



PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

**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.

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

This announcement, for which the directors (the “Directors”) of Phoenitron 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 ended 31 December 2025 amounted to approximately HK\$145,591,000, representing an increase of 144.3% as compared to the corresponding period in 2024 of approximately HK\$59,584,000.
- The Group recorded a profit attributable to the owners of the Company of approximately HK\$12,482,000 for the year ended 31 December 2025 (2024: approximately HK\$453,000).
- The Board does not recommend any payment of a final dividend for the year ended 31 December 2025 (2024: nil).

CHAIRMAN’S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the results of Phoenitron Holdings Limited (the “Company”) and its subsidiaries (together, the “Group” or “Phoenitron”) for the financial year ended 31 December 2025 (the “Reporting Period”).

RESULTS

For the year ended 31 December 2025, the Company recorded a consolidated revenue of approximately HK\$145,591,000 (2024: approximately HK\$59,584,000) and profit attributable to owners of the Company of approximately HK\$12,482,000 (2024: approximately HK\$453,000).

DIVIDEND

The Board of Directors (the “Board”) of the Company does not recommend any payment of a final dividend for the Reporting Period.

BUSINESS AND OPERATION REVIEW

During the Reporting Period, the Group’s financial result was principally derived from the contract manufacturing and sales of smart cards, the operation of private domain e-commerce platform and the provision of artificial intelligence (A.I.) speech technology data services.

Sales of smart cards and sales of smart cards application systems

(a) Contract manufacturing and sales of smartcards

The stability of the Group’s existing operations serves as a fundamental pillar for its ongoing performance, ensuring continuity in revenue streams and operational efficiency. The smart card business is significant as a primary source of income, underpinning the Group’s financial foundation.

The Group’s smart card business specializes in the production, manufacturing, and global trade of telecom SIM (Subscriber Identity Module) cards, delivering high-quality, comprehensive smart card solutions. Its core operations encompass the full manufacturing process, including milling, embedding, punching, personalization, and packaging of SIM cards. It also provides eSIM personalization and value-added telecom card packaging services. Equipped with advanced, multi-process production facilities, the Group has a large-scale manufacturing capability, with an annual production capacity exceeding 300 million cards, effectively meeting the demands of global clients.

Ever since the establishment of the smart card business in 1995, the Group has focused on OEM (Original Equipment Manufacturer) SIM card manufacturing, serving prominent international clients such as Idemia, Valid, and G&D. Over nearly two decades, the Company has upheld a business philosophy of “Customer First, Top Quality, Timely Delivery, and Excellent Services”. Having produced over 3 billion SIM cards, it has established a reputation for stable product quality, efficient delivery, and superior customer service, positioning itself as being competitive in the global SIM card OEM industry.

Building on its international business strengths, the Group has progressively expanded into the domestic market in recent years, securing partnerships with key clients such as Hengbao Co., Ltd.* (恒寶股份有限公司), Wangao Intelligent Technology Co., Ltd.* (萬高智能科技有限公司) and Shenzhen Zhida Intelligent Technology Co., Ltd.* (深圳市志達智能技術有限公司).

During the reporting period, the smart card market continued to face heightened challenges stemming from U.S. tariff policies. These measures increased order uncertainty and accelerated a structural shift in global supply chains, prompting many customers to transition toward more regionally distributed manufacturing arrangements, contributing to a more competitive and demanding operating environment for the Group compared to the corresponding period in 2024. Nevertheless, through continuous optimization of production processes, cost control, equipment upgrades, and the advancement of automation, the Shenzhen factory has effectively increased production capacity and delivery efficiency. As a result, it has been able to respond effectively to customer needs and, despite the trend toward regionalization of suppliers, has managed to secure some orders that might have otherwise been lost.

Notwithstanding these external pressures, the Group's Shenzhen production facility maintained strong operational resilience. Through continuous process optimization, cost control, equipment upgrades, and accelerated implementation of automation, the factory achieved meaningful improvements in production efficiency, capacity utilization, and delivery lead times. These enhancements enabled the Group to respond swiftly to customers' evolving requirements for shorter lead times and greater flexibility. In an increasingly regionalized supplier landscape, the Shenzhen facility's enhanced competitiveness allowed the Group to recapture a portion of orders that might otherwise have been permanently lost to local competitors.

For the reporting period, the contract manufacturing and sales of smart card business recorded revenue of approximately HK\$56,000,000, representing a decrease of approximately HK\$1,400,000, or 2.5%, from approximately HK\$57,400,000 in the same period of 2024. The principal cause was due to certain price adjustments made to customers in response to pricing pressure in the market. Affected by the aforementioned factors, this business segment recorded a profit of approximately HK\$4,800,000 (2024: approximately HK\$7,810,000). The decrease in profit was attributable not only to a decline in revenue of approximately HK\$1,400,000, but also to the fact that other miscellaneous income recorded in the same period of the previous year was approximately HK\$1,100,000 higher than in the current period.

The Company shall continue to focus on development opportunities in the eSIM field and as disclosed in the 2024 annual report of the Company, additional capital has been allocated to invest in a new Shenzhen-based factory specifically for the smart card business, which aims to meet the requirement for global Security Accreditation Scheme (SAS) standard certification and quality protocols for smart card production, thereby expanding opportunities to acquire new international clients.

* The English translation of the Chinese name is for information purpose only, and should not be regarded as the official English translation of such name.

(b) Sales of smartcard application systems

During the Reporting Period, the Group recorded revenue and profit generated from the sales of smartcard application systems of HK\$12,490 and HK\$1,434 respectively (same period in 2024: revenue of approximately HK\$2,190,000 and profit of approximately HK\$1,670,000 respectively).

Business Prospect

From an industry seasonality perspective, the first quarter is conventionally regarded as a low season for smart card businesses, influenced by extended holiday periods in January in key overseas markets and the Lunar New Year shutdown in February. However, the 2026 first quarter proved to be an exception to this pattern, with particularly strong momentum observed in March, providing a solid foundation for the new financial year.

Market feedback and current order visibility suggest that overall demand in the first half of 2026 is likely to remain relatively stable. While the ongoing trend toward regionalized production will continue to divert a portion of orders to in-country facilities, the Group retains meaningful advantages in production efficiency, cost competitiveness, and delivery reliability. Management therefore expects that major longstanding customers will continue to allocate a meaningful share of their requirements to the Group. At the same time, uncertainties surrounding geopolitical and war-related factors persist, the potential impact of which will be closely monitored.

Looking ahead, the Company will further increase its resource allocation to consolidate and strengthen its competitive advantages in the international telecommunications SIM card OEM business. Concurrently, the Company will deepen its market penetration and development efforts within the domestic Chinese market. In parallel, the Company will drive the coordinated and synergistic development of several complementary business areas, including the adoption and promotion of environmentally friendly materials, paper-based card packaging, IoT cards, and other related product lines. These concerted efforts will progressively enlarge the Company's overall business scale and increase its competitive influence in the market, thereby providing a robust support for strengthening and growing the smart card business.

Investment in media and entertainment industry

In 2019, the Company invested in the production of a TV Play “Snow Leopard II” (the “TV Play”) which was expected to be released in China in 2020. Due to outbreak of COVID-19, there was a substantial delay in film production of the TV Play, which was eventually completed in 2023. Due to prolonged and continuing delays in the production and broadcasting of the TV Play, which deferred potential revenue inflows, the Board considers it prudent to exit the investment at this juncture. On 29 December 2025, Kartop (Hong Kong) Limited (“Kartop HK”) (being an indirectly wholly-owned subsidiary of the Company) and Nanjing Qichuang, an independent third party, entered into the transfer agreement (the “Transfer Agreement”), pursuant to which Kartop HK agreed to transfer its entire 30% investment rights and related obligations under the joint production agreement to Nanjing Qichuang for a consideration of RMB24,200,000 (equivalent to approximately HK\$26,593,800) (the “Disposal”). The Disposal enables the Group to recover RMB24,200,000 in cash (representing a modest premium of RMB200,000 over the original investment amount of RMB24,000,000) on structured terms that are secured by a pledge over the transferred rights, thereby providing greater certainty of cash recovery than retaining the investment.

The Directors consider that the terms of the Transfer Agreement and the pledge agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders. The Directors intend to utilise the proceeds from the Disposal with approximately 60% allocated to pursuing similar investment opportunities in the media and entertainment segment and the remaining 40% applies towards general working capital of the Group for the development of its existing businesses, of which approximately 10% will be used for salaries and staff costs, approximately 10% will be used for rental and office expenses, approximately 10% will be used for administrative and operational expenses, and approximately 10% will be used for marketing and business development. The proceeds will be utilized gradually based on the receipt of respective instalment of the consideration and the Group’s actual operational needs.

For details regarding the Disposal, please refer to the announcements issued by the Company dated 29 December 2025 and 8 January 2026.

The E-Commerce Businesses

In early 2025, the Group made an investment to expand the scope of its information technology and related business segments. Specifically, the Company invested in the development and launch of a private domain membership-based e-commerce platform, for which an operating team was hired. Over the course of approximately one year of active promotion and operational execution, the team successfully established a robust private domain membership community. This community has enabled the Company to diversify its revenue streams through multiple complementary business activities, including the provision of e-commerce services within the platform ecosystem; and agency services for game companies, facilitating the acquisition and monetization of paid memberships.

The e-commerce business segment of the Group is currently operating in two wholly-owned subsidiaries of the Group, namely Shanxi Dongchuang Digital Entertainment Technology Group Company Limited (“Dongchuang”, and formerly known as “Hainan Dongchuang Digital Entertainment Technology Group Company Limited”) and CyberMirage (HK) Limited (“CyberMirage”, and formerly known as “PMIS Limited”).

The success of Dongchuang's strategic value is reflected not only in growing revenue but, more importantly, from its base of over 200,000 registered users on the Platform. This user ecosystem is strategically shared with CyberMirage to serve as an important source for collecting customized voice data materials and content. The Platform enables the production of high-quality voice AI training databases, empowering the creation of intelligent agents optimized for diverse industry scenarios. This synergy between Dongchaung's user base and CyberMirage's data processing capabilities strengthens the Group's competitive positioning in the rapidly evolving AI speech technology landscape.

Dongchuang

The business model of the Group's e-commerce business primarily conducted through a private domain e-commerce platform "Dongchuang Shuyu" ("Dongchuang Platform") that was launched in January 2025, which centers on social e-commerce driven by commission-based referrals, combined with services such as nationwide movie ticket bookings, local lifestyle consumption rebates, and distribution of memberships for video streaming applications. It is a membership-based entertainment e-commerce platform focused on private domain traffic. The Platform also offers thousands of stock keeping units (SKUs), covering a wide range of fast-moving consumer goods, beauty and personal care products, household goods, clothing and accessories, food and beverages, and electronic products, serving users nationwide.

Dongchuang Platform generates revenue primarily from (1) the profit sharing income from upstream supply chain partners, including (a) entertainment content providers, (b) ticketing agencies, (c) lifestyle merchants, such as KFC, Starbucks, McDonalds, Luckin Coffee, (d) external e-commerce platforms, such as Taobao, Tmall and JD.com and (e) technology vendors, such as Shandong Haiwei Huanuo Digital Technology Co., Ltd.* (山東海威華諾數字科技有限公司) and Shenzhen Yunzhonghe Technology Co., Ltd.* (深圳市雲中鶴科技股份有限公司); (2) profit sharing arrangement in respect of sales of self-operated items and (3) providing agency services to game companies for the development and recruitment of paid membership subscribers.

Please refer to the Company's interim report dated 29 August 2025 and the supplemental announcement dated 12 December 2025 for a detailed description of the business model.

During the Reporting Period, Dongchuang recorded revenue of approximately HK\$85,600,000 (1st half 2025: approximately HK\$54,900,000), a pre-tax profit of approximately HK\$42,200,000 (1st half 2025: approximately HK\$49,800,000) and profit after taxation of approximately HK\$27,800,000 (1st half 2025: approximately HK\$37,300,000) respectively.

* The English translation of the Chinese name is for information purpose only, and should not be regarded as the official English translation of such name.

(a) Analysis of Reasons for the Decline in E-commerce Business Revenue in the Second Half of 2025

Although Phoenitron Holdings Limited (the “Company”) achieved strong performance in its e-commerce business during the first half of 2025, recording revenue of approximately HK\$54,900,000 and profit before tax of approximately HK\$49,800,000, the second half of the year saw a decline in e-commerce revenue due to industry norms and the Company’s strategic adjustments, which are as follows:

1. Intensified Market Competition and Industry Cyclicity

Competition in the private domain e-commerce sector has become increasingly fierce, resulting in rising user acquisition costs. The e-commerce industry typically experiences more aggressive promotional competition in the second half of the year, pressuring profit margins.

2. Strategic Shift in Focus

On 31 December 2025, the Company announced the upgrade of “Dongchuang Shuyu” to Version 2.0, with a primary emphasis on transforming it into a global digital gaming platform. This strategic transformation has involved reallocating resources, which may have impacted short-term revenue growth in the core e-commerce business.

3. Slowdown in User Growth

The Dongchuang platform accumulated over 200,000 registered users in the first half of 2025. Once a user base reaches a certain scale, the rate of new user acquisition tends to naturally decelerate, thereby reducing the momentum for revenue expansion.

4. Impact of Macroeconomic Environment

Fluctuations in consumer demand and changes in purchasing power may have affected transaction activity levels on the e-commerce platform.

(b) Analysis of Reasons for the Increase in Costs and Expenses in the E-commerce Business in the Second Half of 2025

The increase in costs and expenses for the Company’s e-commerce business in the second half of 2025 primarily arose from the following factors:

1. Platform Upgrade and International Deployment

The upgrade of the Dongchuang platform to Version 2.0 and its development into a global digital gaming platform entailed significant one-time expenditures, including system redevelopment, multi-language adaptation, compliance enhancements, and overseas market expansion initiatives.

2. Talent Acquisition and Team Expansion

To support the development of new business lines, the Company expanded its technical, operational, and international teams, leading to higher staff remuneration and welfare costs. This included a one-off share-based payments of approximately HK\$7,800,000 recognised in relation to the grant of share options to certain employees of Dongchuang.

3. Marketing and Promotion Expenses

To enhance platform visibility and user acquisition – particularly during the global market expansion phase – marketing and advertising expenditures are expected to rise.

(c) *Reasons for Upgrading the Dongchuang Platform to an International Version*

On 31 December 2025, the Company announced to upgrade the Dongchuang platform to an international version. This decision was driven by the following strategic considerations:

1. Expansion into Global Market Growth Opportunities

The domestic private domain e-commerce market has become increasingly saturated, whereas the global digital entertainment market offers substantial untapped potential. By upgrading to a global digital gaming platform operated by the Company's wholly-owned subsidiary, Nova Digital Labs Limited (formerly Hong Kong Dongchuang Digital Entertainment Technology Co., Ltd.), the Group is better positioned to enter the broader international internet digital gaming sector.

2. Leveraging Hong Kong's Advantages as an International Financial Center

Hong Kong's status as an international financial hub provides transparent policies, robust regulatory frameworks, free capital flows, low tax rates, and supportive attitudes toward innovative businesses in digital trade and digital assets. Operating international activities through a Hong Kong entity facilitates the attraction of global capital and strategic partners.

3. Adapting to Changes in the Domestic Regulatory Environment

Mainland China imposes clear and stringent regulatory requirements on digital assets and related circulation tools. Launching an international version will help ensure compliance in business operations.

4. Enhancing Operational Efficiency and Synergies

The international version enables multi-language support, globalized services. It also creates synergies with the existing AI speech technology business. User data from the Dongchuang platform can supply high-quality, diverse voice materials to CyberMirage, while advancements in AI technology can in turn enhance the user experience on the platform, forming a virtuous cycle of “data-driven technology and technology-empowered business.”

5. *Building Technological Advantages*

The global emotion AI market is projected to exceed US\$50 billion by 2027. By collecting voice data from users worldwide through the international version of the platform, the Company can further strengthen its technological moat in the emotion voice database domain, positioning itself to seize early-mover advantages in high-growth sectors such as intelligent customer service, humanoid robotics, and mental health applications.

CyberMirage

CyberMirage (formerly known as PMIS Limited) is a wholly owned subsidiary of the Company with over 20 years of operational history and was focused on the development and provision of smart card application systems.

In 2025, the Company increased its investment in artificial intelligence technologies, recruiting professional technical talents and establishing CyberMirage (HK) Company Limited, dedicated to providing artificial intelligence voice technology services. This subsidiary has filed a national invention patent application in respect of its artificial intelligence voice technology algorithms and has received preliminary approval. Leveraging its proprietary AI voice technology algorithms and its self-built AI computing power center, combined with the community ecosystem constructed by the Group, the Group is able to commence from its own proprietary data sources – including the collection of AI voice materials, data cleaning, standardization, and other in-house data processes. On this foundation, the Company conducts training and inference of speech recognition, voiceprint recognition, and speech synthesis models entirely within its own algorithm center, progressively building a distinctive suite of AI voice technology services.

While advancing its voice AI algorithm technology, CyberMirage has prioritized the end-to-end management of training data for speech technology, encompassing collection, cleaning, and annotation. This integrated approach enables CyberMirage to offer a comprehensive suite of services, including (a) personalized intelligent agent customization and data services tailored to specific application scenarios; (b) customized voice recognition development services; and (c) agent training services leveraging voice data with a particular focus on enhanced training using clients privatized data to optimize performance for their unique use cases.

To strengthen its training data capabilities, CyberMirage leverages synergies with Dongchuang. Dongchuang operates the Platform boasting over 200,000 registered individual users, whose engagement with the Platform creates an ideal ecosystem for voice data collection. Users are guided to participate in structured data collection activities, e.g. following prompted dialogues with predefined text and specified emotional tones, users upload voice data and provide explicit authorisation for its usage. After such data collection, these databases are customized by CyberMirage to address diverse characteristics, industry-specific terminology, and unique application environments.

CyberMirage's strategic objective is to establish a voice training database with emotional annotations. This innovation is designed to enable the development of voice recognition agents capable of detecting and responding to human emotions, which is a feature that significantly enhances user experience and practicality in real-world interactions, with an aim to solidifying its leading position in the competitive AI speech technology landscape.

During the reporting period, CyberMirage recorded revenue of approximately HK\$4,000,000 and segment loss of approximately HK\$1,100,000 (which included a one-off share-based payments of approximately HK\$2,000,000 recognised in respect of the grant of share options to certain employees of CyberMirage, as well as the filing expenses and maintenance costs associated with the invention patent application submitted by CyberMirage in relation to emotion voice database technology).

In 2026, the Company will intensify its investment in AI voice technology services. It will focus on actively following up with and securing ongoing discussions regarding personalized customization projects for AI voice technology services, with the aim of successfully landing large-scale customized service contracts in this field. At the same time, the Company will diligently complete the technical verification and qualification review processes currently under submission, with the strategic objective of becoming a core supplier of AI voice technology to national-level scientific research institutes in China and participating in national-grade AI voice technology service projects. Furthermore, the Company plans to engage in the application of AI voice technology within the national fire services sector. It will strive to secure construction projects for AI voice technology service modules as part of government-led smart system upgrade initiatives across various provinces in mainland China, as well as in Hong Kong, Macao, and other regions. Through these efforts, the Company seeks to contribute meaningfully to the nation's smart infrastructure development and modernization drive.

BUSINESS SUMMARY FOR 2025

2025 marked a pivotal year of strategic transformation for Phoenitron. The Group successfully evolved from a traditional smart card manufacturer into a technology enterprise driven by both AI technology and private domain e-commerce.

Key Performance Highlights:

- ***Fundamental Turnaround in Financial Performance:***

During the Reporting Period, the Group's revenue recorded a substantial year-on-year increase of 144% to approximately HK\$145,600,000. Profit attributable to owners of the Company amounted to approximately HK\$12,500,000, successfully reversing previous losses into profitability.

- ***New Businesses as Growth Engines:***

The private domain e-commerce platform "Dongchuang Shuyu" contributed revenue of approximately HK\$85,600,000 and profit before tax of approximately HK\$42,200,000. The AI voice technology platform "CyberMirage" contributed revenue of approximately HK\$4,000,000.

- ***Optimization of Business Structure:***

Revenue from the e-commerce business accounted for approximately 58.8% of total Group revenue, while segment profit from this business represented approximately 115.8% of the Group's total profit, with an increase in the proportion of new business in respect of the Group's overall performance.

Strategic Execution Achievements

1. *Successful Validation of the “Private Domain E-commerce + AI” Dual Business Model Drivers*

The Dongchuang platform has effectively leveraged precise targeting through social networks to build a private domain traffic pool comprising over 200,000 registered users. Its innovative tiered membership system and asset-light commission-based monetization model have enabled a certain amount of revenue.

2. *Breakthrough in AI Voice Technology*

CyberMirage has developed an industry-first “emotion voice database,” collecting voice samples encompassing 12 core emotional dimensions through blockchain-based gaming scenarios. The relevant patent application received a preliminary examination qualification notice on 14 October 2025, marking the initial formation of a technological moat.

3. *Initial Establishment of Synergistic Ecosystem*

The Dongchuang platform serves as a high-quality, fully authorized source of voice data for CyberMirage, while iterative advancements in AI technology in turn enhance the user experience within the e-commerce business. This creates a virtuous closed loop between data and operations.

4. *Improvement in Capital Structure*

As at 31 December 2025, the Group’s cash and cash equivalents stood at approximately HK\$41,900,000. The current ratio improved to 3.33 times, while the debt-to-capital ratio decreased to approximately 3.9%, reflecting a healthier and more robust financial position overall.

2026 WORK PLAN OF THE COMPANY

Building on the business foundation and strategic layout established in 2025, Phoenitron will focus its work in 2026 on the following key areas:

1. **Fully Advancing the Operation and Service Business of the Global Digital Gaming Platform**

- ***Market Expansion:***

With the newly established Nova Digital Labs Limited as the main operating entity, the Company will concentrate on the promotion and operation of a global internet digital gaming platform. Initial efforts will prioritize mature markets in Southeast Asia, Europe, and North America, with gradual expansion to cover major regions worldwide.

- ***Product Localization:***

The platform will undergo targeted adaptation for different regional markets, including localization of language, payment methods, cultural content, and compliance requirements.

- ***Partnership Development:***

The Company will actively seek strategic collaborations with global game developers, publishers, and payment providers to enrich the platform's content ecosystem and enhance user offerings.

2. Deepening Synergies between “AI + Private Domain Community” and Strengthening Technology Moats

- ***Commercialization of the Emotion Voice Database:***

The Company will accelerate the patent licensing process for its AI voice technology, which has already passed preliminary examination. It will carry out the development of proprietary algorithms, maintaining communication with three leading enterprises that have already entered substantive negotiations, with the goal of exploring the potential cooperation.

- ***Optimization of the Data Closed Loop:***

By leveraging the international version of the platform to collect more globally diverse and representative voice data, the Company will continue to expand and refine its emotion voice database, thereby consolidating its data advantage.

- ***User Experience Enhancement:***

Utilizing AI emotion recognition technology, the Company will provide Dongchuang platform users with more personalized and emotionally intelligent interactive experiences, thereby improving user stickiness and conversion rates.

3. Optimizing Cost Structure and Enhancing Operational Efficiency

- ***Refined Resource Management:***

The Company will introduce advanced project management tools to implement full-cycle cost control across software development and operational projects.

- ***Technology Reuse and Automation:***

A comprehensive code repository and component library will be established to encourage technology reuse. Automated testing and deployment tools will be adopted to reduce labor costs and minimize error rates.

- ***Strategic Outsourcing:***

Non-core business functions will be selectively outsourced, enabling the Group to concentrate resources on its core competencies in AI technology development and platform operations.

In summary, Phoenitron Holdings is transforming its business in 2025, establishing new private domain community and AI growth drivers. In 2026, the Company will continue its new business developments by pursuing internationalization of the Dongchuang platform, deeper commercialization of its AI technologies, and continuous improvement in operational efficiency. These initiatives are expected to supplement the Company's overall business development.

Financing

On 10 February 2023, the Company, as issuer, and Mr. Guo Rongxiang, as subscriber, entered into the subscription agreement in relation to the issue of convertible bonds (the "Convertible Bonds"). Completion took place on 3 September 2024.

The gross proceeds from the issue of the Convertible Bonds totaled HK\$16,500,000. The net proceeds from the issue of the Convertible Bonds of approximately HK\$16,392,000 are intended to be used as general working capital of the Group as well as for the continuous development of the existing media and entertainment businesses (including e-commerce business) of the Group.

The Directors consider raising funds by issuing the Convertible Bonds is justifiable considering the then market conditions which represent an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position for the continuous development of the existing businesses of the Group. During the Reporting Period, the Convertible Bonds have been fully converted into 55,000,000 shares of the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend our gratitude to all members of the Board and staff for their dedication and contribution to the Group throughout the year 2025. I would also like to express my heartfelt appreciation to our shareholders, business partners, investors and customers for their continuous support.

Lily WU
Chairman

Hong Kong, 31 March 2026

The Board announces the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$	2024 HK\$
Revenue	4	145,591,164	59,583,826
Cost of sales		<u>(64,464,684)</u>	<u>(37,591,717)</u>
Gross profit		81,126,480	21,992,109
Other income	5	173,741	1,381,652
Other gains/(losses), net	6	224,072	(1,547,036)
Selling and distribution costs		(2,140,048)	(2,103,180)
Administrative expenses		(36,345,543)	(21,589,589)
Impairment loss on other receivables		(13,227)	(56,314)
Share-based payments		(9,773,278)	–
Change in fair value of investment in TV programmes	14	(5,865,609)	2,878,465
Finance costs	7	<u>(524,036)</u>	<u>(504,299)</u>
Profit before income tax	8	26,862,552	451,808
Income tax expense	9	<u>(14,381,991)</u>	–
Profit for the year		<u>12,480,561</u>	<u>451,808</u>
Other comprehensive profit/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<u>1,036,320</u>	<u>(96,002)</u>
Other comprehensive profit/(loss) for the year, net of income tax		<u>1,036,320</u>	<u>(96,002)</u>
Total comprehensive income for the year		<u><u>13,516,881</u></u>	<u><u>355,806</u></u>

	<i>Notes</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Profit for the year attributable to:			
Owners of the Company		12,481,714	452,961
Non-controlling interests		(1,153)	(1,153)
		<u>12,480,561</u>	<u>451,808</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		13,518,034	356,959
Non-controlling interests		(1,153)	(1,153)
		<u>13,516,881</u>	<u>355,806</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share attributable to owners of the Company			
Basic	<i>11</i>	<u>2.168</u>	<u>0.086</u>
Diluted		<u>2.138</u>	<u>0.086</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$	2024 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		4,287,415	3,539,720
Intangible assets	12	12,610,016	4,706,589
Right-of-use assets		5,322,602	3,776,663
Other receivables, deposits and prepayments	13	1,457,904	308,454
Prepayments for acquisition of property, plant and equipment	13	209,193	597,850
Investment in TV programmes	14	26,593,407	31,663,113
Prepayment for acquisition of an associate	13	–	2,746,482
		<u>50,480,537</u>	<u>47,338,871</u>
Current assets			
Inventories		514,179	2,104,154
Trade and other receivables, deposits and prepayments	13	45,608,180	14,868,358
Tax prepaid		163,170	–
Cash and cash equivalents		41,877,803	13,822,703
		<u>88,163,332</u>	<u>30,795,215</u>
Current liabilities			
Trade and other payables	15	12,221,265	16,370,775
Lease liabilities		3,361,213	2,803,989
Tax payable		10,886,666	–
		<u>26,469,144</u>	<u>19,174,764</u>
Net current assets		<u>61,694,188</u>	<u>11,620,451</u>
Total assets less current liabilities		<u>112,174,725</u>	<u>58,959,322</u>

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Non-current liabilities		
Lease liabilities	2,063,474	1,167,085
Convertible bonds	–	16,540,273
Defined benefit plan obligations	<u>327,338</u>	<u>327,338</u>
	<u>2,390,812</u>	<u>18,034,696</u>
Net assets	<u>109,783,913</u>	<u>40,924,626</u>
EQUITY		
Share capital	132,825,350	105,069,500
Deficit in reserves	<u>(23,268,648)</u>	<u>(64,373,238)</u>
Equity attributable to owners of the Company	109,556,702	40,696,262
Non-controlling interests	<u>227,211</u>	<u>228,364</u>
Total equity	<u>109,783,913</u>	<u>40,924,626</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital	Share premium*	Contributed surplus*	Share option reserve*	Convertible bonds reserve*	Other reserves*	Translation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2024	<u>105,069,500</u>	<u>363,340,792</u>	<u>13,985,669</u>	<u>3,299,070</u>	<u>-</u>	<u>7</u>	<u>9,960,197</u>	<u>(455,444,932)</u>	<u>40,210,303</u>	<u>229,517</u>	<u>40,439,820</u>
Profit/(loss) for the year	-	-	-	-	-	-	-	452,961	452,961	(1,153)	451,808
Other comprehensive loss											
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	(96,002)	-	(96,002)	-	(96,002)
Total comprehensive (loss)/income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,002)</u>	<u>452,961</u>	<u>356,959</u>	<u>(1,153)</u>	<u>355,806</u>
Issue of convertible bonds	-	-	-	-	129,000	-	-	-	129,000	-	129,000
Balance at 31 December 2024 and 1 January 2025	<u>105,069,500</u>	<u>363,340,792</u>	<u>13,985,669</u>	<u>3,299,070</u>	<u>129,000</u>	<u>7</u>	<u>9,864,195</u>	<u>(454,991,971)</u>	<u>40,696,262</u>	<u>228,364</u>	<u>40,924,626</u>
Profit/(loss) for the year	-	-	-	-	-	-	-	12,481,714	12,481,714	(1,153)	12,480,561
Other comprehensive profit											
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	1,036,320	-	1,036,320	-	1,036,320
Total comprehensive income/(loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036,320</u>	<u>12,481,714</u>	<u>13,518,034</u>	<u>(1,153)</u>	<u>13,516,881</u>
Conversion of convertible bonds	11,000,000	5,895,778	-	-	(129,000)	-	-	129,000	16,895,778	-	16,895,778
Exercise of share options	16,755,850	11,917,500	-	(12,548,816)	-	-	-	12,548,816	28,673,350	-	28,673,350
Lapse of share options	-	-	-	(44,367)	-	-	-	44,367	-	-	-
Equity-settled share-based payments	-	-	-	9,773,278	-	-	-	-	9,773,278	-	9,773,278
Balance at 31 December 2025	<u>132,825,350</u>	<u>381,154,070</u>	<u>13,985,669</u>	<u>479,165</u>	<u>-</u>	<u>7</u>	<u>10,900,515</u>	<u>(429,788,074)</u>	<u>109,556,702</u>	<u>227,211</u>	<u>109,783,913</u>

* The total of these accounts as at the reporting date represents deficit in reserves of HK\$23,268,648 (2024: HK\$64,373,238) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

The material accounting policies that have been used in the preparation of these consolidated financial statements have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared on the historical cost basis, except for investment in TV programmes, which was measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions.

2. ADOPTION OF NEW AND AMENDED HKFRSS

(a) Amended HKFRSS

In the preparation of the consolidated financial statements for the year ended 31 December 2025, the Group has applied the following amendments to HKFRSs, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025:

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

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

(b) New and amendments to HKFRSs not yet adopted

The Group has not applied the following new and amendments to HKFRSs, which have been issued but are not yet effective, in these consolidated financial statements.

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 HKFRS 18	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21 HKFRS 19	Presentation and Disclosure in Financial Statements ³ The Effects of Changes in Foreign Exchange Rates ³ Subsidiaries without Public Accountability: Disclosures ³
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 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 HKFRSs mentioned below, the directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted, and will be applied retrospectively. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is still currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the chief operating decision makers (i.e. the executive Directors) for the purposes of resources allocation and assessment of segment performance. The business components in the internal reporting to the executive Directors, the chief operating decision makers, are determined following the Group's major product and service lines. For the year ended 31 December 2025, the Group is currently organised into the following six operating segments:

- Sales of smart cards;
- Sales of smart card application systems, including relevant services;
- Operation of private domain e-commerce platform, including referral services;
- Provision of artificial intelligence (A.I.) speech technology data services;
- Sale and trading of scrap metals; and
- Media and entertainment.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and the expenses incurred by those segments. The measurement of segment profit/(loss) before income tax is the same as those used in preparing these consolidated financial statements under HKFRSs except that finance costs, impairment loss on other receivables, exchange gains/(losses), net and corporate expenses, net not directly attributable to business activities of the operating segments are not included in arriving at the operating results of the operating segments.

Segment assets include all assets with the exception of assets which are not attributable to the business activities of the operating segments and other assets which are managed on a group basis such as cash and cash equivalents.

Segment liabilities include all liabilities except for liabilities (if any) which are not attributable to the business activities of the operating segments and other liabilities which are managed on a group basis.

Segment revenue, segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliation to revenue, profit before income tax, total assets, total liabilities and other segment information are as follows:

2025

	Sales of smart cards HK\$	Sales of smart card application systems HK\$	Operation of private domain e-commerce platform HK\$	Provision of AI speech technology data services HK\$	Sale and trading of scrap metals HK\$	Media and entertainment HK\$	Unallocated HK\$	Consolidated HK\$
Reportable segment revenue	<u>55,952,639</u>	<u>12,490</u>	<u>85,646,035</u>	<u>3,980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,591,164</u>
Reportable segment profit/(loss)	<u>4,796,286</u>	<u>1,434</u>	<u>42,168,366</u>	<u>(1,096,063)</u>	<u>(3,580,686)</u>	<u>(5,868,214)</u>	<u>-</u>	<u>36,421,123</u>
Finance costs								(524,036)
Impairment loss on other receivables								(13,227)
Exchange gain, net								224,072
Corporate expenses, net								(9,245,380)
Profit before income tax								<u>26,862,552</u>
Reportable segment assets	<u>20,450,498</u>	<u>-</u>	<u>34,200,169</u>	<u>10,663,718</u>	<u>243,219</u>	<u>26,593,407</u>	<u>4,451,885</u>	<u>96,602,896</u>
Tax prepaid								163,170
Cash and cash equivalents								<u>41,877,803</u>
Total consolidated assets								<u>138,643,869</u>
Reportable segment liabilities	<u>11,107,523</u>	<u>-</u>	<u>2,172,791</u>	<u>187,709</u>	<u>119,452</u>	<u>-</u>	<u>4,385,815</u>	<u>17,973,290</u>
Tax payable								<u>10,886,666</u>
Total consolidated liabilities								<u>28,859,956</u>
Other information								
Depreciation of property, plant and equipment	1,519,112	-	4,237	6,999	77,001	-	108,354	1,715,703
Depreciation of right-of-use assets	2,181,353	-	16,828	-	-	-	1,063,461	3,261,642
Amortisation of intangible assets	-	-	931,944	143,428	-	-	-	1,075,372
Interest income	5,530	-	6,785	-	7,405	-	163	19,883
Additions to non-current segment assets during the year	<u>5,045,479</u>	<u>-</u>	<u>642,826</u>	<u>8,989,895</u>	<u>-</u>	<u>-</u>	<u>1,583,710</u>	<u>16,261,910</u>

2024

	Sales of smart cards <i>HK\$</i>	Sales of smart card application systems <i>HK\$</i>	Operation of private domain e-commerce platform <i>HK\$</i>	Provision of AI speech technology data services <i>HK\$</i>	Sale and trading of scrap metals <i>HK\$</i>	Media and entertainment <i>HK\$</i>	Unallocated <i>HK\$</i>	Consolidated <i>HK\$</i>
Reportable segment revenue	<u>57,395,803</u>	<u>2,188,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,583,826</u>
Reportable segment profit/(loss)	<u>7,810,979</u>	<u>1,671,039</u>	<u>-</u>	<u>-</u>	<u>(3,156,951)</u>	<u>2,875,860</u>	<u>-</u>	<u>9,200,927</u>
Finance costs								(504,299)
Impairment loss on other receivables								(56,314)
Exchange losses, net								(1,547,036)
Corporate expenses, net								<u>(6,641,470)</u>
Profit before income tax								<u>451,808</u>
Reportable segment assets	<u>21,408,662</u>	<u>1,066,098</u>	<u>7,147,357</u>	<u>-</u>	<u>349,545</u>	<u>31,663,113</u>	<u>2,676,608</u>	<u>64,311,383</u>
Cash and cash equivalents								<u>13,822,703</u>
Total consolidated assets								<u>78,134,086</u>
Reportable segment liabilities	<u>15,489,006</u>	<u>12,000</u>	<u>2,097,175</u>	<u>-</u>	<u>116,845</u>	<u>-</u>	<u>2,954,161</u>	<u>20,669,187</u>
Convertible bonds								<u>16,540,273</u>
Total consolidated liabilities								<u>37,209,460</u>
Other information								
Depreciation of property, plant and equipment	2,051,021	-	-	-	75,325	-	-	2,126,346
Depreciation of right-of-use assets	2,475,941	-	-	-	-	-	843,821	3,319,762
Interest income	3,557	19	-	-	1,394	-	187	5,157
Additions to non-current segment assets during the year	<u>4,077,861</u>	<u>-</u>	<u>7,033,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,110,932</u>

There has been no inter-segment sales between different business segments during the years.

Geographical information

The following table presents the revenue from external customers for the Reporting Period and the specified non-current assets by geographical locations as at the reporting date.

	Revenue from external customers		Specified Non-current assets	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
The People's Republic of China (the "PRC")	90,360,757	9,096,932	18,904,283	12,305,809
Europe	51,154,823	50,182,344	–	–
Asia, excluding the PRC, Hong Kong and Taiwan	23,764	81,870	–	–
Hong Kong	4,051,820	222,680	3,374,602	2,840,585
Taiwan	–	–	150,341	220,910
	<u>145,591,164</u>	<u>59,583,826</u>	<u>22,429,226</u>	<u>15,367,304</u>

The Company is an investment holding company incorporated in the Cayman Islands where the Company does not have activities. Since the major operations of the Group are conducted in the PRC, which is considered as the Group's country of domicile for the disclosure purpose of HKFRS 8 *Operating Segments*.

Specified non-current assets include property, plant and equipment, intangible assets, right-of-use assets, prepayments for acquisition of property, plant and equipment and prepayment for acquisition of an associate only.

The geographical location of customers is based on the principal place of business of the customers. The geographical location of the specified non-current assets is based on the location of assets.

Information about major customers

Revenue from each of the major customers during the Reporting Period is as follows:

	2025 HK\$	2024 HK\$
Customer A – Operation of private domain e-commerce platform	48,631,045	N/A ^(note)
Customer B – Operation of private domain e-commerce platform	37,014,990	N/A ^(note)
Customer C – Sale of smart cards	34,893,113	39,276,670
	<u>120,539,148</u>	<u>78,553,340</u>

Note:

These customers did not contribute any revenue to the Group during the year ended 31 December 2024.

4. REVENUE

The Group's revenue is analysed as follows:

	2025 HK\$	2024 HK\$
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point of time:		
Sales of smart cards	55,952,639	57,395,803
Sales of smart card application systems	12,490	2,600
Operation of private domain e-commerce platform – referral service fee	85,646,035	–
	<u>141,611,164</u>	<u>57,398,403</u>
Revenue from contracts with customers within the scope of HKFRS 15 recognized over time:		
Sales of smart card application systems relevant services		
– revenue from smart card technical advisory and consultancy services	–	2,185,423
Provision of AI speech technology data services	3,980,000	–
	<u>3,980,000</u>	<u>2,185,423</u>
	<u>145,591,164</u>	<u>59,583,826</u>

	Sales of smart cards HK\$	Sales of smart card application systems HK\$	2025 Operation of private domain e-commerce platform HK\$	Provision of AI speech technology data services HK\$	Total HK\$
Geographical markets by segments					
The PRC	4,714,722	–	85,646,035	–	90,360,757
Europe	51,154,823	–	–	–	51,154,823
Asia, excluding the PRC, Hong Kong and Taiwan	23,764	–	–	–	23,764
Hong Kong	59,330	12,490	–	3,980,000	4,051,820
	<u>55,952,639</u>	<u>12,490</u>	<u>85,646,035</u>	<u>3,980,000</u>	<u>145,591,164</u>

	Sales of smart cards HK\$	Sales of smart card application systems HK\$	2024 Operation of private domain e-commerce platform HK\$	Provision of AI speech technology data services HK\$	Total HK\$
Geographical markets by segments					
The PRC	6,911,509	2,185,423	–	–	9,096,932
Europe	50,182,344	–	–	–	50,182,344
Asia, excluding the PRC, Hong Kong and Taiwan	81,870	–	–	–	81,870
Hong Kong	220,080	2,600	–	–	222,680
	<u>57,395,803</u>	<u>2,188,023</u>	<u>–</u>	<u>–</u>	<u>59,583,826</u>

5. OTHER INCOME

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Bank interest income	19,883	5,157
Government subsidies (<i>note i</i>)	–	14,880
Sundry income (<i>note ii</i>)	153,858	1,361,615
	<u>173,741</u>	<u>1,381,652</u>

Note:

- i. The government subsidies recognised for the year ended 31 December 2024 were the approved subsidies for staff costs from the PRC government. There are no unfulfilled conditions or other contingencies attached to these subsidies.
- ii. For the year ended 31 December 2024, the sundry income included in trade and other payables amounted to RMB1,029,172 (equivalent to HK\$1,109,613) to be offset by the supplier.

6. OTHER GAINS/(LOSSES), NET

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Exchange gains/(losses), net	<u>224,072</u>	<u>(1,547,036)</u>

7. FINANCE COSTS

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Finance charges on lease liabilities	168,531	227,180
Finance charges on convertible bonds	355,505	277,119
	<u>524,036</u>	<u>504,299</u>

8. PROFIT BEFORE INCOME TAX

	2025 HK\$	2024 HK\$
Profit before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	1,750,000	730,000
Short-term leases	595,831	261,931
Variable lease payments not included in the measurement of lease liabilities	1,866,158	1,649,965
Costs of inventories recognised as an expense (<i>note</i>)	37,834,174	37,591,717
Cost of sales from e-commerce	25,288,825	–
Cost of sales from AI speech technology data service	1,341,685	–
Impairment losses on other receivables	13,227	56,314
Written-off of property, plant and equipment	–	26,301
Depreciation		
– Property, plant and equipment	1,715,703	2,126,346
– Right-of-use assets	3,261,642	3,319,762
Amortisation of intangible assets	1,075,372	–
Share-based payments	9,773,278	–
Employee benefit expenses – Sales of smart cards	19,876,847	20,362,689
Employee benefit expenses – Sales from e-commerce	6,551,692	–
Employee benefit expenses – Sales from AI speech technology data service	1,500,000	–
Employee benefit expenses – Sales and trading of scrap metals and others	3,608,947	2,459,202
	<u>14,381,991</u>	<u>–</u>

Note:

Cost of inventories recognised as an expense of HK\$16,107,760 (2024: HK\$17,345,124) includes depreciation of property, plant and equipment amounted to HK\$836,566 (2024: HK\$1,480,315), depreciation of right-of-use assets amounted to HK\$1,679,652 (2024: HK\$1,761,550), employee benefit expenses amounted to HK\$11,734,812 (2024: HK\$12,442,327).

9. INCOME TAX EXPENSE

	2025 HK\$	2024 HK\$
Current tax		
PRC Enterprise Income Tax:		
Provision for the year	14,381,991	–
	<u>14,381,991</u>	<u>–</u>

Notes:

(a) Hong Kong

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of qualifying group entity will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong Profits Tax has been provided for the year ended 31 December 2025 as the Group did not generate any estimated profits in Hong Kong (2024: the Group has sufficient tax losses brought forward to set off against assessable profits in Hong Kong).

(b) PRC

The PRC Enterprise Income Tax has been calculated at 25% (2024: 25%) on the estimated assessable profits for the year based on the existing legislation, interpretations and practices in respect thereof. PRC Enterprise tax of HK\$14,381,991 has been provided for the year ended 31 December 2025 (2024: the Group did not generate any assessable profits in the PRC).

(c) **Other jurisdictions**

Pursuant to the rules and regulations of the Cayman Islands, the British Virgin Islands (the “BVI”) and Taiwan, the Group is not subject to any income tax or did not generate any assessable profits in the Cayman Islands, the BVI and Taiwan (2024: nil).

10. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: nil).

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, calculated as follows:

	2025	2024
Profit attributable to owners of the Company (<i>HK\$</i>)	12,481,714	452,961
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>575,773,343</u>	<u>525,347,500</u>
Basic earnings per share (<i>expressed in HK cents per share</i>)	<u><u>2.168</u></u>	<u><u>0.086</u></u>
Number of shares		
Issued ordinary shares at the beginning of the year	525,347,500	525,347,500
Effect of conversion of convertible bonds	32,849,315	–
Effect of exercise of share options	<u>17,576,528</u>	–
Weighted average number of ordinary shares for the year	<u><u>575,773,343</u></u>	<u><u>525,347,500</u></u>

(b) **Diluted earnings per share**

	2025	2024
Adjusted profit attributable to owners of the Company (<i>HK\$</i>) for the purpose of calculating diluted earnings per share	12,837,219	452,961
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>600,356,597</u>	<u>525,347,500</u>
Diluted earnings per share (<i>expressed in HK cents per share</i>)	<u><u>2.138</u></u>	<u><u>0.086</u></u>
Adjusted profit attributable to the owners of the Company		
Profit attributable to owners of the Company	12,481,714	452,961
Interest savings upon conversion of convertible bonds	<u>355,505</u>	<u>–</u>
Adjusted profit attributable to owners of the Company (<i>HK\$</i>) for the purpose of calculating diluted earnings per share	<u><u>12,837,219</u></u>	<u><u>452,961</u></u>
Number of Shares		
Weighted average number of ordinary shares for the year	575,773,343	525,347,500
Adjustment for exercisable share options (<i>note</i>)	2,432,569	–
Adjustment for convertible bond converted (<i>note</i>)	<u>22,150,685</u>	<u>–</u>
	<u><u>600,356,597</u></u>	<u><u>525,347,500</u></u>

Note:

The diluted earnings per share for the year ended 31 December 2024 was the same as the basic earnings per share, as the share options and the convertible bond outstanding during the year ended 31 December 2024 were anti-dilutive and were therefore excluded from the calculation of diluted earnings per share.

12. INTANGIBLE ASSETS

	PRC driving Licence HK\$	Digital platform HK\$	Artificial intelligence HK\$	Total HK\$
Year ended 31 December 2024				
Opening net carrying amount	420,000	–	–	420,000
Acquisition of a subsidiary	–	4,286,589	–	4,286,589
Closing net carrying amount	<u>420,000</u>	<u>4,286,589</u>	<u>–</u>	<u>4,706,589</u>
At 31 December 2024				
Cost and net carrying amount	<u>420,000</u>	<u>4,286,589</u>	<u>–</u>	<u>4,706,589</u>
Year ended 31 December 2025				
Opening net carrying amount	420,000	4,286,589	–	4,706,589
Additions	–	373,134	8,605,665	8,978,799
Amortisation	–	(931,944)	(143,428)	(1,075,372)
Closing net carrying amount	<u>420,000</u>	<u>3,727,779</u>	<u>8,462,237</u>	<u>12,610,016</u>
At 31 December 2025				
Cost	420,000	4,659,723	8,605,665	13,685,388
Accumulated amortisation	–	(931,944)	(143,428)	(1,075,372)
Net carrying amount	<u>420,000</u>	<u>3,727,779</u>	<u>8,462,237</u>	<u>12,610,016</u>

The PRC driving licence is considered to have an indefinite economic life as there is no foreseeable limit on the period of time over which the driving licence is expected to generate economic benefit to the Group and the licence is renewable at minimal cost. Accordingly, it is not amortised.

The digital platform represents a pan-entertainment digital ecosystem membership e-commerce platform – Dongchuang E-Commerce App Service Platform of 海南動創數娛科技集團有限公司 (Hainan Dongchuang Digital Entertainment Technology Group Company Limited*) (“Hainan Dongchuang”), which was acquired as part of the Group’s acquisition of Hainan Dongchuang during the year ended 31 December 2024. The digital platform is amortised on straight-line basis over 5 years.

The artificial intelligence represents an AI speech data cleaning model, which was acquired during the year ended 31 December 2025. The AI model is amortised on straight line basis over 5 years.

* The English translation of the Chinese name is for information purpose only, and should not be regarded as the official English translation of such name.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$	2024 HK\$
Trade receivables (<i>note (a)</i>)	<u>6,570,075</u>	<u>10,386,299</u>
Other receivables, deposits and prepayments	41,283,680	8,818,010
Less: ECL allowance	<u>(578,478)</u>	<u>(683,165)</u>
Other receivables, deposits and prepayments, net	<u>40,705,202</u>	<u>8,134,845</u>
Total trade and other receivables, deposits and prepayments	47,275,277	18,521,144
Less: Non-current other receivables, deposits and prepayments	(1,457,904)	(308,454)
Less: Non-current prepayments for acquisition of property, plant and equipment	(209,193)	(597,850)
Less: Non-current prepayments for acquisition of an associate	<u>–</u>	<u>(2,746,482)</u>
Current trade and other receivables, deposits and prepayments	<u>45,608,180</u>	<u>14,868,358</u>

Note:

- (a) The credit term granted by the Group to its trade customers normally ranges from 30 days to 90 days (2024: 30 days to 90 days). Based on the invoice dates, the ageing analysis of the Group's trade receivables (net of ECL allowance) is as follows:

	2025 HK\$	2024 HK\$
0 – 30 days	6,336,956	3,002,212
31 – 90 days	87,157	7,260,739
Over 90 days	145,962	123,348
Less: ECL allowance	<u>–</u>	<u>–</u>
	<u>6,570,075</u>	<u>10,386,299</u>

14. INVESTMENT IN TV PROGRAMMES

	<i>HK\$</i>
Balance at 1 January 2024	29,735,683
Total losses included in profit or loss:	
Fair value change	2,878,465
Exchange difference arising from translation, included in other gains/(losses), net	<u>(951,035)</u>
Balance at 31 December 2024 and 1 January 2025	31,663,113
Total gains/(losses) included in profit or loss:	
Exchange difference arising from translation, included in other gains/(losses), net	795,903
Fair value change	<u>(5,865,609)</u>
Balance at 31 December 2025	<u>26,593,407</u>

During the year ended 31 December 2019, the Group entered into a joint production agreement and supplemental agreement (collectively, the “Joint Production Agreement”) with 浙江優盛影視文化有限公司 (Zhe Jiang You Sheng Ying Shi Wen Hua Company Limited*) (“Zhe Jiang You Sheng”), an independent TV programmes producer, pursuant to which the Group agreed to invest RMB24,000,000 (equivalent to HK\$26,850,000) in the production of TV programmes “Snow Leopard II”, representing 30% of the budgeted production costs. In accordance with the Joint Production Agreement, the Group has no control, significant influence or joint control over the investment.

Pursuant to the Joint Production Agreement, if the actual production costs exceed the budgeted production costs, Zhe Jiang You Sheng would bear all addition costs. The Group is not liable and does not bear any additional costs and the interests in the investment in TV programmes would still be maintained at 30%.

The Group is entitled to 30% of net profit generated by the TV programmes for five years, after obtained broadcasting approval from the PRC government authority.

During the year ended 31 December 2023, the production of the TV programmes was completed. The management of Zhe Jiang You Sheng has decided to defer the broadcasting timetable due to the poor economic environment in the PRC. As at 31 December 2023, with reference to the broadcast progress provided by Zhe Jiang You Sheng, the Directors further revisited the broadcasting timetable with Zhe Jiang You Sheng and tentatively expected the TV programmes to be released in the PRC and the net profit distribution to be received during the year ending 31 December 2025. Therefore, the investment in TV programmes was classified as non-current assets as at 31 December 2023.

During the year ended 31 December 2025, the management of Zhe Jiang You Sheng is still under negotiation with television station in relation to the broadcast details and no agreement was concluded. During the year ended 31 December 2025, with reference to the broadcast progress provided by Zhe Jiang You Sheng, the Directors further revisited the broadcasting timetable with Zhe Jiang You Sheng and tentatively expected the TV programmes to be released in the PRC before the mid of 2026 and the net profit distribution to be received by the end of the third quarter of 2026. In the opinion of the directors, since the exact timetable for recovering the carrying amount remains uncertain and beyond twelve months after the end of reporting period, the investment in TV programmes is classified as non-current assets as at 31 December 2025.

During the year ended 31 December 2025, the Group transferred its entire 30% investment rights and related obligations under the Joint Production Agreement to Nanjing Qichuang, an independent third-party, at the consideration of RMB24,200,000 (equivalent to approximately HK\$26,593,800). The consideration of RMB24,200,000 (equivalent to approximately HK\$26,593,800) is payable in three instalments: 5% within 30 days from the effective date of the agreement, 10% on or before 30 April 2026, and the remaining balance payable in instalments, with all amounts to be fully settled no later than two years from the effective date of the agreement. As the Group has not transferred the significant risks and rewards, the transfer did not meet the derecognition criteria under HKFRS 9, the instrument continues to be recognised as financial asset measured at FVTPL. Further details are set out in the Company's announcement dated 29 December 2025. Correspondingly, the investment in TV programmes is measured at a fair value of HK\$26,593,407 (2024: HK\$31,663,113).

* The English translation of the Chinese name is for information purpose only, and should not be regarded as the official English translation of such name.

15. TRADE AND OTHER PAYABLES

	2025	2024
	HK\$	HK\$
Trade payables (<i>note</i>)	2,882,447	7,392,585
Other payables and accrual	9,338,818	8,978,190
	12,221,265	16,370,775

Note:

Credit periods granted by suppliers normally range from 30 days to 90 days (2024: 30 days to 90 days). Based on the invoice date, the ageing analysis of the trade payables is as follows:

	2025	2024
	HK\$	HK\$
0 – 30 days	1,365,906	1,179,900
31 – 60 days	814,373	1,936,419
61 – 90 days	494,075	2,198,257
Over 90 days	208,093	2,078,009
	2,882,447	7,392,585

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2025 (the “Reporting Period”), the Group’s financial result was principally derived from the contract manufacturing and sales of smart cards, the operation of private domain e-commerce platform and the provision of artificial intelligence (A.I.) speech technology data services.

Revenue

Operation of private domain e-commerce platform

During the Reporting Period, the Group’s revenue generated from operation of private domain e-commerce platform amounted to approximately HK\$85.65 million (2024: nil).

Sales of smart cards and smartcard application systems

During the Reporting Period, the Group’s revenue generated from the sales of smartcard application systems amounted to HK\$12,490 (2024: approximately HK\$2.19 million) and the Group’s revenue generated from sales of smart cards amounted to approximately HK\$55.95 million, representing a decrease of approximately HK\$1.45 million or 2.5% as compared to the corresponding period in 2024 of approximately HK\$57.40 million. The decline in revenue from sales of smart cards was primarily attributable to the price concessions granted to the Group’s major customers in response to prevailing market pressures and competitive dynamics.

Provision of AI speech technology data services

During the Reporting Period, the Group’s revenue generated from provision of AI speech technology data services amounted to approximately HK\$3.98 million (2024: nil).

Cost of Sales (“COS”) and Gross Profit

Operation of private domain e-commerce platform

During the Reporting Period, the Group recorded cost of sales for operation of private domain e-commerce platform amounted to approximately HK\$25.29 million (2024: nil).

Sales of smart cards and smartcard application systems

During the Reporting Period, the Group recorded cost of sales incurred for the sales of smartcard application systems amounted to HK\$11,056 (2024: approximately HK\$0.5 million) and the Group recorded cost of sales incurred for sales of smart cards amounted to approximately HK\$37.8 million, representing a slight increase of approximately HK\$0.7 million or 1.9% as compared to the corresponding period in 2024 of approximately HK\$37.1 million.

Provision of AI speech technology data services

During the Reporting Period, the Group recorded cost of sales for the provision of AI speech technology data services of approximately HK\$1.34 million (2024: nil), comprised of amortization costs of intangible assets and direct costs associated with the completed project.

Gross Profit

Due to the aforesaid, the Group recorded a significant increase in gross profit of HK\$59.1 million, or 269%, during the Reporting Period, from the corresponding period in 2024 of approximately HK\$22.0 million, to approximately HK\$81.1 million.

Other Income

Other income of HK\$173,741 consisted of bank interest income of HK\$19,883 and sundry income of HK\$153,858 (2024: approximately HK\$1.38 million, comprised of bank interest income of HK\$5,157, government subsidies of HK\$14,880 and sundry income of approximately HK\$1.36 million).

Other Gains (Losses), net

During the Reporting Period, other gains (net) amounted to approximately HK\$0.22 million which was attributable to the exchange gain arising from translating the carrying balance of investment in TV programme, but partly offset by the exchange losses arising from foreign currency-based transactions (2024: exchange losses (net) of approximately HK\$1.55 million).

Selling and Distribution Costs

During the Reporting Period, selling expenses was wholly attributable to smart card businesses segment and amounted to approximately HK\$2.14 million, representing a modest increase of HK\$0.04 million, or 1.9%, compared to HK\$2.10 million in the corresponding period of 2024. The selling expenses remained broadly stable year-on-year, reflecting effective cost discipline and consistent marketing and distribution activities during the period.

Administrative Expenses

Administrative expenses recorded a significant increase of approximately HK\$14.7 million, or 68.0%, during the Reporting Period, from approximately HK\$21.6 million for the corresponding period in 2024, to approximately HK\$36.3 million. The increase is primarily attributable to a number of factors: (i) due to the commencement of two new businesses during the Reporting Period, there was an increase of audit fee of approximately HK\$1.0 million year-on-year; (ii) excluding the factor mentioned in (i) above, administrative expenses for the two new businesses during the Reporting Period amounted to approximately HK\$11.1 million; and (iii) increases in other expenses like legal and professional fees and salaries and allowances of other business segments.

Impairment Loss on Other Receivables

During the Reporting Period, an impairment loss on other receivables amounted to HK\$13,227 (2024: HK\$56,314).

Share-Based Payments

During the Reporting Period, a one-off share option expense (non-cash) of approximately HK\$9.8 million was recognised in respect of the grant of share options to certain employees of Dongchuang and CyberMirage (2024: nil).

Change in Fair Value of Investment in TV programmes

During the Reporting Period, a fair value loss on investment in TV programmes of approximately HK\$5.87 million (2024: gains of approximately HK\$2.88 million).

Finance Costs

During the Reporting Period, the Group's finance costs amounted to approximately HK\$0.52 million which consists of interest charges on lease liabilities of approximately HK\$0.17 million, and interest charges on convertible bonds of approximately HK\$0.35 million (2024: approximately HK\$0.50 million, comprised solely of interest charges on lease liabilities of approximately HK\$0.23 million, and interest charges on convertible bonds of approximately HK\$0.27 million).

Income Tax Expense

During the Reporting Period, PRC enterprise income tax expenses of approximately HK\$14.4 million was provided for in respect of the profit generated from the operation of private domain e-commerce platform business (2024: nil).

Non-controlling Interest

During the Reporting Period, a loss of HK\$1,153 attributable to the non-controlling interests was recognised (2024: HK\$1,153).

As a result of the foregoing, profit attributable to owners of the Company for the Reporting Period amounted to approximately HK\$12.48 million (2024: approximately HK\$0.45 million).

LIQUIDITY AND FINANCIAL RESOURCES/CAPITAL STRUCTURE

During the Reporting Period, the Group financed its business operations and investments with cash, revenue generated from operating activities, convertible bonds and other borrowings. As at 31 December 2025, the Group had cash and bank balances of approximately HK\$41.9 million (2024: approximately HK\$13.8 million) and had no outstanding long-term convertible bonds (2024: approximately HK\$16.5 million).

As at 31 December 2025, the Group had current assets of approximately HK\$88.2 million (2024: approximately HK\$30.8 million) and current liabilities of approximately HK\$26.5 million (2024: approximately HK\$19.2 million). The current ratio, expressed as current assets over current liabilities, was approximately 3.3 (2024: approximately 1.6).

EMPLOYEE INFORMATION

As at 31 December 2025, the Group employed a total of 138 employees (2024: 132 employees), of which 16 were located in Hong Kong and the rest were located in the PRC and Taiwan. Employee cost, including Directors' remuneration, was approximately HK\$41.3 million (2024: approximately HK\$22.8 million) during the Reporting Period. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. In addition to basic salaries and participation in mandatory provident fund scheme, staff benefits include medical scheme and share options.

SIGNIFICANT INVESTMENTS

Save as disclosed in note 14 to the consolidated financial statements, there was no other significant investments for the year ended 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the "Chairman's Statement" and "Management Discussion and Analysis" sections, there were no future plans for material investments or capital assets.

CHARGE ON GROUP ASSETS

At 31 December 2025, there is no charge on assets of the Group (2024: nil).

GEARING RATIO

The gearing ratio of the Group, expressed as a percentage of total borrowings including lease liabilities to total assets of the Group, was 3.9% (2024: 26.3%) as at 31 December 2025.

FINAL DIVIDEND

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

The Company was not aware of any shareholders that had waived or agreed to waive any dividend arrangement for the year ended 31 December 2025.

COMPETING INTERESTS

As at 31 December 2025, none of the Directors or the management shareholders or any of its respective associates (as defined under the GEM Listing Rules) of the Company had any interest in a business that competed or might compete with the business of the Group directly or indirectly.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors and is chaired by Ms. Wong Ka Wai, Jeanne. The rest of members are Mr. Chan Siu Wing, Raymond and Mr. Yeung Man Chit, Daniel. At the discretion of the audit committee, executive Directors and/or senior management personnel, overseeing the Group's finance and internal control functions, may be invited to attend meeting. The primary role and function of the audit committee are to review the Company's financial controls, internal control and risk management systems; to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; to review the Company's consolidated financial statements, annual reports and interim reports, and to provide advice and comment thereon to the Board. The audit committee held four meetings to review the interim and annual results during the year ended 31 December 2025 as well as discussed and reviewed the Group's internal control and audit works with the auditor of the Group.

The Group's annual audited results during the year ended 31 December 2025 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

SCOPE OF WORK OF GUANGSHEN (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025 and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Guangshen (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Guangshen (Hong Kong) 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 HKICPA and consequently no assurance has been expressed by Guangshen (Hong Kong) CPA Limited on the preliminary announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board believes that good corporate governance practices are essential for effective management and enhancement of shareholder value and investor confidence. The Company has taken a proactive approach in strengthening corporate governance practices, increasing transparency and sustaining accountability to shareholders through effective internal controls, under the leadership of its experienced and committed Board.

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2025 with the exception of the code provision C.2.1 which requires that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Details relating to the foregoing deviation are summarised below.

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

Ms. Lily Wu (“Ms. Wu”) serves as the Chairman of the Board since 1 April 2006 and was further appointed as the Chief Executive Officer on 23 March 2009. In the past, the reasons for not splitting the roles of chairman and chief executive officer are (i) the size of the Group is still relatively small and thus not justified in separating the roles of chairman and chief executive officer; and (ii) the Group has in place an internal control system to perform the check and balance function. Ms. Wu is primarily responsible for leadership of the Group and the Board, setting strategic direction, ensuring the effectiveness of management in execution of the strategy approved by the Board. Execution responsibilities lie with another executive Director and senior management of the Company.

Due to the expansion of the Group’s businesses during the Reporting Period, and in order to set out a clearer division of responsibilities at the board level and the management team to ensure a more proper segregation of the management of the board of the Company and the management of the Group’s business, Ms. Wu resigned as the Chief Executive Officer of the Company (the “CEO”) with effect from 17 April 2025 while remains as an executive Director of the Company and the chairman of the Board to provide her valuable insight and perspective to the Board. Mr. Chang Wei Wen (“Mr. Chang”), an executive Director of the Company, has been appointed as the CEO with effect on the same date, Mr. Chang is responsible for overseeing the strategic planning as well as the corporate development of the Group. Given Mr. Chang has been involved in the day-to-day management of various internal functions of the Company and actively participated in the strategic planning and corporate development of the Group, the Board believes that Mr. Chang possesses an in-depth understanding of the business operations and strategy of the Group, he has the right caliber to succeed Ms. Wu to act as the CEO.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the Reporting Period.

EVENT AFTER THE REPORTING PERIOD

There is no other material event after the Reporting Period.

ANNUAL GENERAL MEETING

The annual general meeting (the “AGM”) of the shareholders of the Company will be held at 10:00 a.m., on Thursday, 21 May 2026, at Pacific Room IV, 9/F, Towers Wing, Royal Pacific Hotel, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong and the notice of AGM will be published and dispatched to the shareholders in the manner as required by the GEM Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to attend the AGM, the register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both dates inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 15 May 2026. The record date for the entitlement to AGM will be on Thursday, 21 May 2026.

By order of the Board

Lily Wu

Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises three executive Directors, Ms. Lily Wu (Chairman), Mr. Guo Rongxiang, Mr. Chang Wei Wen (Chief Executive Officer) and Mr. Yang Meng Hsiu, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Yeung Man Chit, Daniel and Mr. Chan Siu Wing, Raymond.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.phoenitron.com.