

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

花 樣 年

FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

ANNOUNCEMENT OF 2025 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025:

- Revenue of the Group was approximately RMB4,925 million, representing an increase of approximately 7.7% as compared to last year.
- The loss attributable to the owners of the Company was approximately RMB9,186 million.
- As at 31 December 2025, the GFA of the land bank for the Group's projects under construction and projects held for development amounted to approximately 6,875,914 sq.m.
- The Board does not recommend the payment of final dividend.

The board (the “**Board**”) of Directors (the “**Directors**”) of Fantasia Holdings Group Co., Limited (the “**Company**”) is pleased to announce the audited financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Period**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Revenue			
Contracts with customers	4	4,728,107	4,357,519
Leases		197,100	216,032
		<hr/>	<hr/>
Total revenue	5	4,925,207	4,573,551
Cost of sales and services		(4,321,828)	(3,824,840)
		<hr/>	<hr/>
Gross profit		603,379	748,711
Other income	6	15,016	24,749
Other gains and losses	6	197,265	(711,957)
Impairment losses under expected credit loss model, net of reversal	7	(696,092)	(484,584)
Change in fair value of investment properties		(458,508)	(342,573)
Write-down of properties for sales, net of reversal	8	(3,604,500)	(2,920,727)
Selling and distribution expenses		(38,307)	(39,175)
Administrative expenses		(488,270)	(548,825)
Finance costs	9	(4,459,761)	(4,190,318)
Share of results of associates		(208,504)	(136,834)
Share of results of joint ventures		(221,951)	(203,688)
		<hr/>	<hr/>
Loss before tax		(9,360,233)	(8,805,221)
Income taxation	10	(138,267)	(186,261)
		<hr/>	<hr/>
Loss for the year	11	(9,498,500)	(8,991,482)

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive (expense) income			
Items that will not be reclassified			
subsequently to profit or loss:			
Fair value (loss) gain on equity instruments designated at fair value through other comprehensive income (“FVTOCI”)		(11,960)	284
Deferred taxation effect		<u>(173)</u>	<u>(71)</u>
Other comprehensive (expense) income for the year, net of income tax		<u>(12,133)</u>	<u>213</u>
Total comprehensive expense for the year		<u>(9,510,633)</u>	<u>(8,991,269)</u>
Loss for the year attributable to:			
Owners of the Company		(9,186,088)	(8,311,567)
Other non-controlling interests		<u>(312,412)</u>	<u>(679,915)</u>
		<u>(9,498,500)</u>	<u>(8,991,482)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(9,191,178)	(8,311,459)
Other non-controlling interests		<u>(319,455)</u>	<u>(679,810)</u>
		<u>(9,510,633)</u>	<u>(8,991,269)</u>
Loss per share – basic (<i>RMB cents</i>)	13	<u>(159.13)</u>	<u>(143.98)</u>
Loss per share – diluted (<i>RMB cents</i>)	13	<u>(159.13)</u>	<u>(143.98)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		349,777	403,913
Right-of-use assets		219,489	315,530
Investment properties		5,634,816	6,475,598
Interests in associates		1,443,872	1,434,385
Interests in joint ventures		2,600,363	2,699,721
Equity instruments designated at FVTOCI		14,256	13,566
Goodwill		895,152	896,451
Intangible assets		4,085	9,390
Other receivables		4,935	5,482
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures		1,158,671	2,144,258
Deferred tax assets		571,118	768,952
		<u>12,896,534</u>	<u>15,167,246</u>
CURRENT ASSETS			
Properties for sale		36,332,144	37,854,149
Contract assets		17,492	25,453
Contract costs		30,402	44,400
Trade and other receivables	<i>14</i>	10,090,103	11,541,593
Tax recoverable		599,183	607,789
Amounts due from related parties		5,231,858	6,241,224
Restricted/pledged bank deposits		324,114	567,934
Bank balances and cash		1,206,842	1,156,153
		<u>53,832,138</u>	<u>58,038,695</u>
		<u>66,728,672</u>	<u>73,205,941</u>

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	<i>15</i>	11,084,031	9,113,265
Contract liabilities		1,260,730	2,771,701
Amounts due to related parties		285,917	200,183
Tax liabilities		6,030,911	6,588,898
Borrowings due within one year		18,612,904	16,040,841
Lease liabilities due within one year		9,330	29,371
Senior notes and bonds due within one year		42,601,185	39,119,696
Asset-backed securities issued due within one year		306,808	288,601
		80,191,816	74,152,556
NET CURRENT LIABILITIES		(26,359,678)	(16,113,861)
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,463,144)	(946,615)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		6,744	177,750
Borrowings due after one year		–	1,907,078
Lease liabilities due after one year		43,698	78,368
Bonds due after one year		7,075,511	7,923,296
		7,125,953	10,086,492
NET LIABILITIES		(20,589,097)	(11,033,107)
EQUITY			
Share capital		498,787	498,787
Deficit		(23,777,181)	(14,248,040)
Capital and deficit attributable to owners of the Company		(23,278,394)	(13,749,253)
Non-controlling interests		2,689,297	2,716,146
TOTAL EQUITY		(20,589,097)	(11,033,107)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL

Fantasia Holdings Group Co., Limited (the “**Company**”) is a limited liability company incorporated in Cayman Islands and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (“**the SEHK**”). Its parent and its ultimate parent are Fantasy Pearl International Limited and Ice Apex Limited, respectively, both being limited liability companies incorporated in the British Virgin Islands (the “**BVI**”). Its ultimate controlling shareholder is Ms. Zeng Jie, Baby, who is a director of the Company. The addresses of the registered office and principal place of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company and the major subsidiaries.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, investment properties and contingent consideration payables, which are carried at fair value.

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

2.2 Going Concern Basis

For the year ended 31 December 2025, the Group incurred net loss of RMB9,498,500,000. As at 31 December 2025, the Group's net current liabilities and net liabilities amounted to RMB26,359,678,000 and RMB20,589,097,000, respectively. As at 31 December 2025, the Group's current liabilities (including those that had become default or cross-default or contain early demand clauses) amounted to RMB80,191,816,000.

As at 31 December 2025, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB43,824,896,000 according to their scheduled repayment dates. As a result, as at 31 December 2025, the above interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 31 December 2025, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing and have considered the Group's cash flow projections prepared by the management for a period of not less than 12 months from the date of the reporting period. The following plans and measures are formulated with the objective to mitigate the liquidity pressure of the Group:

- The Company has appointed Alvarez & Marsal Corporate Finance Limited as its financial adviser for its offshore debt restructuring. The Group is in active discussions with the existing lenders on the renewal of the Group's certain borrowings. These discussions have been constructive and focused on possible actions in light of the current circumstances but do require time to formulate or implement due to the ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address its upcoming financial obligations and future operating cash flow requirements whilst engaging with its existing lenders;

- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and trade receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to the changing markets in order to meet the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek for suitable opportunities to dispose of its equity interest in certain project development companies in order to generate additional cash inflows; and
- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

The Directors, taking into account the above plans and measures, are of the opinion and are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain support from the Group's creditors, material uncertainties exist as to whether or not the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2025.

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

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

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial instruments ¹
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²

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

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

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

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2025

Segments	Property development <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services				
<u>Property development</u>				
Sales of completed properties	1,888,567	–	–	1,888,567
<u>Property operation services</u>				
Provision of property management services	–	2,694,641	–	2,694,641
Provision of value-added services	–	93,202	–	93,202
Provision of engineering services	–	2,893	–	2,893
<u>Others</u>				
Hotel operation, property project management, property agency services and other related services	–	–	48,804	48,804
	<u>1,888,567</u>	<u>2,790,736</u>	<u>48,804</u>	<u>4,728,107</u>
Timing of revenue recognition				
A point in time	1,888,567	96,095	34,757	2,019,419
Over time	–	2,694,641	14,047	2,708,688
	<u>1,888,567</u>	<u>2,790,736</u>	<u>48,804</u>	<u>4,728,107</u>

For the year ended 31 December 2024

Segments	Property development <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services				
<u>Property development</u>				
Sales of completed properties	1,593,015	–	–	1,593,015
<u>Property operation services</u>				
Provision of property management services	–	2,604,969	–	2,604,969
Provision of value-added services	–	91,249	–	91,249
Provision of engineering services	–	5,801	–	5,801
<u>Others</u>				
Hotel operation, property project management, property agency services and other related services	–	–	62,485	62,485
	<u>1,593,015</u>	<u>2,702,019</u>	<u>62,485</u>	<u>4,357,519</u>
Timing of revenue recognition				
A point in time	1,593,015	14,225	22,942	1,630,182
Over time	–	2,687,794	39,543	2,727,337
	<u>1,593,015</u>	<u>2,702,019</u>	<u>62,485</u>	<u>4,357,519</u>

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of the different products and services supplied by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the directors of the Company, the chief operating decision makers, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group by different type of products sold and services rendered.

The Group has reportable and operating segments, comprising of property development, property investment, property operation services, and others (including hotel operation, project management, property agency services and other related services).

Information about major customer

There were no sales to a single customer which amounted to 10% or more of the Group's revenue during the year ended 31 December 2025 and 2024.

Information about geographical areas

The principal operating entities of the Group are domiciled in the PRC and majority of revenue is derived in the PRC during the years ended 31 December 2025 and 2024. As at 31 December 2025 and 2024, majority of the non-current assets of the Group were located in the PRC.

Set out below is an analysis on the Group's revenue and results by reportable and operating segments during the years ended 31 December 2025 and 2024:

For the year ended 31 December 2025

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenues before elimination	1,888,567	197,100	2,801,389	48,804	4,935,860
Segment results	<u>(4,528,202)</u>	<u>(383,391)</u>	<u>229,653</u>	<u>(45,854)</u>	<u>(4,727,794)</u>

For the year ended 31 December 2024

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenues before elimination	1,593,015	216,032	2,706,408	62,485	4,577,940
Segment results	<u>(3,613,551)</u>	<u>(303,057)</u>	<u>338,441</u>	<u>(103,737)</u>	<u>(3,681,904)</u>

6. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	13,906	15,937
Partial exemption of PRC value-added tax	241	34
Unconditional government grants	<u>869</u>	<u>8,778</u>
	<u>15,016</u>	<u>24,749</u>
Net exchange gain (loss)	926,191	(458,590)
Change in fair value upon transfer from property, plant and equipment	–	(45,541)
Loss on disposal/deregistration of subsidiaries	(634,179)	(66,617)
Gain on debt restructuring	18,103	–
Net gain (loss) on disposal of interests in associates and joint ventures	78	(34,249)
Loss on disposal of plant, property and equipment and early termination of lease contracts	(30,565)	(73,212)
Provision for financial guarantee contracts, litigations and other contingent liabilities	(50,898)	–
Others	<u>(31,465)</u>	<u>(33,748)</u>
	<u>197,265</u>	<u>(711,957)</u>

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment loss recognised on		
– trade and other receivables	(680,905)	(476,300)
– amount due from related parties	(11,248)	(2,997)
– contract assets	(3,939)	(5,287)
	<u>(696,092)</u>	<u>(484,584)</u>

8. WRITEDOWN OF PROPERTIES FOR SALES

During the year ended 31 December 2025, mainly due to the combined impact of multiple unfavourable factors in macroeconomic, industry and financing environments, a provision for impairment loss on properties for sale of RMB3,604,500,000 (2024: RMB2,920,727,000) was recognised to reflect the decrease in relevant net realisable value.

The net realisable value is determined by reference to the estimated selling prices of the properties for sale, which takes into account a number of factors including the latest market prices of similar property types in the same project or by similar properties, and the prevailing real estate market conditions in the PRC, less estimated selling expenses and estimated cost to completion. The net realisable value were arrived at on the basis of a valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent qualified professional valuers which are not connected with the Group, which has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

9. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings, senior notes and bonds, asset-backed securities issued and lease liabilities	4,865,241	4,820,645
Less: Amount capitalised in properties under development for sale	<u>(405,480)</u>	<u>(630,327)</u>
	<u>4,459,761</u>	<u>4,190,318</u>

10. INCOME TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
– PRC corporate income tax	83,056	45,047
– PRC land appreciation tax	<u>17,517</u>	<u>24,284</u>
	100,573	69,331
Deferred tax		
– Charge to profit and loss	<u>37,694</u>	<u>116,930</u>
	<u>138,267</u>	<u>186,261</u>

11. LOSS FOR THE YEAR

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year has been arrived at after charging (crediting):		
Directors' emoluments	3,330	5,491
Other staff's salaries and allowances	708,200	783,003
Retirement benefit scheme contributions	90,664	96,254
	<hr/>	<hr/>
Total staff costs	802,194	884,748
Less: Amount capitalised in properties under development for sale	(11,421)	(54,039)
	<hr/>	<hr/>
	790,773	830,709
	<hr/> <hr/>	<hr/> <hr/>
Auditor's remuneration	4,000	7,000
Depreciation of property, plant and equipment	92,804	83,624
Depreciation of right-of-use assets	35,689	36,387
Amortisation of intangible assets (included in cost of sales and services)	5,305	5,305
Loss on disposal of plant, property and equipment and early termination of lease contracts	30,565	73,212
Cost of properties sold recognised as an expense	1,992,041	1,612,394
	<hr/> <hr/>	<hr/> <hr/>

12. DIVIDENDS

During the year ended 31 December 2025, no dividend (2024: nil) in respect of the year ended 31 December 2024 was declared and paid to the owners of the Company.

Subsequent to the end of the reporting period, no dividend in respect of year ended 31 December 2025 (2024: nil) has been proposed by the directors of the Company for approval by the shareholders in the annual general meeting.

13. LOSS PER SHARE

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

	2025	2024
Loss (<i>RMB'000</i>)		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u><u>(9,186,088)</u></u>	<u><u>(8,311,567)</u></u>
Number of shares (<i>'000</i>)		
Weighted average number of ordinary shares for the purpose of basic and dilutive loss per share	<u><u>5,772,598</u></u>	<u><u>5,772,598</u></u>

For the years ended 31 December 2025 and 2024, the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

14. TRADE AND OTHER RECEIVABLES

Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	279,103	1,208,272
31 to 90 days	209,646	136,741
91 to 180 days	239,137	127,630
181 to 365 days	416,772	112,064
Over 1 year	351,272	186,572
	<u>1,495,930</u>	<u>1,771,279</u>

15. TRADE AND OTHER PAYABLES

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	811,018	195,446
Over 1 years	<u>2,938,470</u>	<u>3,089,459</u>
	<u><u>3,749,488</u></u>	<u><u>3,284,905</u></u>

16. EVENTS AFTER THE REPORTING PERIOD

On 2 January 2026, the Company, TFI Securities and Futures Limited (“**TFISF**”) and Splendid Fortune Enterprise Limited entered into a restructuring agreement (the “**Restructuring Agreement**”). On 12 March 2026, completion of the transactions contemplated under the Restructuring Agreement occurred. Upon completion of the transactions contemplated under the Restructuring Agreement, among others, (i) the Purchaser acquired approximately 21.97% of the issued shares of Colour Life Services Group Co., Limited (“**Colour Life**”), a non-wholly owned subsidiary of the Company; (ii) approximately 10.0% of the issued shares of Colour Life were transferred to an entity designated by TFISF (as effective enforcement of the Purported Security); (iii) the Company retains approximately 9.98% of the issued shares of Colour Life free from any purported security or other claim; and (iv) Colour Life ceases to be a subsidiary of the Company. Further details are set out in the announcements of the Company dated 12 November 2025, 2 January 2026, 6 February 2026, 16 February 2026 and 11 March 2026 and the circular dated 24 February 2026.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2025 which has included a disclaimer of opinion.

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Fantasia Holdings Group Co., Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR DISCLAIMER OF OPINION

Multiple uncertainties relating to going concern

As set out in Note 2 to the consolidated financial statements, the Group incurred net loss of RMB9,498,500,000 for the year ended 31 December 2025. As at 31 December 2025, the Group’s net current liabilities and net liabilities amounted to RMB26,359,678,000 and RMB20,589,097,000, respectively. As at 31 December 2025, the Group’s current liabilities (including those that had become default or cross default or contain early demand clauses) amounted to RMB80,191,816,000.

As at 31 December 2025, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of about RMB43,824,896,000 according to their scheduled repayment dates. As a result, as at 31 December 2025, the above interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) had become default. Subsequent to 31 December 2025, the Group did not repay certain other bank and other borrowings according to the scheduled repayment dates. These conditions, together with other matters disclosed in note 2 to the financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2 to the financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the offshore debt restructuring; (ii) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; (iii) successfully obtaining of additional new sources of financing as and when needed; (iv) successfully disposing of the Group's equity interest in project development companies when suitable; and (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

Contracted Sales

In 2025, after facing liquidity shortage, the Group has adhered to the social responsibilities of “guaranteed delivery, stable operations, deepened operations and innovative business” to ensure steady progress in project delivery and steady sales while pursuing innovation. The Group has also actively integrated its policies to optimise its debt structure for promoting project progress, and strived to add more projects to the whitelist. During the reporting period, satisfactory results were achieved in terms of delivery, sales and funding.

During the reporting period, the Group achieved total contracted sales of approximately RMB788 million and contracted sales area of 126,481 sq.m., of which approximately RMB720 million was derived from contracted sales of residences with contracted sales area of 107,798 sq.m., accounting for approximately 91.3% and 85.2% of the total contracted sales and total contracted sales area of properties of the Group in 2025, respectively; and approximately RMB68.00 million was derived from contracted sales of urban complexes with contracted sales area of 18,683 sq.m., representing approximately 8.7% and 14.8% of the total contracted sales and total contracted sales area of properties of the Group in 2025, respectively.

Contracted sales amount and area attributable to different product categories in 2025

Category	2025			
	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	720	91.3%	107,798	85.2%
Urban Complexes	68	8.7%	18,683	14.8%
Total	788	100%	126,481	100%

During the reporting period, contracted sales amount to the Group was mainly derived from sales in cities including Shenzhen, Chengdu, Guilin, Wuhan, Chongqing, Qingdao and Foshan, and also from projects including Shenzhen Good Time, Chongqing Hockney's Good Time and Foshan Guangyayuan. The Group extended its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area to continuously expand its vertical strategic move in each metropolitan area and focus on key cities.

Contracted sales amount and area in each region in 2025

Category	2025			
	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Guangdong-Hong Kong-Macao Greater Bay Area	257	32.6%	9,940	7.9%
Chengdu-Chongqing Metropolitan Area	193	24.5%	65,650	51.9%
Central China Metropolitan Area	30	3.8%	4,808	3.8%
Yangtze River Delta Metropolitan Area	59	7.5%	16,821	13.3%
Bohai Rim Metropolitan Area	249	31.6%	29,262	23.1%
Total	788	100%	126,481	100%

Guangdong-Hong Kong-Macao Greater Bay Area

As one of the most open and economically dynamic regions in China, Guangdong-Hong Kong-Macao Greater Bay Area has an important strategic position in China's overall development. In 2025, the Group made active efforts to push forward the delivery and sales of projects in the Greater Bay Area. During the reporting period, the Group's Shenzhen Good Time project in Shenzhen and the Foshan Guangyayuan project in Foshan all delivered normally, which also secured stable sales of the projects in the local area. During the reporting period, the Group recorded total contracted sales of RMB257 million and total contracted sales area of 9,940 sq.m. in Shenzhen, Foshan, Huizhou and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing to approximately 32.6% and 7.9% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

Chengdu-Chongqing Metropolitan Area

As an important economic hub in Southwest China, the Chengdu-Chongqing Metropolitan Area shows its robust market demand for real estate and is one of the earliest important strategic markets of the Group. The Group has become one of the most influential brand developers in the region. In 2025, the Group faced pressure from both the delivery and sales of numerous projects in Chengdu. The Group made active efforts to ensure perfect delivery and customer satisfaction through relief and sales in Chengdu. During the reporting period, the Group recorded total contracted sales of RMB193 million and total contracted sales area of 65,650 sq.m. in Chengdu, Kunming, Guilin and other cities in the Chengdu-Chongqing Metropolitan Area, contributing to approximately 24.5% and 51.9% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

Central China Metropolitan Area

As the geographical pivot of the country, Central China Metropolitan Area is increasingly becoming an important force for the development of Central China with its advantages of convenient transportation and developed economy. During the reporting period, the Group recorded total contracted sales of RMB30.00 million and total contracted sales area of 4,808 sq.m. in cities such as Wuhan, Zhengzhou and other cities in the Central China Metropolitan Area, contributing to approximately 3.8% and 3.8% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

Yangtze River Delta Metropolitan Area

The Yangtze River Delta Metropolitan Area is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growth potential in the region for a long time. During the reporting period, the Group recorded total contracted sales of RMB59.00 million and total contracted sales area of 16,821 sq.m. in Nanjing, Shanghai and other cities in the Yangtze River Delta Metropolitan Area, contributing to approximately 7.5% and 13.3% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

Bohai Rim Metropolitan Area

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, acting as a cluster for radiating outwards as well as serving and driving the national and regional economy, possessing great development potential. In 2025, the Group rapidly promoted the construction and sales of projects in the region. During the reporting period, the Group recorded total contracted sales of RMB249 million and total contracted sales area of 29,262 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 31.6% and 23.1% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2025.

Completed Projects

The Group completed a total of 5 phases of projects with a total GFA of approximately 403,484 sq.m. during the reporting period.

Projects Under Construction

The Group had a total of 12 projects or phases of projects under construction with a total GFA of 954,006 sq.m. on 31 December 2025.

Projects held for development

The Group had a total of 14 projects or phases of projects held for development with a total GFA of 5,921,908 sq.m. on 31 December 2025.

Land Bank

As at 31 December 2025, the GFA of land bank for the Group's projects under construction and projects held for development amounted to approximately 6,875,914 sq.m. after deducting projects already sold.

City Company	Details of Land Bank		
	Projects under construction (sq.m.)	Projects held for development (sq.m.)	Aggregate GFA of land bank (sq.m.)
South China	251,214	706,025	957,239
North China	117,668	3,708,163	3,825,831
Southwest China	405,677	1,117,600	1,523,277
East China	–	76,769	76,769
Central China	179,447	313,351	492,798

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from (i) property development, (ii) lease of investment properties, (iii) provision of property operation, (iv) provision of hotel accommodation services, and (v) property project management and other related services. For the year ended 31 December 2025, revenue of the Group amounted to approximately RMB4,925 million, representing an increase of 7.7% from approximately RMB4,574 million in 2024, mainly due to the increase in property deliveries.

Property Development

The Company recognises revenue from property development when the customer obtains control of the completed property, and the Group has present right to payment and the collection of consideration is probable. Revenue from property development represents proceeds from the sales of the Group's properties held for sale. Revenue derived from property development increased by 18.6% to approximately RMB1,889 million in 2025 from approximately RMB1,593 million in 2024, which was due to more area of properties completed and delivered during the year.

	2025			2024		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.
Chengdu Jiangshancheng	880,064	107,770	8,166	-	-	-
Ziyang Huajun	429,100	57,594	7,450	-	-	-
Shenzhen Good Time	188,655	8,211	22,976	210,444	8,058	26,116
Tianjin Jiastianxia	98,649	13,366	7,380	-	-	-
Hockney's Good Time	72,363	6,598	10,968	77,359	5,105	15,154
Qingdao Biyuntian	59,267	7,612	7,786	70,227	9,394	7,476
Huailai Xinfu Wanxiang	28,123	3,520	7,988	-	-	-
Chengdu Grande Valley	19,861	5,648	3,517	-	-	-
Guilin Lakeside Eden	15,398	3,962	3,887	-	-	-
Wuhan Biyuntian	13,004	1,851	7,025	-	-	-
Zhengzhou Good Time	15,231	2,741	5,557	81,199	15,630	5,195
Kunming Good Future	6,422	1,536	4,182	754,481	115,807	6,515
Chengdu Xiangmendi	-	-	-	81,193	-	-
Others	62,430	-	-	318,112	-	-
Total	1,888,567	-	-	1,593,015	-	-

Property Investment

Revenue generated from property investment decreased by 8.8% to approximately RMB197 million in 2025 from approximately RMB216 million in 2024. The decrease was primarily due to the decrease in occupancy rates.

Property Operation Services

Revenue derived from property operation services increased by 3.3% to approximately RMB2,791 million in 2025 from approximately RMB2,702 million in 2024, primarily due to the increase in the service projects provided by the Group in 2025.

Gross Profit and Gross Profit Margin

Gross profit decreased by 19.4% to approximately RMB603 million in 2025 from approximately RMB749 million in 2024, while the Group's gross profit margin was 12.3% in 2025 as compared to a gross profit margin of 16.4% in 2024. The decrease in gross profit margin was mainly due to the further decline in gross profit in the property development segment.

Other Income, Gains and Losses

The Group recorded net other gains in 2025 of approximately RMB197 million (2024: net other losses of approximately RMB712 million) mainly due to the net exchange gains arising from the senior notes denominated in USD, which was partly offset by loss on disposal of subsidiaries.

Administrative Expenses

The Group's administrative expenses decreased by 11.0% to approximately RMB488 million in 2025 from approximately RMB549 million in 2024. The decrease was mainly due to the Group's effective adoption of a series of cost control policies.

Finance Costs

The Group's finance costs increased by 6.4% to approximately RMB4,460 million in 2025 from approximately RMB4,190 million in 2024. The increase in finance costs was primarily due to the decrease in the Group's projects under construction and accordingly the decrease in the amount of interest capitalisation.

Income Tax Expense

The Group's income tax expense decreased by 25.8% to approximately RMB138 million in 2025 from approximately RMB186 million in 2024.

Liquidity, Financial Resources and Capital Structure

Cash Position

As at 31 December 2025, the Group's total bank balances and cash were approximately RMB1,531 million (2024: approximately RMB1,724 million), representing a decrease of 11.2% as compared to that as at 31 December 2024. A portion of the Group's cash is restricted bank deposits that are mainly restricted for use in the Group's property development.

Borrowings and Charges on the Group's Assets

As at 31 December 2025, the Group had aggregate borrowings, senior notes and bonds and asset-backed securities issued of approximately RMB18,613 million (31 December 2024: approximately RMB17,948 million), approximately RMB49,677 million (31 December 2024: approximately RMB47,043 million) and approximately RMB307 million (31 December 2024: RMB289 million), respectively. Amongst the borrowings, approximately RMB18,613 million will be repayable within one year (31 December 2024: approximately RMB16,041 million will be repayable within one year and approximately RMB1,907 million will be repayable after one year). Amongst the senior notes and bonds, approximately RMB42,601 million (31 December 2024: approximately RMB39,120 million) will be repayable within one year and approximately RMB7,076 million (31 December 2024: RMB7,923 million) will be repayable after one year.

As at 31 December 2025, a substantial part of the borrowings was secured by land use rights, properties and bank deposits of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group through pledge of their shares.

As at 31 December 2025, the gearing ratio of the Group calculated on the basis of total liabilities / total assets was 130.9%.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and borrowings, the Group does not have any other material direct exposure to foreign exchange fluctuations.

Contingent Liabilities

- (a) As at 31 December 2025, the Group had provided guarantees amounting to approximately RMB1,621 million (2024: approximately RMB5,972 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the date of grant of the relevant mortgage loans and ends after the purchaser obtained the individual property ownership certificate.
- (b) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 31 December 2025, the Group's shares of such guarantees provided in respect of the loans borrowed by these joint ventures and associates amounted to approximately RMB6,192 million. In the opinion of the Directors, the possibility of default by the purchasers is remote and the fair value of such guaranteed contracts is insignificant at the inception date and at the end of each reporting period.

Employees and Remuneration Policies

As at 31 December 2025, excluding the employees for communities under commission basis, the Group had approximately 17,382 employees (31 December 2024: approximately 18,596 employees). Total staff costs, including the Directors' emoluments, for the year ended 31 December 2025 amounted to approximately RMB802 million (2024: approximately RMB885 million). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing market practice. Besides salary payments, as at 31 December 2025, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees) and a discretionary bonus program.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2025.

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

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

As at 31 December 2025, the Company did not have any treasury shares.

LATEST PROGRESS OF THE DEBT RESTRUCTURING

(i) Offshore debts

The Company has been working closely with its legal and financial advisors to formulate a viable offshore debt restructuring plan aimed at addressing current liquidity pressure of the Company, enhancing the credit profile of the Group and protecting the interests of all stakeholders.

In terms of offshore debts, as of 5:00 p.m. Hong Kong time on 3 October 2025, creditors holding approximately 84.54% of the US\$ denominated senior notes in the aggregate principal amount of US\$4,018 million issued by the Company (the “**Existing Notes**”) and approximately 77.33% of the aggregate outstanding amount of the Existing Notes and certain other offshore indebtedness of the Group (the “**Existing Debt Instruments**”) of the Company have either duly executed or validly acceded to a restructuring support agreement (the “**RSA**”). As of 8 October 2025, the Company filed an Originating Summons with the High Court of the Hong Kong Special Administrative Region pursuant to the terms of the RSA. Further details of the RSA and terms of the RSA are set out in the announcements of the Company dated 31 March 2025, 30 April 2025, 1 June 2025, 16 June 2025, 22 June 2025, 25 June 2025, 27 June 2025, 3 July 2025, 11 July 2025, 18 July 2025, 25 July 2025, 4 August 2025, 3 September 2025, 23 September 2025, 3 October 2025 and 8 October 2025.

(ii) Onshore debts

In terms of onshore public debts, Fantasia Group (China) Co., Ltd. published an announcement that it had successively convened the first bondholders' meeting for 2025 in respect of five onshore bonds, namely H18 Fantasia, 19 Fantasia, 19 Fantasia 02, 20 Fantasia 01 and 20 Fantasia 02, on 23 to 24 December. As of 17:00 on 26 December, all five bonds had been approved by vote, pursuant to which the payment dates for the principal and interest originally scheduled to be payable in December 2025, March 2026, June 2026 and September 2026 under the respective bonds were uniformly adjusted to 31 December 2026.

GOING CONCERN AND MITIGATION MEASURES

Details of the disclaimer of opinion

The Group incurred net loss of approximately RMB9,498,500,000 for the year ended 31 December 2025. As at 31 December 2025, the Group's net current liabilities and net liabilities amounted to approximately RMB26,359,678,000 and approximately RMB20,589,097,000, respectively. As at 31 December 2025, the Group's current liabilities (including those that had become default or cross default or contain early demand clauses) amounted to approximately RMB80,191,816,000.

As of 31 December 2025, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of about RMB43,824,896,000 according to their scheduled repayment dates. Subsequent to 31 December 2025, the Group did not repay interest-bearing liabilities according to the scheduled repayment dates. These events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

Actual or potential impact of the disclaimer of opinion on the Group's financial position

A disclaimer of opinion, in and of itself, does not have any practical effect on the Group's financial position. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the offshore debt restructuring; (ii) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; (iii) successfully obtaining of additional new sources of financing as and when needed; (iv) successfully disposing of the Group's equity interest in project development companies when suitable; and (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the assets to their net recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2025.

MATERIAL TRANSACTIONS

On 27 January 2025, Colour Life Services Group Co., Limited (“**Colour Life**”), a then non-wholly owned subsidiary of the Company, proposes to implement the rights issue (the “**Colour Life Rights Issue**”) on the basis of one (1) rights share (the “**Rights Share(s)**”) for every four (4) existing shares of Colour Life (the “**Colour Life Shares**”) held by the shareholder(s) of Colour Life, other than the non-qualifying shareholders, whose name(s) appear(s) on the register of members of Colour Life as at the close of business on Friday, 28 February 2025 (the “**Qualifying Shareholder(s)**”) at the subscription price of HK\$0.165 per Rights Share, to raise gross proceeds of up to (i) approximately HK\$61.36 million by issuing up to 371,881,438 Rights Shares; or (ii) approximately HK\$62.80 million by issuing up to 380,621,374 Rights Shares. Immediately upon completion of the Colour Life Rights Issue, the shareholding interest of the Company in Colour Life was diluted from approximately 52.44% to approximately 40.99%. Colour Life remained a subsidiary of the Company immediately upon completion of the Colour Life Rights Issue and its financial results continued to be consolidated in the financial statements of the Company. The dilution of shareholding interest in Colour Life held by the Company immediately upon completion of the Colour Life Rights Issue constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules (the “**Deemed Disposal**”). As the highest applicable percentage ratio in respect of the Deemed Disposal is more than 5% but less than 25%, the Deemed Disposal constituted a discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 27 January 2025.

On 12 November 2025, the Company has received a notice from Odysseus Capital Asia Limited (“**Odysseus**”), purporting to act as financial advisor for an entity related to TFI Securities and Futures Limited (“**TFISF**”), in relation to the purported exercise of rights to sell up to 29.9% of the total issued shares in Colour Life, through an auction process managed by Odysseus. As stated in the announcement of the Company dated 10 December 2021, TFISF alleges that an aggregate of 780,104,676 Colour Life Shares, representing approximately 41.95% of the total issued shares of Colour Life as at 12 November 2025, which it holds as custodian for the Company, are subject to a charge as security of the alleged amount owed to it. The Company is of the view that the alleged amount owed is not secured by the said Colour Life Shares and has formally objected in writing to TFISF and Odysseus regarding any auction process in respect of the said Colour Life Shares. For details, please refer to the announcements of the Company dated 12 November 2025, 2 January 2026, 6 February 2026, 16 February 2026, 11 March 2026 and 13 March 2026 and the circular dated 24 February 2026.

On 26 November 2025, Cai Hua Holdings Limited (“**Cai Hua**”) (a wholly-owned subsidiary of the Company) and 深圳市拓美聯華貿易有限公司 (Shenzhen Tuomei Lianhua Trading Co., Ltd.*) (“**Shenzhen Tuomei**”) entered into a disposal agreement (the “**Twinkle Disposal**”), pursuant to which Cai Hua conditionally agreed to sell, and Shenzhen Tuomei conditionally agreed to acquire, the entire equity interest in Twinkle Electronic Company Limited (天歌電子有限公司) (“**Twinkle**”) for a total consideration of RMB30,000,000. Twinkle owns approximately 60.67% equity interest in Shenzhen Able Electronics Co., Limited (深圳安博電子有限公司) (the “**Project Company**”), which is a property development company holding the industrial park developed by the Project Company. Upon completion of the Twinkle Disposal, the Group ceased to have any interest in Twinkle and the Project Company. For details, please refer to the announcement of the Company dated 26 November 2025.

On 26 November 2025, Shenzhen Fantasia Industrial Operation Co., Ltd. (“**Shenzhen Fantasia**”) (a wholly-owned subsidiary of the Company) and 深圳市聯祥商業管理有限公司 (Shenzhen Lianxiang Commercial Management Co., Ltd.*) (“**Shenzhen Lianxiang**”) entered into a disposal agreement (the “**Huahuo Disposal**”), pursuant to which Shenzhen Fantasia conditionally agreed to sell, and Shenzhen Lianxiang conditionally agreed to acquire, the entire equity interests of 深圳市花火創新產業運營管理有限公司 (Shenzhen Fireworks Innovation Industry Operation Management Co., Ltd.*) (“**Huahuo**”) for a total consideration of RMB1,000,000. Upon completion of the Huahuo Disposal, the Group ceased to have any interest in Huahuo. For details, please refer to the announcement of the Company dated 26 November 2025.

* For identification purpose only.

On 26 November 2025, Shenzhen Yuehua Innovation Technology Industrial Park Co., Ltd. (“**Shenzhen Yuehua**”) (a non-wholly owned subsidiary of the Company) and 深圳市龍聯投資諮詢有限責任公司 (Shenzhen Longlian Investment Consulting Co., Ltd.*) (“**Shenzhen Longlian**”) entered into a debt assignment agreement (the “**Debt Assignment**”), pursuant to which Shenzhen Yuehua conditionally agreed to assign, and Shenzhen Longlian conditionally agreed to accept the assignment of the debt in the principal amount of RMB56,609,000 due by the Project Company to Shenzhen Yuehua in the consideration of RMB48,000,000. For details, please refer to the announcement of the Company dated 26 November 2025.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Twinkle Disposal, the Huahuo Disposal and the Debt Assignment (collectively, the “**Disposals**”) exceeds 5% but is less than 25%, the Disposals constituted a discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Restructuring Agreement Involving Share Dispute with Colour Life

On 2 January 2026, the Company, TFISF and Splendid Fortune Enterprise Limited entered into a restructuring agreement (the “**Restructuring Agreement**”), pursuant to which the parties conditionally agreed to effect a series of parallel transactions in connection with the dispute in connection with a series of financial transactions between the Company and TFISF over the period from around June to September 2021 (the “**Dispute**”), involving (i) the acquisition of 408,595,119 Colour Life Shares (the “**Sale Shares**”) (representing approximately 21.97% of the issued shares of Colour Life as at 2 January 2026) by Splendid Fortune Enterprise Limited at the price of HK\$0.087 per Colour Life Share; (ii) the appropriation of the consideration (i.e. proceeds from the disposal of the Sale Shares) by TFISF; (iii) the transfer of the 185,940,719 Colour Life Shares (the “**TFISF Shares**”) to an entity designated by TFISF (the “**TFISF Designated Entity**”) as effective enforcement of the purported security (representing approximately 10.0% of the issued shares of Colour Life as at 2 January 2026); (iv) the deduction of the consideration and the value of the TFISF Shares to be transferred to the TFISF Designated Entity under the Restructuring Agreement (the “**Agreed Share Value**”) from the purported indebtedness of the Company owed to TFISF (the “**Purported Indebtedness**”), thereby reducing the aggregate indebtedness payable to TFISF to the the difference between (i) the Purported Indebtedness and (ii) the sum of the consideration and the Agreed Share Value (the “**Net Deficiency Amount**”); (v) the Company’s retention of 185,568,838 Colour Life Shares (representing approximately

9.98% of the issued shares of Colour Life as at 2 January 2026) free from, and fully released and discharged from, the purported security or any other claim the transactions contemplated under the Restructuring Agreement; and (vi) (subject to satisfaction or waiver of the conditions to the closing of the restructuring on or before the long stop date of the Restructuring Agreement) the debt novation and related incurrence of the new debt by Sky Ease Global Limited, a subsidiary of the Company, on a non recourse basis to the Company and other members of the Group (other than the chargor under the pledges to be provided by a subsidiary of the Company, over its 14% interest in three onshore companies (the “**Share Pledges**”) (i.e. same as the existing security) and the companies the shares of which will be subject to the Share Pledges).

Ms. Zeng owns 100% of the issued shares of Ice Apex Limited, which owns 80% of the issued shares of Fantasy Pearl International Limited, and Fantasy Pearl International Limited in turn owns approximately 57.41% of the issued Shares. Ms. Zeng also owns 100% of the issued shares of Delight Vision Limited, which owns 100% of the issued shares of Link Gold Holdings Limited, and Link Gold Holdings Limited in turn owns approximately 67.36% of the issued shares of Splendid Fortune Enterprise Limited. Ms. Zeng is also a non-executive Director. Accordingly, each of Ms. Zeng and Splendid Fortune Enterprise Limited is a connected person of the Company.

As the highest applicable percentage ratio in respect of the disposal of the Sale Shares contemplated under the Restructuring Agreement exceeds 25% but is less than 75%, the disposal of the Sale Shares constituted a major transaction of the Company and is subject to the reporting, announcement and independent shareholder approval requirements under Chapter 14 of the Listing Rules. The Restructuring Agreement also constituted a connected transaction of the Company and is subject to the reporting, announcement and independent shareholder approval requirements under Chapter 14A of the Listing Rules. On 11 March 2026, the Company convened and approved an extraordinary general meeting to consider relevant transactions.

On 12 March 2026, completion of the transactions contemplated under the Restructuring Agreement occurred. Upon completion of the transactions contemplated under the Restructuring Agreement, among others, (i) Splendid Fortune Enterprise Limited acquired approximately 21.97% of the issued shares of Colour Life; (ii) approximately 10.0% of the issued shares of Colour Life were transferred to the TFISF Designated Entity (as effective enforcement of the purported security); (iii) the Company retained approximately 9.98% of the issued shares of Colour Life free from any purported security or other claim; and (iv) Colour Life ceased to be a subsidiary of the Company. Ms. Zeng indirectly owns approximately 59.99% of the issued shares of Colour Life through, among others, Splendid Fortune Enterprise Limited, the Company and Fatansy Pearl International Limited and she continues to be the majority shareholder of Colour Life. For details, please refer to the announcements of the Company dated 12 November 2025, 2 January 2026, 6 February 2026, 16 February 2026 and 11 March 2026 and the circular dated 24 February 2026.

Offshore Debt

On 16 January 2026, an order was made by the Court of First Instance of the High Court of the Hong Kong, directing scheme creditors to convene a single meeting on 20 February 2026 (the “**Hong Kong Scheme Meeting**”) for the purpose of considering and, if thought fit, approving the proposed scheme arrangement of debt restructuring between the Company and each scheme creditor under the Companies Ordinance of Hong Kong (the “**Hong Kong Scheme**”). On 23 January 2026, an order was made by the Cayman Court, directing scheme creditors to convene a single meeting on 20 February 2026 for the purpose of considering and, if thought fit, approving the proposed scheme of arrangement in the Cayman Islands (the “**Cayman Scheme**”) (the “**Cayman Scheme Meeting**”). The Hong Kong Scheme Meeting and the Cayman Scheme Meeting were held at 7:00 p.m. Hong Kong time on 20 February 2026/6:00 a.m. Cayman time on 20 February 2026. Each scheme has been approved by the requisite statutory majority of the scheme creditors.

By an order made by the Hong Kong Court on 12 March 2026 (the “**Hong Kong Sanction Order**”), the Hong Kong Scheme has been sanctioned by the Hong Kong Court, and a sealed copy of the Hong Kong Sanction Order was filed with the Hong Kong Registrar of Companies for registration on 13 March 2026; and by an order made by the Cayman Court on 12 March 2026 (the “**Cayman Sanction Order**”), the Cayman Scheme has been sanctioned by the Cayman Court, and a sealed copy of the Cayman Sanction Order was filed with the Cayman Registrar of Companies for registration on 13 March 2026.

The effective date for each of the Hong Kong Scheme and the Cayman Scheme (the “**Scheme Effective Date**”) has occurred on 13 March 2026 in accordance with the terms of each scheme. The Scheme Effective Date is a significant milestone towards the implementation of the proposed restructuring of its offshore debt (the “**Proposed Restructuring**”). The effective of the Proposed Restructuring is only subject to the satisfaction or waiver of all restructuring conditions.

Onshore Debt

On 19 January 2026, Fantasia Group (China) Co., Ltd. published an announcement that from the opening of the market on 20 January 2026, trading in five corporate bonds of the Company with debt short names and codes of H18 Fantasia, 19 Fantasia, 19 Fantasia 02, 20 Fantasia 01 and 20 Fantasia 02, would be suspended. During the suspension period, the Company will, in accordance with the relevant provisions of the extension proposal passed at the bondholders’ meeting on 26 December 2025, proceed with various tasks such as making advance cash settlement arrangements to bondholders who provided valid “agree” votes. Subject to confirmation of the relevant matters, the Company will issue an announcement in a timely manner and apply for the resumption of trading in the suspended bonds.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders’ transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

The Company has adopted and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules for the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of its directors, as at the date of this announcement, the Company has maintained sufficient public float as required under the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2025.

ANNUAL GENERAL MEETING (THE “AGM”)

The AGM will be held on Friday, 22 May 2026 and a notice convening the AGM will be published and dispatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive. In order to qualify as shareholders of the Company to attend and vote at the AGM, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2026.

REVIEW OF ANNUAL RESULTS

The annual results of the Company for the year ended 31 December 2025 had been reviewed by the Audit Committee, which consists of three independent non-executive directors, namely Mr. Leung Yiu Cho (appointed on 11 July 2025) (chairman of the Audit Committee), Mr. Guo Shaomu and Mr. Ma Yu-heng.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.cnfantasia.com). The Company's 2025 annual report along with the AGM circular, the notice of AGM, the proxy form and such documents will be published on the aforementioned websites and despatched Company's shareholders in due course.

By order of the Board
Fantasia Holdings Group Co., Limited
Lin Zhifeng
Executive director

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Lin Zhifeng and Mr. Timothy David Gildner; the non-executive Directors of the Company are Ms. Zeng Jie, Baby and Mr. Su Boyu; and the independent non-executive Directors of the Company are Mr. Leung Yiu Cho, Mr. Guo Shaomu and Mr. Ma Yu-heng.