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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

<i>RMB' million</i>	For the year ended 31 December		Increase/ (decrease)
	2025	2024	
Revenue	3,446.8	2,187.2	57.6%
Loss for the year attributable to owners of the Company	(341.7)	(393.2)	(13.1%)
Basic loss per Share	RMB(0.18)	RMB(0.21)	(14.3%)
<i>RMB' million</i>	31 December 2025	31 December 2024	Increase
Total assets	3,972.0	3,087.7	28.6%
Deficit in equity attributable to owners of the Company	(2,127.6)	(1,877.4)	13.3%
Net liability per Share (<i>Note</i>)	RMB(1.15)	RMB(1.02)	12.7%

Note: Net liability per Share is arrived at by dividing the deficit in equity attributable to owners of the Company by the number of issued Shares as at the end of the year.

ANNUAL RESULTS

The Board hereby announces the audited consolidated results of the Group for the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	NOTES	RMB'000	RMB'000
Revenue	3	3,446,783	2,187,216
Cost of sales and services		<u>(2,829,168)</u>	<u>(1,844,587)</u>
Gross profit		617,615	342,629
Other income and expenses		71,060	72,096
Other gains and losses, net	4	5,715	(45,126)
ECL, net of reversal		(295,801)	(182,516)
Selling and distribution expenses		(122,047)	(82,375)
R&D expenditure		(122,573)	(115,723)
Administrative expenses		<u>(240,751)</u>	<u>(207,965)</u>
Operating losses		(86,782)	(218,980)
Finance costs		(227,560)	(234,063)
Share of results of associates		(383)	(2,390)
Share of results of joint ventures		(53,959)	4,166
Impairment losses on interest in an associate		(1,611)	–
Fair value changes of financial assets measured at FVTPL		<u>51,952</u>	<u>(34,184)</u>
Loss before income tax		(318,343)	(485,451)
Income tax credit	5	<u>11,025</u>	<u>14,555</u>
Loss for the year		<u>(307,318)</u>	<u>(470,896)</u>

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other comprehensive income/(loss)			
<i>Item that may not be reclassified subsequently to profit or loss:</i>			
Currency translation differences		<u>91,186</u>	<u>(14,793)</u>
Other comprehensive income/(loss) for the year, net of income tax		<u>91,186</u>	<u>(14,793)</u>
Total comprehensive loss for the year		<u>(216,132)</u>	<u>(485,689)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		<u>(341,679)</u>	<u>(393,183)</u>
Non-controlling interests		<u>34,361</u>	<u>(77,713)</u>
		<u>(307,318)</u>	<u>(470,896)</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		<u>(250,284)</u>	<u>(408,051)</u>
Non-controlling interests		<u>34,152</u>	<u>(77,638)</u>
		<u>(216,132)</u>	<u>(485,689)</u>
Loss per Share attributable to owners of the Company (RMB)			
	7		
Basic loss per Share		<u>(0.18)</u>	<u>(0.21)</u>
Diluted loss per Share		<u>(0.18)</u>	<u>(0.21)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		537,848	517,864
Right-of-use assets		93,361	97,496
Interests in associates		15,041	16,688
Interests in joint ventures		–	71,139
Intangible assets		67,799	109,339
		<u>714,049</u>	<u>812,526</u>
Current assets			
Inventories		309,325	141,824
Amount due from a joint venture		–	80,988
Amount due from an associate		3,826	3,730
Trade and other receivables	8	2,183,891	1,491,900
Loans and interests receivables		7,761	7,430
Financial assets measured at FVTPL		113,131	86,046
Financial guarantee assets measured at FVTPL		86,528	87,248
Restricted bank balances		259,984	228,662
Bank balances and cash		293,481	147,384
		<u>3,257,927</u>	<u>2,275,212</u>
Total assets		<u>3,971,976</u>	<u>3,087,738</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	155,959	155,959
Reserves		(2,283,599)	(2,033,315)
		<u>(2,127,640)</u>	<u>(1,877,356)</u>
Non-controlling interests		10,427	(26,148)
Total deficit in equity		<u>(2,117,213)</u>	<u>(1,903,504)</u>

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings	10	174,445	181,832
Lease liabilities		2,045	4,252
Deferred income		18,634	23,638
Deferred tax liabilities		16,337	27,375
		<u>211,461</u>	<u>237,097</u>
Current liabilities			
Trade and other payables	9	2,254,829	1,683,468
Borrowings	10	2,260,680	1,865,339
Convertible bonds		1,160,217	1,084,517
Lease liabilities		4,504	5,959
Income tax payable		17,040	18,851
Deferred income		11,405	5,005
Contract liabilities		104,251	38,968
Provisions		64,802	52,038
		<u>5,877,728</u>	<u>4,754,145</u>
Total liabilities		<u>6,089,189</u>	<u>4,991,242</u>
Total equity and liabilities		<u>3,971,976</u>	<u>3,087,738</u>
Net current liabilities		<u>(2,619,801)</u>	<u>(2,478,933)</u>

1. GENERAL INFORMATION

The Group is principally engaged in manufacturing and selling of automotive parts, education management and consultation, and financial services.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 April 2011. The Shares has been listed on the Stock Exchange with effect from 23 November 2011. Up to the date of issuance of these consolidated financial statements, the Company does not have a controlling party.

The consolidated financial statements are presented in RMB and rounded to nearest thousand (RMB'000) unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual HKFRSs, HKAS and Interpretations issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which that are measured at fair value.

The preparation of consolidated financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(a) Going concern basis

For the year ended 31 December 2025, the Group reported a loss attributable to owners of the Company of approximately RMB342 million (31 December 2024: approximately RMB393 million). As at 31 December 2025, the Group had accumulated losses and deficit in equity of approximately RMB2,352 million and approximately RMB2,117 million, respectively (31 December 2024: approximately RMB2,010 million and approximately RMB1,904 million, respectively) and the Group's current liabilities exceeded its current assets by approximately RMB2,620 million (31 December 2024: approximately RMB2,479 million). As at the same date, the Group had total borrowings and convertible bonds amounted to approximately RMB3,595 million (31 December 2024: approximately RMB3,132 million), of which approximately RMB3,421 million (31 December 2024: approximately RMB2,950 million) was classified as current liabilities due within one year, while its bank balances and cash amounted to approximately RMB293 million (31 December 2024: approximately RMB147 million) only. In addition, as at 31 December 2025, the total outstanding principals and accrued interests of borrowings and convertible bonds amounted to approximately RMB2,094 million (31 December 2024: approximately RMB2,064 million) were in default and were classified as current liabilities. A winding-up petition ("**Petition**") against the Company by a creditor with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**Court**") was allowed on 8 April 2025. The hearing of the Petition was scheduled to be held on 12 January 2026. On 12 January 2026, it was decided by the Court that the hearing of the Petition be adjourned to 20 April 2026.

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

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to the following:

- (i) the Company has appointed a restructuring advisor and a legal advisor to assist in formulating a restructuring plan and execute the Company's restructuring exercise. The Company continues to proactively communicate and work with its creditors on its restructuring plan. On 2 January 2026, the Company entered into a restructuring support agreement (the "**Restructuring Support Agreement**") with the initial participating creditors intending to implement the proposed restructuring by way of a scheme of arrangement under the laws of Hong Kong (the "**Scheme**"). As at the date of this announcement, the Directors are confident that the Court will allow the Company to convene the Scheme meeting and the Scheme will be approved by the eligible creditors of the Company for participating the debt restructuring plan;
- (ii) the Group has been actively negotiating with lenders for the renewal and/or extension of bank and other borrowings which are overdue or will be due for repayment within twelve months from the date of the statement of financial position;
- (iii) the Group continues to develop and operate the automotive parts, education management and consultation, and financial services businesses segments such that they can bring operating cash inflows to the Group;
- (iv) the Group has been actively exploring and negotiating with potential investors to introduce business opportunities with strong profitability and good development prospects to improve its cash flow position;
- (v) the Group has been actively seeking new sources of financing to enhance the financial position and support the operations of the Group; and
- (vi) the Group has been actively looking for potential buyers for its non-core assets, including those as collateral to the secured debts, so as to improve its liquidity and settle the secured debts, if necessary.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the projections are prepared on a rational basis and the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the following plans:

- (i) obtaining the approval by the Court to convene the Scheme meeting and approval by the creditors of the Company to execute the restructuring exercise;
- (ii) obtaining the renewal and/or extension of bank and other borrowings which are overdue or due for repayment within twelve months from the date of statement of financial position;
- (iii) generating adequate operating cash inflows from its existing automotive parts, education management and consultation, and financial services businesses;
- (iv) securing injection of cash generating businesses from new investors;
- (v) obtaining new sources of financing as and when needed; and
- (vi) divesting the Group's non-core assets within the expected timeframe.

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

(b) Amendments to standards and interpretation adopted by the Group

The Group has applied the following amendments to standards and interpretation for the first time for its annual reporting period commencing 1 January 2025:

HKAS 21 and HKFRS 1	Lack of Exchangeability (Amendments)
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The adoption of these amendments and interpretation has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these amendments and interpretation.

(c) **New and amended standards and interpretations not yet adopted**

The following new and amended standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (Amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity (Amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Amendments)	1 January 2027
HKAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	To be determined

In July 2024, HKICPA issued HKFRS 18 which is effective for the Group's annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements. The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective.

3. REVENUE AND SEGMENT INFORMATION

(a) Products and services within each operating segment

The segment information reported was determined by the types of products and services and the types of customers to which products are sold and services are provided, which is consistent with the internal information that are regularly reviewed by the executive directors of the Company, who are the chief operating decision makers (the “CODM”) of the Group, for the purposes of resource allocation and assessment of performance.

No operating segment has been aggregated to form the following reportable segments:

- Automotive parts business – engage in the manufacturing and selling of automobile absorber and suspension system products to the automobile market of original automobile manufacturers and the secondary market of the automobile industry.
- Education management and consultation business – engage in the business of provision of management and overseas study consultancy services to educational institutions.
- Financial services business – engage in the business of dealing in securities, underwriting and placing securities, financing consultancy, merger and acquisition agency, financial advisory, asset management and private equity fund management services.

(b) Segment revenue and segment results

	Segment revenue		Segment results	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Automotive parts business	3,339,089	2,097,369	158,920	(49,993)
Education management and consultation business	62,439	58,351	20,395	15,030
Financial services business	45,255	31,496	(1,935)	(5,001)
Total segment	<u>3,446,783</u>	<u>2,187,216</u>	<u>177,380</u>	<u>(39,964)</u>
Other income and expenses			71,060	72,096
Other gains and losses, net			5,715	(45,126)
ECL, net of reversal			(100,186)	1,979
Administrative expenses			<u>(240,751)</u>	<u>(207,965)</u>
Operating losses			(86,782)	(218,980)
Finance costs			(227,560)	(234,063)
Share of results of associates			(383)	(2,390)
Share of results of joint ventures			(53,959)	4,166
Impairment losses on interest in an associate			(1,611)	–
Fair value changes of financial assets measured at FVTPL			<u>51,952</u>	<u>(34,184)</u>
Loss before income tax			<u><u>(318,343)</u></u>	<u><u>(485,451)</u></u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2025				
Segments	Automotive parts business RMB'000	Education management and consultation business RMB'000	Financial services business RMB'000	Total RMB'000
Revenue from contracts with customers				
External customers	3,339,089	62,439	33,456	3,434,984
Inter-segment sales	–	–	664	664
Sub-total	<u>3,339,089</u>	<u>62,439</u>	<u>34,120</u>	<u>3,435,648</u>
Elimination	–	–	(664)	(664)
Revenue from contracts with customers				
Interest income	3,339,089	62,439	33,456	3,434,984
	–	–	11,799	11,799
Segment revenue	<u><u>3,339,089</u></u>	<u><u>62,439</u></u>	<u><u>45,255</u></u>	<u><u>3,446,783</u></u>
For the year ended 31 December 2024				
Segments	Automotive parts business RMB'000	Education management and consultation business RMB'000	Financial services business RMB'000	Total RMB'000
Revenue from contracts with customers				
External customers	2,097,369	58,351	24,809	2,180,529
Inter-segment sales	–	–	1,287	1,287
Sub-total	<u>2,097,369</u>	<u>58,351</u>	<u>26,096</u>	<u>2,181,816</u>
Elimination	–	–	(1,287)	(1,287)
Revenue from contracts with customers				
Interest income	2,097,369	58,351	24,809	2,180,529
	–	–	6,687	6,687
Segment revenue	<u><u>2,097,369</u></u>	<u><u>58,351</u></u>	<u><u>31,496</u></u>	<u><u>2,187,216</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) of each operating segment, conforming to the same measurement reported to the CODM for the purposes of resources allocation and performance assessment.

Other than the segment revenue and segment results analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

Reportable segment results represent the operating profit/(losses) resulted by each segment and exclude other income and expenses, other gains and losses, net, ECL, net of reversal and administrative expenses.

(c) **Geographical information**

The Group principally operates in the PRC and Hong Kong.

During the year ended 31 December 2025, approximately 97% (2024: approximately 96%) of the Group's revenue from external customers, based on the operation location of respective customers, is derived from the PRC.

As at 31 December 2025, approximately 95% (31 December 2024: approximately 99%) of the Group's property, plant and equipment and right-of-use assets are located in the PRC.

4. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Exchange gains/(losses), net	10,308	(46,837)
Dividend income from financial assets measured at FVTPL	472	6
Gains on disposal of associates	–	2,732
Losses on de-registration of a subsidiary	(364)	–
Gains on de-registration of a joint venture	340	–
Write-off of property, plant and equipment	(957)	(8,288)
Losses on disposal of right-of-use assets	–	(1,673)
Gains on disposal of subsidiaries	13	2,613
Others	(4,097)	6,321
	5,715	(45,126)

5. INCOME TAX CREDIT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax:		
– PRC Enterprise Income Tax (“EIT”)	13	198
Over-provision in prior years:		
– PRC EIT	–	(7,460)
	13	(7,262)
Deferred tax	(11,038)	(7,293)
Income tax credit	(11,025)	(14,555)

6. DIVIDENDS

No dividend was paid or proposed by the Company for the years ended 31 December 2025 and 2024. The Director do not recommend the payment of dividend for the year ended 31 December 2025 (2024: Nil).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

(a) Basic

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

	2025	2024
Loss attributable to owners of the Company (<i>RMB'000</i>)	(341,679)	(393,183)
Weighted average number of ordinary shares in issue	<u>1,848,000,000</u>	<u>1,848,000,000</u>
Loss per Share (<i>RMB</i>)	<u>(0.18)</u>	<u>(0.21)</u>

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all potentially dilutive ordinary shares. The Company has two (2024: two) category of potentially dilutive ordinary shares: share options and convertible bonds (2024: share options and convertible bonds). A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the shares for the period) based on the monetary value of the subscription rights attached to 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 convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expense and fair value change less the tax effect, if any.

For the years ended 31 December 2025 and 2024, diluted loss per share is the same as the basic loss per share as the exercise/conversion of potential ordinary shares in relation to the outstanding share options and convertible bonds would have anti-dilutive effects to the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables	1,725,524	1,247,554
Less: allowance for trade receivables	<u>(449,369)</u>	<u>(278,500)</u>
	1,276,155	969,054
Bills receivables	608,749	262,455
Deposits and other receivables	232,435	184,615
Less: allowance for deposits and other receivables	<u>(56,045)</u>	<u>(37,300)</u>
	2,061,294	1,378,824
Prepayment to suppliers of automotive parts	121,644	112,357
Other prepayments	<u>953</u>	<u>719</u>
	<u>2,183,891</u>	<u>1,491,900</u>

The ageing of trade receivables presented based on invoice date (also approximate to the date of revenue recognition), net of allowance for trade receivables, is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 90 days	1,161,844	877,104
91 to 180 days	63,510	47,975
181 to 365 days	50,801	38,043
Over 365 days	<u>–</u>	<u>5,932</u>
	<u>1,276,155</u>	<u>969,054</u>

The ageing of bills receivables presented based on issuance date, is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 30 days	261,856	90,079
31 to 60 days	107,782	75,164
61 to 90 days	110,965	–
91 to 120 days	1,240	29,282
121 to 150 days	60,570	61,676
151 to 180 days	<u>66,336</u>	<u>6,254</u>
	<u>608,749</u>	<u>262,455</u>

9. TRADE AND OTHER PAYABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables	1,385,899	959,746
Bills payables	387,106	363,000
	1,773,005	1,322,746
Accruals and other payables	321,328	255,915
Customer deposits for securities trading	77,291	44,917
Other tax payables	46,525	7,702
Payroll and welfare payables	36,680	52,188
	2,254,829	1,683,468

The ageing of trade payables presented based on invoice date is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 90 days	915,519	586,567
91 to 180 days	241,582	108,722
181 to 365 days	5,825	46,196
Over 365 days	222,973	218,261
	1,385,899	959,746

The ageing of bills payables presented based on issuance date is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 30 days	170,486	170,000
31 to 60 days	130,000	175,800
61 to 90 days	86,620	17,200
	387,106	363,000

10. BORROWINGS

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings	803,998	780,990
Notes and debentures	978,568	943,522
Invoice financing loans	496,851	183,987
Other borrowings	155,708	138,672
Loans from government	70,086	67,732
Loans from independent third parties	85,622	70,940
	2,435,125	2,047,171
Unsecured borrowings	1,314,733	1,370,814
Secured borrowings	1,120,392	676,357
	2,435,125	2,047,171

The maturity dates of borrowings are as follows:

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year or on demand	2,260,680	1,865,339
Between one to two years	50,245	170,572
Between two to five years	124,200	11,260
	2,435,125	2,047,171
Less: non-current portion	(174,445)	(181,832)
Current portion	2,260,680	1,865,339

As at 31 December 2025, an aggregate amount of borrowings approximately RMB934,108,000 (31 December 2024: RMB979,863,000) were in default and were classified as current liabilities. In addition, an aggregate amount of borrowings approximately RMB46,098,000 (31 December 2024: Nil) were reclassified from non-current liabilities to current liabilities due to the breaches of financial covenants.

11. SHARE CAPITAL

	Number of Shares	Share capital <i>HK\$</i>	Par value per Share <i>HK\$</i>
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>10,000,000,000</u>	<u>1,000,000,000</u>	<u>0.10</u>
Issued and fully paid:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,848,000,000</u>	<u>184,800,000</u>	<u>0.10</u>
		31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
Share capital presented in the consolidated statement of financial position		<u>155,959</u>	<u>155,959</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Company is an investment holding company. The Group maintains a diversified development strategy to provide customers with a wide range of products and services, and currently is mainly engaged in (i) financial services business, (ii) education management and consultation business, and (iii) automotive parts business. Our financial services business can provide services such as listing sponsorship, underwriting and placing, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory and asset management; our education management and consultation business mainly provides international high school curriculum and overseas study consultation services; and our automotive parts business is mainly engaged in R&D, manufacturing and sales of automobile absorbers.

BUSINESS REVIEW

Financial Services Business

The Group has obtained diversified financial service licences and established a consummate financial service system to provide various entities with featured, differentiated and professional financial services. Our relevant subsidiaries are licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and has been admitted by the SFC as a sponsor under the SFO. As such, (i) in addition to providing services of dealing in securities and margin financing to customers, it is also engaged in providing services of underwriting and placing of shares for listing applicants and listed companies; (ii) it can provide investment portfolios (such as stocks, bonds, discretionary managed accounts, and funds) management, investment consultation and investment advisory services to its clients; and (iii) it can act as a sponsor for listing applicants in IPO, advise on matters in relation to the Codes on Takeovers and Mergers and Share Buy-backs formulated by the SFC, and advise listed companies in relation to the Listing Rules.

For the year ended 31 December 2025, our relevant subsidiaries acted as (i) the joint lead manager for the listing of Soft International Group Ltd (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2569); (ii) the joint bookrunner and the joint lead manager for the listing of Fibocom Wireless Inc. (whose shares are listed on the Main Board of the Stock Exchange, stock code: 0638); (iii) the joint bookrunner and the joint lead manager for the listing of Anhui Jinyan Kaolin New Materials Co., Ltd. (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2693); and (iv) the joint bookrunner and joint lead manager for the listing of Impression Dahongpao Co., Ltd. (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2695). Our relevant subsidiaries also acted as the joint bookrunner for the overseas bond issuances of China Great Wall Asset Management Co., Ltd., Weifang Ocean Investment Group Co., Ltd., Jiyuan Capital Operation Group Co., Ltd., Dujiangyan Urban and Rural Construction Group Co., Ltd., Yuncheng Development Investment Group Co., Ltd., Zoucheng City Capital Holdings Group Co., Ltd., Zibo High-tech State-owned Capital Investment Co., Ltd. and Jiaozuo State-owned Capital Operation (Holding) Group Co., Ltd..

For the year ended 31 December 2025, our relevant subsidiaries acted as (i) the compliance adviser to Lesi Group Limited (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2540); (ii) the compliance adviser to Easou Technology Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2550); (iii) the financial adviser to Jiu Rong Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange, stock code: 2358); and (iv) the joint sponsor to Henan Union Information Technology Co., Ltd..

Education Management and Consultation Business

The education management and consultation business of the Group mainly operates the PGA (Project of Global Access) international high school curriculum and provides overseas study consultation services to students, with campuses located in Beijing, Shanghai, Chongqing, Xi'an, Hangzhou, Wuhan and Zhengzhou.

The Group actively explored the localisation of international curriculum and the characterisation of local curriculum. The Group placed emphasis on the development, optionality and integration of curriculums to fully unleash the personality potential and creative thinking of students. In order to fully enhance its teaching quality, the Group continued to optimise the composition of teachers, hired excellent subject teachers, formed a consultant team comprising specialists, and improved the teaching quality assurance system with bilingual teachers as the core.

In terms of overseas study consultation services, the Group selected quality educational resources and institutions for cooperation, actively researched and developed specialised overseas study and study tour programmes and upgraded its products of planning and guidance of further education, so as to provide students with a full range of services covering thinking patterns, academic background, interview tutoring, overseas study experience and other aspects.

Automotive Parts Business

According to the statistics of the China Association of Automobile Manufacturers, approximately 34,531,000 automobiles were produced and approximately 34,400,000 automobiles were sold in China in 2025, representing a year-over-year increase of approximately 10.4% and 9.4%, respectively. Among the above, for new energy vehicles, approximately 16,626,000 vehicles were produced and approximately 16,490,000 vehicles were sold (representing approximately 47.9% of the total automobile sales). Meanwhile, in 2025, the export volume was approximately 7,098,000 automobiles, representing a year-over-year increase of approximately 21.1%.

Adhering to the principal operational idea of “Developing the Market, Focusing on Quality, Improving the R&D, and Strengthening the Management (開發市場、狠抓質量、提升研發、強化管理)” and the core values of “Top Quality, Customer Satisfaction, Solidarity and Cooperation, Innovation and Learning, High Efficiency and Pragmatism, Honesty and Trustworthiness (品質第一、客戶滿意、團結合作、創新學習、高效務實、誠實守信)”, the Group’s automotive parts business kept up with market trends, deepened technology R&D, continued to improve product quality control and customer satisfaction. It supplied absorbers for automobiles made by manufacturers such as SAIC Motor, Chery Automobile, Geely Auto and Changan Automobile. While consolidating and optimising existing markets, it actively expanded new markets, and strived to achieve the vision of “Where there are Cars, there is Cijan (哪裏有汽車，哪裏就有漸減)”.

OUTLOOK

Financial Services Business

As an international financial centre, Hong Kong’s status and role as the bridge of communication and contact between China and international society will be further enhanced, providing strong support for maintaining the continuous prosperity and stability of the financial market of Hong Kong.

Looking forward, the Group will follow the market trend, seize the development opportunities, innovate the business models and actively explore business opportunities to promote the robust development of its financial services business. Leveraging its diversified financial service licences and consummate financial service system and the brand awareness and market influence of its financial services business, the Group will enhance collaboration among its business units including investment banking, securities, asset management and research, adhere to the strategies of differentiated and characteristic development, and provide customers with diversified and customised professional financial services.

Education Management and Consultation Business

Knowledge changes fate, and education shapes the future. Education is the driving force for social development. The key element of competition of the economy is the competition of science and technology, which fundamentally attributes to the competition of talents, whereas the foundation is on education. Today’s scientific and technological achievements determine tomorrow’s productivity, whereas today’s education determines tomorrow’s scientific and technological achievements and future productivity.

Looking ahead, the Group will leverage the brand and market influence of the PGA international curriculum, so as to establish a new type platform of international education service. Through taking the key dimensions of international talent cultivation as the starting point and by innovating the curriculum system, optimising the curriculum structure, strengthening teaching and research, and improving the quality of teaching, the Group will comprehensively integrate students' personality development and academic planning, improve students' performance, and enhance students' comprehensive quality. The Group will develop overseas study products with more customised and comprehensive options that cater to the target market, providing international education and study plans with higher values to meet the individual needs of different students at different stages according to the needs and characteristics of school campuses and students, and offer convenient access and one-stop services for students to pursue further education and overseas study.

Automotive Parts Business

The Group will leverage its established brand and technology strengths, aim for “Top Quality and Customer Satisfaction”, place emphasis on the development strategy of “Focuses on Process and Results”, strengthen the R&D of core technologies and management of quality system in order to improve overall customer satisfaction. The Group will strengthen its market sensitivity according to the national industrial policy on the automobile industry, the development trend of the industry and the operation conditions of automobile manufacturers, and devote efforts to cultivating more competitive new products and new markets that meet customers' needs. The Group will commit itself to building first-class R&D centers by adhering to its technical management philosophy of “Utilisation, R&D and Reserve”, so as to boost the reserve and market promotion and application of new technologies.

Others

The Company has appointed Ernst & Young Transactions Limited as the restructuring advisor to assist in formulating a restructuring plan and executing the Company's restructuring exercise. On 2 January 2026, the Company entered into a restructuring support agreement with the initial participating creditors intending to implement the proposed restructuring by way of a scheme of arrangement under Hong Kong law. The Company will communicate with the creditors, the restructuring advisor, and the legal advisor to materialise the proposed restructuring. The Company will also continue to explore potential investors, hoping to introduce new capital and business opportunities.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the overall revenue of the Group increased by approximately 57.6% to approximately RMB3,446.8 million from approximately RMB2,187.2 million for the year ended 31 December 2024, of which revenue from automotive parts business increased by approximately 59.2% to approximately RMB3,339.1 million from approximately RMB2,097.4 million for the year ended 31 December 2024, revenue from financial services business increased by approximately 43.8% to approximately RMB45.3 million from approximately RMB31.5 million for the year ended 31 December 2024, and revenue from education management and consultation business increased by approximately 7.0% to approximately RMB62.4 million from approximately RMB58.3 million for the year ended 31 December 2024. The increase in revenue was mainly due to the increase in sales of automotive parts business.

Cost of sales and services

For the year ended 31 December 2025, the overall cost of sales and services of the Group increased by approximately 53.4% to approximately RMB2,829.2 million from approximately RMB1,844.6 million for the year ended 31 December 2024, of which cost of sales from automotive parts business increased by approximately 54.0% to approximately RMB2,771.2 million from approximately RMB1,799.8 million for the year ended 31 December 2024, cost of services from financial services business increased by approximately 332.5% to approximately RMB17.3 million from approximately RMB4.0 million for the year ended 31 December 2024, and cost of services from education management and consultation business decreased by approximately 0.2% to approximately RMB40.7 million from approximately RMB40.8 million for the year ended 31 December 2024. The increase in cost of sales and services was mainly due to the increase in sales of automotive parts business.

Gross profit

For the year ended 31 December 2025, the overall gross profit of the Group increased by approximately 80.3% to approximately RMB617.6 million from approximately RMB342.6 million for the year ended 31 December 2024, of which gross profit from automotive parts business increased by approximately 90.8% to approximately RMB567.9 million from approximately RMB297.6 million for the year ended 31 December 2024, gross profit from financial services business increased by approximately 1.8% to approximately RMB28.0 million from approximately RMB27.5 million for the year ended 31 December 2024, and gross profit from education management and consultation business increased by approximately 24.0% to approximately RMB21.7 million from approximately RMB17.5 million for the year ended 31 December 2024. The increase in gross profit was mainly due to the increase in sales of automotive parts business.

Gross profit margin

For the year ended 31 December 2025, the overall gross profit margin of the Group increased by approximately 2.2 percentage points to approximately 17.9% from approximately 15.7% for the year ended 31 December 2024, of which gross profit margin of automotive parts business increased by approximately 2.8 percentage points to approximately 17.0% from approximately 14.2% for the year ended 31 December 2024, gross profit margin of financial services business decreased by approximately 25.5 percentage points to approximately 61.8% from approximately 87.3% for the year ended 31 December 2024, and gross profit margin of education management and consultation business increased by approximately 4.8 percentage points to approximately 34.8% from approximately 30.0% for the year ended 31 December 2024.

Other income and expenses

For the year ended 31 December 2025, the Group recorded other income of approximately RMB71.1 million, representing a decrease of approximately RMB1.0 million from approximately RMB72.1 million for the year ended 31 December 2024. Such income primarily represented sales of scrap materials after the manufacturing process of products, fees charged for provision of products' research and development services, as well as government grants.

Other gains and losses, net

For the year ended 31 December 2025, the Group recorded other gains, net of approximately RMB5.7 million, as compared with other losses, net of approximately RMB45.1 million recorded for the year ended 31 December 2024. Such gains primarily represented the exchange gains arising from the appreciation of RMB.

Expected credit losses

The Group recognised the ECL based on the internal credit rating and historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the period as well as the forecast of future conditions. For the year ended 31 December 2025, the Group's provision for ECL amounted to approximately RMB295.8 million, representing an increase of approximately RMB113.3 million from approximately RMB182.5 million for the year ended 31 December 2024.

Selling and distribution expenses

For the year ended 31 December 2025, the selling and distribution expenses of the Group increased by approximately 48.1% to approximately RMB122.0 million from approximately RMB82.4 million for the year ended 31 December 2024. Such increase was mainly due to the corresponding increase in sales transportation fees, commissions for sales staff and other distribution expenses of the automotive parts business with the increase in sales.

R&D expenditure

For the year ended 31 December 2025, the R&D expenditure of the Group increased by approximately 6.0% to approximately RMB122.6 million from approximately RMB115.7 million for the year ended 31 December 2024. Such increase was mainly due to the increase in expenses in the materials used in the R&D activities of automotive parts business.

Administrative expenses

For the year ended 31 December 2025, the administrative expenses of the Group increased by approximately 15.8% to approximately RMB240.8 million from approximately RMB208.0 million for the year ended 31 December 2024. Such increase was mainly due to the increase in remuneration expenses of automotive parts business.

Finance costs

For the year ended 31 December 2025, the finance costs of the Group decreased by approximately 2.8% to approximately RMB227.6 million from approximately RMB234.1 million for the year ended 31 December 2024.

Taxation

For the year ended 31 December 2025, the Group recorded income tax credit of approximately RMB11.0 million, representing a decrease of approximately RMB3.6 million as compared with that of approximately RMB14.6 million for the year ended 31 December 2024.

Loss for the year

For the year ended 31 December 2025, the Group recorded a loss of approximately RMB307.3 million, representing a decrease of approximately 34.7% as compared with a loss of approximately RMB470.9 million for the year ended 31 December 2024. Such decrease in loss was mainly due to the increase in revenue and gross profit from automotive parts business.

Loss per Share

For the year ended 31 December 2025, the basic and diluted loss per Share of the Group amounted to approximately RMB0.18, while the basic and diluted loss per Share amounted to approximately RMB0.21 for the year ended 31 December 2024.

WORKING CAPITAL, FINANCIAL RESOURCES AND BORROWINGS

Net current liabilities

The Group adopts prudent financial policies, and closely monitors its financial positions, in order to grasp any favourable business opportunities and prepare for future challenges. As at 31 December 2025, the net current liabilities of the Group amounted to approximately RMB2,619.8 million, representing an increase of approximately 5.7% as compared with that of approximately RMB2,478.9 million as at 31 December 2024.

Financial position and borrowings

As at 31 December 2025, the bank balances and cash of the Group are mostly denominated in RMB or HK\$ and amounted to approximately RMB293.5 million, representing an increase of approximately 99.1% as compared with that of approximately RMB147.4 million as at 31 December 2024. Such increase was mainly due to the increase in the bank balances and cash of automotive parts business.

The borrowings of the Group are denominated in RMB or HK\$. The Group regularly reviews and monitors the borrowings level. As at 31 December 2025, the total borrowings of the Group amounted to approximately RMB2,435.1 million, representing an increase of approximately 18.9% as compared with that of approximately RMB2,047.2 million as at 31 December 2024. Out of the total borrowings, (i) borrowings due within one year or repayable on demand amounted to approximately RMB2,260.7 million as at 31 December 2025, representing an increase of approximately 21.2% as compared with that of approximately RMB1,865.3 million as at 31 December 2024; (ii) borrowings due over one year but within two years amounted to approximately RMB50.2 million as at 31 December 2025, representing a decrease of approximately 70.6% as compared with that of approximately RMB170.6 million as at 31 December 2024; and (iii) borrowings due over two years but within five years amounted to approximately RMB124.2 million as at 31 December 2025, representing an increase of approximately 999.1% as compared with that of approximately RMB11.3 million as at 31 December 2024.

As at 31 December 2025, approximately RMB1,838.8 million (31 December 2024: approximately RMB1,385.4 million) of the total borrowings of the Group were subject to fixed interest rates.

As at 31 December 2025, the gearing ratio of the Group, calculated as the percentage of total borrowings and bills payables divided by total assets, was approximately 71.1% (31 December 2024: approximately 78.1%).

Working capital

The Group regularly reviews and monitors the inventory level. As at 31 December 2025, the inventories of the Group amounted to approximately RMB309.3 million, representing an increase of approximately 118.1% as compared with that of approximately RMB141.8 million as at 31 December 2024. Such increase was mainly due to the increase in production of automotive parts business.

The Group regularly reviews and monitors the level of trade receivables. As at 31 December 2025, the trade receivables of the Group amounted to approximately RMB1,276.2 million, representing an increase of approximately 31.7% as compared with that of approximately RMB969.1 million as at 31 December 2024. Such increase was mainly due to the increase in sales of automotive parts business.

The Group regularly reviews and monitors the level of trade payables. As at 31 December 2025, the trade payables of the Group amounted to approximately RMB1,385.9 million, representing an increase of approximately 44.4% as compared with that of approximately RMB959.7 million as at 31 December 2024. Such increase was mainly due to the increase in procurement of automotive parts business.

SIGNIFICANT INVESTMENT HELD

The financial assets measured at FVTPL of the Group were investments in securities listed on the Stock Exchange, Singapore Exchange Limited and Shenzhen Stock Exchange as well as investments in unlisted entities. As at 31 December 2025, the fair value of such investments was approximately RMB113.1 million (31 December 2024: approximately RMB86.0 million). For the year ended 31 December 2025, the fair value changes of financial assets measured at FVTPL of the Group recorded gains of approximately RMB52.0 million (2024: a loss of approximately RMB34.2 million).

The principal investment objective of the Group is to explore capital appreciation with a view to enhancing the application of the financial resources of the Group and maximising returns for the Shareholders. Investments will be made by the Group in segments and industries that the Directors may determine from time to time having considered, among others, their prospect, returns to the Group and potential risks. Looking ahead, the global stock markets will remain volatile due to the uncertainties as a result of trade friction, interest rate fluctuations and geopolitical conditions. The performance of the securities investments and other investments of the Group may be affected by such unstable market conditions. The Group will regularly review its investment strategies, and closely monitor the stock markets.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

For the year ended 31 December 2025, the capital expenditures of the Group amounted to approximately RMB116.1 million (2024: approximately RMB76.1 million), which were primarily the expenses of automotive parts business in respect of additions to properties, plants and equipment.

The Group has financed its capital expenditures primarily through the cash generated from operations and debt financing.

As at 31 December 2025, the capital commitments of the Group in respect of additions to property, plant and equipment amounted to approximately RMB65.5 million (31 December 2024: approximately RMB37.6 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have any other immediate plans for material investments and capital assets (31 December 2024: Nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

PLEDGE OF ASSETS

As at 31 December 2025, the financial assets measured at FVTPL, financial guarantee assets measured at FVTPL and bills receivables of the Group with a carrying amount of approximately RMB12.6 million, approximately RMB86.5 million and approximately RMB498.5 million (31 December 2024: financial assets measured at FVTPL of approximately RMB12.8 million, financial guarantee assets measured at FVTPL of approximately RMB87.2 million and bills receivables of approximately RMB184.0 million) have been pledged to acquire borrowings and convertible bonds for the Group.

As at 31 December 2025, the restricted bank balances of the Group with a carrying amount of approximately RMB260.0 million (31 December 2024: approximately RMB228.7 million) were mainly used for customer deposits for trading securities and pledged for bills payables with a maturity within one year issued to suppliers.

HUMAN RESOURCES

As at 31 December 2025, the Group had 3,017 employees (31 December 2024: 2,454 employees). For the year ended 31 December 2025, the total remuneration and welfare benefits expenses of the Group amounted to approximately RMB353.0 million (2024: approximately RMB266.5 million). Based on the remuneration policy of the Group, the remuneration of employees is primarily determined based on the job responsibilities, work experience, job performance and length of service of each employee and the prevailing market condition. On top of basic salaries, bonus may be paid with reference to the Group's performance as well as individual employees' performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of internal and external training courses. Share options and/or awarded shares may also be granted to eligible employees by reference to the Group's performance as well as individual employees' contribution. The remuneration of the Directors is determined based on their job duties and responsibilities, experience and the prevailing market condition.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of the changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the restricted bank balances and bank balances, and variable rate of interest incurred on bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings.

The Group currently has not used any financial instrument to hedge the interest rate risk that it is exposed to. However, the Group monitors interest rate risk exposures and will consider hedging significant interest rate risk should the need arise.

FOREIGN EXCHANGE RISK

The consolidated financial statements of the Group are presented in RMB. Certain assets and liabilities of the Group are denominated in currencies other than RMB, such as HK\$. Any material volatility in the exchange rates of these currencies against RMB may affect the financial position of the Group.

The Group currently has not used any financial instrument to hedge the foreign exchange risk that it is exposed to. However, the Group monitors foreign exchange risk exposures and will consider hedging significant foreign exchange risk should the need arise.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

For the year ended 31 December 2025, the Group had no material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2025, the Company had complied with the Corporate Governance Code so as to enhance the corporate governance standard of the Company.

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code for the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, to the best of their knowledge, all Directors had complied with the required standards set out in the Model Code for the year ended 31 December 2025.

COMPETITION AND CONFLICT OF INTERESTS

As at the date of this announcement, none of the Directors has, either directly or indirectly, an interest in a business which causes or may cause any significant competition with the business of the Group or has or may have any other conflict of interests with the Group.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 19 October 2011, a share option scheme (the “**Share Option Scheme 2011**”) was approved and adopted by the Company. Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 9 June 2021, the Share Option Scheme 2011 was terminated and a new share option scheme (the “**Share Option Scheme 2021**”) was approved and adopted by the Company. The Share Option Scheme 2021 will remain in force for a period of 10 years from the date of its adoption.

For the year ended 31 December 2025, no share option has been granted or agreed to be granted, lapsed or cancelled under the Share Option Scheme 2021 by the Company. As at 31 December 2025 and 2024, 10,000,000 share options granted under the Share Option Scheme 2011 were outstanding and no share option under the Share Option Scheme 2021 was outstanding.

SHARE AWARD SCHEME

On 5 July 2022, the Board resolved to adopt a share award scheme (the “**Share Award Scheme**”), which will remain in force for a period of 10 years from the date of its adoption. The Board would determine the timing of awards, list of selected persons, the timing and condition of vesting and number of awarded shares based on the overall results and performance of the Group and contributions made by the eligible persons, as part of the overall remuneration system of the Group.

For the year ended 31 December 2025, no awarded share has been granted or agreed to be granted, lapsed or cancelled under the Share Award Scheme by the Company. As at 31 December 2025 and 2024, no awarded share under the Share Award Scheme remain unvested.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2025, save as disclosed below, to the best of the knowledge and belief of the Directors, the Group had not been involved in any significant legal proceedings or arbitration and there is no significant legal proceeding or claim pending or threatened against the Group.

On 20 December 2023, a winding-up petition (the “**Petition**”) was presented by an alleged holder of bonds of the Company in a principal amount of HK\$10,000,000 (the “**Bonds**”) to the High Court for the winding up of the Company. On 9 April 2024, the said petitioner and the Company made a joint application to the court for withdrawal of the Petition. On the same day, a supporting creditor of the Petition made an application to the court to substitute the petitioner of the Petition (the “**Substitution Application**”). On 8 April 2025, the High Court decided that the Substitution Application be allowed for the Petition. As at the date of this announcement, the hearing of the Petition is scheduled on 20 April 2026. For details, please refer to the announcements of the Company dated 20 December 2023, 28 February 2024, 10 April 2024, 18 April 2024, 10 May 2024, 4 October 2024, 27 November 2024, 13 December 2024, 19 March 2025, 8 April 2025, 29 April 2025, 14 May 2025, 11 June 2025, 20 June 2025, 22 September 2025 and 12 January 2026.

On 21 May 2024, an alleged holder of bonds of the Company (the “**Plaintiff**”) commenced legal proceedings against the Company in the High Court (the “**Action**”). According to the statement of claim filed by the Plaintiff in the Action, the Plaintiff claimed against the Company for the sum of HK\$12,250,000, together with interest and cost. For details, please refer to the announcement of the Company dated 22 May 2024.

FINAL DIVIDEND

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

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Auditor, Linksfeld CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025 as approved by the Board on 25 March 2026. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

EXTRACT OF THE AUDITOR'S REPORT

The below sections set out an extract of the report by the Auditor, regarding the consolidated financial statements of the Group for the year ended 31 December 2025:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As set out in Note 2.1.1 to the consolidated financial statements, the Group reported a loss attributable to owners of the Company of approximately RMB342 million for the year ended 31 December 2025. As at 31 December 2025, the Group had accumulated losses and deficit in equity of approximately RMB2,352 million and approximately RMB2,117 million, respectively and the Group's current liabilities exceeded its current assets by approximately RMB2,620 million. As at the same date, the Group had total borrowings and convertible bonds of approximately RMB3,595 million, of which approximately RMB3,421 million were classified as current liabilities due within one year, while its bank balances and cash amounted to approximately RMB293 million only. In addition, as at 31 December 2025, the total outstanding principals and accrued interests of borrowings and convertible bonds amounted to approximately RMB2,094 million were in default and were classified as current liabilities. A winding-up petition ("**Petition**") against the Company by a creditor with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**Court**") was allowed on 8 April 2025. The Court decided that the hearing of the Petition be adjourned to 20 April 2026.

These conditions, together with other matters described in Note 2.1.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of plans and measures to mitigate the Group's liquidity pressure and improve its financial position, which are set out in Note 2.1.1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including (i) the successful debt restructuring with the creditors of the Company for unsecured debts; (ii) the successful negotiations with lenders of bank and other borrowings which are overdue or due for repayment within twelve months from the date of the statement of financial position, for the renewal and/or extension of repayment; (iii) the successful generation of adequate operating cash inflows from its existing automotive parts, education management and consultation, and financial services businesses; (iv) the successful injection of cash generating businesses from new investors; (v) the successful obtaining of new sources of financing as and when needed; and (vi) the successful divesting of the Group's non-core assets within the expected timeframe. By implementing the above-mentioned plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 31 December 2025. Accordingly, the directors of the Company are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

THE POSITION, VIEW AND ASSESSMENT OF THE COMPANY ON THE DISCLAIMER OF OPINION

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to the following:

- (i) the Company has appointed a restructuring advisor and a legal advisor to assist in formulating a restructuring plan and execute the Company's restructuring exercise. The Company continues to proactively communicate and work with its creditors on its restructuring plan. On 2 January 2026, the Company entered into a restructuring support agreement (the "**Restructuring Support Agreement**") with the initial participating creditors intending to implement the proposed restructuring by way of a scheme of arrangement under the laws of Hong Kong (the "**Scheme**"). As at the date of this announcement, the Directors are confident that the Court will allow the Company to convene the Scheme meeting and the Scheme will be approved by the eligible creditors of the Company for participating the debt restructuring plan;
- (ii) the Group has been actively negotiating with lenders for the renewal and/or extension of bank and other borrowings which are overdue or will be due for repayment within twelve months from the date of the statement of financial position;
- (iii) the Group continues to develop and operate the automotive parts, education management and consultation, and financial services businesses segments such that they can bring operating cash inflows to the Group;
- (iv) the Group has been actively exploring and negotiating with potential investors to introduce business opportunities with strong profitability and good development prospects to improve its cash flow position;
- (v) the Group has been actively seeking new sources of financing to enhance the financial position and support the operations of the Group; and
- (vi) the Group has been actively looking for potential buyers for its non-core assets, including those as collateral to the secured debts, so as to improve its liquidity and settle the secured debts, if necessary.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2025. The Directors have discussed with management, among others, (i) the Group's cash flow projections, (ii) the key assumptions, methodologies and calculations of the projections, (iii) the operating performance and cash flows of the Group, (iv) the liquidity and financial position of the Group, (v) the details of the Group's borrowings, and (vi) the proposed debt restructuring plan. They are of the opinion that, taking into account the above-mentioned plans and measures, the projections are prepared on a rational basis and the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the plans. The Directors have considered the matters considered by the Auditor and understood its reasons, basis and consideration in arriving at the disclaimer of opinion.

VIEW OF THE AUDIT COMMITTEE ON THE DISCLAIMER OF OPINION

The Company has established the Audit Committee pursuant to Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference in compliance with the requirements of the Corporate Governance Code, to review and supervise the effectiveness of the financial reporting systems and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed this announcement, the consolidated financial statements and annual results of the Group for the year ended 31 December 2025 and expressed no disagreement with the accounting policies and principles adopted by the Group.

The Audit Committee has reviewed the Auditor's report (including the basis for disclaimer of opinion), the consolidated financial statements of the Group, the position, view and assessment of the Company on the disclaimer of opinion and measures taken by the Company for addressing the basis for disclaimer of opinion. Based on the work done by the Audit Committee and after having considered (i) the adequacy and feasibility of the Company's action plan to mitigate the liquidity pressure and improve the financial position so as to address the basis for disclaimer of opinion, (ii) the effects and interim results of the action plan implemented by the Company for the previous year, (iii) the proposed debt restructuring plan, (iv) the Company's communications with certain creditors (including the holders of convertible bonds) on the proposed debt restructuring plan and their indications of participation in the debt restructuring exercise, and (v) the disclaimer of opinion, which is due to going concern, could be mitigated by its nature, the Audit Committee agreed with the position of the Company. Moreover, the Audit Committee requested the Company to take all necessary actions to address the basis for disclaimer of opinion to procure no such disclaimer of opinion to be made in the future.

ANNUAL GENERAL MEETING

The Company will hold an annual general meeting on Tuesday, 9 June 2026. Notice of the forthcoming annual general meeting will be published and despatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 4 June 2026 to Tuesday, 9 June 2026, both days inclusive, during this period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 3 June 2026, for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cfcg.com.hk. The annual report of the Company for the year ended 31 December 2025, in both English and Chinese versions, will be despatched to the Shareholders to their choice of means of receipt and language of corporate communications of the Company, and will also be available on the same websites as mentioned above in due course.

EVENT AFTER THE REPORTING DATE

Entering into Restructuring Support Agreement

On 2 January 2026, the Company entered into a restructuring support agreement with the initial participating creditors intending to implement the proposed restructuring by way of a scheme of arrangement under Hong Kong law. For details, please refer to the announcements of the Company dated 2 January 2026 and 2 February 2026.

Save as disclosed in this announcement, there were no significant events which had material effect on the Group subsequent to the year ended 31 December 2025 and up to the date of this announcement.

APPRECIATION

The Group would like to express its sincere appreciation for the unremitting effort and dedication made by the Board, the management of the Group and all of its staff, as well as the continuous support from the Shareholders, loyal customers, the government, business partners and professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

“Audit Committee”	the audit committee of the Company
“Auditor”	the auditor of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange with stock code of 1269
“Corporate Governance Code”	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“ECL”	expected credit losses
“FVTPL”	fair value through profit or loss
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKAS”	the Hong Kong Accounting Standards
“HKFRS(s)”	the Hong Kong Financial Reporting Standard(s)

“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued and unissued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
China First Capital Group Limited
Chan Kwok Kee, Andy
Company Secretary

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Dr. Wilson Sea and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Loo Cheng Guan and Ms. Lu Dan.