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LOGAN

龙光集团

Logan Group Company Limited

龍光集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 3380 and Debt Stock Codes: 40754, 40642,
40527, 40508, 40411)**

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS HIGHLIGHTS

- Attributable contracted sales amounted to RMB4.78 billion.
- Recognized revenue amounted to RMB6.31 billion.
- Net loss for the year amounted to RMB4.88 billion. The continuing loss is mainly due to (i) the gross profit margin remaining at a low level due to the continuing downturn of the real estate industry; and (ii) provision for impairment of inventories.

ANNUAL RESULTS

The board of directors (the “**Board**”) of Logan Group Company Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) announces the Group’s audited consolidated results for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB’000</i>	2024 <i>RMB’000</i> (Represented)
REVENUE	5	6,305,847	23,264,613
Cost of sales		<u>(13,309,281)</u>	<u>(28,339,884)</u>
Gross loss		(7,003,434)	(5,075,271)
Other income and gains	5	5,524,707	132,935
Other expenses		(150,975)	(76,156)
Selling and marketing expenses		(408,142)	(813,178)
Administrative expenses		(530,926)	(515,886)
Fair value (losses)/gains on investment properties, net		(2,015,046)	15,537
Share of (losses)/profits of associates and joint ventures, net		<u>(326,416)</u>	<u>5,462</u>
LOSS FROM OPERATIONS		(4,910,232)	(6,326,557)
Finance costs	6	<u>(318,452)</u>	<u>(1,104,841)</u>
LOSS BEFORE TAX	7	(5,228,684)	(7,431,398)
Income tax credit	8	<u>343,693</u>	<u>812,914</u>
LOSS FOR THE YEAR		<u>(4,884,991)</u>	<u>(6,618,484)</u>
Attributable to:			
Owners of the parent		(4,766,819)	(6,298,354)
Non-controlling interests		<u>(118,172)</u>	<u>(320,130)</u>
		<u>(4,884,991)</u>	<u>(6,618,484)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (<i>RMB cents</i>)	10		
Basic		<u>(86.22)</u>	<u>(113.95)</u>
Diluted		<u>(86.22)</u>	<u>(113.95)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025	2024
	RMB'000	RMB'000
LOSS FOR THE YEAR	<u>(4,884,991)</u>	<u>(6,618,484)</u>
OTHER COMPREHENSIVE (INCOME)/LOSS FOR THE YEAR		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of group entities	<u>1,065,034</u>	<u>(947,171)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(3,819,957)</u>	<u>(7,565,655)</u>
Attributable to:		
Owners of the parent	<u>(3,701,785)</u>	<u>(7,245,525)</u>
Non-controlling interests	<u>(118,172)</u>	<u>(320,130)</u>
	<u>(3,819,957)</u>	<u>(7,565,655)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Investment properties		29,592,472	39,149,624
Other property, plant and equipment		243,546	260,612
Deferred tax assets		723,174	868,759
Investments in associates		2,625,508	3,437,966
Investments in joint ventures		10,623,251	11,142,819
		<u>43,807,951</u>	<u>54,859,780</u>
CURRENT ASSETS			
Inventories		112,251,201	121,795,178
Trade and other receivables, prepayments and other assets	<i>11</i>	21,538,051	24,463,237
Tax recoverable		2,466,322	2,813,940
Assets under cross-border guarantee arrangements	<i>12</i>	—	—
Cash and bank balances		7,974,883	8,653,773
		<u>144,230,457</u>	<u>157,726,128</u>
CURRENT LIABILITIES			
Trade and other payables	<i>13</i>	57,236,809	63,383,299
Contract liabilities		3,928,264	7,000,342
Liabilities under cross-border guarantee arrangements	<i>12</i>	798,716	818,896
Bank and other loans		53,279,368	49,798,737
Senior notes		23,419,157	17,926,284
Other current liabilities		2,143,950	16,611,845
Tax payable		3,045,703	2,221,347
		<u>143,851,967</u>	<u>157,760,750</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>378,490</u>	<u>(34,622)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,186,441</u>	<u>54,825,158</u>

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Bank and other loans	8,011,483	13,476,030
Corporate bonds	6,795,052	8,790,285
Deferred tax liabilities	6,913,766	7,753,672
Other non-current liabilities	1,865,503	—
	<u>23,585,804</u>	<u>30,019,987</u>
Total non-current liabilities		
	<u>23,585,804</u>	<u>30,019,987</u>
Net assets	<u>20,600,637</u>	<u>24,805,171</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	450,227	450,227
Perpetual capital securities	2,363,346	2,363,346
Reserves	13,637,969	17,423,848
	<u>16,451,542</u>	<u>20,237,421</u>
Non-controlling interests	4,149,095	4,567,750
	<u>4,149,095</u>	<u>4,567,750</u>
Total equity	<u>20,600,637</u>	<u>24,805,171</u>

NOTES

31 December 2025

1. CORPORATE AND GROUP INFORMATION

Logan Group Company Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in property development and property operation in the People’s Republic of China (the “**PRC**” or “**Mainland China**”) during the year.

In the opinion of the directors, Junxi Investments Limited which is incorporated in the British Virgin Islands is the immediate holding company of the Company.

2. BASIS OF PRESENTATION

Since 7 August 2022, the Group had suspended the payment of interest of all its offshore USD denominated senior notes (the “**USD Senior Notes**”) and HKD denominated equity-linked securities (the “**HKD ELS**”). In addition, since 25 August 2022 and up to the approved date of the consolidated financial statements, the Group suspended the repayment of the principal amount of US\$2,469 million of senior notes due. As of 31 December 2025, the outstanding principal of the USD Senior Notes and HKD ELS amounted to US\$3,619 million (RMB25,440 million). On 6 January 2025, the Group made significant progress and announced the holistic restructuring proposal in respect of the offshore debt, and has reached an agreement with certain offshore creditors. On 10 January 2025, a holistic creditor support agreement, to which the terms were appended, was signed by the Group and the AHG. On 10 September 2025, the Group and the AHG executed an amendment agreement to the holistic creditor support agreement, which introduced specific amendments to the restructuring terms under the holistic creditor support agreement. As at 24 September 2025, consenting creditors holding more than 80% of the aggregate principal amount of part of the Group’s offshore debt have acceded to the holistic creditor support agreement.

As of 31 December 2025, the total value of current assets of the Group amounted to RMB144,230 million, of which cash and cash equivalents amounted to RMB7,975 million. The total value of current liabilities of the Group amounted to RMB143,852 million. In view of the continuous downturn of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations. In addition, the Group is involved in different litigation and arbitration disputes for various reasons. In view of the aforesaid, the Group has given careful consideration to the future liquidity and business performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) The Group is actively negotiating with financial institutions currently in business relationship and holders of senior notes and secured debt on the restructuring of certain borrowings, senior notes and secured debt.
- (b) The Group will continue to implement measures to accelerate the pre-sale and sale of its properties under development and completed properties, and to speed up the collection of sales proceeds and other receivables.
- (c) The Group will continue to dispose of its assets when needed.
- (d) The Group will continue to take active measures to control administrative costs.

The Group has reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than fifteen months from 31 December 2025. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have working capital to finance its operations and to meet its financial obligations upon agreement of the holistic liability management solution as and when they fall due in the foreseeable future.

Accordingly, the Group is satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, significant uncertainties exist as to whether 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 successful restructuring of its debts including borrowings, senior notes and borrowings subject to guarantees, as and when needed, and the implementation of Holistic Liability Management Solution;
- (b) the successful and timely implementation of the plans to accelerate the pre-sale and sale of properties under development and completed properties, speed up the collection of outstanding sales proceeds and other receivables, and control costs so as to generate net cash inflows; and
- (c) the successful disposal of assets, as and when needed.

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 recoverable amounts, providing for provisions that may be further incurred, 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.

3. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

These consolidated 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) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principals generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value.

These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

The Group has adopted the following amendments to an HKFRSs Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the 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 positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

- (a) the property development segment comprised of (i) develops and sells residential and commercial properties, retail shops and office units; (ii) engages in construction of office premises and residential buildings; (iii) provides decoration services for external customers; and (iv) provides interior decoration services to property buyers; and
- (b) the property operation segment which is the leases office units, commercial centers, retail shops and hotels to generate rental income and to gain from the appreciation in the properties’ values in the long term.

The Group’s revenue from external customers from each operating segment is set out in note 5.

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 depreciation, other income and gains, other expenses, finance costs, share of profits or losses of joint ventures and associates, fair value changes on investment properties and head office and corporate expenses are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding the reportable segments is presented below.

	Property development RMB'000	Property operation RMB'000	Total RMB'000
Year ended 31 December 2025			
Revenue from external customers	6,073,066	232,781	6,305,847
Inter-segment revenue	—	11,736	11,736
Reportable segment revenue	<u>6,073,066</u>	<u>244,517</u>	<u>6,317,583</u>
Reportable segment (losses)/profits	<u>(8,007,494)</u>	<u>192,754</u>	<u>(7,814,740)</u>
	<i>Property development RMB'000</i>	<i>Property operation RMB'000</i>	<i>Total RMB'000</i>
Year ended 31 December 2024			
Revenue from external customers	22,964,107	300,506	23,264,613
Inter-segment revenue	—	52,413	52,413
Reportable segment revenue	<u>22,964,107</u>	<u>352,919</u>	<u>23,317,026</u>
Reportable segment (losses)/profits	<u>(6,460,075)</u>	<u>255,768</u>	<u>(6,204,307)</u>

Information about major customers

During the years ended 31 December 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Reconciliation of reportable segment revenue and profit or loss

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Represented)
Revenue		
Reportable segment revenue	6,317,583	23,317,026
Elimination of inter-segment revenue	<u>(11,736)</u>	<u>(52,413)</u>
Consolidated revenue	<u><u>6,305,847</u></u>	<u><u>23,264,613</u></u>
Loss		
Reportable segment losses	(7,814,740)	(6,204,307)
Elimination of inter-segment losses	<u>—</u>	<u>—</u>
Reportable segment losses derived from the Group's external customers	(7,814,740)	(6,204,307)
Other income and gains	5,524,707	132,935
Other expenses	(150,975)	(76,156)
Depreciation	(24,559)	(36,574)
Finance costs	(318,452)	(1,104,841)
Share of (losses)/profits of associates and joint ventures, net	(326,416)	5,462
Fair value (losses)/gains on investment properties, net	(2,015,046)	15,537
Unallocated head office and corporate expenses	<u>(103,203)</u>	<u>(163,454)</u>
Consolidated loss before tax	<u><u>(5,228,684)</u></u>	<u><u>(7,431,398)</u></u>

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers was 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 provide no additional useful information to the users of these financial statements.

5. REVENUE, OTHER INCOME AND GAINS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers		
Property development	6,123,893	23,113,967
Revenue from other source		
Gross rental income from investment property operating leases:		
Other lease payments, including fixed payments	<u>247,193</u>	<u>305,684</u>
	6,371,086	23,419,651
Less: Sales related taxes	<u>(65,239)</u>	<u>(155,038)</u>
	<u><u>6,305,847</u></u>	<u><u>23,264,613</u></u>

Other income and gains

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Represented)
Gain on restructuring of corporate bonds	5,686,043	—
Bank interest income	106,510	127,848
Interest income on amounts due from associates and joint ventures	40,215	2,396
Forfeiture income on deposits received	10,936	12,135
Government subsidies	3,623	1,502
Losses on disposal of associates and joint ventures, net	(220,746)	—
(Losses)/gains on disposal of subsidiaries, net	(165,214)	139
Loss on remeasurement of pre-existing interests in joint ventures to the date of obtaining control and acquisition, net	(13,957)	—
Others	<u>77,297</u>	<u>(11,085)</u>
	<u><u>5,524,707</u></u>	<u><u>132,935</u></u>

Revenue from contracts with customers

Disaggregated revenue information

For the year ended 31 December 2025

	Property development RMB'000
<i>Timing of revenue recognition:</i>	
At a point in time	5,960,630
Over time	112,436
	<hr/>
Total revenue from contracts with customers	6,073,066

For the year ended 31 December 2024

	Property development RMB'000
<i>Timing of revenue recognition:</i>	
At a point in time	22,804,329
Over time	159,778
	<hr/>
Total revenue from contracts with customers	22,964,107

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	1,910,289	2,856,439
Interest on senior notes	1,418,289	1,458,698
Interest on corporate bonds	67,951	858,645
	<hr/>	<hr/>
	3,396,529	5,173,782
Less: Interest capitalised	(3,078,077)	(4,068,941)
	<hr/>	<hr/>
	318,452	1,104,841

7. LOSS BEFORE TAX

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

	2025	2024
	RMB'000	RMB'000
Cost of properties sold	6,799,981	22,040,916
Depreciation of other property, plant and equipment	27,303	39,857
Less: Amount capitalised	(2,744)	(3,283)
	24,559	36,574
Lease payments not included in the measurement of lease liabilities	13,336	16,708
Auditor's remuneration	2,000	2,600
Employee benefit expenses (including directors' remuneration):		
Directors' fee	1,084	1,480
Salaries and other staff costs	336,516	420,338
Pension scheme contributions	67,539	103,865
Less: Amount capitalised	(38,467)	(105,116)
	366,672	420,567
Foreign exchange differences, net	63,702	(1,383)
Write-down of inventories to net realisable value*	6,495,441	6,280,000
Net loss on disposal of items of other property, plant and equipment	131	213
Direct operating expenses arising on rental-earning investment properties	40,025	44,739

* This item is included in "Cost of sales" in the consolidated statement of profit or loss.

8. 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 cities in which the Group's subsidiaries operate.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current charge for the year:		
PRC corporate income tax ("CIT")	84,211	55,844
PRC land appreciation tax ("LAT")	666,741	433,845
Overprovision in prior years, net:		
PRC CIT	(236,943)	(1,508,890)
PRC LAT	(312,830)	(637,592)
	<u>201,179</u>	<u>(1,656,793)</u>
Deferred	(544,872)	843,879
	<u>(343,693)</u>	<u>(812,914)</u>

9. DIVIDENDS

The board of directors did not recommend the payment of a dividend for the years ended 31 December 2025 and 2024.

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

The calculation of the basic loss per share amount for the year ended 31 December 2025 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the period.

The calculation of the diluted loss per share amount for the year ended 31 December 2025 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss attributable to owners of the parent	(4,766,819)	(6,298,354)
Distribution related to perpetual capital securities	—	—
	<u> </u>	<u> </u>
Loss used in the basic and diluted loss per share calculations	<u>(4,766,819)</u>	<u>(6,298,354)</u>

	Number of shares	
	2025 <i>'000</i>	2024 <i>'000</i>
Shares		
Weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the year, used in the basic earnings per share calculation	5,528,591	5,527,178
Effect of dilution — weighted average number of ordinary shares:		
Share options	—	—
	<u> </u>	<u> </u>
Weighted average number of ordinary shares in issue during the year, used in the diluted loss per share calculation	<u>5,528,591</u>	<u>5,527,178</u>

No adjustment for dilution has been made to the basic loss per share presented for the year ended 31 December 2025 and 2024 as the Company's share options has anti-dilutive effect on the basic loss per share presented.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

The Group's trade receivables arise from the sale of properties, leasing of investment properties and provision of development management services.

Consideration in respect of sale of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Consideration in respect of provision of development management services is payable by the customers in accordance with the terms of the related development management agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	99,433	52,587
31 to 90 days	163,655	140,999
91 to 180 days	196,337	172,342
181 to 365 days	770,782	770,550
	<u>1,230,207</u>	<u>1,136,478</u>

12. ASSETS AND LIABILITIES UNDER CROSS-BORDER GUARANTEE ARRANGEMENTS

During the years ended 31 December 2025 and 2024, the Group had some cross-border guarantee arrangements with certain financial institutions, whereby certain onshore funding (i.e. in the PRC) and offshore funding (i.e. in Hong Kong) have been used as a pledge against advances to offshore (i.e. in Hong Kong) and onshore (i.e. in the PRC) for the Group's general working capital.

Pursuant to these arrangements which are made in compliance with the relevant rules and regulations promulgated by the State Administration of Foreign Exchange, funds are advanced to the Group's subsidiaries in Hong Kong by depositing a certain amount of funds in the relevant financial institutions by the Group's subsidiaries in the PRC or vice versa. The net cost of such arrangements is less than 1% per annum of the total funds advanced.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Assets under cross-border guarantee arrangements	—	—
Portion classified as current assets	<u>—</u>	<u>—</u>
Non-current portion	<u>—</u>	<u>—</u>
Liabilities under cross-border guarantee arrangements	798,716	818,896
Portion classified as current liabilities	<u>(798,716)</u>	<u>(818,896)</u>
Non-current portion	<u>—</u>	<u>—</u>

13. TRADE AND OTHER PAYABLES

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	2,027,903	6,756,602
31 to 90 days	4,378,075	4,923,728
91 to 180 days	2,397,531	1,962,784
181 to 365 days	1,577,393	2,475,699
Over 365 days	9,765,516	7,158,378
	<u>20,146,418</u>	<u>23,277,191</u>

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to the Going Concern

We draw attention to note 2 to the consolidated financial statements. The events and conditions stated in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Logan Group Company Limited, I hereby present the annual results of the Group for the year ended 31 December 2025.

BUSINESS REVIEW

In 2025, China’s real estate industry remained in an adjustment cycle. Investment in real estate development in the country decreased by 17.2% year-on-year to RMB8,278.8 billion. Among which, investment in residential properties amounted to RMB6,351.4 billion, representing a year-on-year decrease of 16.3%. The sales area of commercial properties was 881.01 million sq.m., representing a year-on-year decrease of 8.7%, with the sales area of residential properties decreasing by 9.2%. The sales revenue of commercial properties was RMB8,393.7 billion, representing a decrease of 12.6%, with the sales of residential properties decreasing by 13.0%.

Amid severe industry pressure and market challenges, the Group has been active in responding. It proactively optimized business strategies, strengthened project sales and capital recovery measures to ensure stable production and operation and smooth project delivery. In 2025, the Group successfully completed 21 batches of project deliveries, fulfilling its corporate commitments with concrete actions and demonstrating its sense of responsibility in times of difficulty for the industry.

With respect to offshore debt restructuring, on 10 January 2025, the Group entered into a holistic creditor support agreement (the “Holistic CSA”) with the ad hoc group regarding the offshore debt holistic restructuring plan. On 10 September 2025, the Group and the ad hoc group executed an amendment agreement to the Holistic CSA (the “Amended Holistic CSA”), which pioneered the option of a debt-for-asset-trust swap to reinforce the value of onshore and offshore assets and further safeguard creditors’ interests. As of 24 September 2025, consenting creditors holding more than 80% of the aggregate principal amount of the Company’s “offshore debt” had acceded to the Amended Holistic CSA. The Company will accelerate the implementation of the offshore debt holistic restructuring plan and promote the restoration of a sustainable long-term capital structure, thereby safeguarding the interests of all stakeholders.

As for the onshore bond restructuring, during the reporting period, the restructuring proposal for 21 onshore corporate bonds and asset-backed securities (“ABS”) issued by the Group’s subsidiary Shenzhen Logan Holdings Co., Limited* (深圳市龍光控股有限公司) had been considered and approved at the relevant meetings of bond holders. As of the date of this announcement, the public bonds with a cumulative face value of RMB13.66 billion had been cancelled, which exceeded 62% of the total principal of the 21 onshore public bonds as of 10 July 2025, marking significant progress in onshore debt restructuring efforts. The Group will successively promote the gradual implementation of several debt-for-asset models under subsequent options, such as secondary cash repurchase and equity option-based mechanisms, to mitigate onshore debt risks.

FUTURE PROSPECTS

The Group will continue to focus on both business operations and debt management. On the one hand, the Group will persist in taking proactive measures to “stabilize operations and ensure quality project deliveries”, upholding its commitments to ensuring stable operations and controlling risks. On the other hand, the Group will exert its best efforts to complete the onshore and offshore debt restructurings as soon as practicable in order to restore capital structure, and steadily resume normal production and business operations.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to all the Group’s shareholders, investors, partners, customers and the community for their support and trust. I would also like to extend my thanks to all employees for their dedication and commitment in navigating industry challenges together.

Kei Hoi Pang
Chairman
Hong Kong
30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

In 2025, China's economic development faced increased external pressures and more internal difficulties. Although various favorable policies had been introduced, overall situation of the real estate sector remained complex and severe, and the market performance remained sluggish. Against this backdrop, there was an inevitable decline in the sales of the Group for 2025. However, by exercising the flexibility in adjusting its marketing strategies and rationalizing the allocation of saleable resources, the Group strived to minimize the adverse impacts.

Contracted sales

For the year ended 31 December 2025, the Group achieved attributable contracted sales of approximately RMB4.78 billion. For the contracted sales in 2025, Greater Bay Area, Yangtze River Delta region, Southwest region and other regions accounted for approximately 51.6%, 15.3%, 4.7% and 28.4% respectively.

Region	Attributable contracted sales in 2025				ASP (RMB/ sq.m.)
	Amount (RMB million)	Percentage	GFA ¹ (sq.m.)	Percentage	
Greater Bay Area	2,467	51.6%	144,380	32.2%	28,164
Yangtze River Delta region	729	15.3%	64,942	14.5%	16,139
Southwest region	227	4.7%	20,700	4.6%	10,349
Other regions	1,355	28.4%	218,462	48.7%	7,263
Total	<u>4,778</u>	<u>100.0%</u>	<u>448,484</u>	<u>100.0%</u>	<u>15,419</u>

1. Excluding car parking spaces

Newly commenced projects

For the year ended 31 December 2025, the Group had a total planned GFA of approximately 0.40 million sq.m..

Completed projects

For the year ended 31 December 2025, the Group had a total planned GFA of approximately 1.26 million sq.m..

Developing projects

As at 31 December 2025, the Group had a total planned GFA of approximately 6.77 million sq.m..

Land Reserves

For the year ended 31 December 2025, The Group did not acquire any new projects by means of “tender, auction and listing (招拍掛)” in the open market.

As at 31 December 2025, the total GFA of the Group's land reserves was approximately 23,003,549 sq.m.. Based on project value, the Greater Bay Area and Yangtze River Delta Region accounted for approximately 76% of the total land reserves.

Land reserves as at 31 December 2025

	GFA <i>(sq.m.)</i>	Percentage
Greater Bay Area	11,677,130	50.8%
Yangtze River Delta Region	1,529,622	6.6%
Southwest Region	5,632,469	24.5%
Other Regions	<u>4,164,328</u>	<u>18.1%</u>
 Total	 <u><u>23,003,549</u></u>	 <u><u>100.0%</u></u>

FINANCIAL REVIEW

Performance Highlights

	2025	2024	Changes
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenue	6,305,847	23,264,613	-72.9
Among which: Property development	6,073,066	22,964,107	-73.6
Property operation income	232,781	300,506	-22.5
Gross loss	(7,003,434)	(5,075,271)	38.0
Loss for the year			
— Attributable to equity shareholders	(4,766,819)	(6,298,354)	-24.3
— Attributable to non-controlling shareholders	(118,172)	(320,130)	-63.1
— Total	(4,884,991)	(6,618,484)	-26.2
Total assets	188,038,408	212,585,908	-11.5
Cash and bank balances	7,974,883	8,653,773	-7.8
Total equity	20,600,637	24,805,171	-17.0
Total equity attributable to equity shareholders	16,451,542	20,237,421	-18.7

(I) Revenue

Total revenue of the Group for the year ended 31 December 2025 decreased by approximately RMB16,958.8 million, or approximately 72.9% to RMB6,305.8 million, as compared with 2024. The decrease was mainly due to the decrease in revenue from property development as compared to 2024. Revenue from property development for the year ended 31 December 2025 amounted to approximately RMB6,073.1 million, representing a decrease of approximately 73.6% as compared to RMB22,964.1 million in 2024. Greater Bay Area, Yangtze River Delta Region, Southwest Region and other regions contributed to the revenue from property development in 2025, accounting for 42.7%, 34.5%, 14.0% and 8.8%, respectively.

	Revenue from property development in 2025	
	Amount (RMB Million)	Percentage
Greater Bay Area	2,594	42.7%
Yangtze River Delta Region	2,095	34.5%
Southwest Region	849	14.0%
Other regions	535	8.8%
Total	<u>6,073</u>	<u>100%</u>

(II) Cost of sales

Cost of sales of the Group for the year ended 31 December 2025 decreased by approximately RMB15,030.6 million, or approximately 53.0%, to RMB13,309.3 million as compared with 2024, primarily due to the decrease in revenue recognized as compared to 2024. In addition, the Group has made an inventory impairment provision of approximately RMB6,495.4 million due to the sharp decline in the industry in 2025. Key components of costs are as follows:

	2025 RMB'000	2024 RMB'000	Change per year %
Total cost of sales	13,309,281	28,339,884	-53.0
— Property development	13,269,256	28,295,145	-53.1
— Property operation	40,025	44,739	-10.5

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the year ended 31 December 2025 amounted to approximately RMB408.1 million (2024: RMB813.2 million). The relevant selling and marketing expenses decreased by approximately 49.8% as compared with 2024.

The administrative expenses of the Group for the year ended 31 December 2025 amounted to approximately RMB530.9 million (2024: RMB515.9 million), representing an increase of approximately 2.9% as compared with 2024, which was mainly due to the increase in professional fees.

(IV) Finance costs

The net finance costs of the Group for the year ended 31 December 2025 decreased to approximately RMB318.5 million (2024: RMB1,104.8 million).

(V) Tax

Taxes of the Group for the year ended 31 December 2025 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately a reversal of RMB697.6 million and a provision of RMB353.9 million, respectively (2024: a reversal of approximately RMB609.2 million and a reversal of RMB203.7 million).

(VI) Liquidity and financial resources

As at 31 December 2025, total assets of the Group amounted to approximately RMB188,038.4 million (2024: approximately RMB212,585.9 million), of which current assets amounted to approximately RMB144,230.5 million (2024: approximately RMB157,726.1 million). Total liabilities amounted to approximately RMB167,437.8 million (2024: approximately RMB187,780.7 million), of which non-current liabilities amounted to approximately RMB23,585.8 million (2024: approximately RMB30,020.0 million). Total equity amounted to approximately RMB20,600.6 million (2024: approximately RMB24,805.2 million), of which total equity attributable to owners of the parent amounted to RMB16,451.5 million (2024: approximately RMB20,237.4 million).

As at 31 December 2025, certain of the Group's bank and other loans are secured by the Group's equity interests in certain subsidiaries, bank deposits, investment properties, and inventories.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) is scheduled to be held on Thursday, 11 June 2026. A notice convening the AGM will be published and issued to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in due course.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

To ascertain the shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026, both days inclusive. The record date will be Thursday, 11 June 2026. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 5 June 2026.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) for the year ended 31 December 2025.

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

CORPORATE GOVERNANCE PRACTICES

The Company has adopted, applied and complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025.

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. Having made specific enquiries, the Company confirmed that all the directors have complied with the required standard set out in the Model Code during the year ended 31 December 2025.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company comprises three independent non-executive directors, namely Ms. Liu Ka Ying, Rebecca, Mr. Zhang Huaqiao and Mr. Cai Suisheng. The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the 2025 annual results announcement and the consolidated financial statements for the year ended 31 December 2025, and also fully discussed with Prism Hong Kong Limited, the auditor of the Company on its audit work.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

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 the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company's auditors, Prism Hong Kong Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

FORWARD-LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or "should" (or of related nature), or, in each case, their negative or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions you that forward-looking statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

PUBLICATION OF ANNUAL REPORT

The 2025 annual report of the Company containing all the applicable information required by the Listing Rules will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.logangroup.com>) in due course.

By Order of the Board
Logan Group Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Kei Hoi Pang, Mr. Lai Zhuobin, Ms. Huang Xiangling, Mr. Chen Yong and Mr. Zhou Ji; and the independent non-executive directors of the Company are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca, Mr. Cai Suisheng and Dr. Liu Yongping.