024. These accounting outcomes would not be in accordance with the requirements of HKFRS 10 referred to above if the control of the respective Deconsolidated Subsidiaries was lost before or after that date. Furthermore, the assets, liabilities and reserves of the Deconsolidated Subsidiaries as at 31 December 2024, irrespective of whether control over those subsidiaries was lost or retained by the Group as at that date, were not included in the consolidated statement of financial position of the Group as at 31 December 2024. This accounting outcome would not be in accordance with the requirements of HKFRS 10 referred to above if the control of the respective Deconsolidated Subsidiaries was not yet lost before that 31 December 2024 date.

Due to the lack of access to the complete accounting books and records and the local management and other personnel of the respective Deconsolidated Subsidiaries, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the Group had lost control over any or all of the Deconsolidated Subsidiaries with effect from 1 July 2024. For the same reasons, we were also unable to perform audit procedures to satisfy ourselves that (i) the revenue, other income, expenses, other losses of the Deconsolidated Subsidiaries for the period from 1 January 2024 to 30 June 2024 as included in the consolidated financial statements and (ii) the carrying amounts of the assets, liabilities and reserves of the Deconsolidated Subsidiaries as at 1 July 2024 that entered into the calculation of the net gain from deconsolidation of the Deconsolidated Subsidiaries and (iii) the profit from discontinued operations presented in consolidated statement of comprehensive income of the Group for the year ended 31 December 2024 of approximately RMB3,545,557,000, as well as the cash flows and related disclosures set out in the notes to the consolidated financial statement, were free from material misstatements as we were unable to perform any satisfactory audit procedures in respect of these items. We were also unable to satisfy ourselves that the presentation, classification and disclosure of the loss from operations of the Deconsolidated Subsidiaries of RMB482,476,000 for the period from 1 January 2024 to 30 June 2024 and the gain on deconsolidation of the Deconsolidated Subsidiaries of approximately RMB 4,028,033,000 as net profit from discontinued operations for the year ended 31 December 2024 were appropriate as we were unable to be satisfied that the whole component of the Group represented by the Deconsolidated Subsidiaries had been disposed of during the year ended 31 December 2024. In addition, we were unable to obtain information about the financial effects of the exclusion from the consolidated financial statements of the revenue, other income, expenses, and other losses of the Deconsolidated Subsidiaries for the period from 1 July 2024 to 31 December 2024, or to the respective dates of loss of control if earlier, and the assets, liabilities and reserves of the Deconsolidated Subsidiaries as at 31 December 2024 that have been excluded from the consolidated financial statements in respect of those Deconsolidated Subsidiaries which the Group had not lost control as at 31 December 2024.

b. As at 31 December 2024, the gross carrying amounts of amounts due from the Deconsolidated Subsidiaries and trade receivables from the Deconsolidated Subsidiaries were approximately RMB7,585,152,000 and RMB48,951,000 respectively.

   No relevant information about credit risk of the amounts due from the Deconsolidated Subsidiaries and trade receivables due from the Deconsolidated Subsidiaries was available for the purpose of impairment assessments to be carried out in accordance with HKFRS 9 "Financial Instruments" as at 31 December 2024. The Current Management have recognised the impairment loss to fully write down the amounts due from the Deconsolidated Subsidiaries and trade receivables due from the Deconsolidated Subsidiaries in consideration of these amounts to be credit-impaired. Due to the circumstances as described herein, we are unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves that the impairment loss recognised in consolidated statement of comprehensive income for the year ended 31 December 2024 of approximately RMB7,585,152,000 and RMB48,951,000 respectively, and the credit risk disclosures in relation to these balances, were free from material misstatements.

c. Due to the lack of access to the complete accounting books and records of the Deconsolidated Subsidiaries, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves the Group's disclosures and accounting treatment for contingent liabilities and commitments were complete, accurate and in compliance with applicable accounting standards. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether there existed material amounts of contingent liabilities and commitments in relation to the Deconsolidated Subsidiaries as at 31 December 2024.

As described in (a) to (c) above, we have not been able to obtain sufficient appropriate audit evidence to enable us to assess the financial effects of the matters to which the Deconsolidated Subsidiaries relate. Consequently, we were unable to determine the nature and amounts of any adjustments that were necessary in respect of the aforementioned financial effects and disclosures on the consolidated financial statements of the Group of the matters to which the Deconsolidated Subsidiaries relate.

Any adjustment that might have been found to be necessary in respect of the above may have a significant consequential effect on the net liabilities of the Group as at 31 December 2024 and its net loss, the elements making up the statement of changes in equity and cash flows for the year then ended and the related disclosures thereof in the consolidated financial statements.

d. As disclosed in Note 41 to the consolidated financial statements, the Company-level statement of financial position as at 31 December 2024 included the amounts due from the Deconsolidated Subsidiaries of approximately RMB6,758,962,000. For the same reasons as described in (b) above, no sufficient documentation of impairment assessment of the amounts due from the Deconsolidated Subsidiaries as at 31 December 2024 was made available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the impairment loss of the receivable balances were properly assessed as at 31 December 2024. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment losses recognised in respect of these receivable balances for the year ended 31 December 2024 and the gross carrying amounts as at 31 December 2024 were free from material misstatements.

   Any adjustments found to be required may have significant consequential effects on the carrying amounts of the amounts due from subsidiaries, and the impairment loss in respect thereof as at 31 December 2024 and hence on the net liabilities of the Company as at 31 December 2024 and related disclosures in the Company-level statement of financial position and reserves.

Limitation of scope — appropriateness of the going concern basis of preparing the consolidated financial statements

As set out in Note 2(e) to the consolidated financial statements, during the year ended 31 December 2024, the Group incurred a net loss of approximately RMB4,814,015,000 and as of that date, the Group's net current liabilities and net liabilities amounted to approximately RMB7,658,180,000 and RMB7,654,650,000 respectively. As at 31 December 2024, the Group's total bank and other borrowings (collectively, the "**Borrowings**") and amounts due to the Deconsolidated Subsidiaries amounted to approximately RMB5,055,598,000 and RMB2,470,202,000 respectively, while the Group had total bank balances and cash of approximately RMB14,007,000.

As detailed in our auditor's report on the consolidated financial statements of the Group for the years ended 31 December 2023 and 2022, the JPLs were appointed by the Commercial Court of the Supreme Court of Bermuda (the "**Bermuda Court**") with "light touch" approach and the Group entered into a restructuring support agreement (the "**RSA**") with respective creditors for the proposed debt restructuring scheme.

On 3 February 2025, the Company had terminated the RSA in accordance with the terms of the RSA. On 14 November 2025, the Company was ordered to be wound up by the Bermuda Court.

The conditions described above indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

As further explained in Note 2(e) to the consolidated financial statements, the Current Management have been taking measures to improve the liquidity and solvency position of the Group. These measures include (i) identified an investor for putting forward a Revised Debt Restructuring Proposal of the Company and provision of loans to the Company; and (ii) putting forward the Revised Debt Restructuring Proposal to the creditors of the Company by way of Scheme of Arrangement (defined in Note 2(f)(vi) to the consolidated financial statements); (iii) speeding up the collection of receivables process; and (iv) tightening operating cash outflows through cutting costs and capital expenditures.

The Group continues to seek new business opportunities to improve its profitability and business prospects, consolidate or streamline its existing business, enhance its future business development and strengthen its revenue base, and may diversify into other businesses should suitable opportunities arise.

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed Scheme of Arrangement of the Company will be supported from the requisite majority of creditors and court sanction as disclosed in Note 2(f) to the consolidated financial statements, and that the Group will be discharged from most of the liabilities and continue to meet in full its remaining financial obligations as they fall due in the foreseeable future. The consolidated financial statements for the year ended 31 December 2024 do not include any adjustments arising from the winding-up of the Company in Bermuda.

As at the date of approval of the consolidated financial statements, the implementations of the above measures are still in progress. We were advised by the Current Management that the proposed Scheme of Arrangement has not yet obtained the requisite support from the creditors.

Accordingly, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of sufficient appropriate audit evidence in relation to the Revised Debt Restructuring Proposal and measures for future actions in its going concern assessment which take into account the uncertainty of outcome of these plans and how variability in outcome would affect the future cash flows of the Group. Because of the significance of the matters above, we are unable to form an opinion as to whether the use of going concern assumption in the preparation of 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 assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements and we were unable to determine whether such adjustments might have been found necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2024

BUSINESS REVIEW

Following the deconsolidation of the property development and property investment segments in the course of the restructuring, the Group will focus on the property management business and commercial operation segment going forward. The property management service business rooted in Guangzhou, with operations across the Greater Bay Area and other key regions in the PRC, including the Guangxi Zhuang Autonomous Region, Chongqing Municipality and Yunnan province. The business was established in Guangzhou in 2000 and has over 26 years of operating experience in the PRC property management service industry.

The Group primarily provides the following types of property management services to property owners, residents and property developers:

- Security services — including patrolling, electronic access control, manned guard stations, video surveillance, carpark management, visitor management and emergency response, provided through the Restructured Group's own employees and subcontractors;

- Cleaning, gardening and greening services — including general cleaning, waste clearance and pest control for common areas and public facilities, together with gardening and greening of common areas, provided through the Restructured Group's own employees and third-party subcontractors; and

- Repair and maintenance services — covering common area facilities and ancillary equipment (such as lifts, escalators and central air-conditioning), fire and safety facilities, security facilities and utility facilities, provided through the Restructured Group's own employees and third-party subcontractors.

As at 31 December 2024, the Group's contracted property management services spanned across 8 cities in the PRC (2023: 8 cities), with a total contracted GFA of approximately 4.7 million sq.m. (2023: approximately 4.4 million sq.m.) and a total GFA under management of approximately 3.4 million sq.m (2023: approximately 3.2 million sq.m.. The Group's portfolio of managed properties comprises residential properties and non-residential properties (including commercial properties and office buildings).

The following table sets out the number of properties and the GFA under the Group's management, and the number of properties and the GFA contracted to be managed by it, in each case as at 31 December 2024 and 31 December 2023:

	As at 31 December 2024	As at 31 December 2023
Number of properties under management	**17**	17
Number of properties contracted to manage	**17**	17
GFA under management *('000 sq.m.)*	**3,357**	3,220
Contracted GFA *('000 sq.m.)*	**4,745**	4,421

The Group maintains a broadly balanced geographic presence across the Greater Bay Area, the Guangxi Zhuang Autonomous Region, Chongqing Municipality and Yunnan province. The table below sets out a breakdown of the total GFA under management by geographic region of the Group as at 31 December 2024 and 31 December 2023.

	As at 31 December 2024 ***('000 sq.m.)***	As at 31 December 2023 *('000 sq.m.)*
Greater Bay Area	**583**	583
Guangxi Zhuang Autonomous Region	**1,682**	1,682
Chongqing Municipality	**515**	515
Yunnan province	**577**	440
Total GFA under management	**3,357**	3,220

The property management business maintains offices across the Greater Bay Area, Chongqing, Nanning and Kunming. As at 31 December 2024, approximately 376 (2023: 431) of the Group's full-time staff were deployed in these property management offices.

DISCONTINUED OPERATION

As disclosed in Note 3, the results of the Group's property development segment and investment property segment, as a result of the derecognition of the Deconsolidated Subsidiaries (Note 2(g)), for the period from 1 January 2024 to 30 June 2024 were presented as discontinued operations in the consolidated statement of comprehensive income for the year ended 31 December 2024, and the corresponding comparative figures for the year ended 31 December 2023 were also restated to conform with the classification of the current year.

FINANCIAL REVIEW

Revenue and gross profit

The revenue generated from continuing operations of the Group during the year ended 31 December 2024 (the "**Financial Year**") was approximately RMB129.4 million, an increase of about 53.9% from approximately RMB84.1 million in the corresponding period last year. This was mainly attributable to the increase in revenue generated from property management services.

Gross profit margin increased from 48.2% for the year ended 31 December 2023 to 55.3% for the Financial Year due to the stringent cost controls such as improvement in vendor engagement process.

Operating expenses

Sales and marketing expenses amounted to RMB0.6 million for the Financial Year, a decrease of 83.8% compared to RMB3.7 million in the last year due to the Company's cost planning arrangement.

Administrative and other expenses, amounting to RMB57.8 million (2023: RMB85.8 million), decreased by 32.6% compared to last year. The decrease in administrative and other expenses was primarily as a result of the stringent cost and expense controls.

Impairment losses

There was an amount totaled to RMB7,657.4 million impairment losses during the Financial Year. This mainly included impairment loss on amounts due from Deconsolidated Subsidiaries and Impairment loss of trade receivables from Deconsolidated Subsidiaries. Please refer to Note 2(g) above for the discussion on deconsolidation.

Finance cost — net

Finance costs, representing mainly the interests incurred on bank and other borrowings amounted to RMB707.3 million (2023: RMB579.9 million) for the year. Finance costs also included foreign exchange loss on financing activities of RMB162.5 million (2023: RMB79.1 million) of offshore loans denominated in HK$ and US$ booked at closing rates as a result of depreciation of RMB against the HK$ and US$ during the Financial Year.

Income tax expense

Income tax expense mainly includes provision of RMB6.1 million (2023: Nil) for corporate income tax on assessable earnings for the year, under-provision of corporate income tax in prior years of RMB1.2 million (2023: over-provision of RMB2.3 million) and the deferred tax credit of totaling RMB1.6 million (2023: Nil).

Loss for the year

Loss attributable to owners of the Company from continuing operations was approximately RMB8,359.3 million compared to approximately RMB625.9 million for the year ended 31 December 2023. The increase in loss was primarily due to the one-off impairment loss on amounts due from deconsolidated subsidiaries of approximately RMB7,585.2 million (2023: Nil).

Liquidity, Financial Resources and Capital Structure

Total assets of the Group amounted to RMB39.7 million (2023: RMB20,790.4 million), a 99.8% decrease from last year mainly attributable to the deconsolidation of subsidiaries as discussed in Note 2(g) above. The decrease was mainly reflected in the absence of investment properties (2023: RMB2,626.6 million), properties under development (2023: RMB11,250.5 million) and properties held for sale (2023: RMB2,315.8 million).

The Group's cash and cash equivalents excluding restricted cash as at 31 December 2024 amounted to approximately RMB14.0 million (31 December 2023: RMB52.7 million).

Total liabilities decreased from RMB22,985.2 million from 2023 to RMB7,694.3 million in 2024 mainly due to the deconsolidation of subsidiaries as discussed in Note 2(g) above.

The Group recorded net current liabilities of RMB7,658.2 million (31 December 2023: RMB5,057.0 million). The current ratio of 0.005 times (31 December 2023: 0.713 times) is calculated based on the current assets of RMB36.1 million (31 December 2023: RMB12,566.6 million) over the current liabilities of RMB7,694.3 million (31 December 2023: RMB17,623.6 million).

The borrowing to asset ratio of the Group as at 31 December 2024 was 127.7 (31 December 2023: 0.6), calculated based on total amount of borrowings of RMB5,055.6 million (31 December 2023: RMB12,620.5 million) divided by total assets of RMB39.7 million (31 December 2023: RMB20,790.4 million) as at that date.

The gearing ratio of the Group as at 31 December 2024 was -66.0% (31 December 2023: -575.0%), calculated based on total amount of borrowings of RMB5,055.6 million (31 December 2023: RMB12,620.5 million) divided by total deficits of RMB7,654.7 million (31 December 2023: RMB2,194.8 million) as at that date.

As at 31 December 2024 and 31 December 2023, the issued capital of the Company was approximately RMB26.1 million.

OUTLOOK

The Company will continue seek for restructuring based on the Revised Debt Restructuring Proposal and the removal for the winding up order.

Upon completion of the restructuring, the Group intends to pursue the following principal strategies with a view to restoring and growing the property management business:

- consolidate and expand its geographic presence in the Greater Bay Area and other regions in the PRC, and pursue new property management engagements from independent third party property developers so as to diversify its source of property management projects and reduce its historical reliance on the members of the carved-out group;

- continue to enhance the quality and efficiency of its property management services so as to strengthen customer satisfaction and retention across its portfolio of managed properties;

- continue to apply and upgrade its smart living service platform and other technologies to improve operational efficiency and service quality; and

- strengthen its human resources through recruitment, training and staff retention to support the continuing operations of the Group.

Looking ahead, the Company will seize the strategic opportunity presented by the industry's transition from "incremental expansion" to "stock-based deep cultivation" and deeply align itself with the policy wave of property service quality improvement during the 15th Five-Year Plan period. Against the backdrop of the industry's total GFA under management exceeding 34 billion sq.m. and the market size approaching RMB2.5 trillion, the Company will adhere to a "quality and efficiency first" strategy, continuously optimise its portfolio of managed projects, and enhance operational efficiency and service quality.

The Company will proactively capture the fast-growing market opportunities in value-added services. With the industry's value-added service revenue share expected to surpass 40% in 2026, the Company will leverage its existing community scenarios to extend its service chain into high-value-added areas such as home-based elderly care, community healthcare, and housekeeping services, thereby building a second growth curve that can withstand market cycles.

The Company will accelerate technology empowerment and smart transformation. As AI adoption becomes an industry standard, the Company will increase investment in its smart property management platform, using digital tools to achieve cost reduction, efficiency enhancement, and service upgrades.

The Company will deeply participate in the national strategies of urban renewal and grassroots governance. Seizing the opportunity arising from the "15th Five-Year Plan for Urban Renewal," which designates the "property service quality improvement initiative" as a major project, the Company will proactively expand new business formats such as urban services and public facility management, transforming itself from a traditional residential property service provider into a comprehensive urban service operator.

The Company will closely monitor policy developments, actively capitalising on the opportunities brought by the inclusion of the "Property Management Regulations" in the State Council's 2026 legislative work plan, as well as the upgrading of service quality demands arising from the "good housing" initiative as it moves from concept to practice. The Company will remain committed to high-quality development as its core principle, creating sustainable long-term value for its shareholders.

RISK MANAGEMENT

As a former mainland-based property developer now focused purely on property-management services, we remain exposed to a range of business risks. At present, the most material risks are revenue-pressure risks arising from the challenging real-estate market environment and residual liquidation-related risks inherited from our historical property-development business.

Homebuyers and property owners maintain cautious sentiment across the property market against the backdrop of falling property prices, evolving regulatory policies and muted confidence in market prospects. Weak market conditions may weigh on property-owner payment behaviours, contract renewal rates and new business acquisition, creating challenges for the Group to generate stable operating cash inflows from property-management services. Meanwhile, as the Company continues to progress its offshore debt-restructuring exercise for legacy obligations, it faces intermittent risk of liquidation-related legal proceedings brought by investors in respect of historical indebtedness.

To mitigate risks arising from the above-mentioned factors, management exercises tight oversight over financial resource allocation and business-development plans for the property-management segment. We also sustain active communication with investors to push forward offshore debt-restructuring proposals for legacy liabilities.

ADDRESSING ALL CONCERNS RAISED BY THE COMPANY'S AUDITORS

In the auditors' report of the Company for the year ended 31 December 2024, the Company's auditors issued disclaimer of opinion in the following matters, please refer to the auditor's report for full explanation:

1. Limitation of scope — Deconsolidation of subsidiaries

As disclosed in Notes 2(f), 2(g) and 33 to the consolidated financial statements for the year ended 31 December 2024, the Current Management have been unable to have access to the accounting books and records and the local management and other personnel, including the finance teams, of the Deconsolidated Subsidiaries, which are primarily engaged in property development and property investments in the PRC. In preparing the consolidated financial statements, the Current Management considered certain events and conditions that occurred during and subsequent to the year ended 31 December 2024 which in their opinion resulted in the Group losing control over certain of the Deconsolidated Subsidiaries under HKFRS 10. Accordingly, Reassessment was performed by the Current Management for the purposes of the preparation of the consolidated financial statements. As a result of the Reassessment, the Current Management determined that the Deconsolidated Subsidiaries shall be deconsolidated from the consolidated financial statements on the basis set out below. As a result of the above matters, the auditor were unable to obtain sufficient appropriate audit evidence to ascertain the matters in respect of the deconsolidation of the Deconsolidated Subsidiaries and therefore issue a disclaimer of opinion in this matter. Please refer to the "EXTRACT OF INDEPENDENT AUDITOR'S REPORT" for more details.

Based on the different circumstances, the Current Management, having also considered the supporting legal opinions, have concluded that it is not practicable, as of the date of this report, to apply the requirements of HKFRS 10 that all subsidiaries controlled by the Company and its subsidiaries should be included in the consolidated financial statements up until the respective dates that control over these subsidiaries was lost.

2. **Limitation of scope — appropriateness of the going concern basis of preparing the consolidated financial statements**

As set out in the consolidated financial statements, during the year ended 31 December 2024, the Group incurred a net loss of approximately RMB4,814,015,000 and as of that date, the Group's net current liabilities and net liabilities amounted to approximately RMB7,658,180,000 and RMB7,654,650,000 respectively. As at 31 December 2024, the Group's Borrowings and amounts due to the Deconsolidated Subsidiaries amounted to approximately RMB5,055,598,000 and RMB2,470,202,000 respectively, while the Group had total bank balances and cash of approximately RMB14,007,000.

Accordingly, the auditor have not been able to obtain sufficient appropriate audit evidence to satisfy themselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of sufficient appropriate audit evidence in relation to the Revised Debt Restructuring Proposal and measures for future actions in its going concern assessment which take into account the uncertainty of outcome of these plans and how variability in outcome would affect the future cash flows of the Group. Because of the significance of the matters above, the auditor are unable to form an opinion as to whether the use of going concern assumption in the preparation of the consolidated financial statements is appropriate.

The Company will continue to push forward for the identification of investor for putting forward a Revised Debt Restructuring Proposal of the Company and provision of loans to the Company; and putting forward the Revised Debt Restructuring Proposal to the creditors of the Company by way of Scheme of Arrangement to the consolidated financial statements and speeding up the collection of receivables process together with tightening operating cash outflows through cutting costs and capital expenditures. The Group continues to seek new business opportunities to improve its profitability and business prospects, consolidate or streamline its existing business, enhance its future business development and strengthen its revenue base, and may diversify into other businesses should suitable opportunities arise.

Impact of the Disclaimer on the Company's financial position

Should the Group fail to achieve the above-mentioned plans and measures and complete the proposed debt restructuring schemes, 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 value 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 effect of these adjustments have not been reflected in the consolidated financial statements of the Company for the year ended 31 December 2024.

MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OPINION

The directors of the Company have reviewed the Group's cash flow projections prepared by the management, which cover a period of 24 months from the date of approval of the consolidated financial statements. In the opinion of the directors of the Company, in light of the plans and measures as set out in note 2(e) and 2(f) of the notes to the consolidated financial statements and taking into account the anticipated cash flows to be generated from the Group's operations, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the management admitted that material uncertainties exist as to whether the Group is able to achieve its plans and measures as described in note 2(e) and 2(f) of the notes to the consolidated financial statements. Should the Group failed to achieve the mentioned plans and measures in note 2(e) and 2(f) to the consolidated financial statements, 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 the consolidated financial statements.

However, in respect of the assumptions regarding the successful and favourable outcomes of the plans and measures being undertaken by the management of the Company and the development of the events, no sufficient and appropriate audit evidence regarding the assumptions used in the going concern basis have been obtained by the Auditor during the audit. There were no other satisfactory audit procedures that Auditor could adopt to conclude whether it is appropriate to use the going concern assumption to prepare these consolidated financial statements. Therefore, the disclaimer opinion on going concern has been concluded by the Auditor.

There was no disagreement between the management of the Company and the Auditor regarding the Disclaimer, considering that the consolidated financial statements have been prepared by the management on a going concern basis, the validity of which depends on the outcome of the measures under management's assumptions, which are subject to multiple uncertainties. In all other respects, in the opinion of the Auditor, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

REMOVAL OF THE DISCLAIMER OF OPINION

For the Disclaimer of Opinion of limitation of scope for deconsolidation of subsidiaries, pursuant to the Revised Debt Restructuring Proposal prepared and presented by the Company to the Bermuda Court, the legal ownership of the Deconsolidated Subsidiaries would be transferred to a SPV upon completion of the revised debt restructuring. The Current Management consider the Group is unable to exercise its rights as the major shareholder to control the assets and operations of the Deconsolidated Subsidiaries, and that the Group no longer controls these subsidiaries, as of the date of approval of the consolidated financial statements, and even if control existed as at 31 December 2024, these subsidiaries would eventually be transferred to the SPV.

For the Disclaimer of Opinion of going concern, the Company will continue to push forward for the identification of investor for putting forward a Revised Debt Restructuring Proposal of the Company and provision of loans to the Company; and putting forward the Revised Debt Restructuring Proposal to the creditors of the Company by way of Scheme of Arrangement to the consolidated financial statements and speeding up the collection of receivables process together with tightening operating cash outflows through cutting costs and capital expenditures. The Group continues to seek new business opportunities to improve its profitability and business prospects, consolidate or streamline its existing business, enhance its future business development and strengthen its revenue base, and may diversify into other businesses should suitable opportunities arise.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to enhance its corporate governance standards by emphasizing transparency, independence, accountability, responsibility and fairness. The Company exercises corporate governance through the Board and various committees with designated functions.

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the 2024 financial statements, in compliance with the Corporate Governance Code as set out in Appendix C1 ("**Code Provision**") to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted its own Code of Conduct for Securities Transactions by Directors and Relevant Employees of the Company (the "**Code**") on terms no less exact than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix C3 to the Listing Rules and the Code is updated from time to time in accordance with the Listing Rules requirements. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standards as set out in the Code throughout the year under review.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CONTINGENT LIABILITIES, PROVISION AND LITIGATIONS

Save as disclosed elsewhere in the consolidated financial statements, as at 31 December 2024, the Group has been involved in several lawsuits, provision has been made for the probable losses to the Group based on management's assessment on the outcome of the lawsuits and none of these is expected to have a significant effect on the consolidated financial statements of the Group. Other than those disclosed elsewhere in the financial statements, the Group has no other significant contingent liabilities.

Up to the date of approval of the consolidated financial statements, the number of pending litigations relating to the daily operations payables and other matters with a total subject amount of approximately RMB4,245,000. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations after taking the internal legal advice.

FOREIGN EXCHANGE RISKS

The Group is engaged in the provision of property management services and commercial operation in the PRC and denominated in RMB, the functional currency of the Company's principal subsidiaries. Nonetheless, certain corporate financing, property leasing, investment holding and administrative activities are carried out in Hong Kong and denominated in HK or US dollars. As at 31 December 2024, the Group has Hong Kong and US dollar denominated borrowings equivalent to RMB4,556.4 million, representing 90.1% of total borrowings. All other assets and liabilities in material values are denominated in RMB. These assets and liabilities denominated in non-RMB are converted to RMB at the closing exchange rates of RMB against these US and HK dollars on consolidation into the financial accounts of the Group.

Throughout the year ended 31 December 2024, RMB has depreciated approximately 3% and 3% against HK and US dollars respectively. As a result, net unrealized foreign exchange losses of approximately RMB162 million were recorded when assets and liabilities denominated in foreign currencies are converted into RMB in the financial accounts.

The fluctuations in RMB against the US and HK dollars will bring volatility to the bottom line of the Group against which unrealized losses or profits are booked. The Group's operations are mostly conducted in the PRC, and therefore there is no natural hedge against possible depreciation of RMB. The management will from time to time weigh the benefits of the hedge and costs to be incurred, the extent of fluctuations in RMB perceived by the management. We are also exploring other natural hedges, such as investments in different territories where US and HK dollars are the functional currencies to reduce the exposures of the depreciation of RMB on the financial results and position of the Group.

EMPLOYEES POLICY

As at 31 December 2024, including two executive directors of the Company, the Group employed a total of 378 full-time staff. Employees are remunerated according to qualifications and experience, job nature and performance. They are incentivized by cash bonuses and shares options to acquire shares of the Company. Besides, training programs are offered to management trainees and staff at all levels. Remuneration packages are aligned with job markets in the business territories where the staff are located.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, the Group had no material event after the reporting period and up to the date of this announcement.

SIGNIFICANT INVESTMENTS HELD

Saved as disclosed elsewhere in this announcement, there is no other significant investment held at 31 December 2024.

MATERIAL ACQUISITION AND DISPOSAL

Saved as disclosed elsewhere in this announcement, the Group did not carry out any material acquisition nor disposal of subsidiaries, associates and joint ventures during the Financial Year.

DIVIDEND

No dividends were paid, declared or proposed during the Financial Year (year ended 31 December 2023: Nil). The Board did not recommend any dividend payment for the Financial Year (year ended 31 December 2023: Nil).

PLEDGE OF ASSETS

For the details of pledged assets and guarantees, please refer to note 29(h) to the consolidated financial statements.

As at 31 December 2023, RMB46.6 million of property, Plant and equipment; RMB88.6 million of right-of-use assets; RMB2,575.0 million of investment properties; RMB8,693.3 million of properties under development; RMB1,548.6 million of properties held for sale; and RMB12 million of pledged deposits were pledged to secure credit facilities granted to the Group. In addition, the Group's certain loan facilities were secured by shares in certain subsidiaries of the Company; corporate guarantee provided by the Company and/or the fellow subsidiary; personal guarantee provided by Mr. YU Pan or together with his spouse; and a share charge of the entire shareholding interest over Winprofit Investment Enterprises Limited, a direct wholly-owned subsidiary of the Company.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had no outstanding capital commitment.

As at 31 December 2023, approximately RMB6,590.0 million was committed to expenditure contracted but not provided for in respect of property construction and development costs.

CHANGE IN DIRECTORS' INFORMATION

During the year ended 31 December 2024 and up to the date of this announcement, the following changes in the composition of the Board and Board committees took place:

(i) Ms. Wang Kailing has resigned as Non-executive director of the Company with effect from 26 June 2024.

(ii) Mr. Jin Zhifeng has resigned as Executive Director and Chief Executive Officer with effect from 3 January 2025.

(iii) Mr. Wang Shoukun has been appointed as Executive Director and Chief Executive Officer of the Company with effect from 3 January 2025.

(iv) Mr. Liang Zhenjie has been appointed as Executive Director of the Company with effect from 18 February 2025.

(v) Mr. Sit Hon Wing has been appointed as Executive Director of the Company with effect from 18 February 2025.

(vi) Mr. Chow Wah Hung has been appointed as Executive Director of the Company with effect from 18 February 2025.

(vii) Mr. Yu Pan has resigned as Executive Director, Chairman of the Company, the chairman of Nomination Committee and member of Remuneration Committee with effect from 19 February 2025.

(viii) Mr. Wang Shoukun has resigned as Executive Director and Chief Executive Officer Director of the Company with effect from 19 February 2025.

(ix) Mr. Wen Xiaojing has resigned as Independent Non-executive Director, chairman of the Risk Management Committee; and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 19 February 2025.

(x) Mr. Cui Yuan has resigned as Independent Non-executive Director, chairman of the Audit Committee and a member of each of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company with effect from 19 February 2025.

(xi) Ms. Tang Yu has resigned as Independent Non-executive Director, chairman of the Remuneration Committee and a member of each of the Audit Committee, Nomination Committee and Risk Management Committee of the Company with effect from 19 February 2025.

(xii) Mr. Liang Zhenjie has been appointed as Chairman of the Company and chairman of the Nomination Committee with effect from 19 February 2025.

(xiii) Mr. Sit Hon Wing has been appointed as chairman of the Risk Management Committee and a member of the Remuneration Committee with effect from 19 February 2025.

(xiv) Mr. Fong Wai Ho has been appointed as Independent Non-executive Director, the chairman of the Audit Committee, the member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee of the Company with effect from 28 April 2025.

(xv) Ms. Cheung Wing Ka has been appointed as Independent Non-executive Director, the chairlady of the Remuneration Committee, the member of each of the Audit Committee, Nomination Committee and Risk Management Committee of the Company with effect from 28 April 2025.

(xvi) Mr. Huang Ping has been appointed as Independent Non-executive Director, member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee of the Company with effect from 28 April 2025.

(xvii) Mr. Fong Wai Ho has resigned as Independent Non-executive Director, chairman of the Audit Committee and the member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee of the Company with effect from 26 August 2025.

(xviii) Ms. Cheung Wing Ka has resigned as Independent Non-executive Director, chairlady of the Remuneration Committee and the member of each of the Audit Committee, Nomination Committee and Risk Management Committee of the Company with effect from 26 August 2025.

(xix) Mr. Huang Ping has resigned as Independent Non-executive Director, member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee of the Company with effect from 26 August 2025.

(xx) Mr. Li Jianwen has been appointed as a Non-executive Director of the Company with effect from 28 August 2025.

(xxi) Mr. Zhang Guocheng has been appointed as an Executive Director of the Company with effect from 28 August 2025.

(xxii) Mr. Liang Zhenjie resigned as an Executive Director, the Chairman of the Company and chairman of Nomination Committee of the Company with effect from 1 September 2025.

(xxiii) Mr. Sit Hon Wing resigned as an Executive Director, chairman of the Risk Management Committee and a member of the Remuneration Committee of the Company with effect from 1 September 2025.

(xxiv) Mr. Chow Wah Hung resigned as Executive Director of the Company with effect from 1 September 2025.

(xxv) Mr. Li Jianwen has been appointed as chairman of the Nomination Committee of the Company with effect from 1 September 2025.

(xxvi) Mr. Zhang Guocheng has been appointed as chairman of the Risk Management Committee and a member of the Remuneration Committee of the Company with effect from 1 September 2025.

NON-COMPLIANCE WITH THE LISTING RULES IN RELATION TO BOARD COMPOSITION

1. The total number of independent non-executive directors accounts for less than one third of the Board as required under Rule 3.10A of the Listing Rules;

2. The number of independent non-executive directors and the number of members of the Audit Committee have become less than three which are below the minimum requirement prescribed under Rules 3.10(1) and 3.21 of the Listing Rules respectively;

3. Since there is no independent non-executive director, none of the independent non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules;

4. The Remuneration Committee only consists of one member who is not an independent non-executive Director, and hence the Company does not meet all the requirements of Rule 3.25 of the Listing Rules as the Remuneration Committee does not comprise a majority of independent non-executive directors as members;

5. There is a vacancy for the chairman of the Remuneration Committee resulting in non-compliance with the requirement prescribed under Rule 3.25 of the Listing Rules;

6. The Nomination Committee only consists of one member who is not an independent non-executive Director, hence the Company does not meet all the requirements of Rule 3.27A of the Listing Rules as the Nomination Committee does not comprise a majority of independent non-executive directors as members;

7. There is a vacancy for the company secretary resulting in non-compliance with the requirement prescribed under Rule 3.28 of the Listing Rules; and

8. Following the resignations of Ms. Cheung Wing Ka as Independent Non-executive Director of the Company with effect from 26 August 2025, the Company does not meet the requirement pursuant to Rule 13.92 of the Listing Rules which states that the Stock Exchange will not consider diversity to be achieved for a single gender board. The Company has no other female Directors following the resignation of Ms. Cheung Wing Ka.

The above non-compliances arose due to the resignation certain Directors. Pursuant to Rules 3.11 and 3.27 of the Listing Rules, the Company should appoint suitable candidates to fill the vacancies within three months after failing to meet the requirements under the Listing Rules from the date of resignation of the Directors.

However, the process of identifying suitable candidates to fill the vacancies in order to re-comply with the Listing Rules was halted since the Company was ordered to be wound up on 14 November 2025.

AUDIT COMMITTEE

Following the change of the Board's composition, there is no member in the Audit Committee. The Annual Results contained herein have not been reviewed by the Audit Committee.

DECONSOLIDATION OF SUBSIDIARIES

Please refer to Note 2(g) above.

SUSPENSION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, trading in the shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") has been suspended with effect from 9:00 a.m. on 1 April 2025.

WINDING UP OF THE COMPANY BY THE COURT

On 14 November 2025, the Company was ordered to be wound up by the Commercial Court of the Supreme Court of Bermuda. Mr. Michael Penrose of EY Bermuda Limited, Ms. So Kit Yee Anita and Ms. Lau Wun Man, both of Ernst & Young Transactions Limited, and Mr. Joel Edwards of EY Cayman Ltd, remain on as Joint and Several Provisional Liquidators of the Company with powers granted pursuant to section 175 of the Companies Act 1981.

RESUMPTION PROPOSAL OF THE COMPANY

The Company will submit the resumption proposal to the Stock Exchange when appropriate. The Company will provide an update on the resumption plan as and when required.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's independent auditor, Moore CPA Limited ("**Moore**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Moore in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Moore on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (https://www.irasia.com/listco/hk/Skyfame) and The Stock Exchange of Hong Kong Limited (https://www.hkexnews.hk). The annual report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company (if requested) and published on the aforesaid websites in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the Debts and the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 June 2022 and on 1 April 2025 respectively and will remain suspended until further notice.

Shareholders of the Company and other investors are advised to exercise caution when dealing in the securities of the Company and, if in doubt, may seek professional advice from their own professional or financial advisors.

For and on behalf of
Skyfame Realty (Holdings) Limited
(In Liquidation)

MICHAEL PENROSE
SO KIT YEE ANITA
LAU WUN MAN
JOEL EDWARDS
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 14 September 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. ZHANG Guocheng; and one non-executive Director, namely Mr. LI Jianwen.