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珠光控股

ZHUGUANG HOLDINGS

ZHUGUANG HOLDINGS GROUP COMPANY LIMITED

珠光控股集團有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1176)

**(1) ANNOUNCEMENT OF THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025;
AND
(2) RESUMPTION OF TRADING**

**(1) ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31
DECEMBER 2025**

The board (“**Board**”) of directors (“**Directors**”) of Zhuguang Holdings Group Company Limited (“**Company**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2025 (“**FY2025**”) together with the comparative figures for the previous financial year (“**FY2024**”) as follows:

* Chinese name is translated for identification purpose only

FINANCIAL HIGHLIGHTS

RESULTS

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue by operating segment:		
– Property development	230,257	242,866
– Project management services	1,026,876	1,144,676
– Property investment and hotel operation	133,578	198,169
Loss for the year attributable to owners of the parent	<u>(6,187,439)</u>	<u>(3,412,327)</u>
	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	29,347,215	32,781,140
Total liabilities	32,283,955	29,521,670
Total equity	<u>(2,936,740)</u>	<u>3,259,470</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in property development, project management, and property investment and hotel operation in the People's Republic of China (“**PRC**”, “**China**” or “**Mainland China**”).

BUSINESS REVIEW

In 2025, China's real estate market was in a period of adjustment, with policies continuing measures such as adopting city-specific policies, ensuring the delivery of housing projects, stabilising demand, and preventing risks. The Government Work Report in March 2025 explicitly stated the demand on “making sustained efforts to halt the decline and stabilising the real estate market” and unleash rigid and upgrading housing demand. The Political Bureau of the CPC Central Committee meeting in April 2025 proposed to “increase the supply of high-quality housing” and “optimise policies for the acquisition of existing commercial housing”. It was emphasised that greater efforts to halt the market's decline and stabilise it are necessary at the executive meeting of the State Council in June 2025. The Fourth Plenary Session of the 20th CPC Central Committee in October 2025 set the tone to “promote high-quality development of the real estate sector”. Various policies have been executed with precision and taken effect in a coordinated manner.

With the continuous optimisation of policies on the supply and demand, a combination of measures supporting the construction of “good housing” and the revitalisation of existing assets has effectively promoted the release of rigid and upgrading housing demand, driven a gradual improvement in market expectations, and facilitated the overall transition of the industry towards a stage of high-quality development. Urban renewal has become a strategic measure to promote high-quality urban development and expand domestic demand.

Urban renewal has been explicitly positioned as “an important leverage point for expanding domestic demand”. The top-level policy design continues to be refined, paving a new development path for the transformation of the industry.

The Company's urban renewal team remained committed to the execution of the Group's pre-defined strategies. Leveraging its professional expertise and dedicated approach, the team seized the policy opportunities in urban renewal to effectively implement and advance the urban renewal projects of the Group, particularly those in the Guangzhou region, thereby enhancing the Group's development highlights and competitive advantages in the future. The Group will continue to promote collaborations with its strategic partners and explore opportunities with financial institutions, government agencies and other industry players to solidify its industry position as an “urban renewal expert”.

The Group will also uphold the spirit of craftsmanship, focusing on improving product quality with attention to detail and delivering premium properties to the buyers.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

Property Development and Sales

During FY2025, the Group continued its focus on the first-tier and key second-tier cities in the PRC with potential growth in demand for properties. The Group has achieved contracted sales of approximately HK\$56,653,000 and contracted gross floor area (“GFA”) sold of approximately 3,500 square metres (“sqm”) during FY2025, representing decreases of approximately 85.22% and approximately 70.52%, respectively, as compared with those for FY2024. The details of the contracted property sales and the contracted GFA sold for FY2025 are set out below:

Projects	Contracted sales (HK\$'000)	Contracted GFA sold (sqm)
Zhuguang Financial Town One	43,621	708
Zhuguang Yujing Scenic Garden (“ Yujing Scenic Garden ”)	3,384	363
Pearl Yunling Lake	1,528	180
Yujing Yayuan	845	119
Pearl Yijing	799	862
Pearl Tianhu Yujing Garden (“ Tianhu Yujing ”)	643	42
	<hr/>	<hr/>
	50,820	2,274
Car parks	5,833	1,226
	<hr/>	<hr/>
	56,653	3,500

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

The following projects of the Group are available for sale, pre-sale or leasing in 2026:

Projects	Available for sale/ pre-sale/ leasing period	GFA available for sale/lease (<i>sqm</i>)	Usage
Zhuguang Financial Town One	1st quarter	278,474	Sale
Yujing Scenic Garden	1st quarter	28,401	Leasing/Sale
Pearl Yunling Lake	1st quarter	729	Sale
Central Park	1st quarter	2,022	Leasing/Sale
Pearl Xincheng Yujing	1st quarter	29,403	Leasing/Sale
Tianhu Yujing	1st quarter	26,289	Leasing/Sale
Yujing Yayuan	1st quarter	305	Sale
Pearl Yijing	1st quarter	9,132	Sale
Project Tian Ying	1st quarter	6,179	Sale
Meizhou Chaotang Project	1st quarter	34,202	Leasing/Sale
Zhukong International	1st quarter	34,583	Leasing/Sale

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

As at 31 December 2025, the Group owned the following major property development projects, the details of which are as follows:

Zhuguang Financial Town One – 100% interest

“Zhuguang Financial Town One” is located at Huangpu Road East, Tianhe District, Guangzhou City, Guangdong Province, the PRC, which is near the 三溪 (Sanxi*) Station of Guangzhou Metro Line No. 5 and within the scope of the planned 廣州國際金融城 (Guangzhou International Financial Town*) in the Tianhe District. The total site area of this project is approximately 63,637 sqm, which is being developed into office buildings, high-end apartment buildings, shopping malls and a commercial complex including underground car parks over four phases. The total GFA for sale of this project is approximately 391,881 sqm. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 15,253 sqm. During FY2025, contracted sales of approximately HK\$43,621,000 with GFA of approximately 708 sqm were recorded with respect to “Zhuguang Financial Town One”.

Yujing Scenic Garden – 100% interest

“Yujing Scenic Garden” is located at Provincial Highway G105 (“**Highway G105**”) line at Jiulibu District, Jiangpu Town, Conghua, Guangzhou City, Guangdong Province, the PRC, which is well connected via a number of highways to and from Guangzhou City. “Yujing Scenic Garden” is a 20-minute drive from downtown Conghua and a 10-minute drive from Wenquan Town, Conghua, with a site area of approximately 294,684 sqm, which is a commercial and residential complex, comprising residential buildings and a street-level commercial podium and car parks. The total GFA available for sale is approximately 760,206 sqm, which comprises four phases of development. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 669,071 sqm. During FY2025, contracted sales of approximately HK\$3,384,000 with GFA of approximately 363 sqm were recorded with respect to “Yujing Scenic Garden”.

* English name is translated for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

Pearl Yunling Lake – 100% interest

“Pearl Yunling Lake” is located at Provincial Highway S355 line at Jiekou Street, Conghua, Guangzhou City, Guangdong Province, the PRC, which is adjacent to the Fengyunling Forest Park, and is the main transportation link between Conghua and downtown Guangzhou City. The project site area is approximately 200,083 sqm and the total GFA available for sale is approximately 110,417 sqm. The development is divided into two phases, with Phase I comprising 57 villas and 5 apartment buildings, with an aggregate GFA of approximately 42,884 sqm, and Phase II comprising 44 villas, 3 apartment buildings and a hotel, with an aggregate GFA of approximately 83,773 sqm. Phase I with a total GFA available for sale of approximately 39,046 sqm and Phase II with a total GFA available for sale of approximately 29,040 sqm were launched for sale in the first and third quarters of 2017 respectively, whilst the hotel with a GFA of approximately 42,331 sqm has been retained as a long-term asset of the Group. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 44,053 sqm. During FY2025, contracted sales of approximately HK\$1,528,000 with GFA of approximately 180 sqm were recorded with respect to “Pearl Yunling Lake”.

Yujing Yayuan – 50% interest

“Yujing Yayuan” is located at Guoji, Fuyong, Nanqu, Zhongshan City, Guangdong Province, the PRC. The site area and the total GFA available for development of this project are approximately 15,745 sqm and approximately 38,005 sqm, respectively. The development of this project into five blocks of modern residential buildings, a street-level commercial podium and an underground car park was completed in 2020. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 35,927 sqm. During FY2025, contracted sales of approximately HK\$845,000 with GFA of approximately 119 sqm were recorded with respect to “Yujing Yayuan”.

Pearl Yijing – 100% interest

“Pearl Yijing” is located at No. 168 Xinkai Street, Xianghe County, Hebei Province, the PRC, with a site area of approximately 45,310 sqm and a total GFA available for sale of approximately 164,603 sqm. The project was developed into two phases with several residential buildings and street-level commercial areas. As at 31 December 2025, the aggregate GFA available for sale delivered under this project was approximately 154,361 sqm. During FY2025, contracted sales of approximately HK\$799,000 with GFA of approximately 862 sqm were recorded with respect to “Pearl Yijing”.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

Tianhu Yujing – 100% interest

“Tianhu Yujing” is located at Shui Di Village, Jiulibu District, Wenquan Town, Conghua, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 55,031 sqm. The land of this project is located adjacent to “Yujing Scenic Garden”, and the Group has developed this land together with “Yujing Scenic Garden” to expand the Group’s development and presence in Conghua. The project is developed into 5 blocks of 32-storey modern residential buildings and a street-level commercial podium with total GFA available for sale of approximately 186,894 sqm. The development is divided into two phases. The total GFA available for sale under Phase I and Phase II is approximately 97,183 sqm and 89,711 sqm, respectively. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 140,112 sqm. During FY2025, contracted sales of approximately HK\$643,000 with GFA of approximately 42 sqm were recorded with respect to “Tianhu Yujing”.

Hua Cheng Yujing Garden – 100% interest

“Hua Cheng Yujing Garden” was acquired by the Group in 2018. It is located at Zhujiang Xincheng, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 60,237 sqm. The total GFA available for sale of this project which belongs to the Group is approximately 108,675 sqm. Out of the GFA of approximately 108,675 sqm, a GFA of approximately 48,043 sqm is attributable to a commercial and residential complex which comprises car parks, residential buildings, shopping malls and office premises, and a GFA of approximately 60,632 sqm is attributable to a commercial complex which comprises car parks, shopping malls and office premises. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 87,695 sqm.

Central Park – 100% interest

“Central Park” is located at Lot H3-3, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 3,430 sqm, and a total GFA available for sale of approximately 28,706 sqm thereof has been developed into a 30-storey building, including service apartments, a street-level commercial podium and a 4-storey underground car park. As at 31 December 2025, the aggregate GFA available for sale of the service apartments delivered was approximately 25,693 sqm. The Group has designated GFA of approximately 50 sqm of this property as investment properties held for long-term investment purpose.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

Pearl Xincheng Yujing – 100% interest

“Pearl Xincheng Yujing” was acquired by the Group in September 2016. It is located at 種王上圍 (Zhong Su Shang Wei*), 陽光村 (Sunshine Village*), 湯南鎮 (Tang Nan Town*), 豐順縣 (Fengshun County*), Meizhou City, Guangdong Province, the PRC (next to Line G235), a county famous for its hot spring resources which is a major tourism attraction. The project has a site area of approximately 280,836 sqm and a total GFA for sale of approximately 310,716 sqm. The project has been developed into various types of villas, high-rise apartment buildings and an ancillary commercial development. The development of the project is divided into three phases. Phase I commenced pre-sale during 2017 with delivery commencing in 2018. Phase II commenced pre-sale in 2017 which was completed with delivery commencing in 2019. Phase III commenced delivery during 2020. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 262,683 sqm. The Group has designated GFA of approximately 9,482 sqm of this property as investment properties held for long-term investment purpose. The ancillary commercial building plus a basement with a total GFA of approximately 9,482 sqm were leased out during FY2025.

Project Tian Ying – 100% interest

“Project Tian Ying” is located in Jiang Pu Street, Conghua, Guangzhou City, Guangdong Province, the PRC, and is next to Highway G105, which is only a 10-minute drive and a one-hour drive from Conghua central business district and Guangzhou City, respectively. The site area of the project is approximately 22,742 sqm and the total GFA available for sale is approximately 59,679 sqm. The project, which was to be developed into a stylish low-density residential complex with a commercial podium and certain public facilities, was completed in 2019. As at 31 December 2025, the aggregate GFA delivered under this project was approximately 52,843 sqm.

* *English name is translated for identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Development and Sales *(continued)*

Meizhou Chaotang Project – 100% interest

“Meizhou Chaotang Project” is located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC. The site area and the GFA available for sale under Phase I of the project are approximately 46,793 sqm and approximately 34,202 sqm, respectively. Phase I of the project will be developed into a number of different types of villas in addition to a hotel. The Group has designated the hotel with a GFA of approximately 7,389 sqm as an investment property held for long-term investment purpose.

Zhukong International – 100% interest

“Zhukong International”, which is located at Lot A2-1, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, at the junction of 廣州大道 (Guangzhou Avenue*) and 黃埔大道 (Huang Pu Da Dao*), is a 35-storey high-rise commercial complex, including a 6-storey commercial podium, a 29-storey Grade A office building and a 3-storey underground car park. The complex was completed in 2015 with a site area of approximately 10,449 sqm and a total GFA available for sale (including carpark areas) and leasing of approximately 109,824 sqm. As at 31 December 2025, the aggregate GFA of the office building and carparks sold was approximately 45,588 sqm. The Group has designated GFA of approximately 60,891 sqm of this property as investment properties held for long-term investment purpose.

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MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

Land Bank

It is the Group's strategy to maintain a sufficient land bank and design accurate urban layout to support the Group's own development pipeline for at least the next three to five years. The Group has actively expanded its land reserves through various channels, including participation in government public auctions, urban redevelopment projects and acquisition of other property development projects. As at 31 December 2025, the Group had a land bank in the PRC, which consisted of total GFA available for sale, total GFA pre-sold pending delivery and total GFA available for lease, of approximately 787,903 sqm in aggregate. The Group will continue to explore new opportunities for investment and development in cities in the PRC in which the Group already has land investments, as well as other cities in the PRC with growth potential and the best investment value.

Project Management Services

The Group has been using its expertise in project management and urban renewal to provide project management services for property development projects and urban redevelopment projects in the PRC, particularly under the "Three Old" Redevelopment Works regime (「三舊」改造工作) initiated by the Guangzhou Municipal Government, being a regime for the redevelopment of rural land collectively owned by the village residents through a rural collective economic organisation (農村集體經濟聯合社). Projects under the "Three Old" Redevelopment Works regime are subject to specific PRC laws, regulations and policies which, among other things, (1) regulate the various models of property redevelopment for these projects (each a "**Redevelopment Model**"); and (2) restrict the transfer of ownership of the land use rights in the rural land for redevelopment under these projects.

Under this operating model, the Group has been providing project management services to each of its customers who have entered into cooperation agreements with various rural collective economic organisations for the redevelopment of rural land under the "Three Old" Redevelopment Works regime. Pursuant to each of these cooperation agreements, the relevant rural collective economic organisation has agreed to provide the rural land for redevelopment under the project ("**Project Land**"), and the relevant customer has obtained the contractual right and responsibility (including the funding responsibility) and management rights to carry out the redevelopment of the project. Pursuant to the "Three Old" Redevelopment Works regime, the Group's customer may, as the contract redeveloper, acquire the land use rights of the relevant Project Land either by way of contract or through a public listing-for-sale process depending on the Redevelopment Model adopted by the relevant rural collective economic organisation.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Project Management Services *(continued)*

The Group is not a party to the cooperation agreements with the rural collective economic organisations. Instead, it has entered into project management agreements with each of its customers, pursuant to which the Group has obtained such management rights and undertaken the responsibility (including funding responsibility) to carry out the redevelopment of the project. In carrying out its business in the provision of such project management services for projects under the “Three Old” Redevelopment Works regime, the Group is responsible for preparing redevelopment and resettlement compensation plans, obtaining approvals from village residents with respect to such plans, assisting the rural collective economic organisations to manage land title issues, obtaining government approvals, certificates and permits to carry out the property development works (including development of resettlement properties), funding the operations and development of the project and other project management services. In return for the Group’s project management services and contribution:

- (a) if the subsidiary of the Group’s customer (“**Project Company**”) directly or indirectly acquires the land use rights in the Project Land and to the extent a transfer of the equity interest in the Project Company is permitted under the PRC laws, regulations and policies, the Group is entitled to (i) exercise its pre-emptive rights to acquire the equity interest in the Project Company or (ii) an income from the sale of the equity interest in the Project Land to a third party;
- (b) to the extent that the equity interest in the Project Company (which directly or indirectly holds the land use rights in the Project Land) is not capable of being transferred due to regulatory reasons or government policies, the Group is entitled to an income from the sale of saleable properties developed under the project; and
- (c) if the Project Company has not directly or indirectly acquired the land use rights in the Project Land, the Group is entitled to an amount equal to (i) the total amount of funds incurred and contributed by the Group under its contractual funding responsibility plus (ii) an income from a fixed rate of return at an agreed percentage of such funds, which represents the minimum consideration receivable by the Group as an assured return on investment for its provision of project management services.

The Group recorded project management services segment revenue of approximately HK\$1,026,876,000 for FY2025, compared with that of approximately HK\$1,144,676,000 for FY2024. The decrease in the revenue generated from this business segment was mainly attributable to the decrease in the number of project management agreements the Group had in FY2025. The Group will continue to utilise its expertise in project management and urban renewal to further develop its project management services business to broaden its source of income.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

Property Investment and Hotel Operation

As at 31 December 2025, the Group owned (1) certain floors of Royal Mediterranean Hotel (“**RM Hotel**”) located at 518 Tianhe Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with GFA of approximately 18,184 sqm (31 December 2024: 18,184 sqm); (2) Zhukong International with GFA of approximately 60,891 sqm (31 December 2024: 60,891 sqm); (3) certain floors of a commercial complex in “Hua Cheng Yujing Garden” with GFA of approximately 14,470 sqm (31 December 2024: 14,470 sqm); (4) a hotel located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC, with GFA of approximately 7,389 sqm (31 December 2024: 7,389 sqm); and (5) certain commercial properties in the Guangdong Province, the PRC, with GFA of approximately 11,533 sqm (31 December 2024: 11,533 sqm) as investment properties. During FY2025, RM Hotel, Zhukong International, the hotel located in Meizhou City and certain commercial properties were partially leased out with total rental income of approximately HK\$76,393,000 generated, representing a decrease of approximately 41.7% as compared with that of approximately HK\$130,975,000 for FY2024. The existing investment properties held by the Group are intended to be held for medium-term to long-term investment purposes. The Group will continue to seek high quality properties with potential appreciation in value for investment purposes and build up a portfolio that will generate steady cash flows for the Group in the future.

As at 31 December 2025, the Group operated two hotels, namely, (1) 廣州雲嶺湖酒店 (Guangzhou Vlamhoo Hotel*) (“**Vlamhoo Hotel**”) located at Conghua, Guangzhou City, Guangdong Province, the PRC, which was constructed by the Group, with its operations commenced in December 2021; and (2) 廣東鹿湖溫泉假日酒店 (Guangdong Luhuhu Hot Spring Holiday Hotel*) (“**Luhuhu Hotel**”) located at Fengshun County, Meizhou City, Guangdong Province, the PRC, which has been operated by the Group since December 2021. During FY2025, the operation of these hotels generated a total income of approximately HK\$57,185,000 (FY2024: HK\$67,194,000) for the Group.

MATERIAL DISPOSAL

On 28 November 2025, Splendid Reach Limited (熙達有限公司) (“**Vendor**”), a wholly-owned subsidiary of the Company, and Rong De Investments Limited (融德投資有限公司) (“**Rong De**”), and the Company entered into the sale and purchase agreement (“**SP Agreement**”), pursuant to which the Vendor has conditionally agreed to sell, and Rong De has conditionally agreed to purchase, 679,890,022 shares of Silver Grant International Holdings Group Limited (銀建國際控股集團有限公司) (“**Silver Grant**”, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) with stock code: 0171), representing approximately 29.50% interest of the issued shares Silver Grant, at the consideration of approximately HK\$81,587,000 (“**Disposal**”).

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MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

MATERIAL DISPOSAL *(continued)*

Further details of the Disposal are set out in the announcements of the Company dated 28 November 2025 and 15 January 2026 and the circular of the Company dated 19 December 2025.

EVENT AFTER THE REPORTING PERIOD

The Disposal was completed on 31 March 2026, upon which Silver Grant ceased to be an associate of the Company.

OUTLOOK

In 2026, the complexity, severity and uncertainty of the external environment remain. The economy in China is entering into the first year of the 15th Five-Year Plan, forging ahead under pressure amidst structural adjustments and the conversion of growth drivers. Macroeconomic policies will continue to intensify and improve in effectiveness, making greater efforts to stabilise the foundation of the economy.

The Group will continue to advance urban renewal projects and optimise its debt structure. The strategic position of urban renewal will be further elevated, providing a sustainable development path for the industry.

Under the new market trend, the Group's revenue from the pre-sale of properties will still be mainly generated from the completed property projects of the Group across Guangzhou. In the future, the Group will continue to increase its sales efforts in Guangzhou, with Guangzhou remaining as the Group's key sales area. In terms of land acquisition, the Group will maintain and advance the collaboration with its strategic partners to support its strategy for future development needs.

The Group will intensify its efforts to elevate the strategy of "optimising the structure, strengthening capabilities, and enhancing quality", striving to overcome the severe challenges currently brought about by the market adjustment in China's real estate sector.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL REVIEW

Revenue

During FY2025, the Group's revenue by operating segment included revenue from property development, project management services, and property investment and hotel operation. The total revenue of the Group for FY2025 was approximately HK\$1,390,711,000 (FY2024: HK\$1,585,711,000), which represented a decrease of approximately 12.3% as compared with that for FY2024.

Revenue from property development for FY2025 amounted to approximately HK\$230,257,000 (FY2024: HK\$242,866,000). The decrease was mainly due to the decrease in the number of properties delivered during FY2025 as compared with that during FY2024.

The income from the project management services segment contributed approximately HK\$1,026,876,000 (FY2024: HK\$1,144,676,000) to the total revenue of the Group for FY2025. The decrease was mainly due to the decrease in the number of project management services agreements the Group had in FY2025.

During FY2025, the Group recorded an aggregate income of approximately HK\$133,578,000 (FY2024: HK\$198,169,000) from the property investment and hotel operation segment. The rental income generated by the Group from its investment properties decreased from approximately HK\$130,975,000 for FY2024 to approximately HK\$76,393,000 for FY2025, mainly due to the decrease in the GFA of the investment properties leased out by the Group during FY2025. During FY2025, the Group generated a total income of approximately HK\$57,185,000 (FY2024: HK\$67,194,000) from its operation of two hotels in the Guangdong Province, the PRC, namely, Vlamhoo Hotel, which was constructed by the Group, with its operations commenced in December 2021, and Luhu Hotel, which has been operated by the Group since December 2021. The decrease was mainly due to the decrease in occupancy rate during FY2025 as compared with that during FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL REVIEW *(continued)*

Gross profit

Gross profit of the Group decreased from approximately HK\$1,208,718,000 for FY2024 to approximately HK\$1,198,856,000 for FY2025, mainly due to the decrease in the Group's revenue in FY2025.

Fair value loss on investment properties, net

For FY2025, the Group recorded a fair value loss on investment properties, net, of approximately HK\$446,704,000 as compared with that of approximately HK\$463,602,000 for FY2024. The fair value loss on investment properties, net, for FY2025 was mainly due to the decrease in the fair value of Zhukong International, RM Hotel and certain floors of a commercial complex in "Hua Cheng Yujing Garden" held by the Group in the Guangdong Province, the PRC, as at 31 December 2025.

Other income and gains, net

Other income and gains, net, of the Group decreased to approximately HK\$256,822,000 during FY2025 (FY2024: HK\$417,661,000). The decrease was mainly due to the decrease in gain on modification of contracts of bank and other borrowings from approximately HK\$325,827,000 for FY2024 to approximately HK\$177,686,000 for FY2025, as a result of the decrease in modification of certain terms of the contracts relating to bank and other borrowings of the Group for FY2025, as compared with that for FY2024.

Administrative expenses and selling and marketing expenses

Administrative expenses and selling and marketing expenses of the Group decreased from approximately HK\$265,857,000 for FY2024 to approximately HK\$193,644,000 for FY2025. The decrease was mainly due to the decrease in the administrative expenses primarily caused by the decrease in the staff cost incurred for FY2025, as compared with that for FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL REVIEW *(continued)*

Impairment losses on financial assets, net

Impairment losses on financial assets, net, of the Group increased substantially from approximately HK\$2,248,461,000 during FY2024 to approximately HK\$4,960,115,000 during FY2025, which comprised the impairment losses of approximately HK\$4,353,232,000 (FY2024: HK\$2,037,486,000) recorded by the Group on its trade receivables during FY2025 and the impairment losses of approximately HK\$606,883,000 (FY2024: HK\$210,975,000) recorded by the Group on its deposits and other receivables during FY2025, following the Group's assessment of expected credit loss on the above assets. The substantial increase was mainly due to the evaluation and measurement of expected credit losses on certain receivables for urban redevelopment projects, and certain financial assets included in prepayments, other receivables and other assets that are credit-impaired, for which the loss allowance were measured at an amount equal to lifetime expected credit loss in FY2025.

Other expenses, net

Other expenses, net, of the Group decreased from approximately HK\$972,576,000 for FY2024 to approximately HK\$914,630,000 for FY2025. Other expenses, net, for FY2025 mainly comprised the impairment loss on investment in an associate of approximately HK\$140,331,000 for FY2025 (FY2024: Nil); the provision for charges and related expenses of certain borrowings of the Group of approximately HK\$625,227,000 (FY2024: HK\$602,108,000); the provision for the Group's properties under development and completed properties held for sale of approximately HK\$24,949,000 (FY2024: HK\$155,852,000).

Share of loss of an associate

Share of loss of an associate of the Company was approximately HK\$278,960,000 during FY2025 (FY2024: HK\$223,226,000), which represented the Group's share of the loss from its associate, Silver Grant. Silver Grant and its subsidiaries are principally engaged in property leasing, investments and new energy investment and operation. The Group held approximately 29.50% interest of the issued share capital of Silver Grant as at 31 December 2025.

Finance costs

Finance costs of the Group for FY2025 were approximately HK\$936,427,000 (FY2024: HK\$1,058,043,000), which were made up of interest expenses incurred by the Group during FY2025 after deduction of the interest expenses capitalised into development costs. The decrease in finance costs was mainly due to the combined effects of the increase in interest expenses arising from revenue contracts of approximately HK\$300,543,000 for FY2025 (FY2024: HK\$178,352,000); and the increase in the interest capitalisation rate in FY2025, as compared with that in FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL REVIEW *(continued)*

Income tax credit

Income tax credit of the Group comprised corporate income tax (“CIT”) and land appreciation tax (“LAT”) in the PRC and deferred tax. CIT of approximately HK\$114,612,000 (FY2024: HK\$109,822,000), LAT of approximately HK\$35,427,000 (FY2024: HK\$27,401,000) and deferred tax credit of approximately HK\$204,919,000 (FY2024: HK\$275,174,000) accounted for the Group’s total income tax credit of approximately HK\$54,880,000 for FY2025 (FY2024: HK\$137,951,000). The decrease of income tax credit for FY2025 was mainly due to the combined effects of the decrease in the tax-deductible expenses incurred recorded by the Group during FY2025 and the increase in deferred tax credit recognised for FY2025 as a result of the decrease in the valuation of certain investment properties.

Loss for the year

The Group’s loss for FY2025 was approximately HK\$6,219,922,000 (FY2024: HK\$3,467,435,000). Such change was mainly attributable to the combined effects of (1) the substantial increase in impairment of financial assets, net, recorded by the Group for FY2025 from that of approximately HK\$2,248,461,000 for FY2024 to approximately HK\$4,960,115,000, following the Group’s assessment of expected credit loss on its trade receivables, deposits and other receivables due to the evaluation and measurement of expected credit losses on certain receivables for urban redevelopment projects, and certain financial assets included in prepayments, other receivables and other assets that are credit-impaired, for which the loss allowance were measured at an amount equal to lifetime expected credit loss in FY2025; (2) the decrease in finance costs recorded by the Group for FY2025 from that of approximately HK\$1,058,043,000 for FY2024 to approximately HK\$936,427,000, which was mainly caused by the combined effects of the increase in interest expenses arising from revenue contracts from approximately HK\$178,352,000 for FY2024 to approximately HK\$300,543,000 for FY2025 and the increase in the interest capitalisation rate during FY2025; (3) the decrease in the Group’s other income and gains, net from approximately HK\$417,661,000 during FY2024 to approximately HK\$256,822,000 during FY2025, due to the decrease in the gain on modification of contracts of bank and other borrowings during FY2025 as compared with that during FY2024; (4) the decrease in other expenses, net from that of approximately HK\$972,576,000 for FY2024 to approximately HK\$914,630,000 for FY2025, which comprised the impairment loss on investment in an associate of approximately HK\$140,331,000 for FY2025 (FY2024: Nil); the provision for charges and related expenses of certain borrowings of the Group of approximately HK\$625,227,000 (FY2024: HK\$602,108,000); the provision for the Group’s properties under development and completed properties held for sale of approximately HK\$24,949,000 (FY2024: HK\$155,852,000); and (5) the decrease in income tax credit from approximately HK\$137,951,000 for FY2024 to approximately HK\$54,880,000 for FY2025 due to the combined effects of the decrease in the tax-deductible expenses incurred recorded by the Group during FY2025 and the increase in deferred tax credit recognised for FY2025 as a result of the decrease in the valuation of certain investment properties.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Treasury and funding policies

The Group has adopted a prudent approach with respect to its treasury and funding policies. The Group's financial and fundraising activities are subject to effective centralised management and supervision, with an emphasis on risk management and transactions that are directly related to the business of the Group. There is in general no material seasonality in relation to the borrowing requirements of the Group.

Cash position

As at 31 December 2025, the Group's cash and bank balances (including restricted cash and term deposits with initial terms of over three months) amounted to approximately HK\$12,581,000 (31 December 2024: HK\$17,003,000). The cash and bank balances of the Group were mainly denominated in RMB, United States dollar ("US\$") and HK\$.

Borrowings, charges on group assets and gearing ratio

The Group's bank and other borrowings comprised the following:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Bank loans – secured	8,191,080	7,759,271
Other borrowings:		
Senior notes – secured	1,834,542	1,603,888
Other borrowings – secured	5,228,464	4,575,381
Lease liabilities	4,432	5,876
	<u>15,258,518</u>	<u>13,944,416</u>

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Borrowings, charges on group assets and gearing ratio (continued)

- (a) As at 31 December 2025, the Group's bank and other borrowings amounted to approximately HK\$15,258,518,000, of which approximately 99.8%, 0.1% and 0.1% were repayable respectively within one year or on demand, in the second year and in the third to fifth years inclusively (31 December 2024: HK\$13,944,416,000, of which approximately 98.5%, 0.2%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years). As at 31 December 2025, such borrowings of the Group were made up of financing from (i) bank loans; (ii) senior notes; (iii) other borrowings, including trust loans and term loan facilities; and (iv) lease liabilities. Out of these borrowings, approximately HK\$4,432,000 (31 December 2024: HK\$5,876,000), approximately HK\$13,419,544,000 (31 December 2024: HK\$12,334,652,000) and approximately HK\$1,834,542,000 (31 December 2024: HK\$1,603,888,000) were denominated in HK\$, RMB and US\$, respectively. The senior notes and other borrowings carried fixed interest rates ranging from 6.52% per annum to 15.42% per annum (31 December 2024: 6.52% per annum to 14.26% per annum). Approximately 16.56% (31 December 2024: 9.59%) of the bank loans carried fixed interest rates ranging from 3.87% per annum to 9.06% per annum (31 December 2024: 5.95% per annum to 8.85% per annum) while the remaining bank loans of approximately 83.44% (31 December 2024: 90.41%) carried floating interest rates.
- (b) The gearing ratio of the Group, being the Group's financial key performance indicator, is measured by the net debt (total interest-bearing borrowings less net of cash and bank balances) over the total capital (total equity plus net debt) of the Group. As at 31 December 2025, the gearing ratio of the Group was 124% (31 December 2024: 81%).
- (c) As at 31 December 2025, the Group had outstanding secured bank loans of approximately HK\$8,191 million, which were secured by the following: (i) the Group's investment properties; (ii) the Group's property and equipment; (iii) the Group's properties under development and completed properties held for sale; (iv) the entire equity interest of the Company's subsidiaries, namely, 廣州珠光城市更新集團有限公司 (Guangzhou Zhuguang Urban Renewal Group Company Limited*), 廣州舜吉實業有限公司 (Guangzhou Shunji Industry Company Limited*), 廣東海聯大廈有限公司 (Guangdong Hailian Building Company Limited*) and 廣州發展汽車城有限公司 (Guangzhou Development Automobile City Co., Ltd.*); (v) the corporate guarantees executed by the Company and 廣東珠光集團有限公司 (Guangdong Zhuguang Group Company Limited*) ("**Guangdong Zhuguang Group**"); and (vi) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung and Mr. Liao Tengjia.

* English name is translated for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Borrowings, charges on group assets and gearing ratio (continued)

- (d) As at 31 December 2025, the Group had outstanding senior, secured and guaranteed notes issued in 2022 in the aggregate principal amount of US\$207.9 million (equivalent to approximately HK\$1,618 million) due on 21 September 2025 (“**2022 Senior Notes**”), which were secured and guaranteed by (i) 3,000,000,000 shares of the Company (“**Shares**”) owned by Rong De (a controlling shareholder (“**Shareholder**”) of the Company (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”)); (ii) the 100% equity interest of the Company’s subsidiaries, namely, Ai De Investments Limited (靄德投資有限公司) (“**Ai De**”), All Flourish Investments Limited (通興投資有限公司) (“**All Flourish**”), Capital Fame Investments Limited (嘉鋒投資有限公司) (“**Capital Fame**”), Cheng Chang Holdings Limited (誠昌控股有限公司) (“**Cheng Chang**”), China Honest International Investments Limited (創豪國際投資有限公司) (“**China Honest**”), Diamond Crown Limited (毅冠有限公司) (“**Diamond Crown**”), East Orient Investment Limited (達東投資有限公司) (“**East Orient**”), Ever Crown Corporation Limited (冠恒興業有限公司) (“**Ever Crown**”), Fully Wise Investment Limited (惠豐投資有限公司) (“**Fully Wise**”), Gains Wide Holdings Limited (利博控股有限公司) (“**Gains Wide**”), Gold Charter Investments Limited (高澤投資有限公司) (“**Gold Charter**”), Graceful Link Limited (愉興有限公司) (“**Graceful Link**”), Pacific Win Investments Limited (保鋒投資有限公司) (“**Pacific Win**”), Polyhero International Limited (寶豪國際有限公司) (“**Polyhero International**”), Profaitth International Holdings Limited (盈信國際控股有限公司) (“**Profaitth International**”), Sharp Wisdom Holdings Limited (銳智控股有限公司) (“**Sharp Wisdom**”), South Trend Holdings Limited (南興控股有限公司) (“**South Trend**”), Speedy Full Limited (速溢有限公司) (“**Speedy Full**”), Talent Wide Holdings Limited (智博控股有限公司) (“**Talent Wide**”), Top Asset Development Limited (通利發展有限公司) (“**Top Asset**”), Top Perfect Development Limited (泰恒發展有限公司) (“**Top Perfect**”), World Sharp Investments Limited (華聲投資有限公司) (“**World Sharp**”) and Zhuguang Group Limited (珠光集團有限公司) (“**ZG Group**”); (iii) the corporate guarantees executed by Rong De, ZG Group, South Trend, Ai De, All Flourish, Capital Fame, Cheng Chang, China Honest, Diamond Crown, East Orient, Ever Crown, Fully Wise, Gains Wide, Gold Charter, Graceful Link, Pacific Win, Polyhero International, Profaitth International, Talent Wide, Top Asset, Top Perfect, World Sharp, Sharp Wisdom and Speedy Full; and (iv) the personal guarantees executed by the executive Directors, namely, Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi. As at the date of this announcement, the Company is negotiating with the holders of the 2022 Senior Notes on, among others, the extension of the maturity date of the 2022 Senior Notes. The Company will publish announcement in relation to such extension in accordance with the requirements of the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Borrowings, charges on group assets and gearing ratio (continued)

- (e) As at 31 December 2025, the Group had outstanding secured other borrowings of approximately HK\$5,228 million, which were secured and guaranteed by (i) the Group's properties under development and completed properties held for sale; (ii) the Group's property and equipment; (iii) the Group's investment properties; (iv) the security provided by Guangdong Zhuguang Group; (v) the entire equity interest of the Company's subsidiaries, namely, 廣州市潤啟房地產有限公司 (Guangzhou City Runqi Property Company Limited*), 廣州東港合眾房地產有限公司 (Guangzhou Dong Gang He Zhong Property Company Limited*), 廣州珠光實業集團有限公司 (Guangzhou Zhuguang Industrial Group Company Limited*), 香河縣逸景房地產開發有限公司 (Xianghe County Yijing Property Development Company Limited*) and 廣州振超房地產開發有限公司 (Guangzhou Zhenchao Property Development Company Limited*); (vi) the entire equity interest of a subsidiary of Guangdong Zhuguang Group; (vii) the corporate guarantees executed by the Company and Guangdong Zhuguang Group; and (viii) the personal guarantees executed by an executive Director, Mr. Chu Hing Tsung.

FINANCIAL GUARANTEE CONTRACTS

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<u>924,454</u>	<u>1,249,798</u>

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

* English name is translated for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL GUARANTEE CONTRACTS *(continued)*

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Except for the financial guarantee contracts as disclosed above, the Group had no material contingent liabilities as at 31 December 2025 (31 December 2024: Nil).

FOREIGN EXCHANGE RATE

During FY2025, the Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK\$ and US\$. The conversion of RMB into HK\$, US\$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against the HK\$, US\$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. During FY2025, the Group did not adopt any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

EMPLOYEES AND REMUNERATION POLICIES

The Group had in aggregate 535 employees in Hong Kong and the PRC as at 31 December 2025 (31 December 2024: 642). During FY2025, the level of the Group's overall staff cost was approximately HK\$94.7 million (FY2024: HK\$134.1 million). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus and retirement benefits. The Directors' remuneration is determined based on their qualifications, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during FY2025, including training on updates of accounting standards and training on market updates.

During FY2025, the Group did not experience any significant problem with its employees. The Group has maintained a good relationship with its employees. Most members of the senior management have been working for the Group for many years.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*Year ended 31 December 2025*

		Year ended 31 December	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	1,390,711	1,585,711
Cost of sales		<u>(191,855)</u>	<u>(376,993)</u>
Gross profit		1,198,856	1,208,718
Other income and gains, net	4	256,822	417,661
Selling and marketing expenses		(24,670)	(42,479)
Administrative expenses		(168,974)	(223,378)
Fair value loss on investment properties, net		(446,704)	(463,602)
Impairment losses on financial assets, net		(4,960,115)	(2,248,461)
Other expenses, net		(914,630)	(972,576)
Finance costs	5	(936,427)	(1,058,043)
Share of loss of an associate		<u>(278,960)</u>	<u>(223,226)</u>
LOSS BEFORE TAX	6	(6,274,802)	(3,605,386)
Income tax credit	7	<u>54,880</u>	<u>137,951</u>
LOSS FOR THE YEAR		<u>(6,219,922)</u>	<u>(3,467,435)</u>
Attributable to:			
Owners of the parent		(6,187,439)	(3,412,327)
Non-controlling interests		<u>(32,483)</u>	<u>(55,108)</u>
		<u>(6,219,922)</u>	<u>(3,467,435)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (<i>HK cents per share</i>)	8	<u>(70.68)</u>	<u>(46.27)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
LOSS FOR THE YEAR	(6,219,922)	(3,467,435)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	14,013	(64,577)
Share of other comprehensive income/(loss) of an associate	12,964	(11,651)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	26,977	(76,228)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(6,192,945)</u>	<u>(3,543,663)</u>
Attributable to:		
Owners of the parent	(6,159,634)	(3,488,749)
Non-controlling interests	(33,311)	(54,914)
	<u>(6,192,945)</u>	<u>(3,543,663)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		31 December	
		2025	2024
	Notes	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property and equipment		198,628	214,953
Investment properties		2,448,374	2,829,529
Intangible assets		3,411	4,476
Investments in joint ventures		10,979	10,708
Investment in an associate		81,587	487,913
Trade receivables	10	9,704,212	12,590,151
Total non-current assets		12,447,191	16,137,730
CURRENT ASSETS			
Properties under development		8,440,381	8,037,624
Completed properties held for sale		5,330,797	4,688,340
Trade receivables	10	1,111,385	1,142,966
Prepayments, other receivables and other assets		1,784,416	2,538,181
Prepaid income tax		194,036	193,520
Financial assets at fair value through profit or loss		26,428	25,776
Cash and bank balances		12,581	17,003
Total current assets		16,900,024	16,643,410
CURRENT LIABILITIES			
Contract liabilities		4,413,224	3,734,485
Trade and other payables	11	7,026,207	6,383,891
Interest-bearing bank and other borrowings		15,255,714	13,745,845
Income tax payables		3,815,441	3,591,018
Total current liabilities		30,510,586	27,455,239
NET CURRENT LIABILITIES		(13,610,562)	(10,811,829)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,163,371)	5,325,901

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2025

		31 December	
		2025	2024
	Note	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES			
Other payables	11	149,643	143,754
Interest-bearing bank and other borrowings		2,804	198,571
Deferred tax liabilities		<u>1,620,922</u>	<u>1,724,106</u>
Total non-current liabilities		<u>1,773,369</u>	<u>2,066,431</u>
Net (liabilities)/assets		<u><u>(2,936,740)</u></u>	<u><u>3,259,470</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		885,064	885,064
Reserves		<u>(5,157,165)</u>	<u>1,142,089</u>
		(4,272,101)	2,027,153
Perpetual capital securities		<u>1,323,753</u>	<u>1,255,753</u>
		(2,948,348)	3,282,906
Non-controlling interests		<u>11,608</u>	<u>(23,436)</u>
Total equity		<u><u>(2,936,740)</u></u>	<u><u>3,259,470</u></u>

Notes:

1 CORPORATE AND GROUP INFORMATION

Zhuguang Holdings Group Company Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 December 1996.

During the year, the Company’s principal activity was investment holding and the Company and its subsidiaries (collectively the “**Group**”) were principally engaged in property development, property management, property investment, hotel operation and other property development related services in the mainland of the People’s Republic of China (the “**PRC**” or “**Mainland China**”).

In the opinion of the Company’s directors (the “**Directors**”), the holding company and the ultimate holding company of the Company is Rong De Investments Limited (“**Rong De**”), which is incorporated in the British Virgin Islands (“**BVI**”).

2.1 BASIS OF PRESENTATION

Going concern basis

For the year ended 31 December 2025, the Group recorded a net loss of approximately HK\$6,220 million and, as at that date, had net current liabilities and net liabilities of approximately HK\$13,611 million and HK\$2,937 million, respectively. In addition, as at 31 December 2025, the Group had outstanding interest-bearing bank and other borrowings of HK\$15,256 million that are either repayable within 12 months from the end of the reporting period or on demand, while its cash and bank balances amounted to approximately HK\$13 million. Included in these bank and other borrowings, substantial of which had not been repaid according to the scheduled repayment dates under the relevant loan agreements. These events or conditions may cast significant doubt on the Group’s ability to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration to the future working capital and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern for at least 12 months from 31 December 2025. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows.

- (a) the Group has been proactively communicating with the relevant lenders on the Group’s business plan, operations and financial position such that they will not demand immediate repayment of the Group’s borrowings;

2.1 BASIS OF PRESENTATION *(continued)*

Going concern basis *(continued)*

- (b) the Group is actively discussing with the lenders of certain bank and other borrowings to re-finance its existing borrowings and to obtain additional credit facilities from existing and other lenders as and when needed;
- (c) the Group will continue to take measures to monitor the collection of the receivables related to urban redevelopment projects in accordance with the agreed schedules;
- (d) the Group will continue its efforts to promote the pre-sales and sales of its properties under development and completed properties held for sale;
- (e) the Group will continue to take active measures to collect the outstanding sales proceeds and other receivables and control its administrative costs and manage its capital expenditure; and
- (f) the ultimate holding company has undertaken not to demand repayment of the amounts due from the Group until the Group is in the position to repay the amounts without impairing its financial position, and to provide ongoing financial support to the Group, as and when necessary, for its ongoing operations for the foreseeable future.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 17 months from the end of the reporting period, prepared by the management. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least 12 months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings;
- (b) the successful and timely agreement with the lenders on the extension of the repayment dates of existing borrowings subject to the Group's financial and liquidity position, and the securing of additional credit facilities from existing and other lenders as and when needed;
- (c) the successful and timely collection of receivables related to urban redevelopment projects in accordance with the agreed schedules;
- (d) the ability of the Group in achieving its plans for the pre-sales and sales of properties under development and completed properties held for sale, which are highly sensitive to the sentiment in the local real estate market and buyer confidence in the areas where the Group's principal property projects are situated; and
- (e) the financial capability of the ultimate holding company to honour its undertaking not to demand repayment of amounts due from the Group and to provide adequate and timely financial support to the Group when required.

These indicate the existence of a material uncertainty 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.

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

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The application of Amendments to HKAS 21 in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments are as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the project management services segment engages in the provision of project management services to property development projects and urban redevelopment projects; and
- (c) the property investment and hotel operation segment invests in properties for their rental income potential and/or for capital appreciation and engages in hotel operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that the change in fair value of derivative financial instruments, gain on bargain purchase, gain on disposal of subsidiaries, share of profit/loss of joint ventures, net, share of loss of an associate, reversal of impairment on investment in an associate included in other income and gains, net, finance costs (other than interest on lease liabilities) and income tax expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures and an associate, deferred tax assets, unlisted investments classified as financial assets at fair value through profit or loss, cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings (other than lease liabilities), current income tax payables, deferred tax liabilities, amount due to a joint venture and amounts due to the ultimate holding company as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2025

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	<u>230,257</u>	<u>1,026,876</u>	<u>133,578</u>	<u>1,390,711</u>
Segment results	<u>(500,274)</u>	<u>(3,936,282)</u>	<u>(471,757)</u>	<u>(4,908,313)</u>
<i>Reconciliation:</i>				
Share of loss of an associate				(278,960)
Finance costs (other than interest on lease liabilities)				(936,427)
Impairment of interest in an associate included in other expenses				(140,331)
Corporate and other unallocated expenses				<u>(10,771)</u>
Loss before tax				(6,274,802)
Income tax credit				<u>54,880</u>
Loss for the year				<u>(6,219,922)</u>
Segment assets	<u>15,066,725</u>	<u>11,936,341</u>	<u>2,212,574</u>	29,215,640
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>131,575</u>
Total assets				<u>29,347,215</u>
Segment liabilities	<u>11,142,032</u>	<u>4,432</u>	<u>233,628</u>	11,380,092
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>20,903,863</u>
Total liabilities				<u>32,283,955</u>

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2025

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:				
Depreciation	7,655	4,066	5,662	17,383
Amortisation	1,162	–	–	1,162
Capital expenditure*	187	4,563	235	4,985
Fair value loss on investment properties, net	–	–	446,704	446,704
Impairment losses on financial assets, net	57,564	4,778,253	124,298	4,960,115
Provision for properties under development and completed properties held for sale	24,949	–	–	24,949
Impairment of hotel properties	–	–	4,645	4,645
Gain on modification of contracts of bank and other borrowings	177,686	–	–	177,686
	<u>177,686</u>	<u>–</u>	<u>–</u>	<u>177,686</u>

* *Capital expenditure consists of additions to property and equipment.*

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	242,866	1,144,676	198,169	1,585,711
Segment results	(774,020)	(1,103,785)	(423,421)	(2,301,226)
<i>Reconciliation:</i>				
Share of loss of an associate				(223,226)
Finance costs (other than interest on lease liabilities)				(1,057,093)
Corporate and other unallocated expenses				(23,841)
Loss before tax				(3,605,386)
Income tax credit				137,951
Loss for the year				(3,467,435)
Segment assets	14,466,113	14,728,014	3,045,613	32,239,740
<i>Reconciliation:</i>				
Corporate and other unallocated assets				541,400
Total assets				32,781,140
Segment liabilities	9,839,496	5,876	253,291	10,098,663
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				19,423,007
Total liabilities				29,521,670

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:				
Depreciation	7,923	5,821	5,613	19,357
Amortisation	1,166	–	–	1,166
Capital expenditure*	127	–	154	281
Fair value loss on investment properties, net	–	–	463,602	463,602
Impairment losses on financial assets, net	275,501	1,925,641	47,319	2,248,461
Provision for properties under development and completed properties held for sale	155,852	–	–	155,852
Impairment of hotel properties	–	–	29,295	29,295
Gain on disposal of investment properties	–	–	33,308	33,308
Gain on modification of contracts of bank and other borrowings	325,827	–	–	325,827

* *Capital expenditure consists of additions to property and equipment.*

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would not provide additional useful information to the users of these financial statements.

Information about major customers

For the year ended 31 December 2025, revenue of approximately HK\$1,026,876,000 (2024: HK\$1,030,316,000) was derived from a single customer, including revenue derived from a group of entities which are known to be subsidiaries of that customer, and was attributable to the project management services segment.

For the year ended 31 December 2025, revenue of approximately HK\$201,929,000 (2024: Nil) was derived from a single customer who was attributable to the property development segment.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Sale of properties	230,257	242,866
Hotel operation income	<u>57,185</u>	<u>67,194</u>
	<u>287,442</u>	<u>310,060</u>
<i>Revenue from other sources</i>		
Finance component of income from urban redevelopment projects	1,026,876	1,144,676
Rental income from investment property operating leases: – fixed lease payments	<u>76,393</u>	<u>130,975</u>
	<u>1,103,269</u>	<u>1,275,651</u>
Total revenue	<u><u>1,390,711</u></u>	<u><u>1,585,711</u></u>

An analysis of the Group's other income and gains, net is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income	13	36,680
Management service income	9,947	15,280
Gain on disposal of investment properties	–	33,308
Gain on modification of contracts of bank and other borrowings	177,686	325,827
Others	<u>69,176</u>	<u>6,566</u>
	<u><u>256,822</u></u>	<u><u>417,661</u></u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank and other borrowings and senior notes	1,116,328	1,210,744
Interest expense arising from revenue contracts	300,543	178,352
Interest on lease liabilities	340	950
	<hr/>	<hr/>
Total interest expense	1,417,211	1,390,046
Less: interest capitalised	(480,784)	(332,003)
	<hr/>	<hr/>
	936,427	1,058,043
	<hr/> <hr/>	<hr/> <hr/>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of properties sold	142,911	321,087
Cost of service provided	48,944	55,906
Depreciation of property and equipment	12,062	12,276
Depreciation of right-of-use assets	5,321	7,081
Amortisation of intangible assets	1,162	1,166
Lease payments not included in the measurement of lease liabilities	5,806	11,722
Auditor's remuneration	3,800	8,300
Foreign exchange differences, net	(41,540)	(17,393)
Employee benefit expense (including directors' remuneration)		
Wages and salaries	85,341	123,255
Retirement benefit scheme contributions	9,365	10,856
	<hr/>	<hr/>
	94,706	134,111
	<hr/>	<hr/>
Impairment losses on financial assets, net		
Impairment of trade receivables, net	4,353,232	2,037,486
Impairment of deposits and other receivables, net	606,883	210,975
	<hr/>	<hr/>
	4,960,115	2,248,461
	<hr/>	<hr/>
Provision for properties under development and completed properties held for sale	24,949	155,852
Impairment of hotel properties included in property and equipment	4,645	29,295
Impairment of investment in an associate	140,331	–
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	10,287	30,502
	<hr/> <hr/>	<hr/> <hr/>

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the jurisdictions in which the majority of the Group's subsidiaries operate.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current:		
PRC CIT	114,612	109,822
PRC LAT	35,427	27,401
	<u>150,039</u>	<u>137,223</u>
Deferred	(204,919)	(275,174)
Total tax credit for the year	<u>(54,880)</u>	<u>(137,951)</u>

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,850,632,753 (2024: 7,521,456,404) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculations of the basic and diluted loss per share are based on:

	2025	2024
Loss attributable to ordinary equity holders of the parent (<i>HK\$'000</i>)	(6,187,439)	(3,412,327)
Distribution related to perpetual capital securities (<i>HK\$'000</i>)	(68,000)	(68,000)
Loss used in the basic and diluted earnings per share calculations (<i>HK\$'000</i>)	<u>(6,255,439)</u>	<u>(3,480,327)</u>
Weighted average number of ordinary shares outstanding during the year (<i>thousand shares</i>)	<u>8,850,633</u>	<u>7,521,456</u>

9. DIVIDENDS

No dividend in respect of the year ended 31 December 2025 (2024: Nil) was proposed by the board of directors of the Company.

10. TRADE RECEIVABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables from sales of properties	(a)	–	1,323
Receivables from property investment and hotel operation		247,081	263,951
Less: Impairment allowance		(130,538)	(49,315)
Net receivables from property investment and hotel operation	(a)	116,543	214,636
Receivables for urban redevelopment projects			
Related parties		17,169,268	15,670,453
Third parties		596,709	582,006
	(b)	17,765,977	16,252,459
Less: Impairment allowance		(7,066,923)	(2,735,301)
Net receivables for urban redevelopment projects		10,699,054	13,517,158
Total		10,815,597	13,733,117
Portion classified as non-current assets		(9,704,212)	(12,590,151)
Current portion		1,111,385	1,142,966

Notes:

- (a) An ageing analysis of the receivables from sales of properties, property investment and hotel operation as at the end of the reporting period, based on the revenue recognition date or invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current to 180 days	12,771	158,503
181 to 365 days	22,018	45,304
Over 365 days	81,754	12,152
	116,543	215,959

- (b) The Group has entered into project management agreements with related parties and third parties for urban redevelopment projects. According to the project management agreements, the Group has the contractual right and responsibility (including the funding responsibility) to provide project management services in relation to the urban redevelopment projects. In return, the Group is entitled to a finance component of income arising from a fixed rate of return at an agreed percentage of funds incurred and contributed by the Group under its contractual funding responsibility and a management service income from the performance of the underlying urban redevelopment projects. For the years ended 31 December 2025 and 2024, no management service income arising from the performance of the underlying urban redevelopment projects was recognised as the amount of consideration was constrained.

10. TRADE RECEIVABLES (continued)

Notes: (continued)

(b) (continued)

An ageing analysis of the receivables for urban redevelopment projects as at the end of the reporting period, based on the recognition date and before loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	1,102,944	1,188,413
Over 1 year but less than 2 years	651,388	1,316,397
Over 2 years but less than 3 years	1,140,317	1,652,874
Over 3 years	14,871,328	12,094,775
	<u>17,765,977</u>	<u>16,252,459</u>

11. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade and bills payables	3,257,129	3,035,632
Amounts due to related parties	317,373	102,878
Amount due to a joint venture	5,536	5,399
Amount due to ultimate holding company	149,643	143,754
Other payables and accruals	2,371,007	2,206,404
Other tax payables	1,070,125	1,023,873
Financial guarantee contracts	5,037	9,705
	<u>7,175,850</u>	<u>6,527,645</u>
Portion classified as current liabilities	<u>(7,026,207)</u>	<u>(6,383,891)</u>
Non-current portion	<u>149,643</u>	<u>143,754</u>

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the due date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	2,984,160	2,779,178
Over 1 year	272,969	256,454
	<u>3,257,129</u>	<u>3,035,632</u>

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the Independent Auditor’s Report from the auditor of the Company, BDO Limited (“**BDO**”), on the consolidated financial statements of the Group for FY2025:

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

Scope Limitation relating to the Appropriateness of the Going Concern Assumption

As set out in note 2.1 to the consolidated financial statements, the Group recorded a net loss of approximately HK\$6,220 million for the year ended 31 December 2025 and, as at that date, had net current liabilities and net liabilities of approximately HK\$13,611 million and HK\$2,937 million, respectively. In addition, as at 31 December 2025, the Group had outstanding interest-bearing bank and other borrowings of approximately HK\$15,256 million that are either repayable within 12 months from the end of the reporting period or on demand, while its cash and bank balances amounted to approximately HK\$13 million. Included in these bank and other borrowings, substantial of which had not been repaid according to the scheduled repayment dates under the relevant loan agreements. These events or conditions may cast significant doubt on the Group’s ability to continue as a going concern.

In view of the above circumstances, the management has prepared a cash flow forecast covering a period of 17 months from the end of the reporting period up to 31 May 2027, which takes into account certain plans and measures as set out in note 2.1 to the consolidated financial statements. The plans and measures included but not limited to the followings:

- (a) the Group has been proactively communicating with the relevant lenders on the Group’s business plan, operations and financial position such that they will not demand immediate repayment of the Group’s borrowings;
- (b) the Group is actively discussing with the lenders of certain bank and other borrowings to re-finance its existing borrowings and to obtain additional credit facilities from existing and other lenders as and when needed;

- (c) the Group will continue to take measures to monitor the collection of the receivables related to urban redevelopment projects in accordance with the agreed schedules;
- (d) the Group will continue its efforts to promote the pre-sales and sales of its properties under development and completed properties held for sale;
- (e) the Group will continue to take active measures to collect the outstanding sales proceeds and other receivables and control its administrative costs and manage its capital expenditure; and
- (f) the ultimate holding company has undertaken not to demand repayment of the amounts due from the Group until the Group is in the position to repay the amounts without impairing its financial position, and to provide ongoing financial support to the Group, as and when necessary, for its ongoing operations for the foreseeable future.

Based on the directors' assessment, the Group is able to continue as a going concern and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the preparation of the consolidated financial statements on a going concern basis is largely dependent on the successful implementation of the above plans and measures. In respect of the financial support from the ultimate holding company, the ultimate holding company has not made available to us the supporting documents or other evidence that we considered necessary to evaluate its financial position and financial viability, and hence its ability to provide the aforesaid financial support to the Group. As a result, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the feasibility of the successful implementation of the Group's plans and measures. There were no other alternative procedures that we could perform to satisfy ourselves as to the appropriateness of the directors' use of the going concern basis of accounting in preparing the consolidated financial statements.

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

Additional Matter – Scope Limitation on Investment in an Associate

As disclosed in note 18 to the consolidated financial statements, the Group held an investment in an associate which was accounted for using the equity method. During the year ended 31 December 2025, the Group recognised its share of loss of the associate of approximately HK\$279 million and share of other comprehensive income of the associate of approximately HK\$13 million based on the consolidated financial information prepared by the management of the associate. As at 31 December 2025 and 2024, the carrying amounts of the Group's investment in the associate were approximately HK\$82 million and HK\$488 million, respectively. The associate was disposed of by the Group in March 2026.

For the purpose of our group audit, the associate is determined as the component at which audit work is to be performed on the entire financial information of the associate with the involvement of the component auditor to obtain sufficient appropriate audit evidence for our group audit opinion on the Group's consolidated financial statements for the year ended 31 December 2025. In addition, we are also required to obtain sufficient appropriate audit evidence on the opening balance of the Group's investment in the associate as at 1 January 2025.

In respect of the financial information of the associate, the component auditor (i) disclaimed its opinion due to its inability to obtain sufficient appropriate audit evidence in respect of the going concern assumption and (ii) were unable to obtain sufficient appropriate audit evidence in respect of the loan receivables and loan interest receivables, interest income on loan receivables and impairment loss on the loan receivables and loan interest receivables of the associate. Considering the adequacy of the work performed by the component auditor, however, we were unable to obtain sufficient appropriate audit evidence on the financial information of the associate based on our work performed.

The predecessor auditor also disclaimed its auditor's opinion on the Group's consolidated financial statements for the year ended 31 December 2024, and were unable to obtain sufficient appropriate audit evidence in respect of the (i) the share of loss of the associate, (ii) the share of other comprehensive loss of the associate; (iii) the impairment loss on investment in the associate; and (iv) the carrying amount of the investment in the associate. During our current year audit, these matters remain unresolved.

As a result of above, we were unable to determine whether (i) the Group's share of loss of the associate for the years ended 31 December 2025 and 2024 of approximately HK\$279 million and HK\$223 million respectively as included in the consolidated statement of profit or loss, (ii) the Group's share of other comprehensive income/loss of the associate for the years ended 31 December 2025 and 2024 of approximately HK\$13 million and HK\$12 million respectively as included in the consolidated statement of comprehensive income, (iii) the impairment loss on investment in the associate recognised for the years ended 31 December 2025 and 2024 of approximately HK\$140 million and nil, respectively as included in the consolidated statement of profit or loss, (iv) the Group's investment in the associate as at 1 January 2025 of approximately HK\$488 million as included in the consolidated statement of financial position; and (v) the related disclosures disclosed in note 18 to the consolidated financial statements, were properly stated. There were no other satisfactory procedures that we could perform to determine whether any adjustments to these amounts were necessary.

Any adjustments that might have been found necessary might have a consequential significant effect on the financial position of the Group as at 31 December 2025 and 1 January 2025, and the financial performance of the Group for the years ended 31 December 2025 and 2024 and the related disclosures in the consolidated financial statements.

Even had there been no scope limitation relating to the appropriateness of the going concern assumption as described in the “Basis for Disclaimer of Opinion” section of our report which precluded us from expressing an opinion on the consolidated financial statements, our opinion would have been qualified for the additional matter as described above.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who disclaimed its opinion on those financial statements on 9 April 2025.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares (including sale of treasury shares) during FY2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Code**”) as contained in Appendix C3 to the Listing Rules during FY2025. Specific enquiry has been made of all Directors, who confirmed that they have complied with the required standards set out in the Code for FY2025.

CORPORATE GOVERNANCE

The Board considers that good corporate governance practices are crucial to the smooth and effective operation of the Group and the safeguarding of the interests of the shareholders and other stakeholders of the Company. The Company has put in place internal policies to ensure the compliance and has adopted and complied with the code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules then in force during FY2025 save for the deviation specified below.

Pursuant to code provision B.2.4(b) of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the date of the annual general meeting (“**AGM**”) of the Company held on 23 June 2025, all the independent non-executive Directors, namely, Mr. Leung Wo Ping *JP*, Mr. Wong Chi Keung and Dr. Feng Ke, had served more than nine years on the Board. However, the Company was unable to appoint a new independent non-executive Director to the Board

at the AGM as it was still in the course of identifying a suitable candidate then. The Company will publish further announcement(s) when the relevant appointment is made.

AUDIT COMMITTEE

The audit committee (“**Audit Committee**”) of the Company comprises three independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practice adopted by the Group and the Company’s consolidated results for FY2025, and discussed with the management regarding internal control and financial reporting matters.

SCOPE OF WORK OF BDO

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for FY2025 as set out in this announcement have been agreed by the Company’s auditor, BDO, to the amounts set out in the Group’s draft consolidated financial statements for FY2025. The work performed by BDO in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO on this announcement.

PUBLICATION OF 2025 ANNUAL REPORT

The Company’s annual report for FY2025 containing the relevant information required by Appendix D2 to the Listing Rules will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.zhuguang.com.hk in due course.

APPRECIATION

The Board would like to take this opportunity to thank the Shareholders and the management and the staff members of the Group for their dedication and support.

(2) RESUMPTION OF TRADING

At the request of the Company, trading in the Company’s shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, 1 April 2026, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Company’s shares with effect from 9:00 a.m. on Monday, 18 May 2026.

On behalf of the Board
Zhuguang Holdings Group Company Limited
Chu Hing Tsung
Chairman

Hong Kong, 15 May 2026

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman), Mr. Liu Jie (Chief Executive Officer), Mr. Liao Tengjia (Deputy Chairman), Mr. Huang Jiajue (Deputy Chairman), Mr. Chu Muk Chi (alias Mr. Zhu La Yi) and Ms. Ye Lixia, and (ii) three independent non-executive Directors, namely Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke.

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