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Ficus Technology Holdings Limited

細葉榕科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8107)

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 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 Ficus 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.

HIGHLIGHTS

Revenue for the Year (as defined below) amounted to approximately HK\$21,614,000 (for the Previous Year (as defined below): approximately HK\$15,613,000), representing an increase of approximately HK\$6,001,000 or approximately 38.4% as compared with the Previous Year.

Loss for the Year amounted to approximately HK\$39,855,000 (for the Previous Year: loss of HK\$61,210,000), representing a decrease of approximately HK\$21,355,000 or 34.89% as compared with the Previous Year.

Basic loss per share was approximately 2.90 HK cents for the Year as compared to basic loss per share of approximately 4.52 HK cents for the Previous Year, representing a decrease of approximately 1.62 HK cents and approximately 35.8% as compared with the Previous Year.

The Board does not recommend to declare the payment of any dividend for the Year (for the Previous Year: Nil).

ANNUAL RESULTS

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	5	21,614	15,613
Cost of sales		(20,205)	(8,606)
Gross income		1,409	7,007
Other income, gains and losses, net	6	(3,958)	182
Selling and distribution expenses		(409)	(1,000)
Administrative expenses		(25,841)	(36,909)
Impairment losses	7	(10,482)	(29,490)
Finance costs	8	(574)	(1,176)
Loss before taxation	9	(39,855)	(61,386)
Income tax credit	10	–	176
Loss for the year		(39,855)	(61,210)
Other comprehensive expense for the year, net of tax <i>Item that may not be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(199)	(110)
Other comprehensive expenses for the year		(199)	(110)
Total comprehensive expenses for the year		(40,054)	(61,320)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share — basic	12	(2.90)	(4.52)

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	<i>13</i>	336	5,857
Right-of-use assets	<i>14</i>	–	3,135
Investment properties	<i>15</i>	–	16,070
Intangible assets		–	–
Deposits	<i>16</i>	–	66
		<u>336</u>	<u>25,128</u>
CURRENT ASSETS			
Inventories		2,093	–
Trade and other receivables, prepayments and deposits	<i>16</i>	26,177	15,750
Bank balances and cash		368	225
		<u>28,638</u>	<u>15,975</u>
CURRENT LIABILITIES			
Trade and other payables	<i>17</i>	56,910	22,397
Bank borrowings		–	8,611
Lease liabilities		–	2,492
		<u>56,910</u>	<u>33,500</u>
NET CURRENT LIABILITIES		<u>(28,272)</u>	<u>(17,525)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(27,936)</u>	<u>7,603</u>

	2025	2024
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Bank borrowings	–	5,811
Lease liabilities	–	753
Deferred tax liabilities	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>6,564</u>
NET (LIABILITIES) ASSETS	<u>(27,936)</u>	<u>1,039</u>
CAPITAL AND RESERVES		
Share capital	13,731	13,545
Reserves	(41,667)	(12,506)
	<u>–</u>	<u>–</u>
(DEFICIENCY OF) SHAREHOLDERS' EQUITY	<u>(27,936)</u>	<u>1,039</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Ficus Technology Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The directors of the Company consider that its parents company is Beaming Elite Holdings Limited which was incorporated in British Virgin Islands (“**BVI**”). Mr. Chan Ting (“**Mr. Chan**”) is the ultimate controlling shareholder of the Company who is also the Chairman and an executive director of the Company.

The addresses of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business of the Company is 4th Floor, Wah Yuen Building, 149 Queen’s Road Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are mainly engaged in: (i) sales of apparel and related products and other products with the provision of supply chain management (“**SCM**”) services and the provision of SCM service; (ii) provision of agency services for construction and related materials; and (iii) sales of innovative anti-counterfeit traceability and marketing products and related ancillaries with the provision of SCM solutions.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following new and 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 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 these new and 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.

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
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency 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.

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”)

HKFRS 18 *Presentation and Disclosure in Financial Statements* (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). 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 *Financial Instruments: Disclosures*. 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the 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 of Hong Kong Limited (“**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Change of functional currency of the Company

In prior years, the board of directors regarding United States Dollars (“USD”) as the functional currency of the Company. During the year ended 31 December 2025, the directors of the Company reassessed the Company’s functional currency and have determined that Hong Kong Dollars (“HK\$”) better reflects the economic substance of the Company as an investment holding company after considering the primary and additional factors provided in accordance with HKAS 21 *The Effects of Changes in Foreign Exchange Rates*. Accordingly, starting from 1 January 2025, the functional currency of the Company was changed from USD to HKD. The change in functional currency of the Company was applied prospectively. The consolidated financial statements continue to be presented in HKD.

3.3 Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

During the year ended 31 December 2025, the Group incurred a net loss attributable to the shareholders of the Company of approximately HK\$39,855,000 (2024: HK\$61,210,000) and, as of that date, the Group had net current liabilities of approximately HK\$28,272,000 (2024: HK\$17,525,000) and also had deficiency of shareholders’ equity of HK\$27,936,000 (2024: shareholders’ equity of HK\$1,039,000).

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The directors of the Company have reviewed the Group’s cash flow forecast (the “**Cash Flow Forecast**”) prepared by management. The Cash Flow Forecast cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the following plans and measures (the “**Plans and Measures**”), the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Nevertheless, the consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern, after taking into consideration of the following Plans and Measures:

- (i) As described and explained in the annual report, on 3 March 2025, the Company entered into the Subscription Agreement with the Investor pursuant to which the Company shall have the right to issue and sell to the Investor, from time to time as provided herein, and the Investor shall subscribe from the Company certain number of shares of the Company at a subscription price not lower than specified price as determined in the Supplemental Agreement dated 11 June 2025. The directors of the Company believe that this capital raising action will definitely improve the liquidity pressure of the Company. In addition, the directors of the Company is continuing to consider to enlarge the capital base of the Company by further conducting fund raising exercises such as share placement, rights issues or others when necessary to improve the financial position of the Group (collectively, the “**Capital Raising Plan**”);

- (ii) As described in note 17(b), the Company obtained a letter of undertaking from Mr. Chan that: (i) Mr. Chan agreed not to request the Group to repay the amount due to him of approximately HK\$5,627,000, which was included in the line item “trade and other payables” until the Group has sufficient funds to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2025; and (ii) Mr. Chan also agreed to provide sufficient funds to the Group so that the Group will be able to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2025(the “**Financial Support**”); and
- (iii) The Group continues to generate cash inflows from its operating activities by implementing measures to tighten cost controls over various operating expenses in order to improve its cash flows position and to generate greater positive cash inflows from its business and operations in the future (the “**Operation Restructuring Plan**”).

The directors of the Company have reviewed the Group’s Cash Flow Forecast prepared by management, which covers a period of at least twelve months from 31 December 2025. They are of the opinion that, taking into account the abovementioned Plans and Measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the directors are 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, which are subject to multiple uncertainties as described above. The Group’s ability to continue as a going concern would depend on the successful execution and completion of the Capital Raising Plan, Financial Support and Operation Restructuring Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. However, these Plans and Measures are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of these consolidated financial statements of the Group for extending the going concern assessment.

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

4. OPERATING SEGMENTS

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "CODM") of the Group, being the executive directors of the Company throughout the year, for the purpose of resource allocation and performance assessment.

The Group's reportable segments for the year ended 31 December 2025 and 31 December 2024 under HKFRS 8 *Operating Segments* are as follows:

- (i) Sales of apparel and related products and other products with the provision of SCM services and the provision of SCM services ("**Apparel and Other Products and SCM Services**");
- (ii) Provision of agency services for construction and related materials ("**Construction Materials**");
and
- (iii) Sales of innovative anti-counterfeit traceability and marketing products and related ancillaries with the provision of SCM solutions ("**Innovative SCM Solutions**").

(a) **Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segments:

	Apparel and Other Products and SCM Services	Construction Materials	Innovative SCM Solutions	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the year ended 31 December 2024				
Segment revenue				
External sales	<u>6,742</u>	<u>46</u>	<u>8,825</u>	<u>15,613</u>
Segment loss	<u>(6,784)</u>	<u>(4,633)</u>	<u>(168)</u>	(11,585)
Unallocated other income, gains and losses, net				182
Unallocated corporate expenses				(48,807)
Finance costs				<u>(1,176)</u>
Loss before tax				<u>(61,386)</u>
For the year ended 31 December 2025				
Segment revenue				
External sales	<u>21,614</u>	<u>-</u>	<u>-</u>	<u>21,614</u>
Segment loss	<u>(200)</u>	<u>-</u>	<u>(8,535)</u>	(8,735)
Unallocated other income, gains and losses, net				(3,958)
Unallocated corporate expenses				(26,588)
Finance costs				<u>(574)</u>
Loss before tax				<u>(39,855)</u>

(b) **Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable segments as at 31 December 2025 and 31 December 2024:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment assets		
Innovative SCM Solutions	403	7,902
Apparel and Other Products and SCM Services	27,295	2,328
Construction Materials	—	—*
	<hr/>	<hr/>
Total reportable segment assets	27,698	10,230
Corporate and other unallocated assets	1,276	30,873
	<hr/>	<hr/>
Consolidated assets	<u>28,974</u>	<u>41,103</u>
Segment liabilities		
Innovative SCM Solutions	28,919	28
Apparel and Other Products and SCM Services	24,605	226
Construction Materials	—	—*
	<hr/>	<hr/>
Total reportable segment liabilities	53,524	254
Corporate and other unallocated liabilities	3,386	39,810
	<hr/>	<hr/>
Consolidated liabilities	<u>56,910</u>	<u>40,064</u>

* The amount is below HK\$1,000

The accounting policies of the operating segments are the same as the Group's accounting policies described in the annual report.

Segment profit represents the profit earned by each segment without allocation of government grant, net foreign exchange difference, central corporate expenses, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than partial of property, plant and equipment, deposits, other receivables, prepayments, tax recoverable and bank and cash balances which were managed in a centralised manner.
- All liabilities are allocated to operating segments other than partial of other payables, certain bank borrowings and deferred tax liabilities which were managed in a centralised manner.

(c) **Other segment information**

	Apparel and Other Products and SCM Services HK\$'000	Construction Materials HK\$'000	Innovative SCM Solutions HK\$'000	Total reportable segments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
For the year ended 31 December 2024						
Amount included in the measure of segment profit or loss or segment assets or liabilities:						
Amortisation of intangible assets	1,000	-	-	1,000	-	1,000
Provision of allowance for expected credit losses for trade receivables	12,913	4,679	-	17,592	-	17,592
Amount regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:						
Net foreign exchange loss	-	-	-	-	51	51
Depreciation of property, plant and equipment	-	-	-	-	629	629
Depreciation of right-of-use assets	-	-	-	-	2,179	2,179
Depreciation of investment properties	-	-	-	-	1,039	1,039
Directors' emoluments	-	-	-	-	1,973	1,973
Finance costs	-	-	-	-	1,176	1,176
Income tax credit	-	-	-	-	176	176
For the year ended 31 December 2025						
Amount included in the measure of segment profit or loss or segment assets or liabilities:						
Provision (reversal) of allowance for expected credit losses for trade receivables	(87)	-	8,086	7,999	-	7,999
Amount regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:						
Net foreign exchange loss	-	-	-	-	29	29
Depreciation of property, plant and equipment	-	-	-	-	760	760
Depreciation of right-of-use assets	-	-	-	-	1,667	1,667
Directors' emoluments	-	-	-	-	2,012	2,012
Finance costs	-	-	-	-	574	574
Income tax credit	-	-	-	-	-	-

(d) **Geographical information**

The Group's operations are mainly located in Hong Kong.

The following table sets forth the Group's revenue from customers by geographical location of customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Apparel Products/Apparel and Other Products and SCM Services		
— Hong Kong	—	3,000
— PRC	<u>21,614</u>	<u>3,742</u>
	21,614	6,742
Construction Materials		
— Cambodia	—	46
Innovative SCM Solutions		
— PRC	<u>—</u>	<u>8,825</u>
	<u>21,614</u>	<u>15,613</u>

The following table sets forth non-current assets (excluding deposits) by geographical location:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	336	20,556
PRC	<u>—</u>	<u>801</u>
	<u>336</u>	<u>21,357</u>

(e) **Information about major customers**

Revenue from customers individually contributing over 10% of the Group's revenue of the corresponding year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A [#]	8,140	N/A
Customer B [#]	7,493	N/A
Customer C [#]	5,511	N/A
Customer D ^{##}	N/A	8,720
Customer E [#]	N/A	3,000
Customer F [#]	<u>N/A</u>	<u>2,228</u>

* The corresponding revenue does not contribute over 10% of the Group's revenue.

[#] Revenue from Apparel Products/Apparel and Other Products and SCM Services Segment

^{##} Revenue from Innovative SCM Solutions Segment

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

- (i) The Group derives revenue from the transfer of goods and services by categorise of major product lines and business

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Apparel Products/Apparel and Other Products and SCM Services		
— Sales of other products	21,490	3,742
— Provision of SCM and other services	124	3,000
	<u>21,614</u>	<u>6,742</u>
Construction Materials		
— Agency fee from construction and related materials	–	46
Innovative SCM Solutions		
— Sales of anti-counterfeit traceability and marketing products and related ancillaries	–	8,825
	<u>21,614</u>	<u>15,613</u>

- (ii) The Group derives revenue from the transfer of goods and services by timing of revenue recognition

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue recognised at a point in time:		
— Sales of apparel and other products with the provision of SCM services	21,490	3,742
— Agency fee from construction and related materials	–	46
— Sales of innovative anti-counterfeit traceability and marketing products and related ancillaries with the provision of SCM solutions	–	8,825
	<u>21,490</u>	<u>12,613</u>
Revenue recognised at over time:		
— Provision of SCM services	124	3,000
	<u>21,614</u>	<u>15,613</u>

6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gain on disposal of investment properties	759	–
Loss on disposal of property, plant and equipment	(12)	–
Loss on disposal of subsidiaries (<i>note below</i>)	–	(725)
Written off property, plant and equipment	(4,771)	–
Written off other receivables	(1,025)	(259)
Net foreign exchange loss	(29)	(51)
Rental income	776	1,062
Bank interest income	32	82
Other interest income	109	73
Other	203	–
	<u> </u>	<u> </u>
	<u>(3,958)</u>	<u>182</u>

Note: During the year ended 31 December 2024, the Company disposed of two subsidiaries which provided internal administrative service to other group companies and thus, the Group incurred a loss of approximately HK\$725,000 that was charged to profit or loss for the year ended 31 December 2024.

In December 2024, the Company disposed of its entire equity interests in these two subsidiaries to a third party for a total consideration of approximately HK\$1,000. As at the date of disposal, the net assets of the subsidiaries amounted to approximately HK\$60,000 which are mainly property, plant and equipment, tax recoverable, trade and other receivables, bank balances and cash and trade and other payables amounted to approximately HK\$35,000, HK\$1,000, HK\$1,233,000, HK\$7,000 and HK\$550,000, respectively and thus, the Company recognised a loss on disposal of the subsidiaries amounted to approximately HK\$725,000 which was charged to profit or loss and generated a net cash outflow of approximately HK\$6,000 for the year.

7. IMPAIRMENT LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment losses of:		
— Trade receivables	7,999	17,592
— Other receivables	2,483	2,002
— Investment properties	–	7,313
— Intangible assets	–	2,583
	<u> </u>	<u> </u>
	<u>10,482</u>	<u>29,490</u>

8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	457	958
Interest on lease liabilities	117	218
	<u>574</u>	<u>1,176</u>

9. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging (crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Staff costs		
Directors' remuneration	2,012	1,973
Other staff costs		
— Salaries and other benefits	9,544	18,384
— Retirement benefit scheme contributions	1,380	1,874
	<u>12,936</u>	<u>22,231</u>
Gross rental income from investment properties, less the following	776	1,062
— Direct operating expenses incurred for investment properties that generated rental income during the year	<u>(270)</u>	<u>(349)</u>
	<u>506</u>	<u>713</u>
Others:		
Auditor's remuneration	400	400
Depreciation of property, plant and equipment	760	629
Depreciation of investment properties	779	1,039
Depreciation of right-of-use assets	1,667	2,179
Amortisation of intangible assets	—	1,000
Cost of sales	<u>20,205</u>	<u>8,606</u>

10. INCOME TAX CREDIT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax:		
— Current year	—	—
— Over-provision in prior years	—	(27)
Deferred taxation	—	(149)
	<u>—</u>	<u>(176)</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income in respective jurisdictions.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for Hong Kong Profits Tax and PRC EIT has been provided for the years ended 31 December 2025 and 31 December 2024 and there were no assessable profits incurred by the Group for both years.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2025 and 31 December 2024, nor has any dividend been proposed since the end of the reporting period.

12. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

Loss figures for the purpose of basic and diluted loss per share:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss for the year	<u>(39,855)</u>	<u>(61,210)</u>

Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share:

	2025 (thousands of shares)	2024 (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>1,372,285</u>	<u>1,354,500</u>

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the both years have been adjusted for the Share Subdivision and details of which are set out in the annual report.

No diluted earnings per share for both years were presented as there were no potential ordinary shares outstanding for both years.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK\$'000	Leasehold improvement HK\$'000	Computer and office equipment HK\$'000	Furniture and fixtures HK\$'000	Motor Vehicles HK\$'000	Total HK\$'000
Cost						
As at 1 January 2024	29,877	2,284	1,143	-	-	33,304
Additions	-	1,540	1,499	286	530	3,855
Transfer to investment properties (note 15)	(29,877)	-	-	-	-	(29,877)
Disposal of subsidiaries	-	(37)	-	-	-	(37)
Exchange difference	-	-	(6)	-	-	(6)
As at 31 December 2024	-	3,787	2,636	286	530	7,239
Accumulated depreciation						
As at 1 January 2024	5,455	141	616	-	-	6,212
Charge for the year	-	235	276	30	88	629
Transfer to investment properties (note 15)	(5,455)	-	-	-	-	(5,455)
Elimination on disposal of subsidiaries	-	(2)	-	-	-	(2)
Exchange difference	-	-	(2)	-	-	(2)
As at 31 December 2024	-	374	890	30	88	1,382
Net book value						
As at 31 December 2024	-	3,413	1,746	256	442	5,857
Cost						
As at 1 January 2025	-	3,787	2,636	286	530	7,239
Additions	-	-	1	-	-	1
Written off	-	(3,787)	(2,662)	(275)	-	(6,724)
Disposals	-	-	(18)	(11)	-	(29)
Exchange difference	-	-	43	-	-	43
As at 31 December 2025	-	-	-	-	530	530
Accumulated depreciation						
As at 1 January 2025	-	374	890	30	88	1,382
Charge for the year	-	213	391	50	106	760
Written off	-	(587)	(1,287)	(79)	-	(1,953)
Disposals	-	-	(4)	(1)	-	(5)
Exchange difference	-	-	10	-	-	10
As at 31 December 2025	-	-	-	-	194	194
Net book value						
As at 31 December 2025	-	-	-	-	336	336

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the term of remaining land lease
Leasehold improvement	10% or over the term of the lease, whichever is shorter
Computer and office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

During the year ended 31 December 2024, certain premises held by the Group with net carrying value of approximately HK\$23,902,000 were reclassified to investment properties (see note 15) as there was a change in use from held for the Group's own use to held to earn rentals.

14. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000	
As at 31 December 2025		
Carrying amounts		—
As at 31 December 2024		
Carrying amounts		3,135
	2025	2024
	HK\$'000	HK\$'000
Expense relating to short-term leases	<u>1,021</u>	<u>364</u>
Depreciation charge	<u>1,667</u>	<u>2,179</u>
Total cash outflow for leases	<u>1,682</u>	<u>2,215</u>
Additions to right-of-use assets	<u>—</u>	<u>1,927</u>

For the year ended 31 December 2024, the Group leases office for its operations. Lease contracts are entered into for fixed terms of 2 to 3 years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease terms and assessing the length of the non- cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group entered into several short-term leases for car-parking spaces and office premises during the year ended 31 December 2025 and 31 December 2024. As at 31 December 2025 and 31 December 2024, lease commitments relating to the offices was disclosed in the annual report.

15. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
Cost	
As at 1 January 2024, 31 December 2024 and 1 January 2025	29,877
Disposal	<u>(29,877)</u>
As at 31 December 2025	<u>–</u>
Accumulated depreciation and impairment loss	
As at 1 January 2024	–
Transfer from property, plant and equipment (<i>note 13</i>)	5,455
Impairment loss (<i>note 7</i>)	7,313
Charge for the year	<u>1,039</u>
As at 31 December 2024 and 1 January 2025	13,807
Charge for the year	779
Disposal	<u>(14,586)</u>
As at 31 December 2025	<u>–</u>
Net book value	
As at 31 December 2025	<u><u>–</u></u>
As at 31 December 2024	<u><u>16,070</u></u>

During the year ended 31 December 2024, the Group's reclassified certain property, plant and equipment to investment properties and details of which are set out in note 13.

The Group's investment properties are depreciated on a straight-line basis on the following bases:

Leasehold lands/leased properties	Over the term of the lease
-----------------------------------	----------------------------

For the year ended 31 December 2025

Pursuant to the announcements of the Company dated 4 July 2025, 25 July 2025, 31 July 2025, 15 August 2025, 27 August 2025 and 10 September 2025 and the circular of the Company dated 25 September 2025, the Company entered into an sale and purchase agreement with an independent third party and pursuant to which, the Group disposed of the investment properties at a consideration of HK\$16,050,000 to the third party resulting in a gain of disposal of investment properties amounted to approximately HK\$759,000 which was credited to profit or loss for the year (see note 6). The completion of the disposal was took place on 30 September 2025.

For the year ended 31 December 2024

As at 31 December 2024, all of the Group's investment properties have been pledged to secure banking facilities granted to the Group.

During the year 31 December 2024, the Group leases out various offices located in Hong Kong under operating leases with rentals payable monthly. The leases typically run for an initial period of 2 years.

The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

16. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Trade receivables	(a)	49,469	26,216
Less: Allowance for credit losses		(26,520)	(18,314)
		22,949	7,902
Other receivables	(b)	1,374	915
Rental and utilities deposits		955	1,908
Advances to suppliers	(c)	3,644	3,659
Loan and interest receivables	(d)	–	3,251
Prepayments		48	168
VAT tax recoverable		1,677	–
		7,698	9,901
Less: Allowance for credit losses		(4,470)	(1,987)
		3,228	7,914
		26,177	15,816
Analysed as:			
— Non-current assets		–	66
— Current assets		26,177	15,750
		26,177	15,816

Notes:

(a) Trade receivables

The Group either demands for full settlement upon delivery of goods or allows credit periods of no longer than 30 to 90 days upon delivery of goods, except that the Group allows credit period of no longer than 360 days upon delivery of goods or services for certain customers.

The following is an ageing analysis of trade receivables of the Group for credit losses, if any presented based on the invoice dates and net of loss allowance:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables		
0 to 30 days	14,043	–
Over 90 days	8,906	7,902
	<u>22,949</u>	<u>7,902</u>

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers and credit term granted to customers are reviewed regularly.

The Group applies the HKFRS 9 *Financial Instruments* simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on each debtor individually.

The directors of the Company determine the Provision of ECL for trade receivables in accordance with the accounting policies of the Company as set out in the annual report and the information about the exposure to credit risk for trade receivables is as following:

	Average loss rate	Trade receivables <i>HK\$'000</i>	Allowance <i>HK\$'000</i>
As at 31 December 2025			
Current (not past due)	1.35%	14,235	193
Over 91 days past due	74.72%	35,234	26,327
		<u>49,469</u>	<u>26,520</u>
As at 31 December 2024			
Current (not past due)	5.04%	8,321	419
61 to 90 days past due	100%	17,895	17,895
		<u>26,216</u>	<u>18,314</u>

The Group does not hold any collateral over these balances.

Movements in the allowance for expected credit losses for trade receivables are as follows

	2025	2024
	HK\$'000	HK\$'000
As at 1 January	18,314	734
Provision of allowance for expected credit losses	7,999	17,592
Exchange difference	207	(12)
	<hr/>	<hr/>
As at 31 December	26,520	18,314
	<hr/> <hr/>	<hr/> <hr/>

(b) Other receivables

As at 31 December 2025 and 31 December 2024, included in the other receivables, an amount of approximately HK\$47,000 and HK\$15,000 represents receivables from certain related parties in which a former director of the Company is the shareholder of the these companies. There were no movements of the receivables during the year ended 31 December 2025. The amounts are non-trade in nature, denominated in HK\$, interest-free, unsecured and repayable on demand.

(c) Advances to suppliers

As at 31 December 2024, due to significant decrease in its sales of apparel and other products with the provision of SCM services as described above, the management of the Company performed ECL assessment on the advances to suppliers and details of which are set out in the annual report.

(d) Loan and interest receivables

During the year ended 31 December 2024, the Group had provided loans to an independent third party and the interest receivables amounted to approximately HK\$3,180,000 and HK\$71,000, respectively. The amounts bear interest rate at 3.45%, non-secured and repayable within one year. During the year ended 31 December 2025, an amount of approximately HK\$1,139,000 were set-off with the system development expense payables by the Company and the remaining balance was fully settled during the year.

17. TRADE AND OTHER PAYABLES

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Trade payables	<i>(a)</i>	22,554	254
Accrued expenses		7,041	4,351
Accrued salaries		17,803	10,171
Rental deposit received		72	277
Amount due to Mr. Chan	<i>(b)</i>	5,627	3,197
Amount due to a former director	<i>(c)</i>	901	745
Other payables		2,912	3,402
		<hr/>	<hr/>
		56,910	22,397
		<hr/> <hr/>	<hr/> <hr/>

Notes:

(a) Trade payables

The credit period on purchase of goods is no longer than 30 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of each reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	13,430	–
Over 91 days	<u>9,124</u>	<u>254</u>
	<u><u>22,554</u></u>	<u><u>254</u></u>

(b) Amount due to Mr. Chan

During the year ended 31 December 2025, the Company obtained a letter of undertaking from Mr. Chan that: (i) Mr. Chan agreed not to request the Group to repay the amount due to him of approximately HK\$5,627,000, which was included in the line item trade and other payables, until the Group has sufficient funds to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2025; and (ii) Mr. Chan also agreed to provide sufficient funds to the Group so that the Group will be able to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2025.

The amount due to Mr. Chan is non-trade in nature, denominated in HK\$, interest-free, unsecured and repayable on demand.

(c) Amount due to a former director

The amount due to Mr. Cheuk Ka Chun Kevin is non-trade in nature, denominated in HK\$, interest-free, unsecured and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is based in Hong Kong and generates revenue mainly from (i) sales of apparel and related products and other products with the provision of supply chain management (“SCM”) services; (ii) provision of agency services for construction and related materials; and (iii) sales of innovative anti-counterfeit traceability and marketing products and related ancillaries with the provision of SCM solutions.

As a well-established apparel SCM services provider, we have developed a vertically integrated business model with services ranging across market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control. Through engaging our SCM service, our customers are able to devote more of their resources to their retail businesses and respond quickly to the fast-evolving changes of the changing demands on apparel and a diverse range of products.

During the year, the Group achieved a significant breakthrough in the Chinese Mainland market, with revenue from apparel and other products and SCM services in this region increasing substantially to approximately HK\$21.6 million. This growth was driven by the Group’s success in building a new base of customers and leveraging its advanced SCM service functionalities to strengthen brand protection.

For the year ended 31 December 2025, the Group recorded (i) revenue of approximately HK\$21.6 million, showing an increase of approximately 38.4% as compared to revenue of approximately HK\$15.6 million for the same period in 2024; and (ii) gross profit of approximately HK\$1.4 million with a gross profit margin of approximately 6.5% as compared to gross profit of approximately HK\$7.0 million and the gross profit margin of approximately 44.9% for the year ended 31 December 2024. The loss and total comprehensive expenses for the year ended 31 December 2025 was approximately HK\$40.0 million, as compared to the loss and total comprehensive expenses of approximately HK\$61.2 million for the year ended 31 December 2024. Such change in the financial performance of the Group was mainly attributable to the combined effects of (i) the loss making from the Group in short term by the change in revenue mix with a decrease in contribution from the Innovative SCM Solutions segment and (ii) the decrease in administrative expenses incurred and impairment losses recorded during the year.

FINANCIAL REVIEW

Revenue

The Group's revenue recorded an increase of approximately 38.4% from HK\$15.6 million for the year ended 31 December 2024 to approximately HK\$21.6 million for the year ended 31 December 2025. The increase was primarily attributable to (i) the rise in sales of SCM services for apparel products together with the related SCM services due to the revenue derived from new customers based in Chinese Mainland during the year; and (ii) the decrease in contribution from the Innovative SCM Solutions segment as compared to the prior year. Despite the challenging market conditions, the Group continued to focus on serving these new customers while maintaining a cautious approach to business development.

Cost of sales

The Group's cost of sales mainly included purchase costs. The increase in cost of sales of approximately 134.9% from approximately HK\$8.6 million for the year ended 31 December 2024 to approximately HK\$20.2 million for the year ended 31 December 2025 was mainly attributable to the increase in sales of other products during the year ended 31 December 2025.

Gross profit and gross profit margin

During the year ended 31 December 2025, the Group recorded gross profit of approximately HK\$1.4 million with a gross profit margin of approximately 6.5% as compared to gross profit in the amount of approximately HK\$7.0 million and a gross profit margin of approximately 44.9% for the year ended 31 December 2024. This change was mainly attributable to the change in revenue mix of the Group with a lower contribution from the Innovative SCM Solutions segment during the year.

Other income, gains and losses, net

Other income, gains and losses, net mainly comprised of the net balance of sundry income and expenses, gain on disposal of investment property, loss on written off of property, plant and equipment and loss on written off of other receivables. Other income, gains and losses, net of the Group changed from net gain of approximately HK\$0.2 million for the year ended 31 December 2024 to net loss of approximately HK\$4.0 million for the year ended 31 December 2025. This change was mainly attributable to the non-recurring accounting loss on written off of property, plant and equipment and other receivables recorded during the year ended 31 December 2025.

Selling and distribution expenses

The selling and distribution expenses mainly include travelling expenses, marketing fee and other selling and distribution expenses. The Group's selling and distribution expenses decreased from approximately HK\$1.0 million for the year ended 31 December 2024 to approximately HK\$0.4 million for the year ended 31 December 2025. Such decrease was mainly attributable to the Group's effort in reducing unnecessary travelling, entertainment and marketing expenses during the year ended 31 December 2025.

Administrative expenses

Administrative expenses mainly included staff costs, directors remuneration, professional fees, amortisation and depreciation, rent and rates and other administrative expenses. Administrative expenses of the Group amounted to approximately HK\$25.8 million and approximately HK\$36.9 million for the year ended 31 December 2025 and 2024, respectively. The decrease in the administrative expenses was mainly due to the decrease in staff costs from workforce restructuring during the year ended 31 December 2025.

Impairment losses

Impairment losses represented the gross amount of the net change in allowance for expected credit losses for trade and other receivables. The Group's impairment loss decreased from approximately HK\$29.5 million for the year ended 31 December 2024 to approximately HK\$10.5 million for the year ended 31 December 2025. Such decrease was mainly attributable to no impairment loss on investment properties and intangible assets incurred during the year ended 31 December 2025 as (i) the Group disposed the investment properties during the year (ii) intangible assets has been fully impaired during the year ended 31 December 2024. The Group maintains a disciplined approach to capital structure and liquidity management, ensuring it can withstand short-term market volatility while funding long-term strategic goals.

Finance costs

Finance costs comprised mainly the interest cost with respect to the bank borrowings and lease liabilities of the Group. Finance costs of the Group decreased from approximately HK\$1.2 million for the year ended 31 December 2024 to approximately HK\$0.6 million for the year ended 31 December 2025. This decrease was mainly attributable to all bank borrowings have been repaid during the year ended 31 December 2025.

Income tax credit

During the year ended 31 December 2025, the Group recorded no tax credit (2024: approximately HK\$0.2 million) as no assessable profit by the Group for both years ended 31 December 2025 and 2024.

Loss and total comprehensive expense attributable to equity holders of the Company

As a result of the foregoing, the Group recorded loss and total comprehensive expense of approximately HK\$39.9 million for the year ended 31 December 2025, as compared to loss and total comprehensive expense of approximately HK\$61.2 million for the year ended 31 December 2024.

Charge on the Group's assets

As at 31 December 2025, no assets were pledged due to all bank borrowings have been repaid for the Group.

Share capital

The share capital of the Group only comprises ordinary shares and the movement of the issued share capital of the Company during the year ended 31 December 2025 as follow:

As at 31 December 2025, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each and the issued share capital of the Company is HK\$13,731,450 divided into 1,373,145,000 Shares of HK\$0.01 each.

On 25 February 2025, the Company allotted and issued 5,215,000 new shares under general mandate pursuant to the placing agreement dated 24 January 2025.

On 3 January 2025, the Company allotted and issued 13,430,000 new shares under general mandate pursuant to the placing agreement dated 13 November 2024.

As at 31 December 2024, the Company's issued share capital was HK\$13,545,000 and the number of its issued ordinary shares was 1,354,500,000 of HK\$0.01 each.

Placing of Shares and Use of Proceeds

During the year ended 31 December 2025

On 13 November 2024, the Company entered into a placing agreement (as revised by supplemental agreement dated 3 December 2024 and second supplemental agreement dated 24 December 2024) with Glory Sun Securities Limited, pursuant to which the Company agreed to allot and issue up to 135,450,000 new shares to certain placees at a placing price of HK\$0.60 per placing shares (the “**November 2024 Share Placement**”). The November 2024 Share Placement was completed on 3 January 2025 and 13,430,000 new shares were issued with the net proceeds in approximately HK\$7.7 million. The planned use of net proceeds, actual use of the net proceeds and the unutilized remaining net proceeds for the November 2024 Share Placement are set out below.

Use of net proceeds	Planned use of net proceeds <i>HK\$'million</i>	Actual use of net proceeds during the year ended 31 December 2025 <i>HK\$'million</i>	Unutilized net proceeds as at 31 December 2025 <i>HK\$'million</i>
Payment of staff's emoluments and related expenses	5.3	5.3	–
Payment of professional fees and other service costs	1.5	1.5	–
Others	0.9	0.9	–
	<u>7.7</u>	<u>7.7</u>	<u>–</u>

As at the date of this announcement, all the net proceeds from the November 2024 Share Placement in the amount of approximately HK\$7.7 million were fully utilized by the Group according to the planned use and there was no material change of delay in the use of net proceeds during the period from 3 January 2025 to the date of this announcement. For details, please also refer to the announcements of the Company dated 13 November 2024, 3 December 2024, 24 December 2024 and 3 January 2025.

On 24 January 2025, the Company entered into a placing agreement (as revised by supplemental agreement dated 5 February 2025 and second supplemental agreement dated 14 February 2025) with Glory Sun Securities Limited, pursuant to which the Company agreed to allot and issue up to 50,000,000 new shares to certain places at a placing price of HK\$0.60 per placing shares (the “**January 2025 Share Placement**”). The January 2025 Share Placement was completed on 25 February 2025 and 5,215,000 new shares were issued with the net proceeds in approximately HK\$3.1 million. The planned use of net proceeds, actual use of the net proceeds, the unutilized remaining net proceeds and the expected timeline for utilizing the remaining net proceeds for the January 2025 Share Placement as at the date of this announcement are set out below.

	Planned use of net proceeds HK\$'million	Actual use of net proceeds during the year ended 31 December 2025 HK\$'million	Unutilized net proceeds as at 31 December 2025 HK\$'million
Use of net proceeds			
Payment of staff’s emoluments and related expenses	1.3	1.3	–
Payment of professional fees and other service costs	0.5	0.5	–
Repayment of other payable	0.3	0.3	–
Others	1.0	1.0	–
	<u>3.1</u>	<u>3.1</u>	<u>–</u>

As at the date of this announcement, there was no material change of delay in the use of net proceeds during the period from 25 February 2025 to the date of this announcement. For details, please also refer to the announcements of the Company dated 24 January 2025, 5 February 2025, 14 February 2025 and 25 February 2025.

Major and Connected Transaction

The Company and Arena Business Solutions Global SPC II, Ltd (“**Arena**”), the associate of a substantial shareholder of the Company entered into a subscription agreement dated 3 March 2025 (as revised by supplemental agreement dated 11 June 2025) pursuant to which the Company shall have the right to issue and Arena shall subscribed up to US\$25 million (equivalent to approximately HK\$195 million) of the Company’s shares. No shares of the Company have been issued or proceeds generated yet under this agreement up to the date of this announcement. For details please refer to the announcements of the Company dated 3 March 2025, 11 June 2025, 3 July 2025, 28 July 2025, 15 August 2025, 8 September 2025, 25 September 2025 and 4 December 2025 and circular of the Company dated 17 November 2025.

Significant investment held

As at 31 December 2025, the Group did not hold any significant investment.

Contingent liabilities

The Group did not have any material contingent liabilities or guarantees as at 31 December 2025.

Foreign exchange exposure

The Group is exposed to foreign exchange risks primarily through sales, purchases or expenses incurred that are denominated in a foreign currency, such as Renminbi (“RMB”). At present, the foreign exchange risk for the Group’s operation with respect to RMB is not significant. Nevertheless, our management constantly monitors the Group’s exposure to currency risk and will consider hedging significant foreign currency exposure should the need arises.

PROSPECTS

Looking ahead to 2026, the Group expects the operating environment to remain challenging amidst the ongoing slow-moving economic recovery and subdued consumer sentiment. In light of these conditions, the Group will continue to adopt a prudent approach in managing its operations while pursuing its established business strategies.

The Group will continue to develop its existing businesses, namely (i) the provision of SCM services for apparel and related products; and (ii) the provision of innovative SCM solutions for other products. These core segments will remain the focus of the Group’s efforts as we seek to consolidate our position in the market. Building on the recent expansion, the Group intends to further capitalize on its momentum in the Chinese Mainland market by consolidating relationships with existing clients and exploring new markets for its garment supply chain and innovative SCM businesses. By expanding its service scope and geographical reach, the Group aims to capture emerging market opportunities and broaden the range of products to which its services are applied, ensuring stable operations and gradual expansion.

The Group will continue to explore business opportunities as it grows, doing so in a disciplined manner that emphasises prudent cost control to further enhance the Group’s competitiveness and support sustainable development.

The Directors are of the view that the continued development of the Group's core businesses, together with the proactive yet disciplined pursuit of new opportunities and the enhanced financing flexibility now in place, will enable the Group to gradually broaden its clientele, diversify its income streams, and sustain long-term development on a stable foundation.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2025, the Group's operations were financed through internally generated cash flows and a number of equity fund raising activities. It is the Group's policy to regularly monitor its current and expected liquidity requirements to ensure sufficient reserves of cash and funding to meet the liquidity requirements in both short and long run.

As at 31 December 2025, the total capital deficiency of the Group was approximately HK\$27.9 million as compared to the total equity amount of approximately HK\$1.0 million as at 31 December 2024. The Group's cash and cash equivalent as at 31 December 2025 was approximately HK\$0.4 million (31 December 2024: approximately HK\$0.2 million). The Group has no bank borrowings as at 31 December 2025 (31 December 2024: approximately HK\$14.4 million). As at 31 December 2025, the Group had net current liabilities in the amount of approximately HK\$28.3 million as compared to net current liabilities of approximately HK\$17.5 million as at 31 December 2024. Our current ratio was 0.50 times as at 31 December 2025, increased from 0.48 times as at 31 December 2024. Such significant changes in the Shareholders' equity and working capital were mainly attributable to (i) the loss making from the Group in short term by the change in revenue mix with a decrease in the contribution from the Innovative SCM Solutions segment and (ii) decrease in administrative expenses incurred and impairment losses recorded during the year.

Our trade receivables turnover days were 818.6 days and 639.1 days for the year ended 31 December 2024 and 2025, respectively. The decrease in trade receivables turnover days was mainly due to the increase in revenue during 31 December 2025. Our trade payables turnover days were 138.4 days and 206.0 days for the year ended 31 December 2024 and 2025, respectively. The increase in trade payables turnover days was mainly due to the company were taking longer to pay the suppliers despite the significant increase in cost of sales during 31 December 2025.

As at 31 December 2025, our gearing ratio (calculated based on bank borrowings divided by total equity) was nil as compared to 1,388.1% as at 31 December 2024. Such significant change could mainly attributable to the change of total equity and working capital as aforementioned.

CONTINGENT LIABILITIES

Other than the bank borrowings of the Group, the Group did not have any material contingent liabilities or guarantees as at 31 December 2025.

DIVIDENDS

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

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 4 of the financial statements.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total number of 18 full-time employees (31 December 2024: 31 full-time employees). The staff costs of the Group (including Directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the year ended 31 December 2025 were approximately HK\$12.9 million (2024: HK\$22.2 million).

The Group's remuneration package includes basic salary, bonuses and allowances. The Group reviews the performance of its employees regularly, and the review outcome is used for the employees' salary review and promotion appraisal. The Group has set up a competitive remuneration system that links a portion of our employees' compensation to the performance of our business in order to provide incentives to our employees to strive for better results.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended 31 December 2025, the Group had not made any material acquisition or disposal of subsidiaries, associates and joint ventures (2024: Nil).

COMMITMENTS

As at 31 December 2025, the Group did not have significant capital commitments (31 December 2024: Nil).

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2025, the Group did not make any significant investments.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plan for material investments or capital assets as at 31 December 2025.

EVENT AFTER THE REPORTING PERIOD

There is no significant event subsequent to 31 December 2025 which would materially affect the Group's operations and financial performance.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board of the Company is committed to maintaining and achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules.

The Board is of the view that during the year ended 31 December 2025, save for the deviation below, the Company has complied with all the code provisions as set out in the CG Code.

Code provision B.3.5 of the CG Code stipulates that the Company should appoint at least one director of a different gender to the Nomination Committee with effect from 1 July 2025. As at 1 July 2025, the Nomination Committee only comprised three male members. Following the appointment of Ms. Chan Siu Sarah, an executive Director, as a member of the Nomination Committee on 29 August 2025, the Company restored compliance with the requirement under the CG code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 24 June 2025, Mr. Cheuk Ka Chun Kevin resigned as an executive Director and chief executive officer and the Company did not have a chief executive since then. Following the redesignation of Ir Prof. Young Andrew Meng Cheung to an executive Director and the chief executive officer of the Group on 12 January 2026, the Company restored to have a chief executive.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transaction by directors (the “**Required Standard**”).

Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Required Standard during the year ended 31 December 2025.

The Company has also extended the coverage of the Required Standard adoption to the senior management of the Company who are likely to be in possession of unpublished price-sensitive information of the Company (the “**Relevant Employees**”). No incident of non-compliance of the Required Standard by the Relevant Employees was noted by the Company.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee has three members comprising three independent non-executive Directors, namely Mr. Choi Man On (Chairman), Dr. Liu Ta-pei and Mr. Jan Ting Wai. None of them is a member of the former or existing auditors of the Company. The Board considers that the Audit Committee has extensive commercial experience in business, financial and legal matters. The primary duties of the Audit Committee are, among others, to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial information, oversee the financial reporting process, internal control and risk management systems and audit process, and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters, and the Company’s policies and practices on corporate governance. The Audit Committee has also reviewed and discussed with the management the audited consolidated financial statements of the Group for the year ended 31 December 2025. The Audit Committee’s view on uncertainties relating to going concern would be further discussed in the Group’s annual report for the Year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Year.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting will be published and dispatched in the manner as required by the GEM Listing Rules in due course. Information regarding the record date and book close date to determine the entitlement of the shareholders to attend and vote at the annual general meeting will be announced in due course.

SCOPE OF WORK OF ZSZH (HK) FUSON CPA LIMITED

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, ZSZH (HK) Fuson 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 ZSZH (HK) Fuson 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 assurance has been expressed by ZSZH (HK) Fuson CPA Limited on the preliminary announcement.

EXTRACT OF THE AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's annual report for the Year:

Disclaimer of Opinion

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

Basis for Disclaimer of Opinion

Scope of limitation relating to appropriateness of the going concern basis of accounting

As described in note 3.3 to the consolidated financial statements, during the year ended 31 December 2025, the Group incurred a net loss attributable to the shareholders of the Company of approximately HK\$39,855,000 and, as of that date, the Group had net current liabilities of approximately HK\$28,272,000 and also had a deficit of shareholders' equity of HK\$27,936,000.

These conditions, together with other matters described in note 3.3 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company are in the process of implementing a number of Plans and Measures to improve the Group's liquidity and financial position which are set out in note 3.3 to the consolidated financial statements. The directors have reviewed the cash flow forecast prepared by management covering a period of at least twelve months from 31 December 2025, which take into account these Plans and Measures. Based on such assessment, assuming the Plans and Measures can be successfully implemented as scheduled notwithstanding the inherent uncertainties associated with the outcome of these Plans and Measures, the directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 31 December 2025 and therefore, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements of the Group have been prepared depends on the successful execution and completion of the Capital Raising Plan, Financial Support and Operation Restructuring Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. The directors have taken into account the likelihood of success of the Plans and Measures being implemented and are of the opinion that sufficient financial resources will be available to finance the Group's operations and to meet the Group's financial obligations as and when they fall due at least twelve months from 31 December 2025. Accordingly, the consolidated financial statements for the year ended 31 December 2025 have been prepared on a basis that the Group will be able to continue as a going concern.

Given the execution of the Plans and Measures by the Group are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of the consolidated financial statements of the Group for extending the going concern assessment, we are unable to obtain sufficient appropriate audit evidence we considered necessary to assess the likelihood of success of the Plans and Measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the appropriateness of the directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements of the Group.

Should the Group fail to achieve the abovementioned Plans and Measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Company's website at www.ficustech.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the Year containing all the information required under the GEM Listing Rules will be published on the aforesaid websites of the Company and the Stock Exchange and will be despatched to the Company's shareholders in due course.

APPRECIATION

The Board would like to express the sincere gratitude to all shareholders, customers and business partners for their unwavering support to the Group. The Board would also like to thank the management team and all staff members for their tireless efforts.

By Order of the Board
Ficus Technology Holdings Limited
細葉榕科技控股有限公司
Mr. Chan Ting
Chairman and Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Chan Ting (Chairman), Ms. Chan Siu Sarah, Ir Prof. Young Andrew Meng Cheung, Mr. Wen Yuan and Mr. Fung King Him Daniel; and (ii) three independent non-executive Directors, namely Dr. Liu Ta-pei, Mr. Choi Man On and Mr. Jan Ting Wai.

This announcement will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company’s website at www.ficustech.com.