PHOENITRON

PHOENITRON HOLDINGS LIMITED

品 創 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

PROFIT WARNING

This announcement is made by Phoenitron Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders (the "**Shareholders**") and potential investors that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 (the "**Reporting Period**") and other information currently available to the Board, the Group is expected to record a net loss attributable to the owners of the Company of about HK$10.9 million for the Reporting Period, as compared to the net profit attributable to the owners of the Company of about HK$40.4 million for the corresponding period in 2025.

Based on the information available to the Company immediately preceding the publication of this announcement, the Board believes that the expected loss is mainly attributable to the combined effects of:

(1) As disclosed in the Company's voluntary announcement dated 31 December 2025, the 2025 Annual Results Announcement and the Annual Report, the Group upgraded "Dongchuang Shuyu" (the private domain membership-based e-commerce platform operated by Shanxi Dongchuang Digital Entertainment Technology Group Company Limited) to Version 2.0, with the primary focus on transforming it into a global digital gaming platform to be operated by the Group's wholly-owned subsidiary, Nova Digital Labs Limited. The original Dongchuang App (China version) recorded relatively strong performance in the first half of 2025. Subsequently, in accordance with the disclosed strategic transformation and resource reallocation, the operations of the original private-domain platform have been gradually scaled down and transitioned. As the original platform primarily relied on agency collection and revenue-sharing of membership fees from third-party game operators, the relevant cooperation was terminated upon the expiry of the contracts. The new cooperating partners are international companies; therefore, the Dongchuang App must be upgraded to the internationalised Version 2.0 for operations.

Compared with the original China version, Version 2.0 requires more resources and a longer period of time for development and launch on the technical front, including multi-language adaptation, cross-jurisdictional compliance, product localisation, overseas market expansion, establishment of partnership arrangements and related system redevelopment. On the operational front, the new platform also requires substantial investment in traffic resources in its initial stage. As a result, the commercial launch progress of Dongchuang App 2.0 has been delayed relative to the original expectations, leading to an adverse impact on the revenue and profit performance of this business segment during the Reporting Period.

Accordingly, the relevant segment recorded a segment loss of approximately HK$7.6 million for the six months ended 30 June 2026, as compared with the segment profit (after taxation) of approximately HK$37.7 million for the corresponding period in 2025.

(2) revenue from smartcard business segment increased by about 11.5% year-on-year, causing the segment profit to increase by about HK$0.55 million;

(3) segment profit generated from the provision of artificial intelligence speech technology data services dropped by HK$3.94 million year-on-year, which was partly due to the direct costs associated with the customized projects engaged during the Reporting period were higher and partly attributable to the increased in amortization costs as a number of intangible assets (know-hows) were acquired since the second half of 2025; and

(4) increased in corporate expenses year-on-year.

The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Reporting Period and the information currently available to the Company. The Company is still in the process of finalising such accounts, which are yet to be confirmed. The unaudited consolidated results of the Group for the Reporting Period are expected to be announced on 26 August 2026.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Phoenitron Holdings Limited
Guo Rongxiang
Executive Director

Hong Kong, 20 August 2026

As at the date of this announcement, the Board comprises four 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, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this announcement misleading.

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