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V & V TECHNOLOGY HOLDINGS LIMITED

時騰科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8113)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of V & V Technology Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

	2025	2024	Change
Revenue (HK\$ thousand)	922,570	960,488	(3.9%)
Profit (loss) attributable to owners of the Company (HK\$ thousand)	3,471	(3,186)	208.9%
		(Restated)	
Basic profit (loss) per share (HK cents)	2.39	(3.06)	178.1%

The board of Directors (the “**Board**”) of V & V Technology Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with last year’s comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$’000	2024 HK\$’000
Revenue	3	922,570	960,488
Cost of sales		(890,986)	(934,311)
Gross profit		31,584	26,177
Other income		2,619	2,849
Other gain (loss)		101	(469)
Reversal of impairment losses under expected credit loss model		156	1,246
Distribution costs		(7,116)	(7,919)
Administrative expenses		(16,137)	(15,317)
Finance costs		(7,732)	(9,684)
Profit (loss) before taxation	5	3,475	(3,117)
Income tax expense	4	(4)	(69)
Profit (loss) for the year		3,471	(3,186)
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations:			
– subsidiaries		1,952	(2,706)
Other comprehensive income (expense) for the year		1,952	(2,706)
Total comprehensive income (expense) for the year		5,423	(5,892)
Profit (loss) per share (HK cents)			(Restated)
– basic	6	2.39	(3.06)
– diluted		2.39	(3.06)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current Assets			
Property, plant and equipment		1,265	436
Club membership		266	266
		<hr/> 1,531	<hr/> 702
Current Assets			
Inventories		139,165	103,835
Trade and other receivables and prepayments	7	150,249	136,295
Debt instruments at fair value through other comprehensive income		6,346	26,499
Tax recoverable		–	30
Amounts due from related companies		2,370	4,191
Restricted/pledged bank deposits		11,700	29,040
Bank balances and cash		69,303	33,955
		<hr/> 379,133	<hr/> 333,845
Current Liabilities			
Trade and other payables	8	118,672	91,673
Contract liabilities		13,815	3,338
Amounts due to related companies		1,111	667
Tax payable		84	92
Bank borrowings		153,656	151,164
		<hr/> 287,338	<hr/> 246,934
Net Current Assets		<hr/> 91,795	<hr/> 86,911
Net Assets		<hr/> 93,326	<hr/> 87,613
Capital and Reserves			
Share capital	9	14,536	14,536
Reserves		78,790	73,077
		<hr/> 93,326	<hr/> 87,613
TOTAL EQUITY		<hr/> 93,326	<hr/> 87,613

NOTES

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies ACT, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of placing on 7 January 2016. Its immediate holding company is Unimicro Limited (a private limited company incorporated in the British Virgin Islands) and its intermediate holding company is S.A.S. Dragon Holdings Limited (incorporated in Bermuda with limited liability and listed on the Stock Exchange). Its ultimate controlling shareholder of the Company is Dr. Yim Yuk Lun, Stanley *SBS BBS JP*, who is also an executive Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company acts as an investment holding company. The Group is principally engaged in the sales of electronic products with the provision of independent design house services.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the Company, United States dollars (“**US\$**”). The directors of the Company consider that presenting the consolidated financial statements in HK\$ is preferable when monitoring the performance and financial position of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) 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 as 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
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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.

(b) 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 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

The Group is in the process of assessing the impact of these new and amendments to HKFRS Accounting Standards. Except for the new and amendments to HKFRS Accounting Standards 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.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) *Disaggregation of revenue from contracts with customers*

	2025 HK\$'000	2024 HK\$'000
Type of goods or services		
Sales of electronic products with the provision of independent design house services	<u>922,570</u>	<u>960,488</u>
Geographical markets		
Chinese Mainland	640,541	620,962
Hong Kong	276,699	300,814
Taiwan	4,841	38,435
Others	<u>489</u>	<u>277</u>
Total	<u>922,570</u>	<u>960,488</u>
Timing of revenue recognition		
At a point in time	<u>922,570</u>	<u>960,488</u>

(ii) Performance obligations for contracts with customers

Sales of electronic products with the provision of independent design house services

The Group sells electronic products with the provision of design house services directly to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location (delivery and accepted by the customer). The transportation services are a fulfilment of the performance obligation. The normal credit term is 30 to 90 days upon delivery.

Under the Group's standard contract terms, customers have a right to exchange for defective products within one month. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for payment received in advance from customer, where revenue has yet to be recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

Contracts for sales of electronic products with the provision of independent design house services typically have a non-cancellable term in which the Group bills a portion of the contract sum in advance and the remaining when the good is delivered. All sales of electronic products with the provision of independent design house services are for periods of one year or less. As permitted under paragraph 121 of HKFRS 15, the transaction price for these contracts, to which the Group will be entitled to upon satisfying the remaining performance obligations is not disclosed.

Segment information

The executive directors of the Company have determined that the Group has only one operating and reportable segment throughout both years.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses only on revenue analysis by geographical location of customers. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

(i) *Geographical information*

The following is an analysis of the carrying amount of non-current assets by geographical area in which the assets are located:

	2025	2024
	HK\$'000	HK\$'000
Chinese Mainland	324	421
Hong Kong	1,207	281
	<u>1,531</u>	<u>702</u>
	<u>1,531</u>	<u>702</u>

(ii) *Information about major customers*

No customer individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

4. INCOME TAX EXPENSE

	2025	2024
	HK\$'000	HK\$'000
PRC Enterprise Income Tax		
– Current year	–	69
– Underprovision in prior years	4	–
	<u>4</u>	<u>69</u>
	<u>4</u>	<u>69</u>

5. PROFIT (LOSS) BEFORE TAXATION

Profit (loss) for the year has been arrived at after charging (crediting):

	2025 HK\$'000	2024 HK\$'000
Directors' remuneration	1,431	1,585
Staff costs:		
Salaries and other allowances	11,730	11,516
Retirement benefit scheme contributions	1,740	1,756
	<u>13,470</u>	<u>13,272</u>
Total staff costs	<u>14,901</u>	<u>14,857</u>
Total staff costs included in:		
Cost of sales	1,495	1,777
Distribution costs	3,632	3,994
Administrative expense	9,774	9,086
	<u>14,901</u>	<u>14,857</u>
Cost of inventories recognised as an expense	883,590	922,030
Short-term leases expenses	632	969
Auditor's remuneration	640	640
Net exchange (gain) loss	(101)	480
Depreciation of property, plant and equipment	256	191
Reversal of provision for allowance for inventories, net	(6,977)	(5,726)
Interest income*	(692)	(1,586)
Reversal of impairment loss under expected credit loss model – trade receivables	(156)	(1,246)
Gain on disposal of property plant and equipment	–	(11)
	<u>–</u>	<u>(11)</u>

* Included in other income.

6. PROFIT (LOSS) PER SHARE

The calculation of the basic profit (loss) per share is based on profit (loss) for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares in issue during the year as follows:

	2025	2024
	HK\$'000	HK\$'000
Profit (loss) for the year for the purpose of basic profit (loss) per share	<u>3,471</u>	<u>(3,186)</u>
	2025	2024
	No. of shares	No. of shares
	'000	'000
		(Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic profit (loss) per share	<u>145,362</u>	<u>104,096</u>

The weighted average number of ordinary shares for the purpose of basic profit (loss) per share for the year ended 31 December 2024 has been adjusted to reflect the effect of share consolidation become effective on 22 May 2025, details as set out in Note 9.

There were no potential ordinary shares in issue for the years ended 31 December 2025 and 2024. Accordingly, the diluted profit (loss) per share presented is the same as the basic profit per share.

7. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables (<i>Note a</i>)	107,260	114,887
Other receivables, deposits and prepayments (<i>Note b</i>)	<u>43,811</u>	<u>22,378</u>
Total trade and other receivables	151,071	137,265
Less: allowance for expected credit losses	<u>(822)</u>	<u>(970)</u>
Net trade and other receivables and prepayments	<u><u>150,249</u></u>	<u><u>136,295</u></u>

Notes:

(a) Trade receivables

The Group allows credit period ranging from 30 days to 90 days which are agreed with each of its trade customers.

The following is an ageing analysis of trade receivables presented based on the invoice date at the end of each reporting period:

	2025 HK\$'000	2024 HK\$'000
1 – 30 days	60,156	55,753
31 – 60 days	26,766	38,623
61 – 90 days	11,123	11,947
91 – 180 days	5,523	7,593
181 – 365 days	2,885	22
Over 365 days	<u>807</u>	<u>949</u>
	<u><u>107,260</u></u>	<u><u>114,887</u></u>

(b) Other receivables, deposits and prepayments

	2025	2024
	HK\$'000	HK\$'000
Prepayments	379	684
Advance to suppliers (<i>Note (i)</i>)	22,794	3,945
PRC VAT receivable	1,339	–
Deposits	35	35
Deposits to suppliers (<i>Note (ii)</i>)	5,694	13,726
Other receivables	13,570	3,988
	<u>43,811</u>	<u>22,378</u>

Notes:

- (i) Advance to suppliers represents prepayment to suppliers for purchase of goods.
- (ii) Deposits to suppliers represent guarantees deposits paid to suppliers for purchase of goods.

8. TRADE AND OTHER PAYABLES

	2025	2024
	HK\$'000	HK\$'000
Trade payables (<i>Note a</i>)	114,518	87,952
Other payables and accruals (<i>Note b</i>)	4,154	3,721
	<u>118,672</u>	<u>91,673</u>

Notes:

(a) Trade payables

The credit period on trade payables ranged from 22 days to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2025	2024
	HK\$'000	HK\$'000
1 – 30 days	69,907	46,819
31 – 60 days	35,805	19,575
61 – 90 days	8,625	565
91 – 120 days	–	907
121 – 365 days	178	20,081
Over 365 days	3	5
	114,518	87,952

(b) Other payables and accruals

	2025	2024
	HK\$'000	HK\$'000
Accrued expenses	2,533	2,470
Other payables	1,444	210
Temporary receipt	120	155
PRC other tax payables	57	886
	4,154	3,721

9. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company during the year are as follows:

	Par value	No. of ordinary shares '000	HK\$'000
Authorised:			
As at 1 January 2024, 31 December 2024 and 1 January 2025	HK\$0.01	2,000,000	20,000
Share consolidation (<i>Note b</i>)	–	<u>(1,800,000)</u>	<u>–</u>
As at 31 December 2025	HK\$0.1	<u>200,000</u>	<u>20,000</u>
Issued and fully paid:			
As at 1 January 2024	HK\$0.01	969,082	9,691
Issue of new shares upon rights issue (<i>Note a</i>)	HK\$0.01	<u>484,541</u>	<u>4,845</u>
As at 31 December 2024 and 1 January 2025	HK\$0.01	1,453,623	14,536
Share consolidation (<i>Note b</i>)	–	<u>(1,308,261)</u>	<u>–</u>
As at 31 December 2025	HK\$0.1	<u>145,362</u>	<u>14,536</u>

Notes:

- (a) On 8 October 2024, the Company announced a proposed rights issue on the basis of one (1) right share for every two (2) existing share in issue at a subscription price of HK\$0.05 per rights share. On 18 November 2024, the Company allotted and issued 484,541,000 ordinary shares of HK\$0.05 each by way of rights issue and the number of issued share capital of the Company increased to 1,453,623,000. The net proceeds from the rights issue were approximately HK\$23,430,000.
- (b) Pursuant to an ordinary resolution passed by the shareholders of the Company at an annual general meeting on 20 May 2025, every ten issued and unissued existing shares of HK\$0.01 each in the share capital of the Company was consolidated into one share of HK\$0.1 each with effect from 22 May 2025 (the “**Share Consolidation**”). Immediately prior to the Share Consolidation, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 shares with par value of HK\$0.01 each, of which 1,453,623,111 then existing shares with par value of HK\$0.01 each were issued and fully paid or credited as fully paid. Immediately following the implementation of the Share Consolidation, the Company’s authorised share capital becomes HK\$20,000,000 divided into 200,000,000 shares with par value of HK\$0.1 each, and its issued share capital becomes HK\$14,536,231 divided into 145,362,311 shares with par value of HK\$0.1 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 13 May 2026 to 19 May 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attending and voting at the annual general meeting (“AGM”), all transfers accompanied by the relevant share certificates, must be lodged 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 for registration no later than 4:30 p.m. on 12 May 2026. The record date for the attending and voting at the AGM is 19 May 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group achieved sales revenue of HK\$922,570,000, decreased by 3.9% from HK\$960,488,000 as recorded in 2024. The Group’s gross profit was HK\$31,584,000, increased by 20.7% from HK\$26,177,000 as recorded last year. Gross profit margin was 3.4%, increased by 0.7% from 2.7% as recorded in 2024. The profit attributable to owners of the Company for the year ended 31 December 2025 was HK\$3,471,000, increased by 208.9%, compared to the loss attributable to owners of the Company of HK\$3,186,000 as recorded in 2024. Basic earnings per share was HK2.39 cents (2024: loss per share of HK3.06 cents).

BUSINESS REVIEW

The Group is primarily engaged in the sale of electronic components (mainly integrated circuit (“IC”) and panels) for consumer electronic products such as mobile internet devices, network communication system, smart home audio, together with the provision of IDH services to original brand manufacturers and original design manufacturers.

Revenue for the year ended 31 December 2025 decreased as compared with the previous year. The decline was affected by the gradual phase-out of obsolete product lines related to traditional consumer electronics. During the second half of the year, the secured design-in projects related to AI applications commenced production and new product lines were introduced resulting in stronger revenue performance in the second half of the year as compared with the first half of the year. The profit recorded during the year was primarily attributable to an improvement in gross profit margin and a reduction in finance costs, following the decrease in interest rates during the current year.

Mobile Internet Devices

The global tablet market has experienced steady growth in recent years, increasing from approximately US\$110 billion in 2024 to US\$118 billion in 2025 according to the market report. Growth has been driven by rising demand for portable computing devices, evolving digital content consumption, enterprise adoption for productivity, and increasing integration in the education sector. In addition, the growing adoption of e-learning platforms has supported market expansion, as tablets provide convenient access to digital educational content through interactive touchscreen interfaces. Industry participants are also introducing new models with enhanced performance and AI-enabled features to improve user experience and maintain competitiveness.

Against this backdrop, the Group recorded growth in revenue from its tablet-related business during the year under review. The Group supplies key components including IC and AI chips, display panels, memory products and Wi-Fi connectivity solutions, which are widely used in tablet devices to support visual performance, data processing and wireless connectivity. Benefiting from the continued development of the tablet market and increasing demand for higher performance and connectivity in smart devices, the Group remains focused on strengthening its product portfolio and supporting customers in the Greater China region.

Network Communication System

Wi-Fi chips are core components of wireless communication systems and are widely used in consumer electronics, Internet of Things devices, and industrial automation applications. Continuous technological upgrades and the expansion of application scenarios are driving sustained market growth. According to the market report, global Wi-Fi chip market sales reached approximately US\$63 billion in 2024 and are expected to exceed US\$71 billion in 2025.

During the year under review, supported by growing market demand for home appliances, the Group's networking solutions business recorded steady growth. In terms of technology generations, Wi-Fi 5 and Wi-Fi 6/6E chips currently dominate the market, while Wi-Fi 7 remains in the pre-commercial stage. Market growth is also driven by the increasing need for network performance optimisation, stricter regulatory requirements for data protection and network security, the expansion of public Wi-Fi deployments and ongoing digital transformation. The Group will continue to focus on technological developments and application opportunities in the Greater China region.

Smart Home Audio

Demand for smart home audio products remained stable during the year under review, supported by the continued expansion of smart home ecosystems and the integration of artificial intelligence (“AI”). Consumers increasingly seek audio systems that connect seamlessly with other smart devices and provide AI-enabled features such as voice interaction and intelligent control.

Against this backdrop, the Group recorded stable revenue from its smart home audio-related business during the year under review. The Group continued to develop products that align with market trends, including solutions that support AI-enabled functions and smart home connectivity. By leveraging its technological capabilities and focusing on the evolving requirements of connected home environments, the Group aims to capture opportunities arising from the increasing adoption of AI and smart home applications.

IC Solution for Home Appliance

During the year under review, the Group diversified its solution portfolio by introducing a new products line relating to IC solutions for photocouplers, sensors and infrared products for home appliance.

The Group believes that the introduction of this new product line will enable it to further expand its customer base, particularly in the home appliance sector. By leveraging its existing product portfolio and technical capabilities, the Group also aims to generate synergies between its existing and new product lines, thereby exploring additional business opportunities and strengthening its market position.

OUTLOOK

Looking ahead the Group's performance may be affected by external uncertainties, including geopolitical tensions in the Middle East, U.S. tariffs, and rising memory prices. These factors could disrupt the global supply chain, affect component availability, and influence consumer demand across the consumer electronic products and automotive sectors. Market conditions remain dynamic, and the Group will continue to monitor developments closely to mitigate potential impacts.

On the internal front, efforts will focus on expanding new design-in projects and newly appointed product lines, while continuing to optimize existing operations. The Group will also advance the application of AI across multiple scenarios, including the mobile internet device segment, smart home devices, consumer electronic products, and in-vehicle systems. By integrating AI capabilities into its offerings, the Group aims to capture emerging opportunities, enhance product differentiation, and reinforce its long-term competitiveness. The Group will continue to leverage its established competitive strengths and maintain operational discipline across all business segments. Through these initiatives, the Group remains committed to sustaining growth, maintaining market relevance, and delivering value to stakeholders despite ongoing market uncertainties.

Liquidity and Financial Resources

The Group's principal sources of funds are cash generated from operations and bank borrowings. As at 31 December 2025, the Group's current ratio was 132.0% (31 December 2024: 135.2%). As of 31 December 2025, the Group had bank balances and cash of HK\$69,303,000 (31 December 2024: HK\$33,955,000), the Group had fixed bank deposit of HK\$11,700,000 (31 December 2024: HK\$29,400,000) and bank borrowings of HK\$153,656,000 (31 December 2024: HK\$151,164,000). As of 31 December 2025, the Group's net gearing ratio was 90.4% (31 December 2024: 133.8%), which is calculated based on the Group's net debt (calculated as total bank borrowing minus bank balances and cash) of approximately HK\$84,353,000 (31 December 2024: HK\$117,209,000) and Group's total equity of approximately HK\$93,326,000 (31 December 2024: HK\$87,613,000).

The Group recorded debtors turnover of approximately 44 days for the year under review (2024: 42 days) based on the amount of the average of beginning and ending debtors divided by revenue for the respective year, multiplied by 365 days.

The Group recorded inventory turnover and payable turnover of 50 days and 41 days respectively for the year under review (2024: approximately 42 days and 40 days respectively) based on the amount of the average of beginning and ending inventory and creditors as at 31 December 2025, divided by cost of sales for the respective year and multiplied by 365 days.

Foreign Exchange Risk Management

The Group has foreign currency sales and purchases, bank deposits and borrowings primary in United States dollars and Renminbi which expose the Group to foreign currency risk.

The Group will enter into foreign currency forward contracts to hedge the currency risk related to its payable denominated in foreign currencies if necessary.

Employee and Remuneration Policy

As at 31 December 2025, the Group employed approximately 60 employees in the Greater China region. The Group ensures that their employees are offered competitive remuneration packages. Other staff benefits include provident fund schemes and medical insurance. Also, discretionary bonus was granted to eligible employees based on the Group's financial results and individual performance.

USE OF PROCEEDS FROM THE LISTING

On 7 January 2016, the Company has offered 150,000,000 shares for subscription by way of placing and raised net proceeds of approximately HK\$30 million ("**IPO Net Proceeds**").

The change of use of IPO Net Proceeds was approved by the Board of Directors of the Company on 15 March 2018 and further change in use of IPO Net Proceeds was approved by the Board of Directors of the Company on 28 December 2021.

The followings table sets a summary of the utilization of the IPO Net Proceeds.

Uses	Original allocation as stated in the Prospectus (HK\$ million)	Revised allocation as disclosed in 2017 Annual Report (HK\$ million)	Further revised allocation of unutilised IPO Net Proceeds as at 31 December 2022 (HK\$ million)	Actual use of IPO Net Proceeds as at 31 December 2025 (HK\$ million)	Unutilised as at 31 December 2025 (HK\$ million)	Expected timeline of full utilisation of the balance
Upgrading the Group's Enterprise Resource Planning ("ERP") system	4.6	4.6	-	0.7	3.9	By end of 2027
Expanding the Group's Electronic Learning Aid (ELA) business by engaging in:						
– Research and development staff expenses	2.5	2.5	-	2.5	-	N/A
– Equipment purchases	8.7	8.7	(7.5)	1.2	-	N/A
	11.2	11.2	(7.5)	3.7	-	
Expanding the Group's product range by engaging in:						
– Car infotainment	2.8	2.8	-	2.8	-	N/A
– Drones Wi-Fi Transmission	2.8	2.8	-	2.8	-	N/A
– Artificial Intelligence and Internet-of-Things	-	5.6	-	5.6	-	N/A
– Development of Metaverse hardware	-	-	7.5	2.9	4.6	By end of 2027
– Others	5.6	-	-	-	-	N/A
	11.2	11.2	7.5	14.1	4.6	
General working capital	3.0	3.0	-	3.0	-	
Total	<u>30.0</u>	<u>30.0</u>	<u>-</u>	<u>21.5</u>	<u>8.5</u>	

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

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

AUDIT COMMITTEE

The Board established the audit committee on 23 December 2015 with written terms of reference which are of no less exacting terms than those set out in the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules (the "CG Code").

The audit committee comprises three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Lau Sun Tao, Gary. Mr. Shea Chun Lok, Quadrant is the chairman of the audit committee.

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group, internal control, risk management and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the CG Code for the year ended 31 December 2025, except for the following deviations:

Under the code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is very low. The Company will consider to make such an arrangement as and when it thinks necessary.

RELATIONSHIP BETWEEN BOARD MEMBERS

Dr. Yim Yuk Lun, Stanley *SBS BBS JP* (an executive Director and a substantial shareholder of the Company) is the father of Mr. Yim Tsz Kit, Jacky (a non-executive Director and Chairman of the Company), Ms. Yim Kei Man, Carmen (a non-executive Director of the Company) and Mr. Yim Tsz Yu, Jeffrey (an executive Director of the Company).

SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the “**Code of Conduct**”) regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the Code of Conduct throughout the year under review.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.vvtholdings.com) and the Stock Exchange (www.hkexnews.hk). The 2025 annual report will be dispatched to the shareholders of the Company and published on the above websites in due course.

SCOPE OF WORK OF JFY CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, JFY CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by JFY CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by JFY CPA Limited on this preliminary announcement.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and other business partners for their long-term supports and dedication.

By order of the Board
V & V Technology Holdings Limited
Mr. Yim Tsz Kit, Jacky
Chairman

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Yim Yuk Lun, Stanley SBS BBS JP and Mr. Yim Tsz Yu, Jeffrey; three non-executive Directors, namely Mr. Yim Tsz Kit, Jacky, Ms. Yim Kei Man, Carmen and Mr. Wong Wai Tai and three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Lau Sun Tao, Gary.

*This announcement, for which the directors (the “**Directors**”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.vvtholdings.com.