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Hanfort Development Holdings Limited

漢成發展控股有限公司*

(formerly known as SINO GOLF HOLDINGS LIMITED 順龍控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00361)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Hanfort Development Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	4	190,115	262,770
Cost of sales		<u>(141,148)</u>	<u>(194,176)</u>
Gross profit		48,967	68,594
Other operating income	4	2,947	3,550
Selling and distribution expenses		(199)	(105)
Administrative expenses		(67,004)	(63,645)
Loss on revaluation of ownership interest in leasehold land and buildings		(68)	–
Finance costs	5	<u>(8,697)</u>	<u>(8,451)</u>
Loss before tax		(24,054)	(57)
Income tax expenses	6	<u>(525)</u>	<u>(2,307)</u>
Loss for the year	7	<u>(24,579)</u>	<u>(2,364)</u>

* for identification purpose only

	<i>NOTE</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Other comprehensive income/(expense)			
<i>Item that may be reclassified subsequently</i>			
<i>to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>1,586</u>	<u>(296)</u>
Other comprehensive income/(expense) for the year, net of income tax		<u>1,586</u>	<u>(296)</u>
Total comprehensive expense for the year		<u>(22,993)</u>	<u>(2,660)</u>
Loss for the year attributable to:			
Owners of the Company		(24,579)	(2,364)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(24,579)</u>	<u>(2,364)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(22,993)	(2,660)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(22,993)</u>	<u>(2,660)</u>
		<i>HK cent</i>	<i>HK cent</i>
LOSS PER SHARE	8		
Basic and diluted		<u>(0.47)</u>	<u>(0.05)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		74,103	65,295
Right-of-use assets		161,462	161,902
Goodwill	9	14,543	–
Club debentures		1,322	1,322
Prepayments for the acquisition of property, plant and equipment		134	128
		251,564	228,647
Current assets			
Inventories		35,164	18,736
Trade and other receivables	11	66,950	36,581
Bank balances and cash		41,956	116,008
		144,070	171,325
Current liabilities			
Trade and other payables	12	116,732	50,984
Lease liabilities		4,223	108
Income tax payable		–	1,026
Bank borrowings		–	56,383
		120,955	108,501
Net current assets		23,115	62,824
Total assets less current liabilities		274,679	291,471
Non-current liabilities			
Convertible bond	13	–	63,351
Lease liabilities		1,862	508
		1,862	63,859
Net assets		272,817	227,612
Capital and reserves			
Share capital	14	58,513	52,013
Reserves		211,574	172,869
Equity attributable to owners of the Company		270,087	224,882
Non-controlling interests		2,730	2,730
Total equity		272,817	227,612

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain ownership interest in leasehold land and buildings included in property, plant and equipment that are measured at revalued amounts at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

2. APPLICATION OF NEW AND AMENDED TO HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
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 ²

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

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “**operating profits**” and “**profits before financing and income tax**”), and classifying items into five newly defined categories (namely “**operating**”, “**investing**”, “**financing**”, “**income tax**” and “**discontinued operation**”), depending on the reporting entity's main business activities, in the statement of profit or loss;

- disclosure of management-defined performance measures (“**MPMs**”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are currently working to identify all the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs.

3. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the “**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The CODM have chosen to organise the Group around differences in products. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments are as follows:

- | | | |
|----------------|---|---|
| Golf equipment | – | Manufacture and sales of golf equipment and related components and parts. |
| Golf bags | – | Trading of golf bags, other accessories, and related components and parts. |
| Hospitality | – | Development of integrated resort in the Commonwealth of the Northern Mariana Islands (the “ CNMI ”). |

(a) Segment revenue and results

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

For the year ended 31 December

	Golf equipment		Golf bags		Hospitality		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	174,671	240,569	15,444	22,201	-	-	190,115	262,770
Other operating income	1,831	1,176	-	74	-	-	1,831	1,250
Total	<u>176,502</u>	<u>241,745</u>	<u>15,444</u>	<u>22,275</u>	<u>-</u>	<u>-</u>	<u>191,946</u>	<u>264,020</u>
Segment results	<u>8,076</u>	<u>25,363</u>	<u>(1,870)</u>	<u>1,206</u>	<u>(5,633)</u>	<u>(5,708)</u>	<u>573</u>	<u>20,861</u>
Interest income							1,116	2,300
Unallocated corporate expenses							(17,046)	(14,767)
Finance costs							(8,697)	(8,451)
Loss before tax							<u>(24,054)</u>	<u>(57)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of interest income, central administration costs, directors' emoluments and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged with reference to market prices.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

At 31 December

	Golf equipment		Golf bags		Hospitality		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	<u>181,910</u>	<u>120,789</u>	<u>3,121</u>	<u>3,155</u>	<u>149,856</u>	<u>155,417</u>	<u>334,887</u>	279,361
Unallocated corporate assets								
– Goodwill							14,543	–
– Club debentures							1,322	1,322
– Bank balances and cash							41,956	116,008
– Others							<u>2,926</u>	<u>3,281</u>
Total assets							<u>395,634</u>	<u>399,972</u>
Segment liabilities	<u>59,249</u>	<u>40,068</u>	<u>972</u>	<u>1,161</u>	<u>7,515</u>	<u>7,515</u>	<u>67,736</u>	48,744
Unallocated corporate liabilities								
– Amount due to a former director							40,496	–
– Income tax payable							–	1,026
– Bank borrowings							–	56,383
– Amount due to a former shareholder of a subsidiary							11,232	–
– Convertible bond							–	63,351
– Others							<u>3,353</u>	<u>2,856</u>
Total liabilities							<u>122,817</u>	<u>172,360</u>

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

- all assets are allocated to operating segments other than goodwill, club debentures, bank balances and cash, certain other receivables, certain inventories and plant and equipment for central administrative purpose; and
- all liabilities are allocated to operating segments other than amount due to a former director, amount due to a former shareholder of a subsidiary, income tax payable, bank borrowings, convertible bond and certain other payables.

(c) **Geographical information**

The Group's customers are located in North America, Japan, Europe, Asia (excluding Japan) and other locations.

Information about the Group's revenue from external customers is presented based on the geographical location of shipment:

	Revenue from external customers	
	2025	2024
	HK\$'000	HK\$'000
North America	82,394	88,388
Japan	57,020	102,567
Europe	22,271	29,189
Asia (excluding Japan)	20,767	18,297
Others	7,663	24,329
	<u>190,115</u>	<u>262,770</u>

Information about the Group's non-current assets (excluding goodwill) is presented based on the geographical location of the assets:

	2025	2024
	HK\$'000	HK\$'000
The CNMI	149,837	155,388
The People's Republic of China (the "PRC"), excluding Hong Kong	67,107	68,315
Hong Kong of the PRC (country of domicile)	4,094	4,944
Vietnam	15,983	—
	<u>237,021</u>	<u>228,647</u>

(d) **Other segment information**

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 December

	Golf equipment		Golf bags		Hospitality		Unallocated		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Additions to non-current assets (<i>note</i>)	681	3,129	145	1,104	-	-	9	-	835	4,233
Capital expenditure	19,019	-	-	-	-	-	-	-	19,019	-
Depreciation of property, plant and equipment	5,688	5,260	328	204	-	-	2	7	6,018	5,471
Depreciation of right-of-use assets	264	265	125	125	5,551	5,667	311	-	6,251	6,057
Loss on revaluation of ownership interest in leasehold land and buildings	68	-	-	-	-	-	-	-	68	-
Provision for slow-moving inventories	-	-	-	-	-	-	-	1,579	-	1,579
Write-off of inventories	-	-	-	43	-	-	-	-	-	43
Government grants	(166)	-	-	-	-	-	-	-	(166)	-
(Gain)/loss on disposal of property, plant and equipment	(13)	(7)	-	17	-	-	-	-	(13)	10

Note: Additions to non-current assets included property, plant and equipment, right-of-use assets and prepayments for the acquisition of property, plant and equipment.

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

For the year ended 31 December

	Golf equipment		Golf bags		Hospitality		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	-	-	-	-	-	-	(1,116)	(2,300)	(1,116)	(2,300)
Finance costs	-	-	-	-	-	-	8,697	8,451	8,697	8,451
Income tax expenses	-	-	-	-	-	-	525	2,307	525	2,307

(e) **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% (2024: 10%) of the total revenue of the Group is as follows:

	Revenue generated from	2025	2024
		HK\$'000	HK\$'000
Customer A	Golf equipment and Golf bags	<u>154,409</u>	<u>216,714</u>

4. REVENUE AND OTHER OPERATING INCOME

Revenue represents revenue arising on sales of goods for the year. An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of golf equipment and related components and parts	174,671	240,569
Sales of golf bags, other accessories and related components and parts	<u>15,444</u>	<u>22,201</u>
	<u>190,115</u>	<u>262,770</u>

Disaggregation of revenue from contracts with customers by timing of recognition:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Timing of revenue recognition at a point in time	<u>190,115</u>	<u>262,770</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The Group's other operating income is presented as follows:		
– Interest income	1,116	2,300
– Rental income	459	364
– Tooling income	305	247
– Sample income	299	207
– Gain on disposal of property, plant and equipment	13	7
– Sundry income	437	425
– Exchange gain, net	152	–
– Government grants	<u>166</u>	<u>–</u>
	<u>2,947</u>	<u>3,550</u>

5. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on:		
– amount due to a former director	2,807	1,238
– convertible bond (<i>note 13</i>)	4,847	5,124
– bank borrowings	997	2,061
– lease liabilities	46	28
	<u>8,697</u>	<u>8,451</u>
Total finance costs	<u>8,697</u>	<u>8,451</u>

6. INCOME TAX EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current year	–	494
– Over-provision in prior years	(1)	(7)
	<u>(1)</u>	<u>487</u>
PRC Enterprise Income Tax (“EIT”)		
– Current year	555	1,807
– (Over)/Under-provision in prior years	(29)	13
	<u>526</u>	<u>1,820</u>
Deferred tax	525	2,307
	<u>–</u>	<u>–</u>
Total income tax expense	<u>525</u>	<u>2,307</u>

- (i) Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the years ended 31 December 2025 and 2024.
- (ii) Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.
- (iii) The corporate income tax in the CNMI is calculated at 30% of the estimated profits for the years ended 31 December 2025 and 2024. No provision for corporate income tax for the subsidiary incorporated in the CNMI as no income has been derived from the CNMI during the years ended 31 December 2025 and 2024.
- (iv) The standard corporate income tax in Vietnam is calculated at 20% of the estimated profits for the year ended 31 December 2025. The Vietnam subsidiary is entitled to a two-year exemption for corporate income tax starting from the first year in which the subsidiary generates taxable income followed by a 50% reduction of corporate income tax for the subsequent four years. No provision for corporate income tax has been made for the year ended 31 December 2025 as no taxable income derived from the Vietnam subsidiary during the year ended 31 December 2025.
- (v) The Group is not subject to taxation in other jurisdictions.

7. LOSS FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year has been arrived at after charging/(crediting):		
Staff cost (including directors' and chief executives' emoluments):		
Salaries, allowances and other benefits in kind	66,940	68,729
Contributions to retirement benefit schemes	<u>5,090</u>	<u>4,633</u>
Total staff cost	<u>72,030</u>	<u>73,362</u>
Auditor's remuneration		
- current year	1,350	1,300
Amount of inventories recognised as an expense	141,148	194,176
Depreciation of property, plant and equipment	6,018	5,471
Depreciation of right-of-use assets	6,251	6,057
Provision for slow-moving inventories	-	1,579
Write-off of inventories	-	43
Exchange (gain)/loss, net	<u>(152)</u>	<u>937</u>

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<u>Loss</u>		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(24,579)</u>	<u>(2,364)</u>
	2025 '000	2024 '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of loss per share	<u>5,281,387</u>	<u>5,201,250</u>

For the year ended 31 December 2025, diluted loss per share was the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding.

For the year ended 31 December 2024, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bond since its exercise would result in a decrease in loss per share.

9. GOODWILL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net carrying amount at 1 January	–	–
Acquisition of a subsidiary	<u>14,543</u>	<u>–</u>
Net carrying amount at 31 December	<u><u>14,543</u></u>	<u><u>–</u></u>

Impairment test for cash generating unit (the “CGU”) containing goodwill

Management performed an impairment assessment on the goodwill as at 31 December 2025. The carrying amount of goodwill, net of any impairment loss, is allocated to the CGU as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Golf equipment segment		
- Hio Pro (Vietnam) Sporting Goods Company Limited (“Hio Pro CGU”)	<u><u>14,543</u></u>	<u><u>–</u></u>

The recoverable amount for the Hio Pro CGU was determined based on value-in-use calculation. The calculation used cash flow projection based on financial budget approved by the management covering a five-year period. The key assumptions used in estimating the recoverable amount were as follows:

Hio Pro CGU

31 December 2025

Annual sales growth rates	3%
Gross profit margin	15%
Long term growth rate	3%
Pre-tax discount rates	4.5%

Based on the management assessment, no impairment is made for the goodwill as at 31 December 2025.

10. DIVIDENDS

No dividends were paid, declared or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables, at amortised cost	51,820	30,731
Deposits and other receivables	8,916	2,971
Prepayments	6,138	2,768
Prepayments to suppliers	<u>76</u>	<u>111</u>
	<u>66,950</u>	<u>36,581</u>

The Group does not hold any collateral over these balances.

- (i) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally between 30 and 60 days (2024: 30 and 60 days). The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

As at 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$51,820,000 (2024: HK\$30,731,000).

- (ii) The following is an ageing analysis of trade receivables of the Group presented based on the invoice date, which approximates the respective revenue recognition date, at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	38,149	24,876
31 to 90 days	13,671	5,586
91 to 180 days	<u>-</u>	<u>269</u>
	<u>51,820</u>	<u>30,731</u>

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	31,711	23,991
Contract liabilities	287	553
Accruals and other payables	33,006	26,440
Amount due to a former shareholder of a subsidiary	11,232	–
Amount due to a former director	40,496	–
	<u>116,732</u>	<u>50,984</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	27,903	20,453
91 to 180 days	1,829	1,723
181 to 365 days	12	103
Over 365 days	1,967	1,712
	<u>31,711</u>	<u>23,991</u>

The average credit period on purchases of goods is from 30 days to 90 days (2024: 30 days to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. CONVERTIBLE BOND

On 7 November 2016, the Company issued convertible bond with zero coupon rate at aggregate principal amount of HK\$74,100,000 to Wealth Sailor Limited, with the maturity date on 7 November 2021. On 30 December 2020, the original convertible bond was renewed and replaced by a new convertible bond (the “CB”) with the same terms except for the maturity date and conversion period were extended to 7 November 2026 (the “Maturity Date”). The CB was interest free, unsecured and denominated in HK\$. The renewal on 30 December 2020 had been considered as significant modification resulting in the extinguishment of the original convertible bond and the new CB.

The principal terms of the CB are as follows:

Conversion: The holder of the CB is entitled to convert the CB into ordinary shares of the Company at a conversion price of HK\$0.114 per ordinary share.

The conversion rights are exercisable at any time during the period commencing from the date of issue of the CB up to the Maturity Date.

Redemption: No early redemption option is granted either to the Company or the holder of the CB except for event of default occurred. The CB will only be redeemed by the Company at the Maturity Date.

Subject to the occurrence of an event of default, the CB shall become due and payable on the giving of notice in writing by the bondholder to the Company.

The CB contain two components, which are (i) liability component at amortised cost presented in the consolidated statement of financial position; and (ii) equity component presented in equity with heading of convertible bond equity reserve.

The movements of the liability and equity components of the CB and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	Liability component of the CB <i>HK\$'000</i>	Equity component of the CB <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 January 2024	58,227	8,333	66,560
Effective interest charge for the year (<i>note 5</i>)	<u>5,124</u>	<u>–</u>	<u>5,124</u>
As at 31 December 2024 and 1 January 2025	<u>63,351</u>	<u>8,333</u>	<u>71,684</u>
Effective interest charge during 1 January 2025 and 16 November 2025 (<i>note 5</i>)	4,847	–	4,847
Conversion of CB on 17 November 2025	<u>(68,198)</u>	<u>(8,333)</u>	<u>(76,531)</u>
As at 31 December 2025	<u>–</u>	<u>–</u>	<u>–</u>

The effective interest rate of the liability component of the CB is 8.8% per annum.

At the date of issuance of the new CB, the fair values of the liability component and equity component were valued by an independent qualified valuer. The fair values were estimated by using discounted cash flows and the binomial model. The inputs into the model were respectively as follows:

	At 30 December 2020
Share price	HK\$0.030
Conversion price	HK\$0.114
Expected volatility	79%
Expected life	5.9 years
Risk-free rate	0.422%
Expected dividend yield	<u>Nil</u>

On 17 November 2025, convertible bonds with a carrying amount of liability component amounting to HK\$68,198,000 and equity component amounting to HK\$8,333,000 were converted into 650,000,000 new ordinary shares at a conversion price of HK\$0.114 per share and share premium of HK\$70,031,000 (2024: nil). No redemption, purchase or cancellation by the Company has been made in respect of the CB during the year ended 31 December 2025 (2024: nil).

As at 31 December 2025, no principal amount of the CB that remained outstanding (2024: HK\$74,100,000) of which no (2024: a maximum of 650,000,000) shares may fall to be issued upon their conversions, subject to anti-dilution adjustments provided in the terms of the CB. Details of the terms of the CB are set out in the Company's circulars dated 30 September 2016 and 9 December 2020.

14. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 (2024: HK\$0.01) each		
Authorised		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>10,000,000</u>	
Issued and fully paid		
As at 1 January 2024, 31 December 2024, 1 January 2025	5,201,250	52,013
Conversion of convertible bonds on 17 November 2025	<u>650,000</u>	<u>6,500</u>
As at 31 December 2025	<u>5,851,250</u>	<u>58,513</u>

15. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of plant and equipment	<u>75</u>	<u>72</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

Our Group experienced a tough year in 2025 as the United States of America (the “United States”) significantly increased tariffs on imported goods. Golf products exported from the PRC were charged with higher tariff by the United States which adversely affected the Group’s business.

To combat the challenges of the depressed golf industry, the Group pursued diverse marketing strategies to strengthen the customer relationship with value added services. As the Group carried on its business mostly with the United States customers, the high tariff policy of the United States suppressed the Group’s sales for the year. Major customers generally shift orders to non-Mainland suppliers or withhold shipments for further observation to avoid huge and instant tariff payments. The adverse situation was alleviated when the United States temporarily reduced the tariff rate on the PRC from its peak of 145% to 30% in April 2025 which will last until November 2026. To mitigate the tariff impact of the United States, the Group has been actively exploring opportunities to establish a manufacturing facility outside the PRC so as to avoid persistent business shrinkage. In October 2025, the Group announced the acquisition of a Vietnam company which operates a golf factory in Haiphong City, Vietnam. Though this move managed to help stabilize and restore customer confidence and willingness to shift orders back, the Group sustained a substantial drop in sales and recorded a significant loss for the year due to the impact of the tariff imposed by the United States.

No revenue was generated by the hospitality segment during the year because of the deferral of the development of the hospitality business until the external restricting factors in the Commonwealth of the CNMI are resolved. The Group is committed to pursuing rationalization measures to effectively streamline the operations and attain cost optimization. The Board is devoted to exploring more and different potential development opportunities to expand and diversify the business of the Group.

The Group’s revenue for the year ended 31 December 2025 amounted to approximately HK\$190,115,000 (2024: HK\$262,770,000). Loss for the year attributable to owners of the Company escalated to approximately HK\$24,579,000 (2024: HK\$2,364,000). Basic and diluted loss per share were both approximately HK0.47 cent for the year ended 31 December 2025 (2024: HK0.05 cent).

GOLF EQUIPMENT BUSINESS

The golf equipment business has been the main operating segment of the Group throughout the years. It generated approximately 91.9% of the Group’s revenue for the year ended 31 December 2025 (2024: 91.6%). Impacted by the tariff measures of the United States, the golf equipment sales plummeted by 27.4% to approximately HK\$174,671,000 in 2025 (2024: HK\$240,569,000).

During the year, sales of golf equipment to the largest segmental customer dropped by 29.6% to approximately HK\$143,348,000 (2024: HK\$203,610,000), representing approximately 82.1% (2024: 84.6%) of the segment revenue or approximately 75.4% (2024: 77.5%) of the Group's revenue for the year, respectively. Sales to other segmental customers for the year showed both increase and decrease under the volatile market environment. Revenue generated from the top five segmental customers declined by 26.7% to approximately HK\$174,356,000 (2024: HK\$237,916,000), representing approximately 99.8% (2024: 98.9%) of the segment revenue or approximately 91.7% (2024: 90.5%) of the Group's revenue for the year, respectively. To strengthen our competitive edge amidst great economic uncertainties, the Group has pursued diverse marketing initiatives with value-added services to assure best accommodation of customer needs and generation of additional revenue.

To facilitate persistent cost monitoring and control, the Group has strengthened the rationalization measures on the operations of the Shandong manufacturing facility to uplift its production efficiency to achieve higher output. The manufacturing process was modified and upgraded through the employment of more advanced equipment to reduce the re-work and wastage rates which help lower the manufacturing costs. The supply chain was diversified to engage alternative supply sources which could offer more competitive pricing and better product quality. On the other hand, the Group continued its policy to provide performance incentives to motivate the production workforce to target for higher outputs. The Shandong manufacturing facility also conducted periodic reviews to timely regulate the headcount of workers to reconcile with the fluctuation in business volume. Through the proactive management, the golf equipment segment was able to deliver sensible performance albeit great economic uncertainties. Besides, the acquisition of the Vietnam manufacturing facility that completed in December 2025 has contributed to regain more customer orders as Vietnam attracts a lower tariff rate of 20% following the execution of the trade agreement with the United States. It is the Group's policy to engage a professional valuer to conduct an independent valuation of the Shandong manufacturing facility as at each year end date. It was concluded that an impairment loss of approximately HK\$68,000 on the Shandong manufacturing facility was recognised for the year (2024: nil).

Suffering from the sales decline, the golf equipment segment recorded a remarkable decrease in segment profit to approximately HK\$8,076,000 for the year ended 31 December 2025 (2024: HK\$25,363,000). Taking into account the order book status and the economic uncertainties, it is anticipated that the golf equipment business will continue to operate in a highly volatile market with various challenges. The Group has adopted a prudent view with caution on the prospect of the golf equipment business for the ensuing year.

GOLF BAGS BUSINESS

The golf bags segment had changed its operating mode late last year whereby the golf bags production was subcontracted to external factories. The golf bags segment was then responsible for providing back-up services to subcontractors in connection with customer liaisons, production related affairs and delivery arrangements.

The Group's revenue attributable to the golf bags segment, defined as comprising the sales of golf bags and accessories to external customers, decreased by 30.4% to approximately HK\$15,444,000 (2024: HK\$22,201,000), representing approximately 8.1% of the Group's revenue for the year (2024: 8.4%).

The segment revenue for the year comprised golf bags sales of approximately HK\$13,537,000 (2024: HK\$20,567,000) and accessories sales mainly sports bags of approximately HK\$1,907,000 (2024: HK\$1,634,000), representing approximately 87.7% (2024: 92.6%) and approximately 12.3% (2024: 7.4%) of the segment revenue, respectively. Sales to the largest segmental customer decreased by 15.6% during the year to approximately HK\$11,061,000 (2024: HK\$13,104,000), representing approximately 71.6% (2024: 59.0%) of the segment revenue or approximately 5.8% (2024: 5.0%) of the Group's revenue for the year. Sales to other segmental customers for the year decreased remarkably under the suppressed market. The aggregate sales to the top five segmental customers dropped by 25.3% to approximately HK\$15,408,000 (2024: HK\$20,635,000), representing approximately 99.8% (2024: 92.9%) of the segment revenue or approximately 8.1% (2024: 7.9%) of the Group's revenue for the year. The golf bags segment has adopted stringent measures to continually rationalize the operations and optimize costs.

Hard hit by the sales reduction, the golf bags segment recorded a segment loss of approximately HK\$1,870,000 for the year ended 31 December 2025 (2024: segment profit of HK\$1,206,000). Taking into account the order book status and the unfavorable market conditions, it is envisaged that the golf bags segment will be operating in a stagnant market with intense competition. Our management has held a cautious view with prudence on the outlook of the golf bags business for the ensuing year.

HOSPITALITY BUSINESS

The Board has been exploring appropriate diversification business opportunities and investments to expand the revenue sources and enhance the long-term growth potential of the Group. It provides the Group with opportunities to tap into the hospitality segment of the CNMI and savor in the development of the tourism and golf related industries in the CNMI.

Due to the shortage of local construction workers and uncertainty of overseas working visa quota in the CNMI, the development will be postponed until all external factors have been solved. The Group pursued a policy of engaging professional valuer to conduct an independent valuation of the right-of-use assets in the CNMI at each year end date. It was concluded that no impairment loss of the right-of-use assets (2024: nil) was recognised during the year.

During the year ended 31 December 2025, no revenue (2024: nil) was generated from the hospitality business.

PROSPECTS

The high tariff policy of the United States has created economic turmoil and brought great uncertainties for the business sector. The PRC had initially been charged with exceptionally high tariff rate of 145% by the United States which was then reduced to 30% in April 2025 to last until November 2026 barring any unforeseen prior changes initiated by the United States. During the year, major customers in the United States either shift orders away to non-Mainland suppliers or withheld shipments for further observation to avoid huge and instant tariff payments. To uphold our competitive edge amidst prolonged economic uncertainties, the Group pursued diverse marketing initiatives to strengthen the customer relationship as augmented by value added services to best accommodate and satisfy the customer needs. The successful acquisition of the Vietnam manufacturing facility in the fourth quarter of the year 2025 has contributed to restore customer confidence and regain more orders to mitigate the high tariff impact of the United States. Moreover, the Group has reinforced the stringent measures to effectively rationalize the operations and optimize costs as the prime objective. To substantiate the long-term development of the golf business, the Group is determined to enhance the customer profile through diverse marketing initiatives supplemented with value-added services. More importantly, the Group has possessed solid and strong financial position with adequate funds to finance its operations and discharge the liabilities when due. Our management has adopted a prudent view with caution on the prospect of the golf business for the foreseeable future.

Although the development plan in the CNMI has been postponed at the current stage, the Group will continue to observe the hospitality industry trend in the CNMI from time to time and start the development plan in best entry time.

Looking forward, the Group will continue to pursue a cautious business approach to actively monitor the golf business and seize other development and growth opportunities to enhance competitiveness and strive for the best return and interest for the shareholders.

DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 31 December 2025 (2024: nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

The Group has accomplished its working capital and other funding needs principally through cash generated from operations, bank borrowings and advances from a former Director who resigned on 1 January 2024 and continued as a director of certain subsidiaries. As at 31 December 2025, bank balances and cash, which were mostly denominated in United States dollars, Hong Kong dollars and Renminbi, amounted to approximately HK\$41,956,000 (2024: HK\$116,008,000). The substantial decrease in bank balances and cash was mainly attributable to the repayment of bank borrowings of RMB53,000,000, (equivalent to approximately HK\$56,383,000) and the payment of the acquisition cost of the Vietnam company of approximately HK\$19,500,000 during the year. As at 31 December 2025, there was no bank borrowing outstanding (2024: bank borrowings of RMB53,000,000 equivalent to approximately HK\$56,383,000 which were all repayable within one year and carried fixed interest

rates ranging from approximately 3.20% to 3.55% per annum). Amount due to the former Director of approximately HK\$40,496,000 as at 31 December 2025 (2024: nil) was unsecured, carrying interest at 9.75% (2024: 9.75%) per annum and repayable on demand.

On 17 November 2025, the CB with a carrying amount of liability component amounting to HK\$68,198,000 and equity component amounting to HK\$8,333,000 were converted into 650,000,000 new ordinary shares at a conversion price of HK\$0.114 per share and share premium of HK\$70,031,000 (2024: nil). No redemption, purchase or cancellation by the Company has been made in respect of the CB during the year ended 31 December 2025 (2024: nil).

As at 31 December 2025, no principal amount of the CB that remained outstanding (2024: HK\$74,100,000) of which no (2024: a maximum of 650,000,000) shares may fall to be issued upon their conversions, subject to anti-dilution adjustments provided in the terms of the CB. Details of the terms of the CB are set out in the Company's circulars dated 30 September 2016 and 9 December 2020.

As at 31 December 2025, the gearing ratio, defined as bank borrowings, amount due to the former Director and convertible bond less bank balances and cash divided by the total equity, was not applicable as it was a net bank balance and cash position of approximately HK\$1,460,000. The comparative gearing ratio as at 31 December 2024 calculated per above definition was 1.6%.

As at 31 December 2025, the total assets and the net asset value of the Group amounted to approximately HK\$395,634,000 (2024: HK\$399,972,000) and approximately HK\$272,817,000 (2024: HK\$227,612,000), respectively. Current and quick ratios as at 31 December 2025 were approximately 1.19 (2024: 1.58) and approximately 0.90 (2024: 1.41), respectively. Both the current ratio and quick ratio decreased mainly due to the utilization of cash for the acquisition of Hio Pro (Vietnam) Sporting Goods Company Limited ("**Hio Pro (Vietnam)**") during the year. The Group is devoted to continually exploring feasible ways to rationalize and improve its financial position from time to time.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

The Company announced on 14 October 2025 that an indirect wholly-owned subsidiary of the Company, namely, Sino Golf Manufacturing Company Limited (the "**Purchaser**") has entered into a sale and purchase agreement with Hio Pro Sporting Goods Limited (the "**Vendor**") to acquire from the Vendor the entire paid-up capital of Hio Pro (Vietnam) at a consideration of US\$2,500,000 (the "**Acquisition**"). Hio Pro (Vietnam) operates a golf equipment manufacturing factory in Hai Phong City, Vietnam. The Acquisition was closed on 1 December 2025 and since then Hio Pro (Vietnam) became an indirect wholly-owned subsidiary of the Company.

As the Vendor is owned by a son of a director, namely Chu Chun Man Augustine, of the Purchaser, the Vendor is considered a connected person of the Company at the subsidiary level and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Reference is made to the announcement published by the Company dated 14 October 2025 containing more details and terms of the Acquisition.

Except as disclosed above, the Group did not have any material acquisition or disposal of subsidiaries, associated companies or joint ventures for the year ended 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, there was no bank borrowing which was secured by property, plant and equipment and the right-of-use assets of the Group. On the preceding comparative date as at 31 December 2024, bank borrowings from a PRC bank of RMB53,000,000 which was equivalent to approximately HK\$56,383,000 were secured by property, plant and equipment and the right-of-use assets of the Group with a carrying value of approximately HK\$63,698,000.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of operations to which they relate. The currency giving rise to this risk is primarily RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against Hong Kong dollars. The Group had not entered into any derivative contracts to hedge against the risk in the year of 2025. The Group will review and monitor its currency exposure from time to time and when appropriate hedge its currency risk.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2025 up to the date of this results announcement.

CHANGE OF COMPANY NAME, STOCK SHORT NAME AND COMPANY WEBSITE AFTER THE REPORTING PERIOD

Following the passing of the special resolution in relation to the proposed change of Company name by the shareholders of the Company at the special general meeting held on 13 January 2026, the English name of the Company has been changed from “SINO GOLF HOLDINGS LIMITED” to “Hanfort Development Holdings Limited”, and the Chinese name “漢成發展控股有限公司” has been adopted as the secondary name in Chinese to replace the former Chinese name “順龍控股有限公司” (the “**Change of Company Name**”), both with effect from 16 January 2026 pursuant to the certificate of change of name and the certificate of secondary name issued by the Registrar of Companies in Bermuda on 20 January 2026.

Following the Change of Company Name, the stock short name of the Shares for trading on the Stock Exchange was changed from “SINO GOLF HOLD” to “HANFORT DEV H” in English and from “順龍控股” to “漢成發展控股” in Chinese with effect from 9:00 a.m. on 11 February 2026. The stock code of the Company on the Stock Exchange remains unchanged as “00361”.

The Company’s website was changed from “www.sinogolf.com” to “www.hanfort.com” with effect from 5 February 2026.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities, and other commitments can meet its funding requirements all the time.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had capital commitments, which are contracted but not provided in the consolidated financial statements in respect of plant and equipment, amounting to approximately HK\$75,000 (2024: HK\$72,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had approximately 840 employees located mainly in Hong Kong, Vietnam and the PRC (2024: 680 employees located mainly in Hong Kong and the PRC). It is the Group’s strategy to maintain a harmonious relationship with its employees through provision of competitive remuneration packages and career development opportunities. The employees are remunerated based on their duties, experience and performance as well as market practices. The remuneration packages are reviewed annually to assure fairness and appropriateness and discretionary bonuses may be awarded to employees based on individual performance.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management regarding auditing, internal control and financial reporting matters. The Audit Committee has also reviewed the Group's results for the year ended 31 December 2025. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2025.

CORPORATE GOVERNANCE

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including treasury shares (as defined in the Listing Rules, if any)) during the year ended 31 December 2025.

As at 31 December 2025 and up to the date hereof, the Company does not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules during the year ended 31 December 2025, except for certain deviation as explained below. The Company has also put in place certain Recommended Best Practices as set out in Part 2 of the CG Code.

CG Code provision C.2.1 in Part 2 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. During the year, each of Mr. Wong Hin Shek (from 1 January 2025 to 24 December 2025) and Mr. Liu Jincheng (since 3 December 2025) was the Chairman of the Board and was responsible for overseeing the general operations of the Group. The Company does not have an officer with the title "**Chief Executive Officer**". The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operations and execution is vested in the Board itself. The deviation is deemed appropriate and the Board believes that even vesting the roles of both chairman and chief executive officer in the same person could still provide the Company with strong and consistent leadership and allow for effective and efficient planning and implementation of business decisions and strategies. The Board further considers that the current structure does not impair the balance of power and authority between the Board and the management of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Specific enquiry has been made with all the Directors, and they have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed by the Company’s auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong 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 Grant Thornton Hong Kong Limited on this results announcement.

PUBLICATION OF THE 2025 ANNUAL REPORT

The Company’s annual report for year 2025 will be made available and dispatched (where applicable) to the shareholders of the Company and published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.hanfort.com in due course.

By order of the Board
Hanfort Development Holdings Limited
Liu Jincheng
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises (i) Mr. Liu Jincheng as executive Director; (ii) Mr. Sun Xiongfei as non-executive Director; and (iii) Mr. Choi Sum Shing Samson, Ms. Jiang Haiyan and Mr. Wu Weifeng as independent non-executive Directors.