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TONGDA HONG TAI HOLDINGS LIMITED

通達宏泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2363)

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

HIGHLIGHTS

- Revenue of the Group in 2025 was approximately HK\$64.4 million, representing a decrease of approximately 10.1% as compared with the revenue of approximately HK\$71.6 million in 2024.
- The net loss attributable to the equity holders of the Company for 2025 amounted to approximately HK\$23.8 million as compared with approximately HK\$25.7 million in 2024.
- Basic loss per share for 2025 was approximately HK11.65 cents (2024: HK15.69 cents).
- The Board did not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

The board (the “Board”) of directors (the “Directors”) of Tongda Hong Tai Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 (the “Year”), together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	<i>5</i>	64,441	71,591
Cost of sales		<u>(62,037)</u>	<u>(68,390)</u>
Gross profit		2,404	3,201
Other income	<i>5</i>	1,423	4,407
Selling and distribution expenses		(164)	(91)
General and administrative expenses		(4,765)	(7,696)
Other operating expenses, net		(11,675)	(12,306)
Finance costs	<i>6</i>	<u>(11,023)</u>	<u>(13,170)</u>
LOSS BEFORE TAX	<i>7</i>	(23,800)	(25,655)
Income tax expense	<i>8</i>	<u>—</u>	<u>—</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(23,800)</u>	<u>(25,655)</u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	<i>10</i>	<u>HK(11.65) cents</u>	<u>HK(15.69) cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(23,800)</u>	<u>(25,655)</u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of a foreign operation	<u>(905)</u>	<u>9,609</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	<u><u>(24,705)</u></u>	<u><u>(16,046)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Plant and equipment		–	–
Right-of-use assets		–	–
Lease receivables		<u>561</u>	<u>4,165</u>
Total non-current assets		<u>561</u>	<u>4,165</u>
CURRENT ASSETS			
Inventories	<i>11</i>	15,459	24,671
Trade and bills receivables	<i>12</i>	18,336	41,195
Lease receivables		3,817	3,502
Prepayments, deposits and other receivables		1,326	5,005
Tax recoverable		542	782
Restricted bank balances		–	1,139
Cash and bank balances		<u>84,896</u>	<u>84,153</u>
Total current assets		<u>124,376</u>	<u>160,447</u>
CURRENT LIABILITIES			
Trade payables	<i>13</i>	9,405	32,049
Other payables and accruals		22,088	290,125
Loans from and amounts due to related parties		2,889	2,948
Lease liabilities		<u>6,686</u>	<u>6,214</u>
Total current liabilities		<u>41,068</u>	<u>331,336</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>83,308</u>	<u>(170,889)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>83,869</u>	<u>(166,724)</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		547	4,663
Other payables		<u>279,414</u>	<u>—</u>
Total non-current liabilities		<u>279,961</u>	<u>4,663</u>
Net liabilities		<u>(196,092)</u>	<u>(171,387)</u>
DEFICIENCY			
Equity attributable to equity holders of the Company			
Issued capital	<i>14</i>	20,422	20,422
Deficit		<u>(216,514)</u>	<u>(191,809)</u>
Total deficit		<u>(196,092)</u>	<u>(171,387)</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

Tongda Hong Tai Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in the manufacture and sale of casings of notebook and tablet computer and components in Mainland China. There were no significant changes in the nature of the subsidiaries’ principal activities during the year.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern assumptions

The Group incurred net loss of approximately HK\$23,800,000 (2024: HK\$25,655,000) for the year ended 31 December 2025. As at 31 December 2025, the Group had net current assets of approximately HK\$83,308,000 (2024: net current liabilities of approximately HK\$170,889,000) and net liabilities of approximately HK\$196,092,000 (2024: HK\$171,387,000).

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to improve the Group’s financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted several measures together with other measures in progress at the date when the consolidated financial statements are authorised for issue, but not limited to, the followings:

- (a) The management is in process to develop a plan to restructure the Group’s business, improve operational efficiency, and explore new opportunities;

- (b) In December 2025, the Group negotiated with one of the independent third parties and entered into a supplementary agreement, pursuant to which the Group and the independent third party agreed to extend the repayment of other payable, comprising principal of approximately HK\$181,055,000 and interest of approximately HK\$27,197,000, in aggregate of approximately HK\$208,252,000 as at 31 December 2025 to March 2027; and
- (c) The Group has negotiated with another independent third party and obtained a letter of undertaking, pursuant to which the independent third party agreed not to demand repayment in aggregate of approximately HK\$71,162,000 as at 31 December 2025 within the next twelve months from the date of report.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the date of report. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from the date of report. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Amendments to an HKFRS Accounting Standards

In the current year, the Group has applied for the following amendments to HKFRS Accounting Standards as issued by HKICPA which are effective for the Group's financial year beginning on 1 January 2025 for the preparation of the consolidated financial statements.

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in current year has had no material impact on Group's financial positions and performance for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards, that have been issued but are not yet effective.

Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ No mandatory date yet determined but available for early adoption

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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. The Group currently presents interest received and interest paid in operating activities, they will be classified in the investing activities and financing activities, respectively, on the consolidated statement of cash flows.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of the casings of notebook and tablet computer and components. Almost all of the Group's products are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are attributable to a single reportable operating segment.

In addition, the Group's revenue, expenses, results, assets and liabilities and capital expenditures are mainly dominantly attributable to Mainland China, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

Information about major customers

Revenue derived from sales to individual customers which contributed over 10% to the total revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	21,199	15,145
Customer B	25,359	9,543
Customer C	N/A ¹	9,394
Customer D	N/A ¹	7,456
	<u>46,558</u>	<u>41,538</u>

¹ Revenue generated from retail sales accounts for less than 10% of the group total revenue.

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Sale of casings of notebook and tablet	61,687	71,591
Others	2,754	—
	<u>64,441</u>	<u>71,591</u>
Timing of revenue recognition:		
A point in time	<u>64,441</u>	<u>71,591</u>

Revenue from contracts with customers

Performance obligation

Sale of casings of notebook and tablet

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one to four months from delivery, except for new customers, where payment in advance is normally required.

An analysis of the Group's other income is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	1,189	1,214
Government grants*	–	501
Finance income	174	364
Sale of scrap materials	–	246
Write-off of trade and other payables	60	2,009
Others	–	73
	<u>1,423</u>	<u>4,407</u>

* There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on loans from independent third parties	10,835	12,839
Interest on lease liabilities	188	331
	<u>11,023</u>	<u>13,170</u>

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Cost of inventories sold ³		62,037	68,390
Depreciation of plant and equipment		–	109
Depreciation of right-of-use assets		–	733
Lease payments not included in the measurement of lease liabilities		33	201
Employee benefit expense (excluding directors' remuneration):			
Salaries and wages		1,567	2,370
Pension scheme contributions ²		352	549
		<u>1,919</u>	<u>2,919</u>
Auditor's remuneration			
– Annual audit services		600	800
Impairment (reversed)/recognised on trade receivables ¹		(426)	235
Provision/(reversal of provision) for inventories ⁴		14,359	(3,248)
Gain on disposal of items of property plant and equipment ¹		(1,358)	(1,159)
Impairment of plant and equipment ¹		–	928
Impairment of right-of-use assets ¹		–	1,467
Reversal of impairment of right-of-use assets arising from subleasing arrangements ¹		–	(2,114)
Loss on inception of subleasing arrangements ¹		–	1,775
Foreign exchange differences, net ¹		(1,996)	9,847
		<u>(1,996)</u>	<u>9,847</u>

¹ These items are included in “Other operating expenses, net” on the face of the consolidated statement of profit or loss.

² At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil).

³ Cost of inventories sold includes HK\$497,000 (2024: HK\$1,114,000) relating to employee benefit expense, lease payments not included in the measurement of lease liabilities and depreciation (2024: relating to employee benefit expenses, lease payments not included in the measurement of lease liabilities, reversal of provision for inventories and depreciation), which are also included in the respective total amounts disclosed above for each of these types of expenses.

⁴ For the year ended 31 December 2025, management has reassessed the presentation of the consolidated statement of profit or loss. Given the specific nature and significance of the provision for inventories recognised, management considers that presenting these charges outside of “Cost of Sales” provides a fairer representation of the direct costs associated with revenue generation. The provision for inventories is now classified under “other operating expenses, net” in the consolidated statement of profit or loss.

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). No provision for corporate income tax in Mainland China has been made as the Group did not generate any assessable profits during the year (2024: Nil).

9. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

For the year ended 31 December 2025, the calculation of the basic loss per share amount is based on the loss for the year attributable to the equity holders of the Company of HK\$23,800,000 (2024: HK\$25,655,000), and the weighted average number of ordinary shares of 204,224,073 (2024: 163,552,443).

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares used for the purpose of calculating basic loss per share for the shares consolidation on 19 March 2024 and issue of shares under the rights issue on 8 May 2024.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

11. INVENTORIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	502	456
Work in progress	7,909	11,124
Finished goods	7,048	13,091
	<u>15,459</u>	<u>24,671</u>

The provision for impairment losses on inventories is generally made for those inventories aged over ten months with no subsequent sales.

12. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	18,982	41,841
Impairment	(722)	(1,138)
	18,260	40,703
Bills receivables	76	492
	18,336	41,195

As at 31 December 2025, the Group has bills receivables of HK\$76,000 (2024: HK\$492,000) were measured at fair value through other comprehensive income as these trade and bills receivables are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. 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. Trade receivables are non-interest bearing. As at 31 December 2025, 68.5% (2024: 38.7%) and 83.1% (2024: 89.9%) of the total trade and bills receivables were due from the Group's largest customer and five largest customers, respectively.

An ageing analysis of the Group's trade receivables (based on the invoice date) and bills receivable (based on the issue date) as at the end of the reporting period, and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	6,082	38,495
4 to 6 months, inclusive	7,888	1,118
7 to 9 months, inclusive	3,115	824
10 to 12 months, inclusive	1,251	758
	18,336	41,195

13. TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled on terms of one to four months. An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	4,574	26,986
4 to 6 months, inclusive	542	2,210
7 to 9 months, inclusive	1,447	474
10 to 12 months, inclusive	493	–
Over 1 year	2,349	2,379
	<u>9,405</u>	<u>32,049</u>

During the year ended 31 December 2024, the management has revisited the trade payables balance and noted that certain suppliers are in an insolvency position. Accordingly, the Group has written-off the trade payables of HK\$1,960,000. No written-off trade payable was recognised during the year ended 31 December 2025.

14. ISSUED CAPITAL

A summary of movements in the Company's authorised and issued share capital is as follows:

	<i>Notes</i>	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$'000</i>
Authorised:			
As at 1 January 2024		1,000,000,000	10,000
Share consolidation	<i>(a)</i>	(900,000,000)	–
Addition	<i>(a)</i>	<u>500,000,000</u>	<u>50,000</u>
As at 31 December 2024, 1 January 2025 and 31 December 2025		<u>600,000,000</u>	<u>60,000</u>
Issued and fully paid:			
As at 1 January 2024		680,746,914	6,807
Share consolidation	<i>(a)</i>	(612,672,223)	–
Addition	<i>(b)</i>	<u>136,149,382</u>	<u>13,615</u>
As at 31 December 2024, 1 January 2025 and 31 December 2025		<u>204,224,073</u>	<u>20,422</u>

Note (a) On 12 January 2024, the Board of the Company proposed to implement the shares consolidation, pursuant to which every ten issued and unissued existing shares of par value HK\$0.01 each consolidated into one consolidated share of par value HK\$0.1 each (the “Shares Consolidation”). The Shares Consolidation was completed and effective on 19 March 2024. Immediately following the Shares Consolidation having become effective, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 existing shares to HK\$60,000,000 divided into 600,000,000 consolidated shares by the creation of an additional 500,000,000 new consolidated shares, details of which were disclosed in the Company’s circular dated 29 February 2024.

Note (b) On 12 January 2024, the Board of the Company has proposed to implement the rights issue on the basis of two rights shares for every one consolidated share at the subscription price of HK\$0.58 per rights share (the “Rights Issue”). At the same date, the Company entered into a placing agreement with an independent placing agent, pursuant to which the Company has conditionally agreed to place, through the independent placing agent, on a best effort basis to procure places to subscribe the unsubscribed rights shares at a price at least equal to the subscription price of the rights shares (the “Placing”).

Based on the acceptance results of the Rights Issue and the Placing, rights shares (including the placing shares) of 136,149,382 shares to be allotted and issued, representing 100% of the total number of rights shares offered for subscription under the Rights Issue. The gross proceeds from the placing are HK\$78,967,000. The net proceeds (after deducting the placing commission and other related expenses of approximately HK\$1,109,000) was approximately HK\$77,858,000. The Rights Issue and Placing has been completed on 8 May 2024.

The subscription price HK\$0.58 per Rights Issue and Placing represents a premium of approximately 5.45% to the market closing price HK\$0.55 per share of the Company’s shares as quoted on the Stock Exchange on 8 May 2024, being the date on which the Rights Issue and Placing were completed and the terms were fixed.

Further details of the Right Issue and Placing are set out in the Company’s announcement dated 12 January 2024, the circular dated 29 February 2024, the prospectus dated 28 March 2024 and the announcements dated 26 April 2024 and 8 May 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a “one-stop” manufacturing solution provider of casings and components for notebooks, tablet computers, electronic products and household items including the related trading of materials and newly introduced casing for robot devices.

During the Year, the Group’s revenue decreased by approximately 10.1%, from approximately HK\$71.6 million in last year to approximately HK\$64.4 million for the Year. The decrease was the notebooks and tablet computers market are facing challenges from volatile trade policies and tariff uncertainty which hinders the sales of casings of notebook. As a result, the Group’s gross profit margin was approximately 3.7% for the Year, which was approximately 0.8% lower than last year of approximately 4.5%.

BUSINESS PROSPECTS

Looking ahead, the global business environment remains clouded by escalating geopolitical risks and macroeconomic uncertainties. The industry continues to face significant headwinds, including a tightened macroeconomic environment, subdued consumer spending, ongoing geopolitical tensions, and intense market competition. Furthermore, as the corporate migration wave to Windows 11 has passed its peak, commercial demand for traditional notebooks and tablets has naturally softened. In response, the Group is continuously reviewing its operational strategies to enhance its overall competitiveness.

Despite these challenges, the emergence of AI-capable notebook computer and related electronic products presents an opportunity for growth. Continuous technological innovation and hardware upgrades remain the primary catalysts for market recovery. The Group is strategically positioned to seize the opportunities arising from the accelerating deployment of AI related products.

Cognisant of the intense market competition, the Group maintains a prudent yet agile approach to business development. Building upon the successful introduction and revenue contribution of casings for robot devices during the year, the Group continue to optimise its product portfolio and diversify its revenue streams. Moving forward, the Group will actively identify and capture new business opportunities in the trading of materials, while deepening its research and development of AI technology and other related projects.

FINANCIAL REVIEW

For the year ended 31 December 2025 (the “Year”), the Group recorded revenue of approximately HK\$64.4 million, representing a decrease of approximately 10.1% as compared with approximately HK\$71.6 million for the year ended 31 December 2024. The decline in revenue was mainly attributable to the continued weakness in the notebook and tablet casings market amid global macroeconomic uncertainties and cautious customer spending sentiment.

The Group recorded a gross profit of approximately HK\$2.4 million for the Year (2024: gross profit of approximately HK\$3.2 million). The deterioration in gross performance was primarily due to the decrease in sales volume and sustained pricing pressure, which offset the benefits of the Group's prior operational restructuring efforts.

Selling and distribution expenses remained low at approximately HK\$0.2 million (2024: approximately HK\$0.1 million), reflecting the Group's lean operating structure and stable distribution cost base.

General and administrative expenses decrease significantly by approximately 37.7%, from approximately HK\$7.7 million in 2024 to approximately HK\$4.8 million for the Year. The reduction was mainly attributable to the Group's continued cost optimisation measures and lower staff-related expenses.

Finance costs decreased to approximately HK\$11.0 million (2024: approximately HK\$13.2 million), primarily due to the reduction in interest-bearing liabilities following the restructuring of certain payables.

The Group recorded net other operating expenses of approximately HK\$11.7 million for the Year, compared with net other operating expenses of approximately HK\$12.3 million in 2024. The favourable movement was mainly due to gains recognised during the Year, reversing the negative impact of lease-related expenses incurred in the prior year.

As a result of the foregoing, the Group's loss attributable to equity holders of the Company narrowed substantially to approximately HK\$23.8 million for the Year (2024: loss of approximately HK\$25.7 million). Basic and diluted loss per share for the Year was HK11.65 cents (2024: HK15.69 cents).

The Group's inventory turnover days improved to approximately 59 days for the Year (2024: approximately 152.3 days). The Group saw a significant improvement in inventory turnover days, driven by ongoing initiatives to optimize production scheduling and maintain disciplined inventory management. Despite a subdued demand environment, tighter controls over raw materials and finished goods have led to a more efficient working capital cycle and supported the Group's goal of enhancing operating cash flow.

The Group's trade and bills receivables turnover days decreased to approximately 84.3 days for the Year (2024: approximately 188.1 days). The improvement was mainly attributable to strengthened credit control measures and more proactive collection efforts during the Year. Despite the challenging macroeconomic conditions, the Group continued to closely monitor customer credit profiles and maintained prudent credit risk management to safeguard cash flow stability.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

During the Year, we financed our capital expenditure and working capital requirements mainly through other payables, loans from and amounts due to related parties, the proceeds received from the Listing in March 2018 and the proceeds received from the Rights Issue in May 2024.

As at 31 December 2025, we had interest-bearing other payables of approximately HK\$279.4 million (2024: approximately HK\$268.6 million), loans from and amounts due to related companies of approximately HK\$2.9 million (2024: approximately HK\$2.9 million). Their range of interest rates was 2% to 7.00% (2024: 2% to 7.00%) per annum.

As at 31 December 2025, the Group's cash and cash equivalents were mainly held in USD, RMB and HK\$, and the cash and cash equivalents of approximately HK\$84.9 million (2024: approximately HK\$84.2 million). The Group currently does not use any financial instruments for hedging purposes.

As at 31 December 2025, the Group had restricted bank balances of approximately HK\$nil million (2024: approximately HK\$1.1 million).

As at 31 December 2025, the Group had interest-bearing loans from independent third parties of approximately HK\$279.4 million (2024: approximately HK\$268.6 million).

As at 31 December 2025, the Group had interest-bearing loans from a related party (who is also one of the former controlling shareholders) of approximately HK\$2.4 million (2024: interest-bearing loans from related parties of approximately HK\$2.4 million).

Average trade and bills receivable turnover days was approximately 84.3 days (2024: approximately 188.1 days).

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

Average inventory turnover days was approximately 59.0 days (2024: approximately 152.3 days). Overall, the current ratio of the Group was approximately 3.03 as at 31 December 2025 (2024: approximately 0.48).

As at 31 December 2025, the Group's gearing ratio was approximately 101% (2024: 109%).

Gearing ratio is calculated based on total borrowings (i.e. certain interest-bearing other payables classified as current and non-current portion and loans from and amounts due to related parties) less total cash and bank balances (including restricted bank balances) divided by total equity attributable to equity holders of the Company as at year-end date and expressed as a percentage.

The Group's operations were mainly financed by internal resources including but not limited to existing cash and cash equivalents, cash flow from its operating activities, the net proceeds generated from the Listing and Rights Issue, other payables and from and amounts due to related parties. The Board believes that the Group's liquidity needs will be satisfied.

CAPITAL STRUCTURE

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018.

On 12 January 2024, the Board of the Company proposed to implement the shares consolidation, pursuant to which every ten issued and unissued existing shares of par value HK\$0.01 each consolidated into one consolidated share of par value HK\$0.1 each (the "Shares Consolidation"). The Shares Consolidation was completed and effective on 19 March 2024. Immediately following the Shares Consolidation having become effective, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 existing shares to HK\$60,000,000 divided into 600,000,000 consolidated shares by the creation of an additional 500,000,000 new consolidated shares, details of which were disclosed in the Company's circular dated 29 February 2024.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of approximately HK\$nil during the Year (2024: approximately HK\$nil).

FOREIGN EXCHANGE

The Group faces limited foreign exchange exposure including transaction and translation exposure. The Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. The Group has not entered nor will it enter into any derivative transactions for speculative trading purposes as at 31 December 2025 (2024: Nil).

SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

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

EMPLOYEE INFORMATION

As at 31 December 2025, the Group employed a total of 13 permanent employees, who are mainly employees in administration department, down from 22 as at 31 December 2024. Total employee benefit expenses including Directors' remuneration for the Year were approximately HK\$3.4 million, as compared to approximately HK\$4.7 million last year. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, bonuses, social insurance and mandatory pension fund contribution. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. Our employees in Hong Kong participate in the mandatory provident fund scheme. Details of employee's remuneration are disclosed in note 7 to the consolidated financial statements.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operation of the Group as set out in this announcement are historical in nature and past performance is not a guarantee of future performance. This announcement may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this announcement of the Company; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, (i) the Group's largest customer and five largest customers accounted for approximately 39.4% and 87.5% respectively of the Group's total revenue; and (ii) the Group's largest supplier and five largest suppliers accounted for approximately 62.7% and 96.9% respectively of the Group's total purchases (not including purchases of items which are of a capital nature).

As far as the Directors are aware, none of the Directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement and/or other announcements of the Company, there were no other important events affecting the Group that had occurred after 31 December 2025 and up to the date of this announcement.

USE OF NET PROCEEDS FROM THE LISTING

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018. Net proceeds from the Listing (after deducting underwriting fee and relevant expenses payable by the Group in connection with the Listing) amounted to approximately HK\$48.5 million. As at 31 December 2025, a total amount of HK\$47.3 million out of the net proceeds had been used by the Group and the unutilised amount will be used by the Group according to the allocation set out in the SHARE OFFER prospectus of the Company dated 28 February 2018.

The following sets forth a summary of the utilisation of the net proceeds:

Purpose	Percentage to total amount	Net proceeds <i>HK\$ million</i>	Utilised	Unutilised	Expected timeline of full utilisation of the balance
			amount (as at 31 December 2025) <i>HK\$ million</i>	amount (as at 31 December 2025) <i>HK\$ million</i>	
Lease of a new factory (<i>Note 1</i>)	15.1%	7.3	6.1	1.2	2027-2028
Refurbishment of the new factory as mentioned above	19.9%	9.6	9.6	–	–
Capital expenditure for additional production facilities and machineries	46.2%	22.4	22.4	–	–
Capital expenditure for enhancing the automation in the Group's manufacturing process	16.1%	7.8	7.8	–	–
Additional effort in sales and marketing activities	0.3%	0.2	0.2	–	–
Enhancement of research and development capabilities	2.4%	1.2	1.2	–	–
Total	100%	48.5	47.3	1.2	

Note:

1. The new lease of the factory is for a term of three years, and therefore the remaining balance of approximately HK\$1.2 million is expected to be fully utilised by the year 2027-2028.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 8 May 2024, the Group completed the rights issue on the basis of two rights shares for every one consolidated ordinary share of the Company at the subscription price of HK\$0.58 per rights share, the net proceeds from the rights issue, after deducting the estimated expenses of approximately HK\$1.1 million (including but not limited to placing commission, legal expenses and disbursements), are approximately HK\$77.9 million. The Company intends to apply the net proceeds to (i) approximately HK\$70.0 million for repayment of loans and other payables of the Group; and (ii) approximately HK\$7.9 million as general working capital of the Group. As at 31 December 2025, a total amount of HK\$7.9 million out of the net proceeds had been used by the Group and the unutilised amount will be used by the Group according to the allocation set out in the RIGHTS ISSUE prospectus of the Company dated 28 March 2024.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the Year.

AUDIT COMMITTEE

According to Rule 3.21 of the Listing Rules and the CG Code, the Group established the audit committee of the Company (the “AC”) on 8 February 2018. The AC comprised of all independent non-executive Directors, namely Ms. Kwok Sau King Tina, Mr. Wan, Aaron Chi Keung and Mr. Chan Luk On. Ms. Kwok Sau King Tina takes the chair of the AC. The terms of reference of the AC are aligned with the recommendations as set out in “A Guide for Effective Audit Committee” issued by the Hong Kong Institute of Certified Public Accountants and the code provisions as set out in the CG Code. The AC provides accounting and financial advices and recommendations to the Board as well as monitor and safeguard the independence of external auditors and relevant auditing matters. In addition, the AC is responsible to review and supervise the risk management and internal control systems of the Group and transactions with connected persons (if any).

The Group’s annual results for the Year have been reviewed by the AC which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The AC has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considered the risk management and internal control systems to be effective and adequate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS (THE “MODEL CODE”)

For the Year, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company has made specific enquiries to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the Year and up to the date of this announcement.

PUBLICATION OF FINAL RESULTS

This announcement will be published on the websites of the Stock Exchange and the Company.

The annual report of the Company for the Year containing all the information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2024: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “Annual General Meeting”) will be held on Thursday, 7 May 2026. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company and despatched to the Shareholders on or before Wednesday, 15 April 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the Shareholders to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 4 May 2026 to Thursday, 7 May 2026, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 30 April 2026.

PRELIMINARY ANNOUNCEMENT OF THE GROUP'S RESULTS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Company's auditor 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 the Company's auditor on this preliminary announcement.

APPRECIATION

Lastly, the Group would like to thank all the staff and the management team for their hard work in the past year. The Group would also like to express heartfelt gratitude to all of its customers and suppliers, and wish for their continuous supports in the future. The Company will keep working closely with its shareholders and employees to steer the Group to a more modernised and sophisticated level of operation, through which it aspires to turn to a new chapter in the Group's development.

By Order of the Board
Tongda Hong Tai Holdings Limited
Chan Shiu Man
Executive director

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. Chan Shiu Man and Mr. Wang Ming Zhi; and the independent non-executive Directors are, Mr. Wan, Aaron Chi Keung, Mr. Chan Luk On and Ms. Kwok Sau King Tina.