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**HYBRID KINETIC GROUP LIMITED**

**正道集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1188)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2025  
AND  
CONTINUED SUSPENSION OF TRADING**

The board of directors (the “**Board**” or the “**Directors**”) of Hybrid Kinetic Group Limited (the “**Company**”) would like to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) together with the comparative figure for the year ended 31 December 2024 as follows:

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

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	4	<b>55,578</b>	–
Cost of sales		<u>(35,238)</u>	<u>–</u>
<b>Gross profit</b>		<b>20,340</b>	–
Other income	5	<b>3,375</b>	2
Selling and distribution expenses		<b>(1,360)</b>	–
Administrative expenses		<b>(7,421)</b>	(6,603)
Impairment loss recognised on trade receivables		<u>(85)</u>	<u>–</u>
<b>Profit/(loss) from operations</b>		<b>14,849</b>	(6,601)
Finance costs	7	<u>(3)</u>	<u>(15)</u>
<b>Profit/(loss) before tax</b>		<b>14,846</b>	(6,616)
Income tax expense	8	<u>(2,600)</u>	<u>–</u>
<b>Profit/(loss) for the year from continuing operations</b>	9	<u><b>12,246</b></u>	<u>(6,616)</u>
<b>DISCONTINUED OPERATIONS</b>			
Profit/(loss) for the year from discontinued operations		<u><b>24,626</b></u>	<u>(7,197)</u>
<b>Profit/(loss) for the year</b>		<u><b>36,872</b></u>	<u>(13,813)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(197)</b>	1,956
Releases of translation reserve upon disposals of subsidiaries		<u><b>48,626</b></u>	<u>–</u>
<b>Other comprehensive income for the year</b>		<u><b>48,429</b></u>	<u>1,956</u>
<b>Total comprehensive income/(expense) for the year</b>		<u><u><b>85,301</b></u></u>	<u><u>(11,857)</u></u>

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Profit/(loss) for the year attributable to owners of the company:</b>			
— Continuing operations		<b>12,204</b>	(6,616)
— Discontinued operation		<b>24,626</b>	(7,109)
		<u><b>36,830</b></u>	<u>(13,725)</u>
<b>Profit/(loss) for the year attributable to non-controlling interests:</b>			
— Continuing operations		<b>42</b>	—
— Discontinued operation		<b>—</b>	(88)
		<u><b>42</b></u>	<u>(88)</u>
<b>Total comprehensive income/(expense) attributable to owners of the company:</b>			
— Continuing operations		<b>12,006</b>	(4,660)
— Discontinued operation		<b>73,252</b>	(7,066)
		<u><b>85,258</b></u>	<u>(11,726)</u>
<b>Total comprehensive income/(expense) attributable to non-controlling interests:</b>			
— Continuing operations		<b>43</b>	—
— Discontinued operation		<b>—</b>	(131)
		<u><b>43</b></u>	<u>(131)</u>
<b>Earnings/(loss) per share</b>			
<i>11</i>			
From continuing and discontinued operations			
— Basic		<b>0.18</b>	(0.07)
— Diluted		<b>0.18</b>	(0.07)
From continuing operations			
— Basic		<b>0.06</b>	(0.03)
— Diluted		<b>0.06</b>	(0.03)
From discontinued operations			
— Basic		<b>0.12</b>	(0.04)
— Diluted		<b>0.12</b>	(0.04)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		261	–
Equity investments at fair value through other comprehensive income		–	–
Right-of-use assets		85	–
		<u>346</u>	<u>–</u>
<b>Current assets</b>			
Inventories		5,651	–
Trade receivables	12	32,395	–
Prepayments and other receivables		24	143
Bank and cash balances		14,588	202
		<u>52,658</u>	<u>345</u>
<b>Current liabilities</b>			
Trade payables	13	21,306	5,234
Other payables		28,830	98,053
Amount due to a related party	14	8,719	8,719
Loan from a shareholder	16	–	101,014
Lease liabilities		57	–
Income tax payables		2,602	–
		<u>61,514</u>	<u>213,020</u>
<b>Net current liabilities</b>		<u>(8,856)</u>	<u>(212,675)</u>
<b>Total assets less current liabilities</b>		<u>(8,510)</u>	<u>(212,675)</u>
<b>Non-current liabilities</b>			
Amount due to a director	15	19,958	–
Loan from a shareholder	16	77,577	–
Lease liabilities		30	–
		<u>97,565</u>	<u>–</u>
<b>NET LIABILITIES</b>		<u>(106,075)</u>	<u>(212,675)</u>
<b>Capital and reserves</b>			
Share capital		2,035,287	2,035,287
Reserves		(2,141,405)	(2,249,200)
<b>Equity attributable to owners of the Company</b>		<u>(106,118)</u>	<u>(213,913)</u>
Non-controlling interests		43	1,238
<b>TOTAL DEFICIT</b>		<u>(106,075)</u>	<u>(212,675)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 1. GENERAL INFORMATION

Hybrid Kinetic Group Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The address of its principal place of business is Suite 707, 7/F., No. 12 Taikoo Wan Road, Taikoo, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In the opinion of the directors (the “**Directors**”) of the Company, the Company has no immediate and ultimate holding Company or ultimate controlling party.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the “**Group**”) were sales of vehicle batteries and spare parts, and sales and production of short movies.

During the year ended 31 December 2025, the Group had discontinued the operation of (i) High-tech electric motor vehicles; and (ii) Advanced batteries materials through disposal of subsidiaries. And during the year ended 31 December 2025, the Group commenced new business, sales and production of short movies.

### 2. GOING CONCERN BASIS

As at 31 December 2025, the Group had net current liabilities of approximately HK\$8,856,000 and net liabilities of approximately HK\$106,075,000. 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. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements. In order to ensure the Group’s ability to operate as a going concern, the directors of the Company have implemented measures to deal with the conditions referred to above, as follows:

- (i) a substantial shareholder has undertaken to provide continuing financial support to the Group to remain continuing operations and to meet its liabilities and obligations when they fall due;
- (ii) a substantial shareholder to whom the Group owed principal amount of approximately HK\$100,114,000 as at 31 December 2025 undertook not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group’s financial position;
- (iii) the related party to whom the Group owed approximately HK\$8,719,000 as at 31 December 2025 undertook not to demand repayment until the Group is in position to repay it without impairment of the Group’s financial position;

The directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value 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 liabilities as current assets and liabilities, respectively.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied all the new and revised amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements. The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

The Group has not early applied the new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group’s consolidated financial statements.

### 4. REVENUE

Revenue from continuing operations represents the consideration to which the Group expects to be entitled in exchange for (i) sales of vehicle batteries and spare parts; and (ii) sales and production of short movies. An analysis of the Group’s revenue is as follows:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i> (Restated)
<b>Continuing operations</b>		
Sales of vehicle batteries and spare parts	52,074	–
Production of short movies	3,504	–
	<u>55,578</u>	<u>–</u>

During the years ended 31 December 2025 and 2024, the discontinued operations have not generated any revenue.

Disaggregation of revenue from contracts with customers from continuing operations:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i> (Restated)
<b>Major products/service</b>		
Sales of vehicle batteries and spare parts	52,074	–
Production of short movies	3,504	–
	<u>55,578</u>	<u>–</u>
<b>Timing of revenue recognition</b>		
– At a point in time	<u>55,578</u>	<u>–</u>

#### **Sales of vehicle batteries and spare parts**

The Group sells vehicle batteries and spare parts to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer’s acceptance of the products and the customer has obtained legal titles to the products.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

### Sales and production of short movies

Income from the sales and production of short movies is recognised at a point in time when the control of the assets is transferred to the customers, i.e., delivery of the short movies to the customers.

## 5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Other financing income	3,375	–
Others	–	2
	<u>3,375</u>	<u>2</u>

## 6. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different business strategies. The Group has the followings reportable segments:

### Continuing operations

#### (i) *Vehicle batteries and spare parts*

Sales of vehicle batteries and spare parts (renamed from “Battery management systems and spare parts” in year 2025)

#### (ii) *Production of short movies*

Sales and production of short movies (new business commenced in year 2025)

### Discontinued operations

#### (i) *High-tech electric motor vehicles*

Development of high-tech electric motor vehicles (This segment contributed nil revenue since year 2021 and has been discontinued by the Directors and no longer reported as a reportable segment.)

#### (ii) *Advanced batteries materials*

Development of advanced batteries materials (This segment contributed nil revenue since year 2021 and has been discontinued by the Directors and no longer reported as a reportable segment.)

Segment profits or losses do not include unallocated corporate income and expenses. Segment assets do not include unallocated corporate assets. Segment liabilities do not include unallocated corporate liabilities.

(a) Segment revenues and results

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

	Continuing operation		Discontinued operations		Total HK\$'000
	Sales of batteries and spare parts HK\$'000	Production of short movies HK\$'000	High-tech electric motor vehicles HK\$'000	Advanced batteries materials HK\$'000	
<b>Year ended 31 December 2025:</b>					
Revenue from external customers	<u>52,074</u>	<u>3,504</u>	<u>–</u>	<u>–</u>	<u>55,578</u>
Segment result	<u>14,088</u>	<u>1,068</u>	<u>–</u>	<u>–</u>	<u>15,156</u>
Other unallocated income					3,375
Other unallocated expenses					(3,682)
Finance costs					(3)
Gain on disposal of subsidiaries					<u>24,626</u>
Profit before tax					<u>39,472</u>
Income tax expense					<u>(2,600)</u>
Profit for the year					<u><u>36,872</u></u>

	Continuing operation	Discontinued operations		Total HK\$'000 (Restated)
	Battery management systems and spare parts HK\$'000	High-tech electric motor vehicles HK\$'000	Advanced batteries materials HK\$'000	
<b>Year ended 31 December 2024:</b>				
Revenue from external customers	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Segment result	<u>(1,444)</u>	<u>(3,209)</u>	<u>(222)</u>	<u>(4,875)</u>
Other unallocated expenses				(8,923)
Finance costs				<u>(15)</u>
Profit before tax				<u>(13,813)</u>
Income tax expense				<u>–</u>
Profit for the year				<u><u>(13,813)</u></u>

(b) **Segment assets and liabilities**

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Assets:</b>		
Sales of batteries and spare parts	44,527	4
Production of short movies	1,193	–
High-tech electric motor vehicles	–	278
Advanced batteries materials	–	5
	<hr/>	<hr/>
Total assets of reportable segments	45,720	287
Corporate and unallocated assets	7,284	58
	<hr/>	<hr/>
<b>Consolidated total assets</b>	<b>53,004</b>	<b>345</b>
	<hr/>	<hr/>
<b>Liabilities:</b>		
Sales of batteries and spare parts	41,116	5,821
Production of short movies	96	–
High-tech electric motor vehicles	–	10,920
Advanced batteries materials	–	1
	<hr/>	<hr/>
Total liabilities of reportable segments	41,212	16,742
Corporate and unallocated liabilities	117,867	196,278
	<hr/>	<hr/>
<b>Consolidated total liabilities</b>	<b>159,079</b>	<b>213,020</b>
	<hr/>	<hr/>

(c) **Other segment information**

	Continuing operations		
	Sales of batteries and spare parts <i>HK\$'000</i>	Production of short movies <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 December 2025:</b>			
Depreciation of property, plant and equipment	(54)	–	(54)
Depreciation of right-of-use assets	(29)	–	(29)
Additions to segment non-current assets	316	–	316
	<hr/>	<hr/>	<hr/>

	Continuing	Discontinued operations		Total
	operation	High-tech	Advanced	
	Battery	electric	batteries	
	management	motor	materials	
	systems and	vehicles		
	spare parts			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Year ended 31 December 2024:</b>				
Depreciation	-	-	-	-
Other material non-cash items:				
Additions to segment				
non-current assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Revenue from major customers:**

Details of the customers individually representing 10% or more of the Group's revenue from continuing operations are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
<b>Vehicle batteries and spare parts</b>		
Customer A	7,989	-
Customer B	7,152	-
Customer C	6,754	-
Customer D	6,265	-
Customer E	6,251	-
Customer F	6,196	-
Customer G	5,750	-
Customer H	5,717	-
	<u>7,989</u>	<u>-</u>

Except disclosed above, no other customers contributed 10% or more to the Group's revenue from continuing operations for the year ended 31 December 2025. Nil revenue for the year ended 31 December 2024.

The Group's revenue from external customers from continuing operations by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
PRC	9,769	-	117	-
Hong Kong	45,809	-	229	-
	<u>9,769</u>	<u>-</u>	<u>117</u>	<u>-</u>

## 7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Interest on lease liabilities	<u>3</u>	<u>15</u>

## 8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Current tax – Hong Kong Profits tax	2,523	–
Current tax – PRC Corporate income Tax	<u>77</u>	<u>–</u>
	<u>2,600</u>	<u>–</u>

No provision for Hong Kong Profits Tax from continuing operations has been made for the year ended 31 December 2024 as the Group did not generate any assessable profits arising in Hong Kong.

The tax rate applicable to the Company and the subsidiaries of the Company incorporated in Hong Kong was 16.5% (2024: nil) during the year ended 31 December 2025.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the law of the PRC on Enterprise Income Tax (the “EIT law”) and implementation regulation of the EIT law, the tax rate of the Group’s subsidiary in the PRC is 25% (2024: 25%). No PRC income tax has been provided as the Group’s subsidiaries in the PRC did not have any assessable profit for the year ended 2024.

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 Group is not subject to taxation in other jurisdictions.

## 9. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year from continuing operations is stated after charging the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Auditor's remuneration	1,150	1,200
Depreciation of property, plant and equipment	54	108
Depreciation of right-of-use assets	29	–
Net exchange loss	–	50
Expense relating to short-term leases	517	–
Staff costs including directors' emoluments		
— Salaries, bonus and allowances	2,109	1,510
— Retirement benefits scheme contributions	32	9
	<u>2,141</u>	<u>1,519</u>

## 10. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2025 and 2024.

## 11. EARNINGS/(LOSS) PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit/(loss)</b>		
Profit/(loss) for the purpose of basic and diluted earnings/(loss) per share attributable to owners of the Company		
— Continuing operations	12,204	(6,616)
— Discontinued operations	24,626	(7,109)
	<u>36,830</u>	<u>(13,725)</u>
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	20,352,873	20,352,873
Effect of dilutive potential ordinary share arising from share options	25,000	425,000
Weighted average number of shares that would have been issued at average market prices	(5,292)	(163,292)
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	<u>20,372,581</u>	<u>20,614,581</u>

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share for the year ended 31 December 2024.

## 12. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	32,480	–
Less: impairment losses	(85)	–
	<u>32,395</u>	<u>–</u>

The credit period granted by the Group to customers for both sales of vehicle batteries and spare parts and production of short movies business are not more than three months from the date of recognition of the sale.

The aging analysis of the Group's trade receivable arising from the sales of vehicle batteries and spare parts, based on the invoice date and net of impairment losses, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	21,189	–
31–90 days	7,076	–
91–180 days	4,130	–
	<u>32,395</u>	<u>–</u>

### Impairment of trade receivables

Reconciliation of loss allowance for trade receivables:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	–	–
Impairment	85	–
	<u>85</u>	<u>–</u>
At the end of the year	<u>85</u>	<u>–</u>

## 13. TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<u>21,306</u>	<u>5,234</u>

The credit periods granted by the suppliers normally ranging from 30 days to 90 days for both years. The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	<b>98</b>	–
31–90 days	<b>14,007</b>	–
91–180 days	<b>7,201</b>	–
181–360 days	–	–
Over 360 days	–	5,234
	<u><b>21,306</b></u>	<u>5,234</u>

#### **14. AMOUNT DUE TO A RELATED PARTY**

The amount is unsecured, interest-free and repayable on demand.

#### **15. AMOUNT DUE TO A DIRECTOR**

The amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$23,408,000 and the present value of the amount is approximately HK\$19,958,000, based on an imputed interest rate of 13.6% per annum.

#### **16. LOAN FROM A SHAREHOLDER**

As at 31 December 2025, the amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$100,114,000 and the present value of the amount is approximately HK\$77,577,000, based on an imputed interest rate of 13.6% per annum.

As at 31 December 2024, the amount is unsecured, interest-free and repayable on demand.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report from Infinity CPA Limited (“**Infinity**”), the external auditor of the Company, on the Group’s consolidated financial statements for the year ended 31 December 2025.

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN**

We draw attention to the section headed “Going Concern” of note 2 to the consolidated financial statements, the Group had net current liabilities of approximately HK\$8,856,000 and net liabilities of approximately HK\$106,075,000 as at 31 December 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2 to the consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our opinion is not modified in respect of this matter.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **BUSINESS REVIEW**

The Group is principally engaged in the sales of vehicle batteries and spare parts and the sales and production of short movies.

In 2025, the Group strategically diversified its business portfolio by launching production of short movie business segment. This new business is dedicated to the development and sales of short movie content, positioning the Group to capitalize on the rapidly growing demand for immersive digital entertainment experiences.

Despite the uncertain macroeconomic environment and generally cautious market sentiment that continued to pose challenges to the industry, the Group has proactively adapted and strived for breakthroughs. Through integration and expansion in business market development, and optimization of product and service offerings, the Group achieved significant progress in 2025. Notably, the Group recorded a revenue of approximately HK\$55.6 million, marking a

crucial milestone. This revenue primarily derives from two business segments: sales of vehicle batteries and spare parts (HK\$52.07 million) and the newly launched sale and production of short movies business (HK\$3.50 million), reflecting the effectiveness of the Group's diversified business strategy.

As a result of the increase in revenue, the profit for the year of the Group attributable to shareholders for the year amounted to approximately HK\$36.8 million, as compared to loss of approximately HK\$13.8 million.

With the integration of the production of short movies segment, the Company remains optimistic about its business contribution to the Group's long-term growth. And the Company is confident sustained efforts and perseverance will steer the Group's business development to new heights.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue increased significantly from HK\$Nil in 2024 to approximately HK\$55,578,000 in 2025, representing a full recovery from the previous year. The growth was driven entirely by the resumption of the vehicle batteries and spare parts segment and the newly established short movies segment during the year.

### **Cost of sales**

Cost of sales amounted to approximately HK\$35,238,000 in 2025 (2024: HK\$Nil). As a result, the Group recorded a gross profit of HK\$20,340,000, with a gross profit margin of approximately 36.6%.

### **Other income**

Other income increased significantly from approximately HK\$2,000 in 2024 to approximately HK\$3,375,000 in 2025, representing an increase of HK\$3,373,000. The increase was mainly attributable to the recognition of a gain arising from the difference between the present value and the principal amount of the amount due to a director.

### **Selling and distribution expenses**

Selling and distribution expenses amounted to approximately HK\$1,360,000 in 2025 (2024: HK\$Nil). These expenses were incurred in relation to sales and marketing activities following the resumption of business.

### **Administrative expenses**

Administrative expenses rose to approximately HK\$7,421,000 in 2025 from approximately HK\$6,603,000 in 2024, representing an increase of HK\$818,000 or 12.4%. The increase was primarily attributable to higher staff costs as the Group expanded its team to support the resumed operations and strengthened its administrative functions.

### **Impairment loss on trade receivables**

An impairment loss of approximately HK\$85,000 was recognised on trade receivables during the year (2024: HK\$Nil).

### **Finance costs**

Finance costs decreased from approximately HK\$15,000 in 2024 to HK\$3,000 in 2025, a reduction of approximately HK\$12,000.

### **Income tax expense**

Income tax expense of approximately HK\$2,600,000 was recognised in 2025 (2024: HK\$Nil), in line with the taxable profits generated from the Group's continuing operations during the year.

### **Profit from continuing operations**

The Group recorded a profit from continuing operations of approximately HK\$12,246,000 in 2025, compared to a loss of approximately HK\$6,616,000 in 2024. This substantial turnaround was mainly due to the resumption of the Group's businesses during the year.

### **Profit from discontinued operations**

The Group recorded a profit from discontinued operations of approximately HK\$24,626,000 in 2025 (2024: loss of HK\$7,197,000). This profit was mainly attributable to the gain on disposal of the Disposal Group during the year.

### **Profit for the year**

Overall, the Group turned around from a net loss of approximately HK\$13,813,000 in 2024 to a net profit of approximately HK\$36,872,000 in 2025, primarily due to the successful resumption of its businesses.

### **Inventories**

The inventories carried at 31 December 2025 amount to approximately HK\$5,651,000 (2024:HK\$Nil). The balance mainly represented vehicle batteries and spare parts held for sale as the Group resumed its operations during the year.

### **Trade receivables**

Trade receivables increased to approximately HK\$32,395,000 as at 31 December 2025 (2024: HK\$Nil). This increase was in line with the resumption of sales activities in the vehicle batteries and short movies businesses. The Group will continue to monitor credit risk and collection efficiency closely.

### **Trade payables**

Trade payables amounted to approximately HK\$21,306,000 as at 31 December 2025 (2024: HK\$5,234,000). This increase was in line with the resumption of sales activities in the vehicle batteries and short movies businesses.

### **Other payables**

Other payables decreased significantly from HK\$98,053,000 as at 31 December 2024 to HK\$28,830,000 as at 31 December 2025. The reduction was mainly attributable to disposal of subsidiaries during the year.

### **Amount due to a related party**

The amount is unsecured, interest-free and repayable on demand.

### **Amount due to a director**

The amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$23,408,000 and the present value of the amount is approximately HK\$19,958,000, based on an imputed interest rate of 13.6% per annum. The difference has been credited to other income.

### **Loan from a shareholder**

As at 31 December 2025, the amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$100,114,000 and the present value of the amount is approximately HK\$77,577,000, based on an imputed interest rate of 13.6% per annum. The difference has been credited to capital reserve as shareholder contribution.

## **PROSPECT AND BUSINESS DEVELOPMENT OF THE GROUP**

Looking ahead to 2026, the Group remains cautiously optimistic about its business development. The Group will continue to focus on its two core business segments: sales of vehicle batteries and spare parts, and the sales and production of short movies.

In 2026, the Group expects steady demand for vehicle batteries driven by the large existing vehicle population and the natural replacement cycle. The Group plans to strengthen its procurement network, optimize inventory management, and expand its product range to include more competitive and high-quality batteries and spare parts.

The short-form video and micro-drama industry in the People's Republic of China experienced rapid growth in 2025. This short movies business was newly established by the Group during the year. Driven by the proliferation of mobile platforms and rising consumer demand for short-form content, the segment is expected to present significant growth potential in 2026. The Group will continue to invest in content production capabilities and aims to produce more diversified and higher-quality short movies to capture opportunities in this fast-growing market.

The Group will adopt a prudent approach in resource allocation, focusing on improving operational efficiency and profitability across both segments. We will closely monitor market trends, strengthen risk management, and seek strategic cooperation opportunities to enhance our competitiveness. Barring unforeseen circumstances, the Board is confident that the Group's diversified business model will enable it to achieve sustainable growth and create long-term value for shareholders in the coming year.

### **Financing opportunities during the Year**

On 17 April 2025, the Company entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire 51% equity interest of a PRC-incorporated target company at a consideration of HK\$51,000,000 to be settled by the issuance of an interest-free convertible note under the General Mandate, with the vendor providing a profit guarantee of no less than HK\$20,000,000 of the target company's audited net profit after tax for the profit guaranteed period ending on 31 December 2026 and corresponding compensation liabilities for profit shortfalls, and the completion being subject to the fulfilment of a series of conditions precedent including the Company's satisfaction with the due diligence review, legal opinion and valuation report on the target company as well as the Stock Exchange's approval for the listing and trading of the conversion shares.

On 14 November 2025, the Board announced that the aforesaid agreement has automatically terminated in accordance with its terms as certain conditions precedent remained unfulfilled prior to the long stop date, with the termination involving no compensation or penalty obligations between the contracting parties and having no material adverse impact on the Group's financial position or day-to-day operations. For details of the aforesaid disclosable transaction and its termination, please refer to the Company's announcements dated 17 April 2025 and 14 November 2025 respectively.

On top of the ongoing financial support of the substantial shareholder of the Company, the Board has been proactively exploring all possible financial alternatives including but not limited to equity financing, debt financing, rights issue, open offer or bank borrowings, to finance its business development.

During the Year, the Group obtained loan facilities amounting to HK\$50,000,000 from a licensed moneylender in Hong Kong in July 2025.

Save for the above, the Company had not undertaken any fund raising activity and there were no other transactions in securities of the Company or of its subsidiaries during the Year.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any material contingent liabilities.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES**

During the year ended 31 December 2025, the Group disposed of HK Database FinTech Group Limited, Super Media International Group Limited, Hybrid Kinetic Holdings Limited and its subsidiaries, and Ningbo Meilide Consulting Co., Ltd. (寧波美立德諮詢有限公司) (collectively, the “**Disposal Group**”) for an aggregate consideration of HK\$10,001. The disposal has resulted in a gain of approximately HK\$24,626,000.

The Disposal Group mainly consisted of the Group’s high-tech electric motor vehicles segment and advanced battery materials segment. Upon completion of the disposal, these businesses were deconsolidated and classified as discontinued operations. The Group has therefore discontinued its high-tech electric motor vehicles and advanced battery materials businesses during the year.

The disposal was carried out to optimise the Group’s asset portfolio and to focus resources on the development of its core businesses.

## **SIGNIFICANT INVESTMENTS**

As at the date of this announcement, save as disclosed elsewhere in this announcement, the Group does not have any plan for significant investment or capital assets for the year ended 31 December 2025.

## **IMPORTANT EVENTS AFTER REPORTING PERIOD**

There are no other important events affecting the Group which have occurred since the end of year up to the date of this announcement.

## **DIVIDENDS**

The Directors do not recommend the payment of any final dividend to shareholders of the Company for the year ended 31 December 2025 (2024: Nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND TREASURY POLICY**

As at 31 December 2025, the total deficiency in equity of the Group amounted to approximately HK\$106.1 million (31 December 2024: HK\$212.7 million).

The gearing ratio of the Group as at 31 December 2025 measured in terms of total liabilities divided by shareholders' equity was approximately 150.0% (31 December 2024: 100.2%).

As at 31 December 2025, the net current liabilities of the Group were approximately HK\$8.9 million (31 December 2024: HK\$212.7 million). The cash and cash equivalents amounted to HK\$14.6 million (31 December 2024: HK\$0.2 million). The Group has an outstanding shareholder's loan of principal amount of approximately HK\$100.1 million (31 December 2024: HK\$101.0 million), which is unsecured, interest-free and repayable on demand.

As at 31 December 2025, no bank borrowing was made by the Group.

The Group adopts a conservative and balanced treasury policy in cash and financial management. The Group's cash is generally placed as deposits mostly denominated in Hong Kong dollars or Renminbi. To manage liquidity risk, the Group regularly reviews liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

### **PLEDGE OF THE GROUP'S ASSETS**

As at 31 December 2025, none of the assets of the Group had been pledged (31 December 2024: Nil).

### **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES**

During the Year, almost all of the income and expenditure of the Group were denominated in Renminbi and Hong Kong dollar. The Group had no significant exposure to foreign exchange fluctuations and, therefore, had not taken any financial instruments for hedging purpose.

### **HUMAN RESOURCES AND REMUNERATION POLICIES**

The Group had a total of 24 employees as at 31 December 2025 (31 December 2024: 22 employees). It has been the Group's policy to ensure that the remuneration levels of the Directors and its employees are reviewed and rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. During the Year, staff costs (including Director's remuneration) was approximately HK\$2.1 million (31 December 2024: approximately HK\$1.5 million).

### **CORPORATE GOVERNANCE**

The Board of Directors of the Company is committed to maintaining high standards of corporate governance to ensure better transparency and protection of the overall interests of the Company and its shareholders and to enhance corporate value and accountability. The Company wishes to highlight that the Board will continue to devote efforts in ensuring effective leadership and control of the Company and the transparency and accountability of all operations.

Throughout the year ended 31 December 2025, the Company had applied the principles and complied with the code provisions (the “**Code Provisions**”) set out in the part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company had met the relevant code provisions set out in the Code during the Year, except the following deviations:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, the chief executive officer of the Company has been vacant following the resignation of Mr. Feng Rui on 5 March 2024. Until the appointment of new chief executive officer, the executive Directors continue to oversee the day-to-day management of the business and operations of the Group.

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) on terms no less exacting than the required standard set out in the Model Code as its own code of conduct regarding securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the required standard set out in the Model Code throughout the Year.

## **SCOPE OF WORK OF THE AUDITOR ON THIS PRELIMINARY ANNOUNCEMENT**

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

## **CLOSURE OF REGISTER OF MEMBERS**

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 shareholders who are entitled to attend and vote at the forthcoming annual general meeting (the “**AGM**”) of the Company to be held on Thursday, 18 June 2026. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates

should be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 12 June 2026.

## **REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE**

The Audit Committee of the Board comprises Mr. Yuen Wai Keung (Chairman of the Audit Committee), Mr. Wu Wenchang and Ms. Pan Hong. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters with the management of the Company, and has also reviewed the Group's audited consolidated annual results for the year ended 31 December 2025.

## **PUBLICATION OF 2025 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hk1188.etnet.com.hk>).

The Company's annual report for the Year containing the information required by the Listing Rules will be made available to the Company's shareholders in due course.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025.

Trading in the shares of the Company will continue to be suspended until further notice.

*Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.*

By Order of the Board  
**HYBRID KINETIC GROUP LIMITED**  
**Shan Chuanlong**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Shan Chuanlong (Chairman) and Mr. Kong Fan, two non-executive Directors, namely Mr. Ruan Jian and Mr. Zheng Yu, three independent non-executive Director, namely Ms. Pan Hong, Mr. Wu Wenchang and Mr. Yuen Wai Keung.*