



華億金控集團有限公司
SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08123)

ANNUAL RESULTS ANNOUNCEMENT
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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Sinofortune Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) 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.

HIGHLIGHTS

The Group recorded a revenue from continuing operations of approximately HK\$29,054,000 for the year ended 31 December 2025 (2024: approximately HK\$32,148,000).

Loss for the year ended 31 December 2025 was approximately HK\$14,678,000 (2024: approximately HK\$99,019,000).

Loss attributable to owners of the Company for the year ended 31 December 2025 amounted to approximately HK\$14,652,000 (2024: approximately HK\$98,752,000).

Basic loss per share attributable to owners of the Company was 0.19 HK cents (2024: 1.27 HK cents).

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

FINAL RESULTS

The board of Directors of the Company (the “Board”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 together with the comparative audited figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Continuing operations			
Revenue	4	29,054	32,148
Other income and gains/(losses), net	6	14,375	3,096
Changes in inventories of finished goods		(28,811)	(30,398)
Employee benefit expenses		(10,419)	(10,613)
Depreciation of property, plant and equipment		(1,858)	(2,147)
Depreciation of right-of-use assets		(920)	(565)
Impairment loss on trade receivables reversed/(recognised)		785	(429)
Impairment loss on other receivables		(25,106)	–
Loss on settlement of advance payments for purchase of trading motor vehicles		–	(2,076)
Impairment loss on advance payments for purchase of trading motor vehicles reversed/(recognised)		18,820	(75,805)
Impairment loss on advance payment for acquisition of property		–	(1,511)
Other expenses		(8,413)	(9,710)
Share of loss of an associate		–	(77)
Finance costs	7	(2,297)	(3,446)
Loss before income tax	8	(14,790)	(101,533)
Income tax credit	9	112	227
Loss for the year from continuing operations		(14,678)	(101,306)
Discontinued operations			
Net gain from discontinued operations		–	2,287
Loss for the year		(14,678)	(99,019)

	2025	2024
	HK\$'000	HK\$'000
Other comprehensive income/(loss)		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>811</u>	<u>(4,430)</u>
Other comprehensive income/(loss) for the year, net of tax	<u>811</u>	<u>(4,430)</u>
Total comprehensive loss for the year	<u>(13,867)</u>	<u>(103,449)</u>
Loss for the year attributable to:		
– Owners of the Company	(14,652)	(98,752)
– Non-controlling interests	<u>(26)</u>	<u>(267)</u>
	<u>(14,678)</u>	<u>(99,019)</u>
(Loss)/profit for the year attributable to owners of the Company		
– from continuing operations	(14,652)	(101,039)
– from discontinued operations	<u>–</u>	<u>2,287</u>
	<u>(14,652)</u>	<u>(98,752)</u>
Loss for the year attributable to non-controlling interests		
– from continuing operations	(26)	(267)
– from discontinued operations	<u>–</u>	<u>–</u>
	<u>(26)</u>	<u>(267)</u>
Total comprehensive loss for the year attributable to:		
– Owners of the Company	(13,836)	(103,182)
– Non-controlling interests	<u>(31)</u>	<u>(267)</u>
	<u>(13,867)</u>	<u>(103,449)</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Total comprehensive (loss)/income attributable to owners of the Company			
– from continuing operations		(13,867)	(105,736)
– from discontinued operations		<u>–</u>	<u>2,287</u>
		<u>(13,867)</u>	<u>(103,449)</u>
		2025 <i>HK cent</i>	2024 <i>HK cent</i>
Loss per share	<i>10</i>		
From continuing and discontinued operations			
Basic loss per share		<u>(0.19)</u>	<u>(1.27)</u>
From continuing operations			
Basic loss per share		<u>(0.19)</u>	<u>(1.30)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		630	19,895
Right-of-use assets		3,877	407
Prepayments, deposits and other receivables		—	47,128
		<u>4,507</u>	<u>67,430</u>
Current assets			
Inventories		39	37
Trade receivables	11	158	—
Prepayments, deposits and other receivables		86,755	36,751
Bank balances and cash		20,444	13,532
		<u>107,396</u>	<u>50,320</u>
Current liabilities			
Other payables and accruals		2,763	1,370
Contract liabilities		84,793	60,140
Provisions		11,541	11,019
Borrowings	12	—	28,000
Lease liabilities		1,913	434
Amount due to a director		8,000	—
		<u>109,010</u>	<u>100,963</u>

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net current liabilities	<u>(1,614)</u>	<u>(50,643)</u>
Total assets less current liabilities	<u>2,893</u>	<u>16,787</u>
Non-current liabilities		
Lease liabilities	1,990	–
Deferred tax liabilities	<u>–</u>	<u>2,017</u>
	<u>(1,990)</u>	<u>(2,017)</u>
Net assets	<u>903</u>	<u>14,770</u>
Capital and reserves		
Share capital	77,489	77,489
Reserves	<u>(76,455)</u>	<u>(62,619)</u>
Equity attributable to owners of the Company	1,034	14,870
Non-controlling interests	<u>(131)</u>	<u>(100)</u>
Total equity	<u>903</u>	<u>14,770</u>

NOTES:

1. GENERAL INFORMATION

Sinofortune Financial Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The Company’s registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is situated at 16th Floor, CMA Building, 64-66 Connaught Road Central, Hong Kong.

In the opinion of the directors of the Company, the ultimate controlling party of the Company is Mr. Wang Jiawei, the Chairman and executive director of the Company.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the current year, the Group, comprising the Company and its subsidiaries, was principally engaged in trading of motor vehicles, provision of agency services and accessories sourcing in the People’s Republic of China (“PRC”), excluding Hong Kong.

During the prior year ended 31 December 2024, the Group discontinued its operations of provision of securities and future contracts trading services in Hong Kong.

The Company is an investment holding company. Upon the disposal of the business of provision of securities and futures contracts trading services undertaken by certain former subsidiaries in Hong Kong during the prior year ended 31 December 2024, the remaining principal subsidiaries of the Company are primarily operated in Mainland China with Renminbi (“RMB”) being their functional currency and RMB better reflects the economic substance of the Company’s business activities transacted through its subsidiaries. Accordingly, the functional currency of the Company was changed to RMB prospectively from the date of disposal of the former subsidiaries.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the Company’s functional currency of RMB. For the convenience of the financial statements users, the consolidated financial statements are presented in HK\$, as the Company’s shares are listed on GEM of the Stock Exchange. All values stated in these results announcement are rounded to the nearest thousands Hong Kong dollars (HK\$’000), unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

Going concern basis

The Group incurred net losses amounted to HK\$14,678,000 for the year ended 31 December 2025 and the total current liabilities of the Group at 31 December 2025 exceed the Group’s total current assets at that date by approximately HK\$1,614,000. The directors of the Company consider it appropriate for the preparation of the consolidated financial statements on a going concern basis after taking into account the following circumstances and measures:

- (i) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business;
- (ii) The Group is actively liaising with debtors in order to recover the outstanding other receivables on or before the agreed settlement dates;
- (iii) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; and
- (iv) The executive director and Chairman of the Company, Mr. Wang Jiawei, has agreed to provide further loan facilities to the extent of HK\$1,500,000 and RMB10,500,000 (approximately HK\$11,635,000) to the Group, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. Up to the date of approval of these consolidated financial statements, the loan facilities have been fully drawn down by the Group.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least twelve months immediately after 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Material uncertainty regarding the Group’s ability to operate as a going concern exists as to whether management of 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 reduce the carrying amounts of the Group’s assets to their net realisable amounts, to provide for 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.

Geographical information

An analysis of the Group's revenue and non-current assets from continuing operations (excluding financial assets) by geographical location are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>

Continuing operations

Revenue from external customers

The PRC, excluding Hong Kong	<u>29,054</u>	<u>32,148</u>
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Revenue from external customers are allocated based on the geographical areas in which the customers are located.

Non-current assets (excluding financial assets)

Hong Kong	3,136	18,797
The PRC, excluding Hong Kong	<u>1,371</u>	<u>1,505</u>
	<u>4,507</u>	<u>20,302</u>

The geographical location of non-current assets (excluding financial assets) is based on the physical location of assets (in the case of property, plant and equipment and right-of-use assets) and location of operations (in the case of interests in associates).

Information about major customers

Revenue from customers contributing over 10% of the Group's revenue from continuing operations is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>

Continuing operations

Trading of motor vehicles, provision of agency services and accessories sourcing

Customer A	21,879	N/A [#]
Customer B	2,936	N/A [#]
Customer C	N/A [*]	8,452
Customer D	<u>N/A[*]</u>	<u>5,265</u>

* The customer C and customer D did not contribute over 10% of the Group's revenue for the year ended 31 December 2025.

The customer A and customer B did not contribute over 10% of the Group's revenue for the year ended 31 December 2024.

6. OTHER INCOME AND GAINS/(LOSSES), NET

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Other income		
Interest income from bank deposits	39	159
Rental income	138	120
Sundry income	76	469
	<u>253</u>	<u>748</u>
Other gains and losses		
Gain on disposal of subsidiaries	14,278	–
Fair value loss on financial assets at fair value through profit or loss	–	(111)
Exchange (losses)/gains, net	(156)	2,561
Loss on disposal of financial assets at fair value through profit or loss		
– Listed equity securities	–	(62)
– Unlisted fund investment	–	(40)
	<u>14,122</u>	<u>2,348</u>
Other gains, net	14,122	2,348
Other income and gains, net	<u>14,375</u>	<u>3,096</u>

7. FINANCE COSTS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Interest on lease liabilities	68	35
Interest on borrowings	2,229	3,411
	<u>2,297</u>	<u>3,446</u>

8. LOSS BEFORE INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before income tax from continuing operations has been arrived at after charging:		
Auditor's remuneration		
– Audit services	450	590
– Non-audit services	120	40
Loss on disposal of property, plant and equipment	192	–
Written off of property, plant and equipment	–	914
Legal and professional fees	1,259	1,570
Consultancy fees	580	467
Exhibition and marketing fee	71	470
	<u> </u>	<u> </u>

The above expenses are included in other expenses presented in the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX CREDIT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Current tax		
– Over provision of PRC enterprise income tax in prior years	(21)	(45)
Deferred tax credit	(91)	(182)
	<u> </u>	<u> </u>
Income tax credit	<u> </u> (112)	<u> </u> (227)

No provision for Hong Kong profits tax and PRC enterprise income tax has been made in the consolidated financial statements as the group companies incurred tax losses for the year ended 31 December 2025 (2024: Nil).

10. LOSS PER SHARE

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the purpose of basic loss per share		
Loss for the year attributable to owners of the Company from continuing operations	<u>(14,652)</u>	<u>(101,039)</u>
	2025 '000	2024 '000
Number of shares for the purpose of basic loss per share		
Weighted average number of ordinary shares in issue during the year	<u>7,748,958</u>	<u>7,748,958</u>

From continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the purpose of basic loss per share		
Loss for the year attributable to owners of the Company	<u>(14,652)</u>	<u>(98,752)</u>

The number of ordinary shares used for the calculation of the basic loss per share from continuing and discontinued operations is the same as that detailed above for the basic loss per share from continuing operations.

From discontinued operations

The calculation of basic earnings per share from discontinued operations attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the purpose of basic earnings per share		
Profit for the year attributable to owners of the Company		
from discontinued operations	<u>–</u>	<u>2,287</u>

The number of ordinary shares used for the calculation of the basic earnings per share from discontinued operations is the same as that detailed above for the basic loss per share from continuing operations.

Diluted loss per share

No diluted loss per share for both of the years ended 31 December 2025 and 2024 is presented as there were no potential ordinary shares in issue for both of the years.

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables arising from trading of motor vehicles:		
Gross receivables	1,488	2,038
Less: impairment loss recognised	<u>(1,330)</u>	<u>(2,038)</u>
	<u>158</u>	<u>–</u>

Credit terms granted by the Group to its customers generally range from 30 to 90 days from the date of sale invoices.

As at 31 December 2025, the Group's gross receivables from trading of motor vehicles amounted to approximately HK\$1,488,000 (2024: approximately HK\$2,038,000), of which impairment loss amounted to approximately HK\$1,330,000 (2024: approximately HK\$2,038,000) were recognised.

The following is an aged analysis of the trade receivables arising from trading of motor vehicles based on invoice dates and net off loss allowance:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	<u>158</u>	<u>–</u>

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of trade receivables. The Group does not hold any collateral as security in respect of its trade receivables.

12. BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Secured borrowings (<i>Note</i>)	<u>–</u>	<u>28,000</u>
Analysed for reporting purpose:		
Current liabilities	<u>–</u>	<u>28,000</u>

Note:

The maturity of the borrowings are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
On demand or within one year	<u>–</u>	<u>28,000</u>

During the year, the Group fully repaid its borrowings in October 2025.

The borrowings at 31 December 2024 are secured by the charge over the Group's leasehold land and buildings with the carrying amount of HK\$17,879,000 as at that date and corporate guarantees executed by the Company. These borrowings are denominated in HK\$, and carried interest ranged from 10.875% to 11.375% per annum.

13. DIVIDEND

The directors of the Company do not recommend any payment of a dividend in respect of the year ended 31 December 2025 (2024: Nil).

EXTRACT OF THE AUDITORS' 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:

“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 going concern

We draw attention to note 3.1 to the consolidated financial statements that the Group incurred net losses amounted to approximately HK\$14,678,000 for the year ended 31 December 2025 and that the total current liabilities of the Group at 31 December 2025 exceed the Group's total current assets at that date by approximately HK\$1,614,000. These conditions, along with other matters as set forth in note 3.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 3.1 to the consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements for at least twelve months immediately after 31 December 2025. Our opinion is not modified in respect of this matter.”

BUSINESS REVIEW

The Group recorded a loss of approximately HK\$14.7 million for the year ended 31 December 2025, compared with the loss of approximately HK\$99.0 million for the year ended 31 December 2024, represents a decrease in loss of approximately HK\$84.3 million. As disclosed in the Company's announcement dated 23 March 2026, the significant reduction in loss for the year ended 31 December 2025 was largely attributable to (i) the substantial reversal of impairment loss of approximately HK\$18.8 million on advance payments for purchase of trading motor vehicles, whereas an impairment loss of approximately HK\$75.8 million recorded for the year ended 31 December 2024; and (ii) the material gain of approximately HK\$14.3 million recognised on the disposal of a subsidiary of the Group. Such positive impacts from the aforesaid items were, however, partially offset by the recognition of a significant impairment loss of approximately HK\$25.1 million on other receivables for the year ended 31 December 2025, which has mitigated the extent of the loss reduction of the Group to a certain degree.

For the year ended 31 December 2025, the Group recorded total revenue of approximately HK\$29.1 million, representing a decrease of approximately HK\$3.2 million or 9.9% as compared with approximately HK\$32.3 million in the previous year. The decline was driven by the trading of motor vehicles, provision of agency services and accessories sourcing segment.

Since 2020, the customers' purchase desire has been diminishing following the outbreak of COVID-19 pandemic, the implementation of preventive measures and the lockdown of cities in the PRC, the on-going Sino-US trade war and the weakening of the PRC economy. Following the end of COVID-19 pandemic, the Group had expected the PRC economy to pick up growth in 2025. However, the domestic demand continued to be weak and customers were cautious in consumption as the global and PRC domestic economies have been affected by ongoing conflicts and geopolitical and trade tensions.

Further than that, the "price war" among automakers in the PRC starting from early 2023 has shown no signs of abating and continued throughout 2025, particularly in the new-energy vehicle ("NEV") sector, almost both local and foreign automakers keep cutting prices or launching limited-time promotions. With more and more automakers in the PRC domestic market, the competition has become intense and fierce. Manufacturers of NEV continue to introduce a large number of new cars leading to a repositioning of new car prices and prompting a more aggressive price reduction. Top automakers in the PRC were leveraging price war to squeeze out smaller firms with limited innovation and funding. The Group, as an independent, small-scale parallel importer and reseller of fuel vehicles and NEV, found it difficult to survive in the PRC motor vehicles market as it had been caught in the middle of the price war with limited room and ability to adjust its price downward to meet with the challenges posed by the price war.

While the price war persists throughout 2025, it is expected that the scale of car price reductions will continue to increase in the coming year. As the imported motor vehicles have to go through lengthy custom declaration and certification process, the price for the Group's imported motor vehicles will be more difficult to compete with the newly launching models with discount or the old model with a more deeper discount.

For the year ended 31 December 2025, the Group recorded the revenue of trading of motor vehicles where the Group acts as principal approximately HK\$28.9 million and agency and service fees income from accessories sourcing approximately HK\$171,000. Approximately HK\$30.8 million and approximately HK\$1.3 million were recorded respectively for the revenue of trading of motor vehicles where the Group acts as principal and agency and service fees income from accessories sourcing for the year ended 31 December 2024.

On 22 July 2025 and 18 August 2025, the Company entered into a conditional preliminary agreement and a formal agreement respectively with an independent third party, Best Properties Limited, for the disposal of its equity interest in and loans to Sinofortune Property Limited for the aggregate consideration of HK\$29.0 million (the "Disposal"). The principal assets of Sinofortune Property Limited are the properties known as 16th Floor and Lavatory A and B of C.M.A Building, No. 64 Connaught Road Central and No. 133 Des Voeux Road Central, Hong Kong (the "Property"). The Company (as tenant) leased back the Property from Sinofortune Property Limited (as landlord) for a term of two years commencing from 8 October 2025 at the monthly rent of HK\$130,000 (the "Leaseback Arrangement"). The monthly rental under the Leaseback Arrangement was lower than the monthly interest payment on the mortgage of the Property. The completion of the Disposal and the Leaseback Arrangement took place on 8 October 2025. For more details, please refer to the announcements of the Company dated 22 July 2025, 18 August 2025 and 8 October 2025 and the circular of the Company dated 12 September 2025.

FINANCIAL REVIEW

Results of the Group

The Group recorded total revenue of approximately HK\$29.1 million for the year ended 31 December 2025 as compared to total revenue of approximately HK\$32.3 million for the previous year, representing a decrease of approximately HK\$3.2 million or approximately 9.9%. The decrease of revenue was primarily due to the decrease in trading of motor vehicles business in the PRC.

The Group recorded a loss for the year amounted to approximately HK\$14.7 million, compared with a loss of approximately HK\$99.0 million for the previous year, representing a decrease loss of approximately 85.1%. The loss of the year encompassed an impairment loss on other receivables of approximately HK\$25.1 million for the year under review, whereas no impairment loss on other receivables recognised for the previous year.

The loss included the reversal of impairment loss on advance payment for purchase of trading motor vehicles of approximately HK\$18.8 million for the year under review, compared with impairment loss on advance payment for purchase of trading motor vehicles of approximately HK\$75.8 million recognised for the previous year.

The loss also included the reversal of impairment loss on trade receivables of approximately HK\$0.8 million for the year under review, compared with an impairment loss recognised on trade receivables of approximately HK\$0.4 million for the previous year.

The loss encompasses a material gain recognised on the disposal of a subsidiary of the Group of HK\$14.3 million for the year under review, with no such item in the previous year, which has mitigated the extent of the loss reduction of the Group to a certain degree.

Liquidity and financial resources

The Group's current assets as at 31 December 2025 amounted to approximately HK\$107.4 million, compared with approximately HK\$50.3 million as at 31 December 2024. The liquidity of the Group, as demonstrated by the current ratio (current assets over current liabilities) was 1.0 times, compared with 0.5 times for previous year. As at 31 December 2025, the Group's bank balances and cash were approximately HK\$20.4 million (2024: approximately HK\$13.5 million).

In October 2025, the Group fully repaid the borrowings (2024: HK\$28.0 million). The gearing ratio of the Group as at 31 December 2025 (calculated by the total liabilities of approximately HK\$111.0 million over equity attributable to the owners of the Company of approximately HK\$1,034,000) is 10,735.8% (2024: 692.6%).

The equity attributable to the owners of the Company amounted to approximately HK\$1,034,000 as at 31 December 2025, representing a decrease of approximately HK\$13.8 million, or 93.0% from that of 31 December 2024. The decrease was mainly due to loss for the year attributable to the owners of the Company.

The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transactions locally. As at the end of the year, the Group did not have any material un-hedged foreign exchange exposure of interest rate mismatch. Foreign currency exposure did not pose a significant risk for the Group. However, we will continue to stay vigilant and closely monitor our exposure to movements of relevant currency.

Capital structure

As at 31 December 2025, the Company's issued share capital was 7,748,958,120 shares of HK\$0.01 each.

Trading of motor vehicles and provision of agency services

This segment recorded approximately HK\$29.1 million of revenue for the year under review compared with approximately HK\$32.1 million of revenue for the last year, representing a decrease of revenue of approximately 9.3%. It is principally engaged in the motor vehicles business in the PRC, in particular, trading of motor vehicles and motor vehicles parts. The Group estimated that the demand for gasoline vehicles is expected to shrink further, and competition in models and pricing will intensify resulting in more intense market competition than expected in 2025. This segment incurred a loss of approximately HK\$6.0 million for the year which is arrived at after taking into (i) impairment loss recognised on other receivables amounted to approximately HK\$25.1 million (2024: HK\$Nil); and (ii) reversal of impairment loss on advance payments for purchase of trading motor vehicles amounted to approximately HK\$18.8 million for the last year (2024: impairment loss recognised on advance payment for purchase of trading motor vehicles amounted to approximately HK\$75.8 million).

OUTLOOK

As at 31 December 2025, the revenue of the Group came from the segment of trading of motor vehicles, provision of agency services and accessories sourcing in the PRC.

As disclosed in the circular of the Company dated 19 March 2018, the motor vehicles business has a risk of reliance on a small number of customers. As at 31 December 2025, 重慶盛渝泓嘉國際貿易有限公司 (transliterated as Chongqing Sheng Yu Hong Jia International Trading Company Limited) (“Sheng Yu Hong Jia”) has improved its customer base, increasing the number of customers to 142 customers, and with 44 customers in the progress of negotiation. Sheng Yu Hong Jia will strive to increase more customers to reduce the level of reliance in the future.

As disclosed in the announcement of the Company dated 7 March 2022, due to the change of government policy in the PRC on the China 6 Standard imported motor vehicles, the PRC government requires parallel importers of motor vehicles to obtain certification administered by the Ministry of Ecology and Environment of the PRC (“EE Certificate”) for China 6 Standard imported motor vehicles before offering the same for trade in the PRC. As at 31 December 2025, the Group obtained EE Certificate for six types of China 6 Standard imported motor vehicles, and the others are still in the certification process. The Group has been closely monitoring the certification process for their China 6 Standard imported motor vehicles. To improve the business performance under the segment of trading of motor vehicles, the Company plans to leverage the global green transition and technological advancement in the automotive industry, by introducing more new energy vehicles and to promote the trading of petrol vehicles and new energy vehicles to the customers.

The Company proposes to implement a capital reorganisation involving: (i) the share consolidation (the “Share Consolidation”) of every 60 issued and unissued Existing Shares of the Company of a par value of HK\$0.01 each (the “Existing Shares”) into one Consolidated Share of HK\$0.60 each (each a “Consolidated Share”); (ii) (a) the capital reduction (the “Capital Reduction”) whereby, immediately following the Share Consolidation becoming effective, the par value of each issued Consolidated Share will be reduced from HK\$0.60 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.59 on each issued Consolidated Share, and (b) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company; and (iii) the share subdivision (the “Share Subdivision”) whereby, immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Share of a par value of HK\$0.60 each (including those arising from the Capital Reduction) will be subdivided into 60 new shares of a par value of HK\$0.01 each (the “New Shares”). Upon the Share Consolidation, the Capital Reduction and the Share Subdivision (collectively “Capital Reorganisation”) becoming effective, the size of each board lot of the New Shares for trading on the Stock Exchange will be changed from 6,000 Existing Shares to 5,000 New Shares (the “Change in Board Lot Size”).

The Company considers that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price per Share on the Stock Exchange. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities trade. The Capital Reduction and the Share Subdivision will provide the Directors with greater flexibility to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future or issue new shares in the future, subject to the Company’s financial performance and when the Company considers that it is appropriate to do so in the future. The Change in Board Lot Size would enable the Company to comply with the new trading requirements proposed under the Consultation Paper on Board Lot Framework Enhancements in the Hong Kong Securities Market published by Stock Exchange in December 2025. The Company also considers that the Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. For more details, please refer to the announcement of the Company dated 5 March 2026.

While the Company will continue to strive to improve the business performance under the segment of trading of motor vehicles, this segment continues to face challenges from price competition, geopolitical factors and economic uncertainty. The Group will therefore continue to explore new business opportunities to maximise benefits for all stakeholders. The Group is conducting feasibility studies, particularly on asset-light initiatives such as artificial intelligence and digital marketing. Looking ahead, the Board considers that an integrated approach combining the accumulated marketing experience and network of existing business and the exploration and utilization of latest technology on new business platforms is in the best interest of the Group in the long run, as it would help mitigate overall risk exposure and enable the Group to adapt to changing market conditions during periods of global uncertainty.

CHARGES ON ASSETS

No leasehold land and buildings of the Group (2024: carrying amount of approximately HK\$17.9 million) were pledged for credit facilities granted to the Group.

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES/FUTURE PLAN FOR MATERIAL INVESTMENTS

Disposal of Sinofortune Property Limited (“Sinofortune Property”)

On 22 July 2025 and 18 August 2025, a preliminary agreement and a formal agreement were entered into between the Company and Best Properties Limited respectively for disposal of the entire issued share capital of Sinofortune Property and all the intra-group loans at a consideration of HK\$29.0 million. On 8 October 2025, the Company (as tenant) and Sinofortune Property (as landlord) entered into a tenancy agreement to lease back the property for a term of two years commencing from 8 October 2025 at the monthly rental of HK\$130,000. For more details, please refer to the announcements of the Company dated 22 July 2025, 18 August 2025 and 8 October 2025 and the circular of the Company dated 12 September 2025.

Save as disclosed, there was no other material acquisition/disposal which would have been required to be disclosed under the GEM Listing Rules for the year under review and the Group has no concrete plans for other material investments.

EVENT AFTER THE REPORTING PERIOD

On 5 March 2026, the Company announced a proposed Capital Reorganisation. The Capital Reorganisation comprises (i) a share consolidation of every 60 issued and unissued existing shares of HK\$0.01 each into one consolidated share of HK\$0.60 each; (ii) a capital reduction whereby, immediately after the share consolidation becoming effective, the par value of each issued consolidated share will be reduced from HK\$0.60 to HK\$0.01 by cancelling HK\$0.59 of the paid-up capital per issued consolidated share. The credit arising from the Capital Reduction will be applied to offset the accumulated losses of the Company as at the effective date of the Capital Reduction; and (iii) a share subdivision whereby, immediately following the Capital Reduction, each authorised but unissued consolidated share of HK\$0.60 each (including those resulting from the Capital Reduction) will be subdivided into 60 new shares of HK\$0.01 each.

The Capital Reorganisation had not been completed up to the date of approval of these consolidated financial statements. Further details of the proposed Capital Reorganisation are set out in the Company's announcement dated 5 March 2026.

EMPLOYEE INFORMATION

As at 31 December 2025, the Group had a workforce of 35 employees (2024: 38). The total staff costs, including Directors' emoluments, amounted to approximately HK\$10.4 million for the year ended 31 December 2025 (2024: approximately HK\$12.0 million). The Group's remuneration policies are reviewed on an annual basis and commensurate with the industry pay level. The remuneration package includes basic salary, mandatory provident fund, medical benefits and discretionary bonus.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company's Directors have complied with such code of conduct and the required standard of dealings.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE PRACTICES

The Board assumes overall responsibility for the leadership and control of the Group, including providing and setting the Group's directions and strategies in the interests of the Group. It believes in good corporate governance and corporate governance practices that promote investor confidence, development of the Group, and transparency while having the long-term interest of the Group and enhancement of shareholders' value as the ultimate objectives. It has adopted the code provision numbering as set out in the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules (the "Corporate Governance Code"). The Company has complied with the applicable code provisions of the Corporate Governance Code, except for the following deviation:

Code Provision C.2.1

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Wang Jiawei is the chairman and chief executive officer of the Company. In view of Mr. Wang has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Company. Under the supervision by the Board which is comprised of four independent non-executive Directors, which represent more than half of the Board, the interests of the shareholders of the Company will be adequately and fairly represented.

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) with specific written terms of reference. As at 31 December 2025, the Audit Committee consisted of three independent non-executive Directors, Mr. Li Jianxing, Professor Zhang Benzhen and Professor Chen Shu Wen. Mr. Li Jianxing, being an independent non-executive Director, is the chairman of the Committee. The Audit Committee’s role and function includes making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; develop and implement policy on the engagement of an external auditor to supply non-audit services; monitor the integrity of financial statements, annual report, half-yearly report and accounts of the Company, and review significant financial reporting judgments contained in them; review the Company’s financial controls, internal control and risk management systems; and review the Group’s financial and accounting policies, procedures and practices.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025 pursuant to the relevant provisions contained in the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules and was of the opinion that such statements had complied with applicable accounting standards and that adequate disclosures had been made in respect thereof.

SCOPE OF WORK OF CCTH 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 related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by CCTH 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 HKICPA and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 27 March 2026

As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the independent non-executive Directors are Professor Zhang Benzhen, Mr. Li Jianxing, Professor Chen Shu Wen and Mr. Lee Kwun Kwan.

This announcement will remain on the "Latest Company Announcements" page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company's website at <http://www.sinofortune.hk>.