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WellCell Holdings Co., Limited

經緯天地控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2477)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately RMB218.5 million for the year ended 31 December 2025 (Year ended 31 December 2024: approximately RMB278.2 million).
- Profit attributable to the equity holders of the Company for year ended 31 December 2025 amounted to approximately RMB15.3 million (Year ended 31 December 2024: approximately RMB20.1 million).
- Basic earnings per share amounted to approximately RMB1.5 cents for the year ended 31 December 2025 (Year ended 31 December 2024: restated approximately RMB2.0 cents).
- The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (Year ended 31 December 2024: nil).

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors of WellCell Holdings Co., Limited (the “**Company**”) is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the prior year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	4	218,527	278,223
Other income	5	31,609	4,020
Other (losses)/gains – net	7	(2,831)	3,051
Employee benefit expenses	9	(18,472)	(19,357)
Subcontracting charges		(165,377)	(186,868)
Materials, supplies and other project costs		(16,694)	(34,640)
Depreciation and amortisation	6(a)	(7,565)	(3,086)
Net impairment losses on financial and contract assets	6(b)	(5,148)	(4,915)
Other operating expenses	6(b)	(17,312)	(9,295)
Listing expenses	6(c)	–	(6,257)
Operating profit		<u>16,737</u>	<u>20,876</u>
Finance income	8	198	1,918
Finance costs	8	(1,082)	(878)
Finance (costs)/income, net	8	<u>(884)</u>	<u>1,040</u>
Profit before tax	6	15,853	21,916
Income tax expense	10	(614)	(1,776)
Profit for the year		<u>15,239</u>	<u>20,140</u>
Attributable to:			
Equity holders of the Company		15,336	20,140
Non-controlling interest		(97)	–
		<u>15,239</u>	<u>20,140</u>
			(Restated)
Earnings per share attributable to equity holders of the Company			
Basic and diluted (RMB cents per share)	11	<u>1.5</u>	<u>2.0</u>

	Year ended 31 December	
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	15,239	20,140
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(899)</u>	<u>(50)</u>
Net other comprehensive income for the year, net of tax	<u>(899)</u>	<u>(50)</u>
Total comprehensive income for the year attributable to the equity holders of the Company	<u>14,340</u>	<u>20,090</u>
Attributable to:		
Equity holders of the Company	14,437	20,090
Non-controlling interest	<u>(97)</u>	<u>–</u>
	<u>14,340</u>	<u>20,090</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		14,317	14,459
Intangible assets	13	19,455	10,377
Financial assets at fair value through profit or loss	14	62,439	11,600
Goodwill		1,069	–
Deferred tax assets		–	857
Total non-current assets		97,280	37,293
CURRENT ASSETS			
Inventories		2,372	–
Trade and bills receivables	15	51,756	53,539
Contract assets	15	103,997	106,799
Prepayments, deposits and other receivables		17,847	21,370
Due from former immediate holding company		1,219	1,205
Statutory deposit		1,436	–
Pledged bank deposits		952	133
Cash and cash equivalents		53,970	104,982
Total current assets		233,549	288,028
CURRENT LIABILITIES			
Trade payables	16	7,635	6,022
Contract liabilities, other payables and accruals		74,897	73,635
Interest-bearing bank borrowings	17	29,520	41,776
Lease liabilities		1,550	1,168
Due to directors	19(a)	1,536	1,032
Tax payables		–	285
Total current liabilities		115,138	123,918
NET CURRENT ASSETS		118,411	164,110
TOTAL ASSETS LESS CURRENT LIABILITIES		215,691	201,403

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		562	1,036
Deferred tax liabilities		49	–
		<hr/>	<hr/>
Total non-current liabilities		611	1,036
		<hr/>	<hr/>
Net assets		215,080	200,367
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	<i>18</i>	4,549	4,549
Reserves		210,255	195,818
		<hr/>	<hr/>
		214,804	200,367
Non-controlling interest		276	–
		<hr/>	<hr/>
Total equity		215,080	200,367
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

WellCell Holdings Co., Limited (the “**Company**” together with its subsidiaries, collectively, the “**Group**”) was incorporated in the Cayman Islands on 14 September 2021 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Suite 210, 2nd Floor, Windward III, Regatta Office Park, Grand Cayman KY1-1106, Cayman Islands. The Company’s principal place of business in Hong Kong is located at Room 704, 7/F., Jubilee Centre 18, Fenwick Street, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group consisted of the provision of (i) wireless telecommunication network enhancement services, (ii) telecommunication network infrastructure maintenance and engineering services, (iii) information and communication technology (“**ICT**”) integration services, (iv) telecommunication network-related software development and related services, (v) sales of software and hardware, and (vi) the financial technology (or fintech) business, which was commenced during the year.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 12 January 2024.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss (“**FVTPL**”), which is stated at their fair value. These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousands, unless otherwise stated. These consolidated financial statements have been approved for issue by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 27 March 2026.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 “Lack of Exchangeability” for the first time for the current year’s consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION

The Chief operating decision-maker (“**CODM**”) has been identified as the Directors. The Directors review the Group’s internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segment based on these reports.

Segment assets include all current and non-current assets with the exception of (i) unallocated head office and corporate assets, (ii) financial assets at FVTPL and (iii) deferred tax assets. Segment liabilities include all current and non-current liabilities with the exception of (i) unallocated head office and corporate liabilities, (ii) tax payables and (iii) deferred tax liabilities.

The Directors consider the Group’s operation from a business perspective and over 90% of the Group’s segment assets and revenue are arising from its provision of services and products for telecommunication network and infrastructure. Therefore, no segment result, segment assets and segment liabilities were further presented.

(a) Revenue

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
Over time		
– Wireless telecommunication network enhancement services	64,075	76,538
– Telecommunication network infrastructure maintenance and engineering services	56,808	29,311
– ICT integration services	83,116	144,452
– Telecommunication network-related software development and related services	10,687	23,162
	<u>214,686</u>	<u>273,463</u>
At a point in time		
– Sales of software or hardware	3,787	4,760
– Fintech business services	54	–
	<u>3,841</u>	<u>4,760</u>
	<u><u>218,527</u></u>	<u><u>278,223</u></u>

(b) Information about major customers

Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group, including sales to a group of entities which are known to be under common control with that customer, is set out below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Customer A	33,104	–*
Customer B	33,103	39,780
Customer C	–*	36,733
Customer D	29,819	–
Customer E	22,377	–*
	<u><u>118,403</u></u>	<u><u>76,513</u></u>

* No further disclosure for the revenue from these customers as their respective amount was less than 10% of the Group's total revenue for the year ended 31 December 2024 or 2025.

For the year ended 31 December 2025, 60% of the Group's revenue was derived from its top five customers (2024: 47%) in which, as to 15% of the Group's revenue was derived from its largest customer (2024: 14%).

(c) **Segment revenue by customers' geographical location**

The Group is mainly domiciled in the Chinese Mainland. As over 90% of the total revenue of the Group is derived from external customers in the Chinese Mainland for the years ended 31 December 2025 and 2024, therefore, no geographical segment was further presented.

(d) **Non-current assets by geographical location**

The geographical information of the non-current assets of the Group is set out below:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland	43,849	19,229
Hong Kong	52,362	5,607
	<u>96,211</u>	<u>24,836</u>

The non-current assets information above is based on the location of assets and excludes the deferred tax assets and goodwill.

5 **OTHER INCOME**

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government subsidies (<i>Note a</i>)	486	529
Net changes in fair value of financial assets at FVTPL (<i>Note 14</i>)	31,076	2,600
Sundry income	47	891
	<u>31,609</u>	<u>4,020</u>

Notes:

- (a) During the years ended 31 December 2025 and 2024, there were no unfulfilled conditions or other contingencies attaching to these subsidies.

6 PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting) the following:

(a) Depreciation and amortisation

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation charges		
– Property, plant and equipment	2,628	1,500
– Right-of-use assets	1,428	773
	<hr/>	<hr/>
Total depreciation charges	4,056	2,273
Amortisation of intangible assets	3,509	813
	<hr/>	<hr/>
	7,565	3,086
	<hr/> <hr/>	<hr/> <hr/>

(b) Others

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration		
– Audit services	1,136	987
– Non-audit services	354	306
	<hr/>	<hr/>
Net impairment losses/(Reversal of impairment) on financial and contract assets:		
– trade and bills receivables	3,068	5,024
– contract assets	1,850	(629)
– other receivables	230	520
	<hr/>	<hr/>
	5,148	4,915
	<hr/> <hr/>	<hr/> <hr/>
Write-off of property, plant and equipment	128	2
Net changes in fair value of financial assets at FVTPL	(31,076)	(2,600)
Bank interest income	(198)	(1,918)
	<hr/> <hr/>	<hr/> <hr/>

(c) Listing expenses

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Listing expenses	—	6,257

Listing expenses represent other listing expenses not directly related to the issuance of new shares upon listing of the Company on 12 January 2024.

7 OTHER (LOSSES)/GAINS – NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Exchange (losses)/gains	(3,027)	2,987
Others	196	64
	<u>(2,831)</u>	<u>3,051</u>

8 FINANCE (COSTS)/INCOME, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Bank interest income	198	1,918
Finance costs		
Interest expenses on		
– Interest-bearing bank borrowings	(1,004)	(813)
– Leases	(78)	(65)
	<u>(1,082)</u>	<u>(878)</u>
Finance (costs)/income, net	<u>(884)</u>	<u>1,040</u>

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Wages and salaries	16,183	16,328
Pension cost – defined contribution plans	1,854	2,654
Other staff welfares	435	375
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Total employee benefit expenses (including directors' remunerations)	18,472	19,357
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10 INCOME TAX

No provision for Hong Kong profits tax is provided during the year ended 31 December 2025 as the Group did not have assessable profits in Hong Kong. (2024: Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2,000,000 of profits arising in Hong Kong of one subsidiary of the Group, which was a qualifying group entity operating in Hong Kong, was taxed at 8.25%, and its remaining assessable profits was taxed at 16.5% during the year ended 31 December 2024.)

Income tax provision of the Group in respect of operations in the Chinese Mainland has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax (the “CIT”) rate in the Chinese Mainland is 25%. During the years ended 31 December 2025 and 2024, one of the Group’s major operating subsidiary in the Chinese Mainland is qualified for high and new technology enterprises status and is therefore subject to a preferential corporate income tax rate of 15%.

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
Charge for the year:		
– Hong Kong profits tax	–	285
– The CIT	–	–
Over-provision in previous years	(292)	–
Deferred tax	906	1,491
	<hr/>	<hr/>
Income tax expense	614	1,776
	<hr/> <hr/>	<hr/> <hr/>

11 EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the respectively years.

The weighted average number of ordinary shares in issue for the years ended 31 December 2025 and 2024 has been retrospectively adjusted for the following events:

- (i) 374,999,600 ordinary shares of the Company, which were issued by the Company on 12 January 2024 as a result of the capitalisation issue pursuant to a resolution of the shareholder passed on 15 December 2023, which were deemed to have been issued and allotted by the Company on 1 January 2024 when computing the basic and diluted earnings per share for the year ended 31 December 2024.
- (ii) As detailed in Note 18(a) to this announcement, pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 27 March 2025, effective on 31 March 2025, each of the existing issued and unissued shares of the Company of HK\$0.01 each were sub-divided into two shares of HK\$0.005 each, which were deemed to be effective on 1 January 2024 when computing the basic and diluted earnings per share for the years ended 31 December 2024 and 2025.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December	
	2025	2024
Profit attributable to the equity holders of the Company (RMB'000)	15,336	20,140
		(Restated)
Weighted average number of ordinary shares in issue (in thousands)	<u>1,000,000</u>	<u>992,486</u>
		(Restated)
Basic and diluted earnings per share (RMB cents per share)	<u><u>1.5</u></u>	<u><u>2.0</u></u>

There were no differences between the basic and the diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

12 DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

13 INTANGIBLE ASSETS

During the year ended 31 December 2025, additions to intangible assets, mainly being the self-developed softwares, were approximately RMB11,821,000 (2024: RMB10,428,000) and amortisation of approximately RMB3,509,000 (2024: approximately RMB813,000) were provided during the year ended 31 December 2025.

14 FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Investment in equity securities – Unlisted, at fair value	62,439	11,600

The above unlisted equity investments represented (i) 0.206% (2024: 0.206%) equity interest in an unlisted entity established in the Chinese Mainland; (ii) 11% (2024: Nil) equity interest in an unlisted entity incorporated in the Cayman Islands; and (iii) 19% (2024: Nil) equity interest in an unlisted entity incorporated in the Hong Kong, which were classified as financial assets at FVTPL. During the year ended 31 December 2025, the Group recorded fair value gains of approximately RMB31,076,000 (Note 5) (2024: RMB2,600,000) from these financial assets at FVTPL.

15 TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	60,190	60,033
Bills receivables	1,281	162
	61,471	60,195
Less: Impairment of trade and bills receivables	(9,715)	(6,656)
	51,756	53,539
Contract assets	107,497	108,449
Less: Impairment of contract assets	(3,500)	(1,650)
	103,997	106,799
	155,753	160,338

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade receivables are normally due within 15 to 180 days from the invoice date.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

As at 31 December 2025 and 2024 the aging analysis of trade and bills receivables, based on invoice date, and net of loss allowance, was as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 180 days	29,846	33,122
Between 181 days and 365 days	3,465	5,166
Between 1 year and 2 years	3,265	14,932
Over 2 years	15,180	319
	<u>51,756</u>	<u>53,539</u>

16 TRADE PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<u>7,635</u>	<u>6,022</u>

As at 31 December 2025 and 2024, the aging analysis of trade payables, based on invoice date, was as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 180 days	6,365	3,331
Between 181 days and 365 days	160	1,940
Over 365 days	1,110	751
	<u>7,635</u>	<u>6,022</u>

17 INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Bank borrowings, unsecured	2.3% and 2.6%	2026	29,520	2.9%	2025	22,000
	-	-	-	Loan prime rate -0.5%	2025	10,000
Bank borrowings, secured*	-	-	-	2.6%	2025	9,776
			29,520			41,776
Less: Non-current portion			-			-
Current portion			<u>29,520</u>			<u>41,776</u>

* As at 31 December 2024, the Group's bank borrowings of approximately (i) RMB31,776,000 (2025: Nil) were borne interest at fixed rates at 2.6% to 2.9%, in which, four bank borrowings were secured by a floating charge over the receivables (the "Floating Charge Receivables") arising from certain service contracts, while the remaining two bank borrowings were unsecured. As at 31 December 2024, the Floating Charge Receivables included in the contract assets were approximately RMB4,022,000 (2025: Nil); and (ii) RMB10,000,000 (2025: Nil) were borne interest at a floating rate at 0.5% below loan prime rate.

Certain of the Group's interest-bearing bank borrowings as at 31 December 2025 and 2024 are subject to the fulfillment of certain covenants which primarily relate to, among others, the maintenance of debt-to-assets ratio below certain levels. The Group regularly monitors its compliance with these covenants and none of these covenants had been breached as at 31 December 2025 and 2024.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Authorised (Note (a)):		
2,000,000,000 ordinary shares of HK\$0.005 each (2024: 1,000,000,000 ordinary shares of HK\$0.01 each)	<u><u>9,252</u></u>	<u><u>9,252</u></u>
Issued and fully paid (Note (b)):		
1,000,000,000 ordinary shares of HK\$0.005 each (2024: 500,000,000 ordinary shares of HK\$0.01 each)	<u><u>4,549</u></u>	<u><u>4,549</u></u>

Notes:

- (a) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 27 March 2025, the issued and unissued shares of the Company of HK\$0.01 each were sub-divided (the “**Share Subdivision**”) into two shares of HK\$0.005 each (the “**Subdivided Shares**”) with effect from 31 March 2025. Upon the Share Subdivision became effective on 31 March 2025, the authorised share capital of the Company was HK\$10,000,000 (equivalent to approximately RMB9,252,000) divided into 2,000,000,000 Subdivided Shares, of which 1,000,000,000 Subdivided Shares were in issue and fully paid.
- (b) A summary of movements in the Company’s issued and fully paid share capital is as follows:

	2025		2024	
	Number of shares	Nominal value <i>HK\$</i>	Number of shares	Nominal value <i>HK\$</i>
Issued and fully paid:				
At beginning of year, ordinary shares of HK\$0.01 each	500,000,000	5,000,000	400	4
Share subdivision (<i>Note (a)</i>)	500,000,000	–	–	–
Issue of shares upon listing (<i>Note (i)</i>)	–	–	125,000,000	1,250,000
Capitalisation issue (<i>Note (ii)</i>)	–	–	374,999,600	3,749,996
At end of year, ordinary shares of HK\$0.005 each (2024: HK\$0.01 each)	<u><u>1,000,000,000</u></u>	<u><u>5,000,000</u></u>	<u><u>500,000,000</u></u>	<u><u>5,000,000</u></u>
		<i>RMB'000</i>		<i>RMB'000</i>
Equivalent to:		<u><u>4,549</u></u>		<u><u>4,549</u></u>

- (i) On 12 January 2024, the Company issued 125,000,000 ordinary shares at a price of HK\$1.00 per share as a result of completion of the share offer (the “**Share Offer**”) and the Company’s shares are listed on the Main Board of the Stock Exchange. The Share Offer was completed on 12 January 2024, with the net proceeds of approximately HK\$104,498,000 (equivalent to approximately RMB95,127,000), net of (i) the share issue expenses and (ii) direct expenses attributable to the listing with an aggregate amount of approximately HK\$20,502,000 (equivalent to approximately RMB18,598,000). Apart from the above, the total net proceeds from the Share Offer was approximately HK\$60,600,000 (equivalent to approximately RMB56,000,000) after further deducting the other expenses, which was not directly related to the issuing of new shares upon listing.
- (ii) On 12 January 2024, 374,999,600 ordinary shares of the Company were allotted to the shareholders (the “**Capitalisation Issue**”) to capitalise an amount of HK\$3,749,996 (equivalent to approximately RMB3,412,000) standing to the credit of the share premium account of the Company, pursuant to the resolutions passed by the shareholders’ meeting on 15 December 2023.

19 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Major related parties that had balances and transactions with the Group during the years were as follows:

Related parties	Relationship with the Company
Qian Fenglei (“ Mr. Qian ”)	Director and the controlling shareholder
Jia Zhengyi (“ Mr. Jia ”)	Director and shareholder
Ms. Zheng Li	Spouse of Mr. Jia
WellCell Group Co., Limited [#] (“ WellCell Group ”)	Former immediate holding company
Guangdong Huajun Sports Culture Communication Co., Limited (“ Huajun ”)	Controlled by Mr. Jia and Ms. Zheng Li

[#] WellCell Group ceased as the immediate holding company of the Company upon the completion of certain disposal of the Company’s shares by WellCell Group during the year.

In the opinion of the Directors, the following related party balances and transactions were carried out at terms mutually agreed between the Group and the respective related parties:

(a) **Balances with related parties**

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Non-trade nature		
Due from former immediate holding company:		
Wellcell Group Co., Limited	<u>1,219</u>	<u>1,205</u>
Due to directors:		
Mr. Jia	32	1,032
Mr. Qian	<u>1,504</u>	<u>–</u>
	<u>1,536</u>	<u>1,032</u>

Note: The balances with related parties were unsecured, interest free and repayable on demand. The carrying amounts were denominated in RMB and approximated the fair value.

- (b) On 20 March 2024, the Group entered into a tenancy agreement with Huajun for its office for a term of 3 years, pursuant to which, the present value of the right-of-use assets and lease liabilities of approximately RMB2,380,000 were initially recognised during the year ended 31 December 2024. During the year, rental payments amounted to approximately RMB826,000 (excluded VAT) (2024: RMB826,000 (excluded VAT)) were paid by the Group to Huajun. The aforesaid related party transaction constitutes a connected transaction as defined under Chapter 14A of the Listing Rules, while is fully exempted from shareholders approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules.

(c) **Key management compensation**

Compensation paid or payable to key management (including directors) for employee services is shown below:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other short-term employee benefits	3,274	2,920
Pension costs – defined contribution plans	<u>132</u>	<u>350</u>
	<u>3,406</u>	<u>3,270</u>

20 EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group has the following material events:

Pursuant to the announcement of the Company dated 25 March 2026, the Company proposed to sub-divide (the “**2026-Share Subdivision**”) the issued and unissued shares of HK\$0.005 each into four shares of HK\$0.00125 each (the “**2026-Subdivided Shares**”). Upon the 2026-Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$10,000,000 divided into 8,000,000,000 2026-Subdivided shares, of which 4,000,000,000 2026-Subdivided Shares will be in issue and fully paid, assuming that no further shares will be issued or repurchased prior to the effective date of 2026-Share Subdivision. The 2026-Share subdivision is subject to, inter alia, the Shareholders’ approval at the extraordinary general meeting which is scheduled to be held on 17 April 2026 and thus has not yet effective as at the date of this announcement.

21 CAPITAL COMMITMENTS

As at 31 December 2025 and 2024, the Group did not have any material capital commitments.

22 PLEDGED ASSETS

As at 31 December 2025, the Group has pledged deposits amounting to approximately RMB952,000 as security for issuance of performance bonds (2024: RMB133,000 as security for wages) issued by the banks.

As at 31 December 2024 outstanding receivables arising from certain service contracts amounting to approximately RMB4,022,000 (2025: Nil) which were included in the contract assets as security for the interest-bearing bank borrowings.

23 COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year’s presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The principal activities of the Group consisted of the provision of wireless telecommunication network enhancement services, telecommunication network infrastructure maintenance and engineering services and information and communication technology (“ICT”) integration services, telecommunication network-related software development and related services, sales of software and hardware and the financial technology (or Fintech) business, the business of which was commenced the Reporting Period.

The brief description of the Group’s businesses during the Reporting Period is as follows:

(i) Service Provider — Provision of telecommunication network support services

The Group’s role as a service provider mainly involves the provision of telecommunication network support services which can be sub-categorised as follows:

- (a) wireless telecommunication network enhancement services: the wireless telecommunication network enhancement services are intended for customers which require an efficient wireless telecommunication network. It typically involves collection of telecommunication network data in a particular area, performance of tests, analysis of test results, diagnosis of problems (e.g. misconfiguration and misallocation of bandwidth usage), and lastly, implementation of enhancement solutions. Hence, this business line is of an “enhancement” nature. The wireless telecommunication network enhancement services mainly include (a) routine telecommunication network enhancement services, which involve enhancement works and testing carried out upon receipt of end-user reports or upon detection of issues in the course of testing, with a view to detecting and solving problems in connectivity, quality, coverage, end-user experience, etc. of a telecommunication network; and (b) specific telecommunication network enhancement services, which are intended to troubleshoot specific network issues or improve telecommunication network by designing and implementing enhancement solutions tailored to the needs of the customers; and

(b) telecommunication network infrastructure maintenance and engineering services: over the course of day-to-day usage, certain components of a telecommunication network infrastructure may malfunction to varying extents. The main target of the Group's telecommunication network infrastructure maintenance services is to address problems encountered through inspections of the relevant telecommunication network infrastructures (e.g. base stations) to identify issues and testing of their performance and functionality; examining and analysing issues (e.g. malfunctioning of base station components) that are discovered, and performing the necessary repair or maintenance work to restore their performance and functionality. Thus, this business line is of "maintenance" nature. Examples of the maintenance services include inspection and testing of the equipment, cables and power system of base stations, formulation and execution of repair solutions such as restoration and replacement of any malfunctioning components and/or arrangement for subcontractors to carry out emergency repair works. In addition, the Group also provides telecommunication network infrastructure engineering services which include provision of labour and engineering services in projects involving construction of telecommunication network infrastructure. The Group typically participates in and/or engage suitable subcontractors to perform construction and set-up works (such as excavation, cabling and construction of telecommunications pipeline) with a view to building and setting up new telecommunication network infrastructure. Thus, this business line is of "engineering" nature.

To facilitate the rendering of these services, the Group will purchase from the suppliers the necessary hardware, such as portable data terminals, and also make use of our telecommunication network analysis and testing software which serves to gather and analyse telecommunication network parameters.

(ii) Integrator — ICT integration services

The Group's role as an integrator mainly involves the provision of ICT integration services. In this respect, the Group is typically engaged in (i) customising customers' computer system design for providing business-specific systems for the customers; (ii) procuring equipment, hardware and software and engaging of third-party subcontractors within the customers' budget; (iii) assembling equipment, hardware, software and other equipment to form a functional and inter-connected system according to the integration plan, and ensuring the compatibility of both; and (iv) providing follow-up services such as advising customers on operation and management of the integrated system, which aims to cater for the customers' specific needs or requirements, such as integration of a communication network system for the purposes of e-commerce. Thus, this business line is of an "integration" nature. The Group will purchase from the suppliers the necessary hardware and software (such as servers, storage devices, cables and optical fibers, security software and operating system software), the specifications of which may be designated by the customers.

(iii) Developer — Telecommunication network-related software development

The Group's role as a developer mainly involves (i) development and sale of software and (ii) provision of customised software development services. Software developed by the Group is capable of performing various functions (such as collecting data relating to telecommunication network performance and analysing the data collected) for evaluation, enhancement and maintenance of wireless telecommunication networks of telecommunication operators. Apart from complementing the core business in relation to the provision of telecommunication network support services and the ICT integration services, software developed by the Group are also sold to customers who include telecommunication operators, telecommunication network and telecommunication equipment manufacturers and telecommunication network and technical service providers and general contractors that use the software to facilitate their analysis, enhancement and maintenance of wireless telecommunication networks. The Group also develops customised software (including telecommunication network support, platform and application software) for our customers to cater to their specific needs on, for instance, data sharing and management platform. The focus of this business line is therefore on the research, design and programming leading to the development of software. Thus, this business line is of a "software development" nature.

(iv) Financial technology (or Fintech) businesses

During the Reporting Period, the Company has commenced a new business segment of payment services (including global payment services utilizing blockchain technology) and financial technology (or fintech) business. In particular, the Company has launched its self-developed one-stop payment platform, "Fopay" on 21 July 2025 for free download at its official website. Currently, Fopay offers stablecoin custody for Fopay users who can apply for virtual VISA prepaid cards, spend with prepaid cards, settle payments by their digital assets under custody and make cross-border transfer and payment via QR code, initially covering selected markets through its appropriately licensed partner's licences. In addition, on 30 September 2025, the Company has completed the acquisition of 80% of the entire issued share capital of Hwabao Trust Limited, a company currently holding and maintaining a Trust and Company Service Providers license (the "TCSP License") issued by the Companies Registry of Hong Kong. This transaction allows the Group to provide a more seamless service to the users of Fopay by possessing the requisite TCSP License for the Group.

Outlook

The global economy is facing increasing uncertainties due to intensified geographical tensions and heightened trade policies. Amid prolonged market saturation in the telecommunications sector and intensifying competition, the Group's overall profit margins faced significant compression. Notwithstanding the challenging industry environment, the Group maintained a solid operational foundation, continued to optimise internal processes, and ensured that service quality to core customers remained unaffected.

Looking ahead, the Group anticipates that saturation and competitive pressures in the telecommunications industry will persist, with profit margins and cash flow conditions continuing to face challenges in the near term. The Group will continue to adopt a prudent strategy, rigorously evaluating all capital expenditures while strengthening cost controls and operational efficiency enhancements. It will also increase research and development efforts, focusing on high-value-added areas, including the exploration and study of integrating artificial intelligence (AI) elements into its core business.

Meanwhile, the Group believes that the sectors of e-commerce, cross-border trade and mobile payment applications are growing rapidly each year in the global economy. Fintech and payment services play a pivotal role in economic development, particularly in Asian markets like Hong Kong, which benefits from its status as an international financial hub, open market policies, advanced infrastructure, and a digitally savvy user base.

In line with global fintech trends, the Group has ventured into the encrypted payments sector under its financial technology business segment. On 21 July 2025, the Group launched its first mobile application, Fopay, which is available for free download on its official website. Built on a stablecoin-based crypto payment system, the app aims to provide one-stop payment solution. Currently, Fopay offers stablecoin custody for Fopay users who can apply for virtual VISA prepaid cards, spend with prepaid cards, settle payments by their digital assets under custody and make cross-border transfer and payment via QR code, initially covering selected markets through its appropriately licensed partner's licenses.

The Group will continue to explore new investment and business opportunities with the aim to achieve sustainable growth and bring greater returns to its Shareholders in the long run, including through expanding the scope of service offerings through Fopay and to local users of other jurisdictions. Mindful of the importance of compliance with the applicable laws and regulations for each targeted jurisdictions, the Group shall continue to evaluate and ensure that any new investments, business developments and extension of service offerings through Fopay comply with all applicable laws and regulations, whether through cooperating with qualified and appropriate service providers or business partners and/or obtaining appropriate qualifications and/or licences (whether through license application or acquisitions) where necessary.

FINANCIAL REVIEW

Revenue

The Group principally derived its revenue from the provision of wireless telecommunication network enhancement services, telecommunication network infrastructure maintenance and engineering services, ICT integration services and software and hardware-related business. During the Reporting Period, the Group extended its business into the financial technology business (the “**Fintech Business**”). The following table sets out the breakdown of the Group’s revenue by nature.

	Year ended 31 December	
	2025	2024
	RMB’000	RMB’000
Wireless telecommunication network enhancement services	64,075	76,538
Telecommunication network infrastructure maintenance and engineering services	56,808	29,311
ICT integration services	83,116	144,452
Software and hardware-related business (<i>Note</i>)	14,474	27,922
Fintech business services	54	–

Note: Software and hardware-related business represents the revenue derived from the sales of software and hardware and the provision of software development and related services.

Wireless telecommunication network enhancement services

The revenue derived from the wireless telecommunication network enhancement services decreased by approximately RMB12.4 million or approximately 16.2% from approximately RMB76.5 million for the year ended 31 December 2024 to approximately RMB64.1 million for the year ended 31 December 2025. The decrease was mainly due to the intensified market competition which leading to a decline in the service prices. In response, the Company has strategically reduced its resource allocation in wireless telecommunication network enhancement services.

Telecommunication network infrastructure maintenance and engineering services

The revenue derived from the telecommunication network infrastructure maintenance and engineering services increased by approximately RMB27.5 million or approximately 93.9% from approximately RMB29.3 million for the year ended 31 December 2024 to approximately RMB56.8 million for the year ended 31 December 2025. The increase was mainly due to the 5G and computing power networks, among other new types of infrastructure, having entered into the operation and maintenance phase following large-scale deployment over the past years, generating sustained maintenance demand.

ICT integration services

The revenue derived from the ICT integration services decreased by approximately RMB61.4 million or approximately 42.5% from approximately RMB144.5 million for the year ended 31 December 2024 to approximately RMB83.1 million for the year ended 31 December 2025. The decrease was mainly due to the contraction of IT budgets among government and enterprise customers leading to the postponement or cancellation of large-scale integration projects. Consequently, the number of large-scale projects has decreased during the Reporting Period.

Software or hardware-related business

The revenue derived from the software and hardware-related business decreased by approximately RMB13.4 million or approximately 48.0% from approximately RMB27.9 million for the year ended 31 December 2024 to approximately RMB14.5 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in number of customized development projects, and the slow down of customers demand for digital transformation.

Fintech business services

During the Reporting Period, the Group expanded its business into the financial technology (or fintech) business. The revenue derived from the Fintech Business was approximately RMB54,000 for the year ended 31 December 2025.

Other income

The Group's other income increased by approximately RMB27.6 million or approximately 690.0% from RMB4.0 million for the year ended 31 December 2024 to RMB31.6 million for the year ended 31 December 2025. The increase was mainly due to the fair value gains of financial assets at fair value through profit or loss ("FVTPL").

Other (losses)/gains – net

The Group's other losses, net was RMB2.8 million for the year ended 31 December 2025 (2024: other gains, net of approximately RMB3.1 million). The change was mainly due to the recognition of exchange losses (2024: exchange gains) for the year ended 31 December 2025.

Employee benefit expenses

The Group's employee benefit expenses decreased by RMB0.9 million or approximately 4.6% from approximately RMB19.4 million for the year ended 31 December 2024 to approximately RMB18.5 million for the year ended 31 December 2025. The decrease was mainly due to the Company having implemented workforce optimization to improve the operational efficiency.

Subcontracting charges

The Group's subcontracting charges decreased by approximately RMB21.5 million or approximately 11.5% from approximately RMB186.9 million for the year ended 31 December 2024 to RMB165.4 million for the year ended 31 December 2025. The decrease was mainly attributable to the significant decline in revenue from business that require substantial outsourcing, such as ICT integration.

Materials, supplies and other project costs

The Group's materials, supplies and other project costs decreased by approximately RMB17.9 million or 51.7% from approximately RMB34.6 million for the year ended 31 December 2024 to approximately RMB16.7 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in ICT integration projects.

Depreciation and amortisation

The Group's depreciation and amortisation expenses increased by approximately RMB4.5 million or approximately 145.2% from approximately RMB3.1 million for the year ended 31 December 2024 to RMB7.6 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in property, plant and equipment and intangible assets.

Net impairment losses on financial and contract assets

The Group's net impairment losses on financial and contract assets increased by RMB0.2 million or approximately 4.1% from approximately RMB4.9 million for the year ended 31 December 2024 to RMB5.1 million for the year ended 31 December 2025. The change was mainly due to the higher expected loss rate, reflecting slower repayment patterns of customers during the year.

Other operating expenses

The Group's other operating expenses increased by approximately RMB8.0 million or approximately 86.0% from RMB9.3 million for the year ended 31 December 2024 to RMB17.3 million for the year ended 31 December 2025. The increase was mainly due to the increase in professional fees and research and development costs.

Listing expenses

Listing expenses represents other listing expenses not directly related to the issue of new share of the Company (each a "Share") upon listing (the "Listing") of the Company on 12 January 2024 (the "Listing Date"). The decrease was due to the fact that the listing expenses will no longer be incurred after the Listing.

Finance (costs)/income, net

The Group's net finance costs was approximately RMB0.9 million for the year ended 31 December 2025 (for the year ended 31 December 2024: net finance income of approximately RMB1.0 million). The change was mainly due to the decrease in cash at bank and interest rate, which in turn led to a decrease in interest income.

Operating profit

The Group's operating profit decreased by approximately RMB4.2 million or approximately 20.1% from approximately RMB20.9 million for the year ended 31 December 2024 to RMB16.7 million for the year ended 31 December 2025. The decrease in operating profit was mainly due to the decrease in revenue, and increase in other income, other operating expenses and depreciation and amortisation as explained above.

Income tax expenses

The Group's income tax expenses decreased by approximately RMB1.2 million or approximately 66.7% from approximately RMB1.8 million for the year ended 31 December 2024 to approximately RMB0.6 million for the year ended 31 December 2025. The decrease was mainly attributable to the decrease in deferred tax.

Net profit

The Group's net profit decreased by approximately RMB4.9 million or approximately 24.4% from approximately RMB20.1 million for the year ended 31 December 2024 to approximately RMB15.2 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in revenue and interest income on cash at banks and the increase in other income, other operating expenses and depreciation and amortisation as explained above.

Financial asset at fair value through profit or loss

As at 31 December 2025, the financial assets at fair value through profit or loss represents (i) approximately 11% equity interest in an unlisted entity incorporated in the Cayman Islands; (ii) approximately 0.206% equity interest in an unlisted entity incorporated in the PRC; and (iii) 19% equity interest in an unlisted entity incorporated in the Hong Kong. During the Reporting Period, the fair value gains of the financial assets at fair value through profit or loss amounted to approximately RMB31.1 million (2024: approximately RMB2.6 million). The details of the financial assets at fair value through profit or loss are set out in note 14 in this announcement.

Dividend

The Board did not recommend the payment of final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

Financial position, liquidity and capital resources

The Shares were successfully listed on the Main Board of the Stock Exchange on 12 January 2024. The Company historically funded its cash requirements principally from proceeds from the issue of shares, cash generated from business operations and bank borrowings. On 12 January 2024, the Company issued 125,000,000 ordinary Share at a price of HK\$1.00 per Share (the “**Share Offer**”). After the Share Offer, the capital requirements of the Company will be funded through cash generated from business operations, the net proceeds from the Share Offer, and other future equity or debt financings.

Cash position

As at 31 December 2025, the cash and cash equivalents of the Group amounted to approximately RMB54.9 million (2024: approximately RMB105.1 million), which were mainly denominated in RMB and Hong Kong Dollar, representing a decrease of approximately 47.8% as compared to that as at 31 December 2024. The decrease was mainly due to the acquisition of financial assets at fair value through profit or loss, repayment of interest-bearing bank borrowings and utilisation for the operation of the Group during the Reporting Period.

Statutory deposit

As at 31 December 2025, the Group had statutory deposit of approximately RMB1.4 million (2024: Nil), principally represented the capital requirement for registration as a trust company under the Trust Ordinance.

Borrowings

As at 31 December 2025, the total bank borrowings of the Group, all of which were denominated in RMB, amounted to approximately RMB29.5 million which were unsecured and borne at fixed rates at 2.3% to 2.6%.

As at 31 December 2024, the total bank borrowings of the Group, all of which were denominated in RMB, amounted to (i) approximately RMB31.8 million which borne fixed interest rates at 2.6% and 2.9% per annum and (ii) RMB10.0 million which carried at floating interest rates at 0.5% below loan prime rate (i.e. 3.0% per annum). No financial instrument was being used for interest rate hedging purpose.

Save as disclosed in this announcement, the Group did not have other borrowings for the year ended 31 December 2025.

As at 31 December 2025, unutilised banking facility amounted to approximately RMB7.5 million (2024: RMB3 million) which may further be down by us depending on the business needs of the Group.

Charges over assets of the Group

As at 31 December 2025, the Group has pledged (i) deposits amounting to approximately RMB1.0 million as security for issuance of performance bonds (2024: approximately RMB0.1 million as security for wages) issued by the banks. The outstanding receivables arising from certain service contracts included in contract assets amounting to approximately RMB4.0 million (2025: Nil) as security for the interest-bearing bank borrowings.

Current ratio

The current ratio (calculated by dividing the total current assets by the total current liabilities) of the Group was approximately 2.0 as at 31 December 2025 (2024: approximately 2.4).

Gearing ratio

The gearing ratio of the Group, which is calculated as total bank borrowings divided by total equity, further decreased to approximately 13.7% as at 31 December 2025 compared to that of 20.8% as at 31 December 2024.

Share capital and board lot size

Pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 27 March 2025, the issued and unissued Shares of HK\$0.01 each were sub-divided (the “**Share Subdivision**”) into two Shares of HK\$0.005 each (each a “**Subdivided Share**”). The Share Subdivision was becoming effective on 31 March 2025. Upon 31 March 2025, the authorised share capital of the Company has been changed from HK\$10,000,000 divided into 1,000,000,000 ordinary Shares of par value of HK\$0.01 each to HK\$10,000,000 divided into 2,000,000,000 ordinary Shares of par value of HK\$0.005 each, of which 1,000,000,000 Subdivided Shares were in issue and fully paid.

Following the Share Subdivision becoming effective, the board lot size of the ordinary Shares for trading on the Stock Exchange has been changed from 4,000 Shares to 800 Shares effective from 9:00 a.m. on 31 March 2025.

For details, please refer to the circular of the Company dated 11 March 2025.

As at 31 December 2025, the capital structure of the Group consisted of profit for the year attributable to equity owners of the Company of approximately HK\$15.3 million (31 December 2024: approximately HK\$20.1 million) comprising issued share capital and reserves. As at 31 December 2025, the Company’s total number of issued Shares was 1,000,000,000 Shares of HK\$0.005 each (31 December 2024: 500,000,000 Shares of HK\$0.01 each).

Foreign exchange exposure and treasury policies

The Group's business operations are conducted in the PRC and Hong Kong. The transactions, monetary assets and liabilities of the Group are mainly denominated in Renminbi and Hong Kong Dollar. For the year ended 31 December 2025, there was no material adverse impact to the Group arising from the fluctuation in the foreign exchange rates between currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year ended 31 December 2025.

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

Capital commitments

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

Employees and remuneration policy

As at 31 December 2025, the Group had 120 (2024: 115) employees which include the Directors. Total wages and salaries (including Directors' emoluments) were approximately RMB16.2 million for the year ended 31 December 2025 as compared to approximately RMB16.3 million for the year ended 31 December 2024.

The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the remuneration committee of the Company (the "**Remuneration Committee**"). The remuneration package of each of the Directors is determined by reference to market terms, seniority, experience, and duties and responsibilities of that Director within the Group. The Directors are entitled to statutory benefits as required by law from time to time, such as pensions.

The remuneration policy of the Group to reward its employees and executives is based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such employee and executive, taking into consideration the prevailing market conditions. A remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses relating to the profit of the relevant company. Upon and after the Listing, the remuneration package of the Directors and the senior management has been, in addition to the above factors, linked to the return to the Shareholders. The Remuneration Committee will review annually the remuneration of all the Directors and senior management to ensure that it is attractive enough to attract and retain a competent team of executive members.

Significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets

During the Reporting Period, the Group had the following significant investment with a value of 5 % or more of the Company's total assets:

On 20 January 2025, WellCell Tech (HK) Co., Limited, the wholly-owned subsidiary of the Company, entered into a subscription agreement with Beta FinTech Holdings Limited, (the “**Investee Company**”), an unlisted entity incorporated in Cayman Islands and an independent third party, to subscribe 1,980,000 shares of the Investee Company, representing approximately 11% of the then issued share capital of the Investee Company at a cash consideration of HK\$8,800,000 (the “**Subscription**”). The Investee Company is an investment holding company, which through its subsidiaries engaged in the businesses of securities brokerage, underwriting and placing, and financial advisory services. As none of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules for this transaction is more than 5%, the Subscription does not constitute a discloseable transaction on the part of the Company and is not subject to the reporting and announcement requirements under the Listing Rules.

As at 31 December 2025, the fair value of the investment in the Investee Company was approximately RMB33,243,000, representing 10.0% of the Company's total assets. During the Reporting Period, the unrealized fair value gain on the Subscription was approximately RMB26,015,000, and no realised gain was recognised and no dividend was received from the Investee Company during the Reporting Period.

The Company's investment strategy on equity investment in the Investee Company is aiming to achieving capital appreciation through long-term holding.

Save as disclosed above, there were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the Reporting Period. Save for the business plan as disclosed in the prospectus of the Company dated 28 December 2023 (the “**Prospectus**”), there is no plan for material investments or capital assets as at 31 December 2025.

Contingent liabilities

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

Use of proceeds

The Company issued 125,000,000 Shares at HK\$1.00 each which were listed on the Main Board of the Stock Exchange on 12 January 2024. As a result, the net proceeds from the Share Offer were approximately HK\$60.6 million (equivalent to approximately RMB56.0 million) (the “**Net Proceeds**”) after deducting underwriting commissions and other related expenses. There has been no change in the intended use of the net proceeds and the expected implementation timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the annual reports of the Company for the years ended 31 December 2023 and 31 December 2024.

The following table sets forth a summary of the intended use of net proceeds and their expected timeline of full utilisation. The following table sets out the details of the application of the Net Proceeds:

Purpose	Percentage of net proceeds from the Share Offer	Allocation of net proceeds from the Offer in the proportion (based on the basis as set out in the Prospectus) RMB million (approximately)	Actual use of net proceeds from the date of Listing up to 31 December 2024 RMB million (approximately)	Unutilised net proceeds as at 31 December 2024 RMB million (approximately)	Amount utilised during the Reporting Period RMB million (approximately)	Unutilised net proceeds as at 31 December 2025 RMB million (approximately)	Expected timeline of full utilisation of net proceeds
Finance the initial funding needs of future ICT integration projects	20.5%	11.5	8.7	2.8	2.8	–	By the end of 2027
Pursue new research and development undertakings	34.6%	19.4	5.0	14.4	8.1	6.3	By the end of 2027
Expand manpower in project management to cater for the anticipated expansion plans and business growth	19.8%	11.1	0.1	11.0	–	11.0	By the end of 2026
Finance sales and marketing funding needs for expansion of manpower and marketing activities	5.4%	3.0	0.2	2.8	1.5	1.3	By the end of 2026
Repay part of bank borrowings	12.9%	7.2	7.2	–	–	–	Not applicable
General working capital	6.8%	3.8	1.9	1.9	1.9	–	By the end of 2025
	100%	56.0	23.1	32.9	14.3	18.6	

The unutilised amounts of the Net Proceeds will be applied in the manner consistent with those mentioned in the Prospectus. The Directors are not aware of any material change to the planned use of the Net Proceeds as at the date of this announcement.

The unused Net Proceeds have been placed as bank balances with licensed bank in Hong Kong as at the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance as the Board is of the view that good corporate governance is vital to the success of the Group and for the safeguarding and maximising Shareholders' interests. The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with all applicable code provisions as set out in the CG Code except for the following deviations:

At the beginning of the Reporting Period up to 26 May 2025, Mr. Jia Zhengyi served as both the chairman and chief executive officer of the Company, such practice deviated from Code C.2.1 which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 26 May 2025, Mr. Jia Zhengyi resigned as chairman (but remained as the chief executive officer) and Mr. Qian Fenglei was appointed as chairman on the same day. Accordingly, the roles of chairman and the chief executive officer have been separately performed by Mr. Qian Fenglei and Mr. Jia Zhengyi respectively, and since the aforesaid change on 26 May 2025, the Company has complied with all code provisions of the CG Code during the Reporting Period.

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

During the year ended 31 December 2025 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

EVENTS AFTER THE REPORTING PERIOD

Pursuant to the announcement of the Company dated 25 March 2026, the Company proposed to sub-divide (the "**2026-Share Subdivision**") the issued and unissued shares of HK\$0.005 each into four shares of HK\$0.00125 each (the "**2026-Subdivided Shares**"). Upon the 2026-Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$10,000,000 divided into 8,000,000,000 2026-Subdivided shares, of which 4,000,000,000 2026-Subdivided Shares will be in issue and fully paid, assuming that no further Shares will be issued or repurchased prior to the effective date of 2026-Share Subdivision. The 2026-Share Subdivision is subject to, inter alia, the Shareholders' approval at the extraordinary general meeting to be held in April 2026 and thus has not yet effective as at the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**"), with written terms of reference in accordance with the prevailing provisions of the CG Code, for the purpose of, inter alia, reviewing and providing supervision over the financial reporting process and the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors namely Mr. Wong Che Man Eddy (the Chairman), Ms. Dan Xi and Mr. Chan Wai Dune. The Group's annual results for the year ended 31 December 2025 and the accounting principles and practices adopted by the Group, have been reviewed by the Audit Committee and the Audit Committee is of the opinion that all have been complied with the applicable accounting standards, the relevant legal requirements and that adequate disclosures have been made. The Audit Committee also reviewed the risk management and internal control systems and the effectiveness of the Company's internal audit function and the Company's financial reporting matters. During the Reporting Period, the Audit Committee did not have any disagreement with the Company.

SCOPE OF WORK OF ASCENDA CACHET CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Group’s auditor, Ascenda Cachet CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the Reporting Period. The work performed by Ascenda Cachet CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards and consequently no opinion or assurance has been expressed by Ascenda Cachet CPA Limited on this announcement.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “**Scheme**”) on 15 December 2023. Upon the Listing on 12 January 2024, all conditions set forth have been satisfied. The Scheme will remain in force for a period of ten years commencing on 12 January 2024. For more details, please refer to the section headed “Statutory and General Information – Share Option Scheme” in Appendix IV of the Prospectus. The remaining life of the Scheme is approximately 7.5 years.

From the effective date of the Scheme and up to date of this announcement, no share option has been granted, exercised, cancelled or lapsed under the Scheme. Therefore, the weighted average closing price of the shares immediately before the date of which the share options were exercised or vested pursuant to Rules 17.07 (1) (d) is not applicable or available. Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Scheme mandate limit as at 12 January 2024 (the Listing Date), 1 January 2025 and 31 December 2025 (after the Share Subdivision) was 50,000,000, 50,000,000 and 100,000,000 respectively.

COMPETING BUSINESS

During the Reporting Period and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors and the controlling shareholders of the Company and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person either directly or indirectly has or may have with the Group.

PUBLIC FLOAT

To the best knowledge of the Directors and based on information that is publicly available to the Company, it is confirmed that the Company has maintained sufficient public float during the Period and up to the date of this announcement as required under the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as 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. Based on specific enquiry of the Directors, the Directors have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The date of the forthcoming annual general meeting of the Company (the “**AGM**”) will be announced in due course. Notice of AGM will be issued and disseminated to the Shareholders in due course.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2025 will be published and available on the Company’s website at www.wellcell.com.cn and the website of the Stock Exchange in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, suppliers, subcontractors, other business partners, and Shareholders for their continuous support, while also expressing my appreciation to the management team and employees for their valuable contribution to the continuous growth and development of the Group.

By order of the Board
WellCell Holdings Co., Limited
Qian Fenglei
Chairman and Executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Qian Fenglei, Mr. Jia Zhengyi, Mr. Li Shihua and Mr. Zhang Xiaolong; one non-executive Director, namely Mr. Lin Qihao; and three independent non-executive Directors, namely Mr. Wong Che Man Eddy, Ms. Dan Xi and Mr. Chan Wai Dune.