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RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

**ANNOUNCEMENT OF THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately RMB92.5 million (2024: approximately RMB122.3 million), representing a decrease of approximately 24.3%.
- Revenue from Automated Meter Reading (“AMR”) and other business segment decreased by approximately 41.5% to approximately RMB39.2 million (2024: approximately RMB67.1 million) as compared with that in 2024.
- Revenue from Smart Manufacturing & Industrial Automation (“SMIA”) business segment decreased by approximately 46.5% to approximately RMB16.0 million (2024: approximately RMB29.8 million) as compared with that in 2024.
- Revenue from Wind Farm Operation and Maintenance (“WFOM”) business segment increased approximately 47.2% to approximately RMB37.4 million (2024: approximately RMB25.4 million) as compared with that in 2024.
- Net loss for the year under review attributable to equity shareholders of the Company amounted to approximately RMB23.6 million (2024: net loss attributable to equity shareholders of the Company approximately RMB73.5 million).
- Basic loss per share for the year under review amounted to approximately RMB13.32 cents (2024 (restated): basic loss per share approximately RMB67.51 cents).
- The Board resolved not to recommend the payment of a final dividend for the year under review (2024: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Risecomm Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**year under review**”), together with the comparative figures for the year ended 31 December 2024 or other dates/periods as set out in this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB’000	2024 RMB’000
Revenue	4	92,544	122,298
Cost of sales		<u>(43,565)</u>	<u>(85,204)</u>
Gross profit		48,979	37,094
Other income, gains and losses, net	6	(129)	(12,220)
Reversal of impairment/(impairment losses) on financial assets, net		7,038	(1,933)
Selling and marketing expenses		(17,887)	(20,098)
General and administrative expenses		(34,601)	(41,379)
Research and development expenses		<u>(8,197)</u>	<u>(22,613)</u>
Loss from operations		(4,797)	(61,149)
Impairment losses of intangible assets		(5,132)	–
Impairment losses on property, plant and equipment		(876)	–
Impairment losses on right-of-use assets		(88)	–
Finance costs	7	<u>(8,222)</u>	<u>(11,086)</u>
Loss before tax		(19,115)	(72,235)
Income tax expense	8	<u>(4,539)</u>	<u>(1,308)</u>
Loss for the year	9	<u><u>(23,654)</u></u>	<u><u>(73,543)</u></u>

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

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Loss for the year	9	(23,654)	(73,543)
Other comprehensive income/(expenses)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>5,829</u>	<u>(3,270)</u>
Other comprehensive income/(expenses) for the year		<u>5,829</u>	<u>(3,270)</u>
Total comprehensive expenses for the year		<u>(17,825)</u>	<u>(76,813)</u>
Loss for the year attributable to:			
Owners of the Company		(23,654)	(73,543)
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(23,654)</u>	<u>(73,543)</u>
Total comprehensive expenses for the year attributable to:			
Owners of the Company		(17,825)	(76,813)
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(17,825)</u>	<u>(76,813)</u>
			(Restated)
Loss per share attributable to owners of the Company			
Basic and diluted (<i>RMB cents</i>)	11	<u>13.32</u>	<u>67.51</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		12,101	14,570
Right-of-use assets		2,153	–
Goodwill	<i>12</i>	–	–
Intangible assets		99,154	113,039
Deferred tax assets		1,129	835
		<hr/>	<hr/>
Total non-current assets		114,537	128,444
		<hr/>	<hr/>
Current assets			
Inventories		1,381	11,335
Trade and other receivables	<i>13</i>	80,700	77,777
Restricted bank deposits		–	3,834
Bank and cash balances		17,009	15,183
		<hr/>	<hr/>
Total current assets		99,090	108,129
		<hr/>	<hr/>
TOTAL ASSETS		213,627	236,573
		<hr/> <hr/>	<hr/> <hr/>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		974	222
Reserves		(49,516)	(105,923)
		<hr/>	<hr/>
		(48,542)	(105,701)
Non-controlling interests		(5,645)	(5,645)
		<hr/>	<hr/>
Total deficit		(54,187)	(111,346)
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		480	627
Lease liabilities		1,531	–
Deferred tax liabilities		336	615
Contingent consideration		7,506	603
Borrowings		140,029	56,940
		<hr/>	<hr/>
Total non-current liabilities		149,882	58,785
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	<i>14</i>	53,412	83,114
Contract liabilities		16,360	10,964
Borrowings		39,020	190,204
Lease liabilities		730	–
Income tax payables		8,410	4,852
		<hr/>	<hr/>
Total current liabilities		117,932	289,134
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		213,627	236,573
		<hr/> <hr/>	<hr/> <hr/>
NET CURRENT LIABILITIES		(18,842)	(181,005)
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Risecomm Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated in the Cayman Islands 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 on 19 August 2015 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in China is 25/F, Block A, Building 8, Shenzhen International Innovation Valley, Xili Street, Nanshan District, Shenzhen, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company. The principal activities of its subsidiaries are (i) manufacturing and sales of AMR products in the PRC; (ii) SMIA business and construction in the PRC; and (iii) wind farm operation and maintenance services in the PRC.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which include all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Hong Kong International Financial Reporting Interpretations Committee Interpretations, Hong Kong Interpretations and Hong Kong Standing Interpretations Committee Interpretations (collectively referred to as “**Interpretations**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Going concern basis

The Group incurred a net loss of approximately RMB23,654,000 during the year ended 31 December 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately RMB18,842,000 and RMB54,187,000, respectively. As at 31 December 2025, the Group had total borrowings of approximately RMB179,049,000, of which RMB39,020,000 were recorded under current liabilities, while the Group had bank and cash balances of approximately RMB17,009,000. These circumstances indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but not limited to, the following:

- (a) The Group will continue to implement operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations. These actions include cost control measures and timely collection of outstanding receivables;
- (b) The Group is actively negotiating with the lenders for extension of repayment date of the other borrowings amounted to RMB29,806,000 due by December 2026; and
- (c) The Group considers obtaining additional funds by equity financing and bank loan facilities to finance the Group's working capital.

The directors of the Company have reviewed the Group's cash flow forecast prepared by the management of the Company for a period covered not less than fifteen months from the date of approval for the consolidated financial statements. The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the next fifteen months from the date of approval for the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis for the year ended 31 December 2025.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to implement the above-mentioned plans and measures. Whether the Group will be able to continue as a going concern would depend on the Group's ability to generate financial and operating cash flows through the following:

- (i) successful implementation of cost control measures and business plans to improve the Group's operating results and cash flows;
- (ii) successful negotiation with the lenders for extension of repayment date of the other borrowings amounting to RMB29,806,000 due by December 2026;
- (iii) successful obtaining of new sources of financial resources as and when needed.

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

4. REVENUE

The Group is principally engaged in the design, development and sale of power line communication (“PLC”) products as well as the provision of relevant maintenance services in connection with the deployment and upgrades of automated meter reading (“AMR”) systems by power grid companies in the PRC and for a wide range of applications related to energy saving and environmental protection.

The Group is also engaged in the sales of software license, production safety products, construction contracts as well as the provision of software post-contract customer support services in connection with the smart manufacturing & industrial automation (“SMIA”) applied in the area of maintenance and safety integrity system in the petroleum and petrochemicals industry.

The Group also provides wind farm operation and maintenance (“WFOM”) services in the PRC, ensuring efficient and compliant operations of wind power facilities. The services cover technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farms operations.

(a) Disaggregation of revenue

An analysis of the Group’s revenue for the year is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time		
Disaggregated by major products or service lines:		
AMR and other business		
— PLC Integrated circuits (“ICs”)	4,939	4,443
— PLC Modules	31,127	30,755
— Other products	2,876	29,271
— AMR maintenance services	285	2,606
	<u>39,227</u>	<u>67,075</u>
Sub-total of AMR and other business		
	<u>39,227</u>	<u>67,075</u>
SMIA business		
— Software license	15,623	23,749
— Production safety products	269	2,079
	<u>15,892</u>	<u>25,828</u>
Sub-total of SMIA business		
	<u>15,892</u>	<u>25,828</u>
Revenue from contracts with customers within the scope of HKFRS 15 and recognised over time		
Disaggregated by major products or service lines:		
SMIA business		
— Post-contract customer support service	68	221
— Construction contracts	–	3,790
	<u>68</u>	<u>4,011</u>
Sub-total of SMIA business		
	<u>68</u>	<u>4,011</u>
WFOM business		
— Wind farm operation and maintenance services	37,357	25,384
	<u>37,357</u>	<u>25,384</u>
Total	<u><u>92,544</u></u>	<u><u>122,298</u></u>

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognising revenue as follows:

	Software license		Post-contract customer support service		Wind farm operation and maintenance services	
	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	-	21,080	-	2,342	35,245	35,245
More than one year but not more than two years	-	-	-	-	35,245	35,245
More than two years	-	-	-	-	1,138,660	1,244,395
	<u>-</u>	<u>21,080</u>	<u>-</u>	<u>2,342</u>	<u>1,209,150</u>	<u>1,314,885</u>

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its construction contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the construction contracts that had an original expected duration of one year or less.

5. SEGMENT INFORMATION

The Group manages its businesses by business lines. Segmental information has been presented in a manner consistent with the way in which information is reported internally to the Group's executive directors, being the chief operating decision makers, for the purposes of resources allocation and performance assessment.

The Group has three reportable segments, which are (a) AMR and other business; (b) SMIA business and (c) WFOM business.

The Group's reportable segments are as follows:

AMR and other business	This segment includes design, development and sale of PLC products, energy saving and environmental protection products and solutions used in streetlight control, building energy management, photovoltaic power management, etc. and providing maintenance services in connection with the deployment and upgrading of AMR systems by power grid companies in the PRC.
SMIA business	This segment includes sale of software license, production safety products, construction contracts as well as the provision of software post-contract customer support services in connection with the smart manufacturing and industrial automation system applied in the petroleum and petrochemicals industry.
WFOM business	This segment includes the provision of WFOM services, ensuring the efficient and compliant operation of wind power facilities. The services cover technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farm operations.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technologies and marketing strategies.

The accounting policies of the operating segments are the same as those described before. Segment profits or losses do not include unallocated finance costs, impairment losses on property, plant and equipment, impairment losses on right-of-use assets, impairment losses on intangible assets, impairment losses on financial assets, net and income tax expense.

No segment assets or liabilities information or other segment information is provided as the Group's chief operating decision maker does not review this information for the purpose of resource allocation and assessment of segment performance.

(a) **Information about operating segment profit or loss**

The segment information provided to the Group's most senior executive management for the reportable segments for the years ended 31 December 2025 and 2024 is as follows:

Year ended 31 December 2025	AMR and other business RMB'000	SMIA business RMB'000	WFOM business RMB'000	Total RMB'000
Revenue	<u>39,227</u>	<u>15,960</u>	<u>37,357</u>	<u>92,544</u>
Reportable segment results	<u>(29,442)</u>	<u>(6,309)</u>	<u>23,916</u>	<u>(11,835)</u>
Amortisation of intangible assets	<u>3,311</u>	<u>–</u>	<u>5,442</u>	<u>8,753</u>
Year ended 31 December 2024	AMR and other business RMB'000	SMIA business RMB'000	WFOM business RMB'000	Total RMB'000
Revenue	<u>67,075</u>	<u>29,839</u>	<u>25,384</u>	<u>122,298</u>
Reportable segment results	<u>(47,526)</u>	<u>(21,823)</u>	<u>10,133</u>	<u>(59,216)</u>
Amortisation of intangible assets	<u>3,311</u>	<u>–</u>	<u>4,172</u>	<u>7,483</u>

(b) **Reconciliations of segment revenue and profit or loss**

	2025 RMB'000	2024 RMB'000
Reportable segment results	(11,835)	(59,216)
Finance costs	(8,222)	(11,086)
Reversal of impairment/(impairment losses) on financial assets, net	7,038	(1,933)
Impairment losses on intangible assets	(5,132)	–
Impairment losses on property, plant and equipment	(876)	–
Impairment losses on right-of-use assets	(88)	–
Loss before tax	<u>(19,115)</u>	<u>(72,235)</u>

All the revenue of the Group is derived within the PRC and the non-current assets (excluding deferred tax assets) of the Group are located in the PRC including Hong Kong.

(c) **Revenue from major customers**

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A ¹	15,615	17,163
Customer B ²	14,204	20,325
Customer C ³	22,514	N/A ⁴
	<u> </u>	<u> </u>

¹ Revenue from segment of SMIA business.

² Revenue from segment of AMR and other business.

³ Revenue from segment of WFOM business.

⁴ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from bank deposits	379	253
Government grant		
— Unconditional subsidies (<i>note (a)</i>)	1,780	1,950
— Conditional subsidies (<i>note (b)</i>)	147	123
Gain/(loss) on disposals of property, plant and equipment	221	(88)
Gain on derecognition of other borrowings (<i>note (c)</i>)	2,710	—
Fair value loss on contingent consideration	(6,903)	—
Net foreign exchange gain	1,446	1,884
Rental income	—	702
Loss on early termination of leases	—	(587)
Impairment loss on prepayment	—	(15,234)
Penalty	—	(1,319)
Others	91	96
	<u> </u>	<u> </u>
	<u>(129)</u>	<u>(12,220)</u>

Notes:

- (a) Unconditional government grants mainly represent value-added tax (“VAT”) refund on self-developed software embedded in AMR and smart energy management products in accordance with the relevant tax law in the PRC.
- (b) During the year ended 31 December 2025, the Group recognised an amount of approximately RMB147,000 (2024: RMB123,000) of conditional government subsidies for encouragement of research and development projects.
- (c) During the year ended 31 December 2025, the Group derecognised other borrowings amounting to approximately RMB2,710,000 due to HK Desitai Trading Co. Limited, an independent third party to the Group. The derecognition arose upon the receipt of a formal debt waiver letter duly signed by HK Desitai Trading Co. Limited, pursuant to which HK Desitai Trading Co. Limited unconditionally and irrevocably waived its rights to claim repayment of the Borrowings from the Group.

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on lease liabilities	49	276
Interest expenses on bank and other borrowings	<u>8,173</u>	<u>10,810</u>
	<u><u>8,222</u></u>	<u><u>11,086</u></u>

8. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax — Chinese Mainland		
Provision for the year	5,050	2,196
Under-provision/(over-provision) in prior years	<u>62</u>	<u>(585)</u>
	<u>5,112</u>	<u>1,611</u>
Deferred tax	<u>(573)</u>	<u>(303)</u>
	<u><u>4,539</u></u>	<u><u>1,308</u></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% (2024: 16.5%).

The Group's PRC subsidiaries are subject to the PRC corporate income tax rate of 25% (2024: 25%), except for Risecomm Microelectronics (Shenzhen) Co., Ltd. ("**Risecomm Microelectronics**"). Risecomm Microelectronics is entitled to the preferential tax rate of 15% from years 2019 to 2025, being accredited as a High and New Technology Enterprise according to the PRC Corporate Income Tax Law and its relevant regulations.

Under the PRC Corporate Income Tax Law and its relevant regulations, 100% (2024: 100%) additional tax deduction is allowed for qualified research and development costs for the year of 2025.

Pursuant to the rules and regulations of the Cayman Islands and Seychelles, the Group is not subject to any income tax in the Cayman Islands and Seychelles.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the accounting loss before tax multiplied by the respective applicable tax rates is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before tax	<u>(19,115)</u>	<u>(72,235)</u>
Tax at the respective applicable tax rates	(4,779)	(18,059)
Tax effect of preferential tax rate	3,646	7,068
Tax effect of expenses that is not deductible	2,825	5,956
Additional deduction for qualified research and development costs	–	(3,089)
Tax effect of other temporary differences not recognised	26	795
Tax effect of unused tax losses not recognised in prior year	(1,674)	(1,422)
Tax effect of tax losses not recognised	4,433	10,644
Under-provision/(over-provision) in prior years	<u>62</u>	<u>(585)</u>
Income tax expense	<u><u>4,539</u></u>	<u><u>1,308</u></u>

9. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging (crediting) the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amortisation of intangible assets	8,753	7,483
Cost of inventories sold	34,002	53,599
Depreciation of property, plant and equipment	1,345	2,484
Depreciation of right-of-use asset	572	3,679
Staff costs		
— Salaries, bonuses and allowances	6,475	39,014
— Retirement benefit scheme contributions	435	2,878
	6,910	41,892
Research and development expenses	8,197	22,613
(Reversal of write-down)/write-down of inventories	(1,066)	5,289
(Reversal of impairment losses)/impairment losses on trade receivables and other receivables	(7,038)	1,933
Impairment losses on property, plant and equipment	876	–
Impairment losses on right-of-use assets	88	–
Impairment losses on intangible assets	<u><u>5,132</u></u>	<u><u>–</u></u>

10. DIVIDENDS

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

11. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the year for the purpose of calculating basic and diluted loss per share	<u>(23,654)</u>	<u>(73,543)</u>
	2025 <i>'000</i>	2024 (Restated) <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>177,629</u>	<u>108,933</u>

As a result of the Group's net loss for the years ended 31 December 2025 and 2024, share options were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

For the year ended 31 December 2025, the weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share have been adjusted for the share consolidation and rights issue on 22 October 2025.

12. GOODWILL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost		
At 1 January and 31 December	<u>215,147</u>	<u>215,147</u>
Accumulated impairment loss		
At 1 January and 31 December	<u>(215,147)</u>	<u>(215,147)</u>
Carrying amount		
At 31 December	<u>–</u>	<u>–</u>

The goodwill has been allocated to two cash generating units, AMR and other business and SMIA business, which was fully impaired in previous years and accordingly there was nil carrying amount of goodwill from AMR and other business and SMIA business as at 31 December 2025 and 2024.

13. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	112,978	123,264
Allowance for impairment losses of trade receivables	<u>(49,731)</u>	<u>(58,399)</u>
	<u>63,247</u>	<u>64,865</u>
Prepayments	5,256	8,659
Other receivables	27,222	17,648
Loan receivables (<i>note (a)</i>)	6,499	6,499
Allowance for impairment losses	<u>(21,524)</u>	<u>(19,894)</u>
	<u>17,453</u>	<u>12,912</u>
Total trade and other receivables	<u><u>80,700</u></u>	<u><u>77,777</u></u>

Note:

- (a) The amount receivables under the loan agreements are unsecured and arranged at fixed interest rates of 0% to 5% per annum due from third parties.

The Group generally allows an average credit period of 180 days (2024: 180 days) for its customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice dates is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	27,532	53,362
After 6 months but within 1 year	19,344	3,097
Over 1 year	<u>16,371</u>	<u>8,406</u>
	<u><u>63,247</u></u>	<u><u>64,865</u></u>

The carrying amounts of the Group's trade receivables are mainly denominated in RMB.

14. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables (<i>note (a)</i>)	41,869	58,930
Product warranty provision (<i>note (b)</i>)	585	738
Other payables and accruals	4,567	11,409
Interest payables	6,391	7,717
Severance payment payable	–	4,320
	<u>53,412</u>	<u>83,114</u>

(a) Trade payables

Trade payables comprised amounts due to suppliers for purchase of goods or services used in regular course of business. Trade payables are non-interest bearing and the average credit period on purchases is 30 to 180 days. The aging analysis of trade payables based on the invoice dates is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	3,825	30,935
After 3 months but within 6 months	2,078	1,386
After 6 months but within 1 year	7,227	2,864
Over 1 year but within 2 years	19,364	10,058
Over 2 years	9,375	13,687
	<u>41,869</u>	<u>58,930</u>

The carrying amounts of the Group's trade payables are mainly denominated in RMB.

(b) Product warranty provision

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	738	747
Additional provisions made	585	105
Provision utilised	–	(114)
Provision reversed	(738)	–
	<u>585</u>	<u>738</u>
Balance at 31 December	<u>585</u>	<u>738</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

With the evolution of intelligentization, informatization, and digitalization of power grids, broadband power line communication (PLC) technology has seen widespread adoption and rapid advancement. Since 2018, State Grid Corporation of China (“**State Grid**”) has proactively pursued a forward-looking strategy, vigorously promoting the construction of residential electricity information collection systems based on broadband high-speed power line communication (HPLC). This initiative has significantly enhanced data collection efficiency and real-time capabilities.

China continues to advance the construction of a new power system based on new energy. The National Energy Administration has released the “2025 Energy Work Guidance Opinions” to promote high-quality development in the energy sector. Implementing a new energy security strategy with higher standards, the document provides comprehensive planning for energy structure adjustment, supply assurance, and green transformation. High-quality energy development and high-level security will support the sustained recovery and positive momentum of China’s economy. State Grid has launched the “Three-Year Action Plan for Broadband Dual-Mode Communication Technology Coverage Across All Regions,” aiming to achieve over 95% dual-mode communication coverage for electricity information collection systems by the end of 2026. The plan also calls for comprehensive application of this technology in distribution automation and microgrid management. China Southern Power Grid released the “Three-Year Action Plan for Digital Power Grid Construction (2025-2027),” prioritizing digital upgrades of distribution networks and the development of multi-energy complementary smart energy platforms. Broadband dual-mode communication technology is designated as standard equipment for distribution network terminals. These measures aim to provide safer and more reliable energy security in support of China’s modernization drive. Key future goals include improving energy efficiency, implementing green development strategies for the power industry, deepening power sector reforms, building a sustainable modern power system, and advancing smart grid technologies in transmission, generation, and power supply services.

Currently, broadband PLC technology has been widely applied in multiple domains of the State Grid, including distribution automation, smart grids, home networks, and multimedia communications. It serves functions such as data transmission, remote control, monitoring, and management. With the growing demand for multi-scenario application integration in smart grids, State Grid has introduced a HPLC+HRF dual-channel technology, which combines PLC and wireless communication, to achieve dual-mode automatic complementary networking. This addresses higher performance demand for communication speed, real-time responsiveness, data capacity, and transmission distance of the new power systems. Standardization, field trials, and laboratory verification for the dual-mode technology has been completed. Over the next 3-5 years starting from 2024, all bidding for State Grid’s electricity information collection systems will require broadband dual-mode communication products.

China Southern Power Grid is accelerating its digital transformation, enhancing smart transmission, distribution, and consumption infrastructure, and promoting multi-energy complementary smart energy systems. Through the digital and intelligent development of the power grids, China Southern Power Grid aims to enhance service intelligence and fully improve the sense of fulfillment for users. Since the second bidding round in November 2024, its smart grid electricity information collection system has been fully upgraded to the broadband dual-mode communication technology standards.

In 2025, State Grid requires approximately 80 million broadband dual-mode communication modules for electricity information collection systems, low-voltage distribution networks, and measurement switches, while China Southern Power Grid demands over 20 million modules for low-voltage meter reading systems, representing a 30% increase compared to those of 2024.

According to the 2026 Tender and Procurement Programme for Electricity Meters (Including Electricity Consumption Information Gathering) for Marketing Projects announced by State Grid, there are three batches of public bidding throughout the year, and it is predicted that the demand for State Grid broadband dual-mode communication modules in 2026 will exceed 90 million.

China's wind turbines were mainly provided with a two-year warranty before 2010 and a three-to-five-year warranty thereafter. During the period from 2006 to 2010, with the rapid development of the domestic wind power industry, a large number of wind turbines were put into operation, and most of these wind turbines are now in post-warranty stage. With the rapid development of the wind power industry, there has been a large number of post-warranty equipment which require maintenance, repair or upgrade of operating environment in wind farms, such needs have given rise to the emergence of the wind farm operation and maintenance services industry. In recent years, there has been a relatively rapid development of the WFOM services market in the PRC, with compound annual growth rate of 18.83% in demand from 2016 to 2024.

The main competitors in China's WFOM services market include wind power equipment manufacturers, wind farm owners (developers) and third-party operation and maintenance companies. The equipment manufacturers hold the core technology of wind power equipment. In recent years, major manufacturers in China have also paid more attention to operation and maintenance services, and are committed to providing overall solutions to strengthen their competitive advantage. Wind farm owners (developers) mainly invest in wind farms and continuously expand the scale of installed capacity, with strong advantages in aspects such as capital, resources, and scale. The third-party wind power operation and maintenance companies focus on maintenance and status analysis of wind turbine equipment, with advantages such as flexible service models. However, there are also areas of improvement, such as inconsistent technical levels and service quality. The existing projects of the Company are in smooth progress. The Group closely monitors market dynamics and adjusts our operation and maintenance mode promptly, and maintains close communication with wind farm owners to ensure the normal operation of their assets to the greatest extent possible.

On the other hand, the Group’s Smart Manufacturing & Industrial Automation (“SMIA”) business segment has been continuing in exploring the field of industrial automation systems by leveraging its core technology competency, particularly in the area of maintenance and safety integrity system (“MSI”) for the petroleum and petrochemicals industry.

In the face of the current global manufacturing industry’s transformation towards digitalization, networking and intelligence, there has been a continuous increase in policy support for the intelligent manufacturing industry in the PRC. The “14th Five-Year Plan for Development of Smart Manufacturing” (“十四五”智慧製造發展規劃) puts forward a number of development targets for 2025, including achieving fundamental digitization and network transformation of 70% of large-scale manufacturing enterprises, establishing more than 500 smart manufacturing demonstration factories, and formulating over 200 national industry standards. By 2035, the plan envisages the “comprehensive and general digitization and network transformation of large-scale manufacturing enterprises” as well as the “fundamental smart conversion of key industry backbone enterprises.” In the future, rapid industrial development will promote the continuous expansion of the market scale of the intelligent manufacturing industry, bringing abundant opportunities to the Group.

Business Review

Looking back at 2025, the global economy navigated forward under pressure amid multiple challenges. Although global inflationary pressures eased compared to previous years, the global economy still faced multiple uncertainties, including geopolitical conflicts, heightened trade barriers, and monetary policy adjustments. During the year, the Group consistently adhered to a prudent and flexible business strategy, closely monitoring market shifts and gaining in-depth insights into industry trends. We systematically advanced our business layout while maintaining risk levels under control. The Group also continuously strengthened its refined management approach, comprehensively enhancing overall operational efficiency through ongoing optimization of business processes and cost structures, thereby ensuring the stable operation of our capital chain.

Facing a complex and volatile macroeconomic environment, the Group continues to adhere to a prudent business philosophy, continuously optimizing its operational strategies to address market challenges. During the year, the Group remained committed to refining its capital management practices. By enhancing capital operation efficiency and precisely controlling the pace of capital deployment and recovery cycles, the Group ensured that key financial metrics, including trade receivables, trade payables and inventory turnover rates, remained at healthy levels. Furthermore, the Group rigorously implemented scientific financial management systems, striving to minimize funding costs and maximize capital returns. Through continuous optimization of debt structures and prudent planning, the Group proactively repaid certain borrowings ahead of schedule based on the assessment of sufficient and stable cash flows. This effectively improved overall debt levels, further reduced financial costs, and reserved greater financial flexibility for subsequent business development, laying a solid foundation for the Group’s long-term stable growth.

During the year, the Group's operations were divided into the following three major segments:

- the Group operated in AMR and other business, where the Group sold PLC products such as PLC integrated circuits (“IC”), modules and devices such as connectors and concentrators. The Group had been developing PLC IC with proprietary IC designs and advanced PLC technologies for the deployment of AMR systems by the State Grid. In addition, the Group also provided maintenance services on AMR systems on a project-by-project basis;
- SMIA business, where the Group offered software licenses, production safety products as well as the provision of software post-contract customer support services applied in the area of MSI for the petroleum and petrochemicals industry; and
- WFOM business.

As at 31 December 2025, the Group held a significant intellectual property portfolio, comprising 23 patents, 137 computer software copyrights and 9 IC layout designs registered, signifying the Group's achievements in research and development in PLC technology and MSI for the petroleum and petrochemicals industry. The Group's AMR obtained its new ISO14001:2015 Environmental Management System Certification.

Financial Review

Revenue

Revenue decreased from approximately RMB122.3 million in 2024 to approximately RMB92.5 million for the year under review, or by approximately 24.3%. The decrease was attributable to the decrease in revenue of approximately 46.5% from the SMIA business segment and the decrease in contribution of revenue of approximately 41.5% from the AMR segment.

Revenue from the AMR and other related business segment decreased by approximately 41.5% to approximately RMB39.2 million (2024: approximately RMB67.1 million) as compared with that in 2024. The decrease was mainly due to the significant decrease in maintenance service as compared to last year.

Revenue from the SMIA segment decreased by approximately 46.5% to approximately RMB16.0 million (2024: approximately RMB29.8 million) as compared with that in 2024. The revenue of the SMIA business segment decreased as the Group is currently in the process of testing new technologies. New contracts with customers can only be signed upon the successful development and validation of these technologies.

The Group is now offering WFOM services in China, which was approximately RMB37.4 million in 2025 (2024: approximately RMB25.4 million). WFOM services could contribute to the Group about approximately 40.4% (2024: approximately 20.8%) revenue and this will become a new business turbine in the future.

Gross profit

Gross profit increased by approximately 32.0% to approximately RMB48.9 million for the year under review from approximately RMB37.1 million in 2024.

Gross profit margin was approximately 52.9% for the year under review and increased by approximately 22.6% as compared with approximately 30.3% in 2024. The increase in gross profit margin was mainly attributable to the increase in gross profit margin by approximately 51.9% of the WFOM segment and the increase in gross profit margin by approximately 24.2% of the AMR segment.

Gross profit margin of the WFOM services was approximately 74.2% for the year under review as compared with approximately 71.9% in 2024. The increase in gross profit margin was mainly attributable to the increased operation and maintenance business as compare to last year.

Gross profit margin of the SMIA business segment was approximately 55.1% for the year under review as compared with approximately 29.5% in 2024. The increase in gross profit margin was mainly attributable to the increase in proportion of revenue from software license products which earned a relatively higher gross profit margin than that of other products or service lines.

Other income, gains & losses, net

Other losses of approximately RMB0.13 million was recognized during the year under review (2024: other losses of approximately RMB12.2 million). The increase in other income was mainly attributable to due to exchange rate differences of approximately RMB4.0 million and the write-off of a loan of approximately RMB2.7 million in Year2025, and the impairment of prepayment of approximately RMB15.2 million in Year2024.

Allowance for impairment loss on intangible assets, prepayment and property, plant and equipment, net

Allowance for impairment loss on intangible assets, net of approximately of RMB5.1 million (2024: Nil), allowance for impairment loss on property, plant and equipment, net approximately of RMB0.09 million (2024: Nil), and allowance of prepayment, net of approximately of RMBNil (2024: RMB15.0 million), were recognized during the year under review. The decrease was mainly due to the revaluation of prepayment in Year2025.

Selling and marketing expenses

Selling and marketing expenses decreased by approximately 11.1% to approximately RMB17.9 million for the year under review from approximately RMB20.1 million in 2024. The decrease was mainly attributable to a relative decline in sales due to the impact of external factors.

General and administrative expenses

General and administrative expenses decreased by approximately 16.4% to approximately RMB34.6 million for the year under review from approximately RMB41.4 million in 2024. The AMR and other business segment decreased by approximately 24.4% from approximately RMB25.4 million in 2024 to approximately RMB19.2 million. The slight decrease was primary attribute to compensation expenses of approximately RMB10.2 million happened in Year2024.

Research and development expenses

Research and development expenses decreased by approximately 63.8% to approximately RMB8.2 million for the year under review from approximately RMB22.6 million in 2024. The decrease was mainly attributable to the contracted development expenses, R&D material costs and inspection costs were cut to the group reorganization.

Finance costs

Finance costs decreased by approximately 25.8% to approximately RMB8.2 million for the year under review from approximately RMB11.1 million in 2024. The decrease was mainly attributable to the repayment of interest expenses on certain bank and other borrowings with the use of proceeds from the Rights Issue (as defined below).

Income tax expense

Income tax expense of approximately RMB4.5 million was recorded during the year under review (2024: income tax expenses of approximately RMB1.3 million). The income tax expense for the year under review mainly comprised of deferred tax expense which was mainly attributable to the derecognition of deferred tax assets to which future taxable profits were deemed insufficient for offsetting, as the financial performance of the Group continued to record loss in the year under review and projection of future financial performance had been tuned down accordingly.

Loss Attributable to Equity Shareholders of the Company

As a result of the above factors, the Company recorded a loss attributable to equity shareholders of the Company for the year under review of approximately RMB23.7 million (2024: loss attributable to equity shareholders of the Company of approximately RMB73.5 million).

Liquidity and Financial Resources

During the year under review, the Group's operations were mainly financed by (i) internal resources, including but not limited to existing cash and cash equivalents, cash flow generated from operating activities; (ii) net proceeds generated from the listing of shares ("**Shares**") of the Company (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 9 June 2017; (iii) net proceeds generated from the Subscriptions (as defined below) of new shares under general mandate completed in June 2023 and July 2023; (iv) net proceeds generated from the Rights Issue; and (v) borrowings. The Board believes that the Group's liquidity needs will be satisfied.

As of 31 December 2025, the Group's current assets amounted to approximately RMB99.1 million (as of 31 December 2024: approximately RMB108.1 million), with cash and cash equivalents totaling approximately RMB17.0 million (as of 31 December 2024: approximately RMB15.2 million). The cash and cash equivalents of the Group are principally held in RMB, HKD and USD.

As of 31 December 2025, the Group's total interest-bearing liabilities amounted to approximately RMB179.0 million (as of 31 December 2024: approximately RMB247.1 million), representing borrowings and lease liabilities. The Group had interest-bearing liabilities of approximately RMB179.0 million (as of 31 December 2024: approximately RMB247.1 million), out of which approximately RMB190.2 million (as of 31 December 2024: approximately RMB190.2 million) which will be due repayable within one year and after one year respectively with coupon rates ranging from 0% to 5% per annum. The interest-bearing liabilities were principally denominated in RMB, HKD and USD. The net debt-to-equity ratio (referred as to the gearing ratio: which is calculated by interest-bearing liabilities less cash and cash equivalents divided by total equity) was approximately -303% as of 31 December 2025 (as of 31 December 2024: -208%).

The Directors are actively seeking new way of development and opportunities, and will make further investments, rights issues or equity financing arrangement in the future to reduce the current debt of the Company and explore business opportunities.

Exchange Rate Risk

Most of the businesses of the Group are settled in RMB while businesses in foreign currencies are mainly settled in HKD or USD. The fluctuation of exchange rate of the currencies will have certain impact on the Group's business which are settled in foreign currencies. During the year under review, the Group did not enter into any foreign exchange forward contracts or other hedging instruments to hedge against fluctuations. The foreign currency risk is managed and monitored on an on-going basis by senior management of the Group.

Capital Commitments

As of 31 December 2025, the Group had no capital commitment contracted for but not yet incurred (as of 31 December 2024: Nil).

Capital Structure

On 17 June 2025, the Board proposed to (i) implement the share consolidation on the basis that every five issued and unissued shares of the Company of par value of HK\$0.001 each be consolidated into one consolidated share (the “**Consolidated Share**”) of HK\$0.005 each (the “**Share Consolidation**”); (ii) increase the authorised share capital of the Company to HK\$1,000,000 divided into 200,000,000 Consolidated Shares (the “**Increase in Authorised Share Capital**”) with par value of HK\$0.005 each, of which 51,145,772 Consolidated Shares have been issued and are fully paid or credited as fully paid; and (iii) subject to the Share Consolidation and the Increase in Authorised Share Capital becoming effective, rights issue on the basis of five rights shares for every one Consolidated Share held by the qualifying shareholders on the record date at a subscription price of HK\$0.5 per rights share (the “**Rights Issue**”).

Pursuant to an extraordinary general meeting on 15 August 2025, the Share Consolidation, Increase in Authorised Share Capital and the Rights Issue have been duly passed by the shareholders by way of poll.

The Share Consolidation and the Increase in Authorised Share Capital have taken effect on 18 August 2025. The Company's authorised share capital has been increased, after the Share Consolidation, from HK\$1,000,000 divided into 1,000,000,000 shares with par value of HK\$0.001 each to HK\$1,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.005 each, and after the Increase in Authorised Share Capital, from HK\$1,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.005 each to HK\$5,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 800,000,000 new Consolidated Shares.

On 21 October 2025, the Company completed the Rights Issue and on 22 October 2025, the Company issued 164,668,068 rights shares of HK\$0.005 each at a subscription price of HK\$0.5 per rights share on the basis of five rights shares for every one Consolidated Share held by the qualifying shareholders on the record date, raising approximately HK\$82.33 million before expenses (or approximately HK\$80.44 million after deducting all relevant expenses).

For further details, please refer to the announcements of the Company dated 17 June 2025, 9 July 2025, 15 August 2025, 19 September 2025, 21 October 2025 and 6 November 2025, the circular of the Company dated 22 July 2025 and the prospectus of the Company regarding the Rights Issue dated 28 August 2025.

As at 31 December 2025, the Company's issued share capital was HK\$1,079,069 divided into 215,813,840 shares of HK\$0.005 each.

Contingent Liabilities

As at 31 December 2025, the Group had no contingent liabilities (as at 31 December 2024: nil).

Charge on assets

As at 31 December 2025 and 2024, the entire issued shares of two subsidiaries of the Company, namely Risecomm Co. Ltd., and Risecomm (HK) Technology Co. Limited, have been pledged as security for other borrowings of approximately RMB108.4 million (as at 31 December 2024: approximately RMB111.1 million).

During the year ended 31 December 2025, the Group entered into two set-off arrangements, whereby other borrowings amounting to approximately RMB9,316,000 were offset against loan receivables totalling RMB8,500,000.

As at 31 December 2024 and 2025, the total borrowings include other borrowing of RMB60,000,000, which were drawn down for financing the acquisition of Zhongyi (BVI) International Limited ("**Zhongyi (BVI)**"). If the Group fails to acquire Zhongyi (BVI), the lenders have the right to request immediate repayment in full together with any accrued interest. After the acquisition of Zhongyi (BVI) and as at 31 December 2025, the equity interest of Zhongyi (BVI) is pledged to secure the said borrowing of RMB60,000,000.

As at 31 December 2025, trade receivables of approximately RMB1,561,000 (2024: approximately RMB2,197,000) and no future trade receivables was pledged to secure a bank loan amounting to RMBNil (2024: approximately RMB1,082,000).

Saved as disclosed, the Group had no other charge on assets as at 31 December 2025 (as at 31 December 2024: nil).

Significant investments

During the year under review, the Group did not hold any material investments.

Material Acquisition and Disposal of Subsidiaries and Associated Companies

During the year under review, there was no material acquisition or disposal of subsidiaries or associated companies.

Prospects

Looking ahead to 2026, the global economy faces both opportunities and challenges. While intensifying downside risks dominate the economic outlook, uncertainties such as a rebound in effective tariff rates, heightened policy uncertainty, and geopolitical tensions may further exacerbate market volatility. However, with inflationary pressures easing broadly worldwide and the front-loading effect on imports and exports proving stronger than anticipated, fresh growth momentum is expected to be unleashed for consumption and investment, thereby sustaining economic resilience.

According to the latest World Economic Outlook released by the International Monetary Fund (IMF), global economic growth is projected to reach 3.0% in 2025 and 3.1% in 2026, representing an upward revision from the forecasts in the April 2025 World Economic Outlook. Global overall inflation rate is projected to decline to 4.2% in 2025 and 3.6% in 2026, following a trajectory similar to that forecast in April.

Despite facing dual pressures from external uncertainties and internal structural adjustments, China's economy is poised to maintain its steady yet progressive trajectory in the latter half of the year, underpinned by long-term accumulated momentum for high-quality development and proactive macroeconomic policies. Concurrently, the nation's strategic initiatives in power generation, new energy, and energy storage will continue to inject robust impetus into industrial advancement. The Group maintains a cautiously optimistic outlook on the industry's prospects and will fully capitalize on policy opportunities and market potential. Through dual-track drivers of technological innovation and business expansion, the Group will continuously enhance core competitiveness and consolidate the foundations for high-quality development.

Against the backdrop of deepening power sector reforms and establishing a new power system centered on new energy, the entire chain of electricity generation, transmission and consumption presents both opportunities and challenges.

State Grid's fixed-asset investment during the 15th Five-Year Plan period (2026-2030) will reach RMB4 trillion, representing a 40% increase over the 14th Five-Year Plan period, with an annual investment scale of RMB800 billion. China Southern Power Grid's investment scale for 2026 stands at RMB180 billion, projected to reach approximately RMB1 trillion during the 15th Five-Year Plan period. The total investment of the two major power grids will approach RMB5 trillion over the next five years, providing robust financial backing for the construction of the new power system.

The National Development and Reform Commission and the National Energy Administration have issued the Guiding Opinions on Promoting High-Quality Development of the Power Grid (《關於促進電網高質量發展的指導意見》), which outlined that by 2030, China's new power grid platform will be preliminarily established, supporting new energy generation to account for approximately 30% of total output. The grid's capacity to integrate distributed new energy will reach 900 million kilowatts, supporting over 40 million charging infrastructure units. Concurrently, the Guiding Opinions propose strengthening the coordinated development of main grid networks, distribution grids, and smart microgrids to enhance the grid's resource allocation capabilities, safety capacity, and new energy integration capacity.

Regarding smart meters, from 2025 onwards, State Grid will roll out new-generation smart meters supporting edge computing and dual-mode communication in bulk. These meters will possess local data analysis and autonomous decision-making capabilities, with coverage expected to exceed 80% by 2026. Investment in distribution networks will also continue to increase. Between 2025 and 2026, the proportion of distribution network investment by State Grid and China Southern Power Grid will rise to over 65%, with a focus on digital terminals, dual-mode communication modules, and microgrid control systems.

With the promotion and application of broadband dual-mode communication technology by State Grid and China Southern Power Grid, this technology has been extensively deployed in terminal products such as power information collection systems, low-voltage distribution networks and measurement switches. It plays a vital role in enhancing the intelligence of power grids, achieving interconnectivity between equipment, and enabling intelligent control and management.

Under the dual-carbon strategy, the power sector is accelerating its transformation through the integration of power Internet of Things (IoT) technology and the grid connection of new energy sources. Power IoT technology enables real-time monitoring of grid equipment, fault early warning, and intelligent dispatch functions, enhancing grid operational efficiency and safety. It will also achieve deep integration with sectors such as smart homes and smart cities. The accelerated development of photovoltaic and wind power has enabled large-scale grid integration of new energy. The emergence of numerous distributed wind and solar power generators, electric vehicle charging piles, energy storage equipment and other two-way loads has increasingly complicated the local IoT operational environment for metering equipment. This places higher demands on equipment communication speed, delay and reliability. The power grid is of paramount importance in ensuring the reliability of power supply and operational safety. In constructing the new power systems, grid enterprises must intensify technological innovation and equipment investment to elevate grid intelligence and regulatory capabilities. The rollout of next-generation smart meters, replacement of legacy meters, and new meter installations under the new power system framework will sustain robust growth in smart meter tenders, which will in turn drive the growth in demand for the PLC modules.

In 2026, State Grid and China Southern Power Grid will continue to prioritize investment in broadband dual-mode communication technology for power information collection systems, alongside the large-scale deployment of terminals such as low-voltage distribution networks and metering switches. This will bolster the resilience of the ‘last mile’ communications and enhance data transmission efficiency within the new power system. The Group is promoting its broadband dual-mode communication products (including chips and modules) to more network provincial markets to further expand the competitiveness of the Group’s broadband dual-mode communication products in the domestic market.

The Company will focus on the broadband dual-mode communication market, keeping its technologies updated, and actively participating in the development and marketing of broadband dual-mode products (including chips and modules) by State Grid, China Southern Power Grid and other provincial network companies. At the same time, founding on the research and development of its broadband or broadband dual-mode communication technology, the Company is actively promoting itself in more application markets including power grid low-voltage distribution network, measurement switch, and power Internet of Things market.

The application of the Company’s broadband and broadband dual-mode communication chips and communication modules will be set around smart power distribution, smart power consumption, smart microgrids and comprehensive power application requirement, and will also cover collection and application of power consumption information, photovoltaic or energy storage, industrial enterprises and parks and other energy management fields. The Company adopts broadband or broadband dual-mode integrated communication solutions, combined with edge computing technology, to develop a series of intelligent products adapted to the energy internet, and provides a variety of intelligent energy internet solutions for smart grids and integrated energy.

In addition, the Company is expanding its market in smart city lighting, smart air conditioning and integrated energy management systems and terminal products. With the national government’s promotion of smart grid and smart city construction, support for energy conservation and emission reduction, promotion of new energy, and the expanding overseas smart meter market under the development of the “Belt and Road Initiative”, the market for PLC technology is expected to maintain a good development trend in the next few years.

The Group is planning to form strategic alliances and collaborations with internationally renowned system integrators to expand its SMIA business segment. This will enable the provision of value-added solutions in engineering programming and digital engineering design, alongside industrial control system cybersecurity software solutions, to existing and potential clients. Through in-depth strategic cooperation and technical exchange, the Group aims to enhance the expertise in smart factory integrated solutions for petroleum refining and pipeline construction. At the same time, the Group will utilize its own

research and development resources to cooperate with external companies to further develop its own intellectual property rights on the smart factory application interface and visual integrated management platform as well as the integration of the online and core applications on the big data collaboration platform. Such intellectual property will strengthen the Group's core competitiveness while leveraging the Group's PLC technology. The Group will also explore new business investment opportunities in due course to enhance shareholder value. By pursuing these new business opportunities, the Group believes it will maintain a more diversified growth in the market in the long run.

OTHER INFORMATION

Final Dividend

The Board resolved not to recommend the payment of a final dividend for the year under review.

Compliance with the Corporate Governance Code of the Listing Rules

The Company is committed to maintaining a solid, transparent and sensible framework of corporate governance for the Company and its subsidiaries and will continue to review its effectiveness.

The Company has adopted the Code Provisions (the "**Code Provisions**") as stated in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the corporate governance code of the Company. The Board is committed to complying with the Code Provisions as stated in the CG Code to the extent that the Directors consider it is applicable and practical to the Company.

During the year under review, the Company has complied with all the applicable Code Provisions in the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding Directors' transactions in securities of the Company (the "**Company's Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. After specific enquiry made by the Company, all the Directors confirmed and the Board considers that they have complied with the required standards set out in the Model Code and the Company's Code during the year under review.

Closure of Register of Members for the 2026 AGM

The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 18 June 2026 (the “**2026 AGM**”) or any adjournment thereof. The record date for entitlement to attend and vote at the 2026 AGM is Thursday, 18 June 2026. In order to be qualified for attending and voting at the 2026 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 12 June 2026.

Purchase, Redemption or Sale of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year under review.

Use of Proceeds from Rights Issue

On 21 October 2025, the Company completed the Rights Issue and on 22 October 2025, the Company issued 164,668,068 rights shares of HK\$0.005 each at a subscription price of HK\$0.5 per rights share on the basis of five rights shares for every one Consolidated Share (“**2025 Rights Issue**”).

Upon completion of 2025 Rights Issue, the Company received net proceeds of approximately HK\$80.44 million (the “**Net Proceeds**”). The net price per rights shares of 2025 Rights Issue was approximately HK\$0.49 and the closing price of the Consolidated Shares on 21 October 2025 was HK\$0.62. The Company intended to apply the Net Proceeds as to (i) approximately HK\$64.16 million, which represents approximately 80% of the Net Proceeds, for repayment of the Group’s current liabilities, specifically those debts, liabilities, or other payables that are expected to be due and payable within twelve months upon Completion, and (ii) approximately HK\$16.08 million, which represents approximately 20% of the Net Proceeds, for the Group’s general corporate and administration working capital purposes, which primarily includes (a) staff salaries expenses of approximately HK\$11.2 million; (b) rental expenses of approximately HK\$0.30 million; and (c) business development expenses of approximately HK\$0.43 million. These funds of HK\$0.43 million will support the Company’s efforts in smart manufacturing and industrial automation, particularly in upgrading legacy systems and optimizing integrity management within petroleum and petrochemical operations, thereby supporting the Group’s ongoing business activities.

For further details of 2025 Rights Issue, please refer to the announcements of the Company dated 17 June 2025, 9 July 2025, 15 August 2025, 19 September 2025, 21 October 2025 and 6 November 2025, the circular of the Company dated 22 July 2025 and the prospectus of the Company regarding the Rights Issue dated 28 August 2025.

The following table sets forth the information in relation to the use of the Net Proceeds raised from the 2025 Rights Issue:

	Original allocation of Net Proceeds RMB'000	Amount of Net Proceeds utilized up to 31 December 2025 RMB'000	Amount of Net Proceeds unutilized as at 31 December 2025 RMB'000
Repayment of bank loans	63,236	63,236	–
Working capital	10,996	7,350	3,646
	<u>74,232</u>	<u>70,586</u>	<u>3,646</u>
Total	<u><u>74,232</u></u>	<u><u>70,586</u></u>	<u><u>3,646</u></u>

The Company has applied the utilised portion and will apply the unutilised portion of the Net Proceeds according to the announcement of the Company dated 21 October 2025. The remaining Net Proceeds are expected to be utilized by the end of April 2026.

Employee Information

The emolument policy of the employees of the Group is set up by the management on the basis of their merits, qualifications and competence.

As at 31 December 2025, the Group had an aggregate of 58 employees (as at 31 December 2024: 67 employees). During the year under review, staff costs, including Directors' remuneration, was approximately RMB6.9 million (2024: approximately RMB41.9 million). The Group recruited and promoted individual persons according to their capabilities and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and prevailing market salary scale.

The Group is dedicated to the training and development of its employees by providing regular and induction trainings to employees. The Group leverages its research and development capabilities and other resources to ensure that each employee maintains a current skill-set through continuous training. The Group provides introductory training and orientation for all new employees, as well as on-the-job training to continually improve its employees' technical, professional and management skills. The Company has also adopted a share option scheme for the purpose of providing incentives and

rewards to eligible participants, including the employees of the Group, who contribute to the success of the Group's operations. The remuneration package of employees include salary, pension contributions, discretionary bonus and options to be granted under the share option scheme.

AUDIT COMMITTEE AND REVIEW OF ANNUAL FINANCIAL RESULTS

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as set out in its terms of reference or as assigned by the Board.

The Audit Committee has discussed with the management of the Group and reviewed the audited annual financial results of the Group for the year under review, including the accounting principles and practices adopted by the Group, and discussed financial related matters. The consolidated financial statements of the Group for the year under review have been audited by the auditor of the Group, Rongcheng (Hong Kong) 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 year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Rongcheng (Hong Kong) CPA Limited on this announcement.

Extract from independent auditor's report prepared by the independent auditor

The Group would like to provide an extract from the independent auditor's report prepared by Rongcheng (Hong Kong) CPA Limited (the independent auditor) on the Group's annual consolidated financial statements for the year ended 31 December 2025 as set out below:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2025. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our announcement, we have not been able to form an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB23,654,000 during the year ended 31 December 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately RMB18,842,000 and approximately RMB54,187,000, respectively.

As at 31 December 2025, the Group had total borrowings of approximately RMB179,049,000, of which RMB39,020,000 were recorded under current liabilities, while the Group had bank and cash balances of approximately RMB17,009,000. As stated in note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

As set out in note 2 to the consolidated financial statements, the going concern basis of account preparation was based on assumptions and measures that the directors of the Company have been undertaking to improve the Group's liquidity and financial position including (i) successful implementation of cost control measures and business plans to improve the Group's operating results and cash flows; (ii) successful negotiation with the lenders for extension of repayment date of the other borrowings amounted to RMB29,806,000 due by December 2026; and (iii) successful obtaining new sources of financial resources as and when needed. The validity of the going concern assumptions on which the consolidated financial statements of the Group have been prepared depends on the outcome of these plans and measures.

Given the execution of the plans and measures by the Group is in progress and no written contractual agreements or other documentary supporting evidence from the relevant counterparties are available to the Group as at the date of approval for the issuance of the consolidated financial statements of the Group for extending the going concern assessment, we are unable to obtain sufficient appropriate audit evidence that we considered necessary to assess the likelihood of success of the plans and measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves regarding the appropriateness of the directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements of the Group.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets, including goodwill, property, plant and equipment, intangible assets not yet ready for use, and right-of-use assets to their recoverable amounts, to reclassify non-current assets as current assets, and to reclassify non-current liabilities as current liabilities. The effects of these adjustments, could be both material and pervasive, have not been reflected in the consolidated financial statements of the Group.

ACTION PLAN TO ADDRESS DISCLAIMER OF OPINION

The auditor of the Company did not express opinion on the consolidated financial statements of the Group for the year ended 31 December 2025 due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements. In order to address the issues, up to the date of this announcement, the Group has taken and will continue to implement the following measures (the “**Measures**”) under the Group’s action plan to improve the Group’s liquidity position, including:

- (a) The Group will continue to implement operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations. These actions include cost control measures and timely collection of outstanding receivables;
- (b) The Group is actively negotiating with the lenders for extension of repayment date of the other borrowings amounted to RMB29,806,000 due by December 2026; and
- (c) The Group considers to obtain additional funds by equity financing and bank loan facilities to finance the Group’s working capital.

The Board will continue to use its best endeavours to implement the Measures aimed at resolving the issues underlying the disclaimer of opinion and will publish further announcement(s) as and when appropriate.

AUDIT COMMITTEE’S VIEW ON THE DISCLAIMER OF OPINION

The Audit Committee has reviewed and agreed with the views and concerns of the independent auditor with respect to the disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2025. The Audit Committee noted that the Board has undertaken or is in the progress of implementing the Measures to improve the Group’s liquidity position. As at the date of this announcement, the Board is not aware of any indication that there will be any difficulties in implementing any of the Measures. With reference to the cash flow forecast which is prepared upon the assumption that the Measures will be successfully implemented, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next fifteen months from the date of approval for the consolidated financial statements for the year ended 31 December 2025. Accordingly, the consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.risecomm.com.cn. The annual report for the year under review containing all the information required by Appendix D2 to the Listing Rules will be issued on the aforesaid websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules, and will be despatched to the Shareholders in accordance with the arrangement of the Company's corporate communications.

By Order of the Board
Risecomm Group Holdings Limited
Zhao Luyi
Chairman and executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Ms. Zhao Luyi, Mr. Tsang Wah Tak, Brian and Ms. Ye Bailing, the non-executive Directors are Ms. Guo Lei and Mr. Yu Lu, and the independent non-executive Directors are Mr. Victor Yang, Ms. Lo Wan Man and Mr. Zou Heqiang.