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## **Cocoon Holdings Limited** **中國天弓控股有限公司**

*(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)*  
**(Stock Code: 428)**

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

#### **FINANCIAL HIGHLIGHTS**

The financial highlights of Cocoon Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) are summarised as follows:

- Revenue of the Group and gross proceeds from disposal of trading securities for the year ended 31 December 2025 were approximately HK\$319,000 and HK\$354,846,000 as compared to approximately HK\$254,000 and HK\$49,114,000 for the last year respectively.
- Profit attributable to owners of the Company for the year ended 31 December 2025 was approximately HK\$9,789,000 as compared to the loss of approximately HK\$76,810,000 for the last year.
- The Board (the “**Board**”) of Directors (the “**Directors**”) of the Company does not recommend payment of final dividend for the year ended 31 December 2025 (2024: nil).
- Basic earnings per share was HK\$0.09 for the year ended 31 December 2025 (2024: loss per share of HK\$1.08).

The Board announces the consolidated results of the Group for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024. The following consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes, including the comparative figures, have been extracted from the Group’s consolidated financial statements for the year ended 31 December 2025 which have been prepared in accordance with IFRS Accounting Standards.

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

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Gross proceeds from disposal of trading securities</b>		<b>354,846</b>	49,114
<b>Revenue</b>	5	<b>319</b>	254
Other gains/(losses), net	6	<b>17,130</b>	(72,218)
Other operating expenses		<b>(6,969)</b>	(3,980)
Finance costs	7	<b>(691)</b>	(866)
<b>Profit/(loss) before tax</b>	8	<b>9,789</b>	(76,810)
Income tax	9	–	–
<b>Profit/(loss) for the year attributable to owners of the Company</b>		<b>9,789</b>	(76,810)
<b>Other comprehensive income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
– Fair value gain on financial asset at fair value through other comprehensive income (“FVTOCI”)		<b>28,503</b>	6,624
<b>Total comprehensive income/(expense) for the year attributable to owners of the Company</b>		<b>38,292</b>	(70,186)
<b>Earnings/(loss) per share (HK\$)</b>	<i>10</i>		
Basic		<b>0.09</b>	(1.08)
Diluted		<b>0.09</b>	(1.08)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
<b>Non-current asset</b>			
Plant and equipment		—	—
<b>Current assets</b>			
Deposits, prepayments and other receivables		431	216
Financial assets at fair value through profit or loss ("FVTPL")	<i>12</i>	121,429	115,713
Financial asset at FVTOCI	<i>13</i>	57,368	28,865
Amounts due from securities brokers		3,936	2,471
Cash and bank balances		516	191
		<u>183,680</u>	<u>147,456</u>
<b>Current liabilities</b>			
Other payables		3,348	3,453
Promissory notes		2,081	13,939
		<u>5,429</u>	<u>17,392</u>
<b>Net current assets</b>		<u>178,251</u>	130,064
<b>Net assets</b>		<u>178,251</u>	<u>130,064</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	1,285	850
Reserves		176,966	129,214
<b>Total equity</b>		<u>178,251</u>	<u>130,064</u>
<b>Net asset value per share</b>		<u>HK\$1.39</u>	<u>HK\$1.53</u>

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company is Room 14A, Fortune House, 61 Connaught Road Central, Central, Hong Kong. The principal activities of the Group are investments in securities listed on recognised stock exchanges and unlisted investments with a potential for earnings growth and capital appreciation.

The investment objective of the Group is to achieve an enhanced earnings stream and capital appreciation from its investments.

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards, which collectively includes all International Financial Reporting Standards (“**IFRSs**”), International Accounting Standards (“**IASs**”) and Interpretations as issued by the International Accounting Standards Board (the “**IASB**”). The consolidated financial statements of the Group also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance.

### 3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### Application of amendments to IFRS Accounting Standards

The Group has applied the amendments to IAS 21 and IFRS 1 *Lack of Exchangeability* as issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025, for the preparation of the consolidated financial statements of the Group.

The application of the amendments to IAS 21 and IFRS 1 *Lack of Exchangeability* in the current year had no material impact on the Group’s consolidated financial positions and consolidated financial performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements of the Group.

## New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2025.

	<b>Effective for the accounting periods beginning on or after</b>
Amendments to IFRS 9 and IFRS 7 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS Accounting Standards <i>Annual Improvement to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to IAS 21 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined by the IASB

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

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the consolidated financial performance and position 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 and other comprehensive income. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

#### 4. SEGMENT INFORMATION

##### (a) Operating segment information

Information reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on the performance of the Group's investments. Since the Group's business activities are organised into a single operating segment, being the investments in securities listed on recognised stock exchanges and unlisted investments with a potential for earnings growth and capital appreciation, no segment information is presented other than entity-wide disclosures.

##### (b) Geographical information

The revenue of the Group are solely generated from Hong Kong during the years ended 31 December 2025 and 2024 while the Group has no non-current asset as at 31 December 2025 and 2024.

#### 5. REVENUE

Revenue of the Group represented the dividend income from listed equity securities classified as financial assets at FVTPL.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividend income from listed equity securities in Hong Kong classified as financial assets at FVTPL	<u>319</u>	<u>254</u>

#### 6. OTHER GAINS/(LOSSES), NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net unrealised fair value losses on equity securities classified as financial assets at FVTPL	(7,606)	(78,891)
Net realised gains on disposal of equity securities classified as financial assets at FVTPL	<u>23,988</u>	<u>6,673</u>
Net gains/(losses) on equity securities classified as financial assets at FVTPL	16,382	(72,218)
Gain on modification of promissory notes	183	–
Gain on waiver of interest of promissory notes	<u>565</u>	<u>–</u>
	<u>17,130</u>	<u>(72,218)</u>

## 7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Imputed interest on promissory notes	690	832
Interest on margin financing	1	34
	<u>691</u>	<u>866</u>

## 8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging the followings:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Directors' emoluments:		
– Fee, salaries and allowance	739	771
– Contributions to defined contribution plan ( <i>note</i> )	21	21
– Share-based payment expenses	612	–
	<u>1,372</u>	<u>792</u>
Other staff costs:		
– Salaries and allowance	72	–
– Contributions to defined contribution plan ( <i>note</i> )	4	–
	<u>76</u>	<u>–</u>
Total staff costs	1,448	792
Auditor's remuneration	380	368
Management fees	1,228	653
Expenses related to short term lease	276	286
Share-based payment expenses to other participants	881	–

*Note:* There was no forfeited contribution in respect of the defined contribution plan available at 31 December 2025 and 2024 to reduce future contributions. There was no outstanding contribution to the plan at 31 December 2025 and 2024.

## 9. INCOME TAX

No provision for Hong Kong Profits Tax has been made since the Group has sufficient tax losses brought forward to set off against the assessable profits for the year ended 31 December 2025.

No provision for Hong Kong Profits Tax had been made since the Group incurred tax losses during the year ended 31 December 2024.

The Group is not subject to taxation in other jurisdictions.

## 10. EARNINGS/(LOSS) PER SHARE

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

### Profit/(loss)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) attributable to owners of the Company for the purposes of calculating basic and diluted earnings/(loss) per share	<u>9,789</u>	<u>(76,810)</u>

### Number of shares

	2025 Number of shares '000	2024 Number of shares '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	107,619	70,984
Effect of the dilutive potential ordinary shares arising from outstanding share options during the year ( <i>note</i> )	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	<u>107,619</u>	<u>70,984</u>

*Note:* The effect of the outstanding share options during the year ended 31 December 2025 was less than 1,000 weighted average number of ordinary shares (2024: nil).

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 31 December 2024 was adjusted based on the share consolidation of every ten existing ordinary shares into one consolidated ordinary share which was become effective on 2 July 2024 (note 14(ii)).

## 11. DIVIDENDS

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

## 12. FINANCIAL ASSETS AT FVTPL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Equity securities:		
– Listed in Hong Kong	12,564	27,070
– Listed in the United States (“U.S.”)	<u>79,811</u>	<u>69,067</u>
	92,375	96,137
Unlisted equity investments	<u>29,054</u>	<u>19,576</u>
	<u>121,429</u>	<u>115,713</u>

At the end of the reporting period, details of the Group's major equity securities are as follows:

Stock name	As at 31 December	Proportion of investee's capital owned	Number of shares held	Cost HK\$'000	Market value HK\$'000	Net assets/ (liabilities) attributable to the investment HK\$'000	Unrealised fair value (losses)/gains	Realised gains/(losses) on investment during the year HK\$'000	% of the market value to total assets of the Group
							on investment recognised in profit or loss during the year HK\$'000		
<b>Listed equity securities</b>									
<b>Hong Kong</b>									
BYD Company Limited (note (i))	2025	0.00%*	55,100	5,990	5,254	1,643	(736)	884	2.86%
	2024	–	–	–	–	–	–	–	–
Xiaomi Corporation (note (ii))	2025	0.00%*	69,800	3,098	2,743	788	(355)	6,443	1.49%
	2024	0.00%*	92,800	3,216	3,202	742	(14)	–	2.17%
Semiconductor Manufacturing International Corporation (note (iii))	2025	–	–	–	–	–	–	1,885	–
	2024	0.00%*	355,000	9,686	11,289	11,064	1,603	1,852	7.66%
Tencent Holdings Limited (note (iv))	2025	0.00%*	1,500	773	899	227	(109)	(7,474)	0.49%
	2024	0.00%*	13,000	4,491	5,421	1,574	930	1,150	3.68%
Alibaba Group Holding Limited (note (v))	2025	0.00%*	5,800	739	828	612	(154)	7,697	0.45%
	2024	0.00%*	59,700	5,896	4,919	3,598	(977)	517	3.34%
<b>The U.S.</b>									
Tesla, Inc. ("Tesla") (note (vi))	2025	0.00%*	5,231	18,493	18,542	946	49	1,253	10.09%
	2024	0.00%*	200	536	651	31	115	204	0.44%
Readen Holding Corporation ("Readen") (note (vii))	2025	7.81%	28,600,000	12,046	6,692	4,071	3,123	–	3.64%
	2024	7.95%	28,600,000	12,046	3,569	5,729	(8,477)	–	2.42%
Winchester Holding Group ("Winchester") (note (viii))	2025	1.05%	1,120,000	20,966	40,568	42	1,835	–	22.09%
	2024	1.05%	1,120,000	20,966	41,933	35	20,967	–	28.44%
Sante Technology Holdings Inc. ("SNTE") (note (ix))	2025	23.44%	56,000,000	29,598	3,756	(31)	(10,571)	–	2.04%
	2024	23.44%	56,000,000	29,598	14,327	(31)	(15,271)	–	9.72%
GSG Group Inc. ("GSGG") (note (x))	2025	15.82%	8,420,000	9,609	10,083	(190)	474	28	5.49%
	2024	14.43%	8,500,000	9,700	7,936	(174)	(1,764)	–	5.38%
<b>Unlisted equity investments</b>									
LNPR Group Inc. ("LNPR") (note (xi))	2025	5.15%	3,323,645	24,111	19,485	499	(4,626)	17	10.61%
	2024	5.18%	3,339,645	24,227	19,576	(51)	(4,651)	2	13.28%
Chelsea Tech, Inc. ("Chelsea Tech") (note (xii))	2025	4.00%	16,000,000	8,000	9,569	130	1,569	–	5.21%
	2024	–	–	–	–	–	–	–	–

\* Less than 0.01%

Dividend income of approximately HK\$319,000 (2024: HK\$254,000) (note 5) was recognised in profit or loss during the year ended 31 December 2025.

Except for investments in LNPR, Readen, GSGG, Chelsea Tech and SNTE which are held by subsidiaries of the Company, all of the above investments are directly held by the Company.

The Group held financial assets at FVTPL of approximately HK\$121,429,000 (2024: HK\$115,713,000), representing approximately 66.11% (2024: 78.47%) of the Group's total assets as at 31 December 2025.

*Notes:*

- (i) BYD Company Limited (“BYD”), established in the People’s Republic of China (the “PRC”), principally engaged in the manufacture and sales of transportation equipment. BYD is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use.
- (ii) Xiaomi Corporation, incorporated in the Cayman Islands, is a China-based company principally engaged in the research, development and sales of smartphones, Internet of things and lifestyle products, the provision of Internet services, and investment business.
- (iii) Semiconductor Manufacturing International Corporation, incorporated in the Cayman Islands, primarily engaged in the manufacture and testing of semiconductor integrated circuit wafers.
- (iv) Tencent Holdings Limited, incorporated in the Cayman Islands, is principally engaged in the provision of value-added service, FinTech and business services and online advertising services.
- (v) Alibaba Group Holding Limited, incorporated in the Cayman Islands, provides the technology infrastructure and marketing platforms.
- (vi) Tesla engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. It operates through two segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture, sale, and leasing of electric vehicles, as well as sales of automotive regulatory credits. The Energy Generation and Storage segment involves the design, manufacture, installation, sale, and leasing of solar energy generation and energy storage products and related services, as well as sales of solar energy systems incentives.
- (vii) Readen, incorporated in the U.S., is a venture capital corporation with its shares listed on Over-the-Counter (“OTC”) market in the U.S. (OTC Pink: RHCO) which is active in the Fintech, online payment and E-commerce industries.
- (viii) Winchester, incorporated in the U.S., is manufacturing of cars in South Africa for production and its shares are listed on OTC market in the U.S. (OTC Pink: WCHS).
- (ix) SNTE, incorporated in the U.S. with its shares listed on the OTC market in the U.S. (OTC Pink: SNTE) intends to acquire and merger potential Artificial Intelligence technology related companies by offering a unique platform with technology function, marketing function, finance function and resources integration function. The Directors consider no practical ability to exercise significant influence to the relevant activities of SNTE and classified as financial assets at FVTPL.
- (x) GSGG, incorporated in the U.S., is originally a development-stage company focused on investment consultancy for real estate in Asia with its shares listed on OTC market in the U.S. (OTC: GSGG), has recently expanded into the medical devices industry.
- (xi) LNPR, incorporated in the U.S., is principally engaged in online education business. According to the management of LNPR, they are seeking listing on OTC market in U.S. and already submitted the application to the authority in the U.S..
- (xii) Chelsea Tech is a new-generation group focusing on the promotion of “Metaverse” and art NFT. The Group held approximately 4.00% equity interest in Chelsea Tech. According to Chelsea Tech, they are seeking listing on OTC market and already submitted the application to the authority in the U.S..

As at 31 December 2025 and 2024, no trading securities of the Group were pledged to a securities broker to secure margin loan borrowed by the Group.

### 13. FINANCIAL ASSET AT FVTOCI

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unlisted equity investment designated at financial asset at FVTOCI	<u>57,368</u>	<u>28,865</u>

On 7 December 2018, the Group subscribed 20% equity interest in an Anguilla incorporated private entity, Perfect Path Limited (“**Perfect Path**”), which is engaged in gold mining business at a consideration of HK\$18,500,000.

Despite the Group holds 20% of the voting power in Perfect Path, however, under contractual arrangements, the other shareholder controls the composition of the board of directors of Perfect Path and have control over Perfect Path. The Directors consider that the Group does not have significant influence over Perfect Path, and it is therefore the unlisted equity investment is designated at financial asset at FVTOCI.

As at 31 December 2025, the fair value of the unlisted equity investment was approximately HK\$57,368,000 (2024: HK\$28,865,000), representing approximately 31.23% of the total assets of the Group as at 31 December 2025 (2024: 19.58%).

As mentioned above, the Group neither has control nor significant influence over Perfect Path and therefore in assessing the fair value of Perfect Path at the end of each reporting period, the Group would take into account the investment strategy of the controlling shareholder of Perfect Path as well as the determination of the valuation techniques thereon.

Having carefully considered the uncertainties over the economic and the operating environment where the gold mine of Perfect Path locates and operates, the shareholders of Perfect Path had reached the consensus, to remain open to potential offer for the selling of the mine. This stance allows the Company to capitalise by the increasing of gold price these years so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties.

Market approach was used for valuation of the investment in Perfect Path. The inputs into the valuation model as at 31 December 2025 and 2024 were as follows:

Perfect Path	2025	2024
Subscription date	<b>7 December 2018</b>	7 December 2018
Total number of shares held	<b>200,000</b>	200,000
Subscription price	<b>HK\$18,500,000</b>	HK\$18,500,000
Proportion of equity interest held	<b>20%</b>	20%
Dividend income received during the year	–	–
Net assets attributable to the investment	<b>HK\$70,477,000</b>	HK\$35,460,000
Fair value gain recognised in other comprehensive income during the year	<b>HK\$28,503,000</b>	HK\$6,624,000
Discount for lack of control	<b>18.6%</b>	18.6%
Gold resources contained	<b>8.6 ton</b>	8.6 ton
% of premium in gold price	<b>8.2%</b>	6.7%
Valuation methodology	<b>Market Approach</b>	Market Approach
Fair value performed by:	<b>Access Partner Professional Services Limited</b>	Access Partner Professional Services Limited

## 14. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.1 each, at 1 January 2024	10,000,000,000	1,000,000
Capital reorganisation ( <i>note (ii)</i> )	90,000,000,000	–
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each at 31 December 2024, 1 January 2025 and 31 December 2025	<u>100,000,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.1 each at 1 January 2024	604,341,108	60,434
Issue of shares on placement ( <i>note (i)</i> )	103,601,332	10,360
Capital reorganisation ( <i>note (ii)</i> )	(637,148,196)	(70,086)
Issue of shares on placement ( <i>note (iii)</i> )	14,158,848	142
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each at 31 December 2024 and 1 January 2025	84,953,092	850
Issue of shares upon exercise of share options	4,316,722	43
Issue of shares on placements ( <i>notes (iv) and (v)</i> )	39,278,717	392
	<hr/>	<hr/>
	<u>128,548,531</u>	<u>1,285</u>

### Notes:

- (i) On 13 May 2024, the Company and a placing agent entered into a placing agreement in respect of the placement of 103,601,332 ordinary shares of HK\$0.1 each to independent investors at a price of HK\$0.1 per share (the “**Placement A**”). The Placement A was completed on 24 May 2024.

The net proceeds from the Placement A amounted to approximately HK\$10,248,000, after deducting expense of approximately HK\$112,000. Approximately HK\$10,360,000 was credited to share capital and approximately HK\$112,000 was debited to the share premium upon the issue of the new shares.

- (ii) On 30 April 2024, the Company announced to implement the capital reorganisation (the “**Capital Reorganisation**”) involving:
- the share consolidation whereby every ten (10) issued and unissued shares of the Company at par value of HK\$0.1 each will be consolidated into one (1) consolidated share at par value of HK\$1.0 each;
  - immediately following the share consolidation, the capital reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of consolidated shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a consolidated share in the issued share capital of the Company; and (b) cancelling the paid up capital of the Company to the extent of HK\$0.99 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK\$1.00 to HK\$0.01;
  - immediately following the share reduction, the sub-division, whereby each authorised shares be subdivided into one hundred (100) authorised new shares at par value HK\$0.01 each so that immediately following the Capital Reorganisation; and

- (d) immediately following the capital reduction and sub-division, the share premium of the Company will be applied to be reduced to nil, while the balance will be transferred to the contributed surplus of the Company within the meaning of the Companies Act.

The Capital Reorganisation was resolved by the shareholders of the Company on 27 June 2024 and become effective on 2 July 2024. Details are set out in the announcements of the Company dated 30 April 2024 and 2 July 2024 and the circular of the Company dated 30 May 2024.

Immediately after the Capital Reorganisation, (i) share capital of approximately HK\$70,086,000; (ii) share premium of approximately HK\$71,394,000; and (iii) accumulated losses of the Company of approximately HK\$44,145,000 at 2 July 2024, being the effective date of the Capital Reorganisation, has been transferred to the contributed surplus of the Company, with credit of the contributed surplus of approximately HK\$97,335,000. The cost directly attributable to the Capital Reorganisation of approximately HK\$418,000 has been debited to share premium of the Company.

- (iii) On 23 August 2024, the Company and a placing agent entered into a placing agreement in respect of the placement of 14,158,848 ordinary shares of HK\$0.01 each to independent investors at a price of HK\$0.3 per share (the “**Placement B**”). The Placement B was completed on 11 September 2024.

The net proceeds from the Placement B amounted to approximately HK\$4,174,000, after deducting expense of approximately HK\$74,000. Approximately HK\$142,000 and HK\$4,032,000 were credited to share capital and share premium respectively upon the issue of the new shares.

- (iv) On 26 May 2025, the Company and a placing agent entered into a placing agreement in respect of the placement of 17,853,962 ordinary shares of HK\$0.01 each at a price of HK\$0.17 per share (the “**Placement C**”). The Placement C was completed on 12 June 2025.

The net proceeds from the Placement C amounted to approximately HK\$2,994,000 after deducting expense of approximately HK\$41,000. Approximately HK\$178,000 and HK\$2,816,000 were credited to share capital and share premium respectively upon the issue of the new shares.

- (v) On 22 July 2025, the Company and a placing agent entered into a placing agreement in respect of the placement of 21,424,755 ordinary shares of HK\$0.01 each at a price of HK\$0.178 per share (the “**Placement D**”). The Placement D was completed on 7 August 2025.

The net proceeds from the Placement D amounted to approximately HK\$3,763,000 after deducting expense of approximately HK\$51,000. Approximately HK\$214,000 and HK\$3,549,000 were credited to share capital and share premium respectively upon the issue of the new shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The majority of Group's revenue for the Reporting Period was derived from dividend income. For the year ended 31 December 2025, the Group recorded a revenue of approximately HK\$319,000 as compared to approximately HK\$254,000 in the prior year, representing an increase of approximately 25.6%. The increase in revenue was mainly due to increase of dividend income during the Reporting Period. Gross proceeds from disposals of trading securities for the Reporting Period was recorded of approximately HK\$354,846,000 as compared to approximately HK\$49,114,000 for the year ended 31 December 2024. The Group recorded a realised gain of approximately HK\$23,988,000 (2024: approximately HK\$6,673,000) and fair value loss of approximately HK\$7,606,000 (2024: loss of approximately HK\$78,891,000) on equity securities held by the Group during the Reporting Period. The decrease in fair value loss in equity securities held by the Group was mainly attributable to better performance of the equity securities in the U.S. holding by the Group. During the Reporting Period, no impairment loss of deposits and other receivables were recognised (2024: nil). With the better performance of certain publicly traded securities held by the Group during the Reporting Period, the Group recorded profit attributable to owners of the Company was approximately HK\$9,789,000 as compared to loss of approximately HK\$76,810,000 in prior year.

As at 31 December 2025, the Group's unlisted investments (comprised of certain financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) were approximately HK\$86,422,000 (2024: HK\$48,441,000). Other receivables, deposits and prepayments was approximately HK\$431,000 (2024: HK\$216,000).

As at 31 December 2025, the net assets of the Group were approximately HK\$178,251,000 (2024: HK\$130,064,000), representing an increase of 37.05% compared with the prior year. The financial assets at fair value through profit or loss increased from approximately HK\$115,713,000 as at 31 December 2024 to approximately HK\$121,429,000 as at 31 December 2025 and the financial assets at fair value through other comprehensive income was approximately HK\$57,368,000 (2024: HK\$28,865,000) as at 31 December 2025.

#### **Liquidity, financial resources and capital structure**

As at 31 December 2025, the Group had available funds of approximately HK\$4,452,000 which were mainly placed in banks and licensed securities firms as general working capital. Bank and cash balance in licensed securities firms held by the Group were mainly denominated in Hong Kong dollars.

The Group had shareholders' funds of approximately HK\$178,251,000 at 31 December 2025 compared to HK\$130,064,000 at 31 December 2024, representing an increase of approximately 37.05%.

As at 31 December 2025, the Group had borrowings of approximately HK\$2,081,000 (2024: HK\$13,939,000). The gearing ratio for the Group was 1.17% (2024: 10.72%) which represents the ratio of the Group's borrowings to the net asset value of the Group. This significant decrease in borrowings demonstrates a marked improvement in the Group's leverage and financial stability.

The Group did not have any capital expenditure commitment as at 31 December 2025.

Share options of 4,316,722 were granted during the Reporting Period under the share option scheme, adopted by the Company at annual general meeting on 17 June 2022. During the Reporting Period, the Company issued and allotted a total of 4,316,722 ordinary shares of HK\$0.01 each upon the exercise of a total of 4,316,722 share options granted by the Company.

### **Fund raising activity**

Save as the placing of new shares as disclosed in note 14 to the consolidated financial statements and under the heading of “Placing of New Shares” below, and issued and allotted new shares under share option scheme above, there was no significant change in the Group’s capital structure for the Reporting Period.

### **Placing of New Shares**

Reference is made to the announcements of the Company dated 26 May 2025 and 12 June 2025, respectively (the “**Announcements A**”) in relation to, amongst others, the placing (the “**Placing A**”) of new shares under the general mandate granted to the Directors at the special general meeting held on 16 May 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements A.

After trading hours on 26 May 2025, the Company and the Placing Agent entered into the placing agreement (the “**Placing Agreement A**”) pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, places to subscribe for up to 17,853,962 new shares at a price of HK\$0.170 per placing share. The closing price per share of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 May 2025, the date of the Placing Agreement A, was HK\$0.181. The gross proceeds from the Placing A were approximately HK\$3.0 million and the net proceeds were approximately HK\$2.9 million. It was intended that the net proceeds from the Placing A would be utilised for investment in the listed and/or unlisted securities in the aggregate amount of approximately HK\$2.5 million and the remaining balance of approximately HK\$0.4 million would be used as the Group’s general working capital.

Details of the Placing A and Placing Agreement A were set out in the Announcements A.

As at 31 December 2025, detailed breakdown and description of the utilisation of the net proceeds from the Placing A were as follows:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised</b>	<b>Intended use of net proceeds</b>	<b>Actual use of proceeds</b>
26 May 2025 (completed on 12 June 2025)	Placing of new shares under general mandate	Approximately HK\$2.9 million	(i) Approximately HK\$2.5 million for investment in the listed and/or unlisted securities  (ii) Approximately HK\$0.4 million for general working capital of the Group	(i) Approximately HK\$2.5 million was fully utilised to invest in listed securities  (ii) Approximately HK\$0.4 million was fully utilised for operating expenses

Reference is made to the announcements of the Company dated 22 July 2025 and 7 August 2025, respectively (the “**Announcements B**”) in relation to, amongst others, the placing (the “**Placing B**”) of new shares under the general mandate granted to the Directors at the annual general meeting held on 27 June 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements B.

After trading hours on 22 July 2025, the Company and the Placing Agent entered into the placing agreement (the “**Placing Agreement B**”) pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, placees to subscribe for up to 21,424,755 new shares at a price of HK\$0.178 per placing share. The closing price per share of the Company as quoted on the Stock Exchange on 22 July 2025, the date of the Placing Agreement B, was HK\$0.221. The gross proceeds from the Placing B were approximately HK\$3.8 million and the net proceeds were approximately HK\$3.7 million. It was intended that the net proceeds from the Placing B would be utilised for investment in the listed and/or unlisted securities in the aggregate amount of approximately HK\$2.7 million and the remaining balance of approximately HK\$1.0 million would be used as the Group’s general working capital.

Details of the Placing B and Placing Agreement B were set out in the Announcements B.

As at 31 December 2025, detailed breakdown and description of the utilisation of the net proceeds from the Placing B were as follows:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised</b>	<b>Intended use of net proceeds</b>	<b>Actual use of proceeds</b>
22 July 2025 (completed on 7 August 2025)	Placing of new shares under general mandate	Approximately HK\$3.7 million	(i) Approximately HK\$2.7 million for investment in the listed and/or unlisted securities	(i) Approximately HK\$2.7 million was fully utilised to invest in listed securities
			(ii) Approximately HK\$1.0 million for general working capital of the Group	(ii) Approximately HK\$1.0 million was fully utilised for operating expenses

## **INVESTMENT REVIEW**

The Company is an investment company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Chapter 21 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange. The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments with potential for earning growth and capital appreciation. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the shareholders’ value.

The Company held eighteen investments as of 31 December 2025, comprising fifteen equity securities listed in Hong Kong and the US, one item of interests in a private entity in Anguilla and two items of interests in a private entity in the U.S.. Pursuant to the requirements stipulated in Rule 21.12 of the Listing Rules, the Company discloses its ten largest investments and all individual investments with value exceeding 5% of the Company's gross assets with brief description of the investee companies are provided in the notes 12 to 13 to the consolidated financial statements of this announcement and the section under "significant investments held and their performance" below.

### **Significant investments held and their performance**

Details of the performance of the significant investments held by the Group as at 31 December 2025 were disclosed under the heading of "Financial Review" above and in notes 12 to 13 to the consolidated financial statements.

The ten largest investments and all individual investments with value exceeding 5% of the Company's gross assets as at 31 December 2025 with brief description of the investee companies as follows and as disclosed in notes 12 to 13 to the consolidated financial statements:

#### ***Private Equity Investment – Perfect Path Limited (“Perfect Path”)***

Perfect Path is a private entity incorporated in Anguilla, which principally engaged in gold mining business. The Group held 20% equity interest of Perfect Path, despite the Group held 20% the voting power in Perfect Path, however, under contractual arrangements the Group has no significant influence over Perfect Path, another single shareholder control the composition of the board of directors and have control over Perfect Path. Perfect Path indirectly owns 45% interest in a gold mine in Thailand (the "Gold Mine"). According to Perfect Path, all relevant application documents for obtaining the Gold Mine licences and permits were submitted to the relevant local government authorities in Thailand, as the relevant application is still in process, Perfect Path not deployed their business and no income generated during the year ended 31 December 2025. After having taken into account all relevant economic factors, gold price and vigilantly verified it with Perfect Path, the shareholders of Perfect Path had reached the consensus, to remain open to potential offer for the selling of the mine. This stance allows the company to capitalise by the increasing of gold price these years so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties.

#### ***Private Equity Investment – LNPR Group Inc. (“LNPR”)***

LNPR is a private entity incorporated in the US, which is principally engaged in online education business. The Group held 5.15% equity interest of LNPR. According to LNPR, they are seeking listing on Over-the-Counter ("OTC") and already submitted the application to the authority in the U.S.. The Board was of the view that having equity interest in LNPR is benefit from listing on OTC market successfully.

### ***Listed Equity Investment – BYD Company Limited (“BYD”)***

BYD is a company incorporated in the PRC (stock code: 1211). BYD is a PRC-based company principally engaged in the manufacture and sales of transportation equipment. BYD is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use. BYD’s products include rechargeable batteries and photovoltaic products, mobile phone parts and assembly, and automobiles and related products. BYD mainly conducts its businesses in the PRC, the US and Europe. Based on the latest published third quarter report for the nine months ended 30 September 2025 of BYD, the revenue for the period was approximately RMB194,984 million, the net profit attributable to shareholders for the period was RMB6,891 million. Net dividend (after expenses) approximately HK\$34,000 was received from BYD during the Reporting Period (2024: N/A). The Board believed the leading position of BYD in the market can make them to enjoy the growth of market demand, the Group would hold the investment in BYD and closely monitor its performance and may adjust the portfolio of BYD from time to time.

### ***Listed Equity Investment – Tesla, Inc. (“Tesla”)***

Tesla engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. It operates through two segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture, sale, and leasing of electric vehicles, as well as sales of automotive regulatory credits. The Energy Generation and Storage segment involves the design, manufacture, installation, sale, and leasing of solar energy generation and energy storage products and related services, as well as sales of solar energy systems incentives. Based on the latest published third quarter report for the nine months ended 30 September 2025 of Tesla, the revenue for the period was approximately US\$49,071 million, the net income attributable to common stockholders for the period was US\$2,954 million. No dividend was received from Tesla during the Reporting Period (2024: N/A). The Board believed the leading position of Tesla in the market can make them to enjoy the growth of market demand, the Group would hold the investment in Tesla and closely monitor its performance and may adjust the portfolio from time to time.

### ***Private Equity Investment – Chelsea Tech, Inc. (“Chelsea Tech”)***

Chelsea Tech is a new-generation group focusing on the promotion of “Metaverse” and art NFT. The Group held approximately 4.00% equity interest in Chelsea Tech. According to Chelsea Tech, they are seeking listing on OTC market and already submitted the application to the authority in the U.S.. The Board was of the view that having equity interest in Chelsea Tech is benefit from listing on OTC market successfully.

### ***Listed Equity Investment – Winchester Holding Limited (“Winchester”)***

Winchester is a company incorporated in the US (OTC Pink: WCHS) which is listing on OTC market in the US. Winchester is manufacturing of cars in South Africa for production. Based on the latest unaudited financial statements for the nine months ended 29 September 2025, the net loss was approximately US\$30,000. The net assets of Winchester as at 29 September 2025 was approximately US\$512,000. No dividend was received from Winchester during the year ended 31 December 2025 (31 December 2024: nil). The Group would hold the investment in Winchester and closely monitor its performance and may adjust the portfolio of Winchester from time to time.

### ***Listed Equity Investment – Readen Holding Corporation (“RHCO”)***

RHCO is a company incorporated in the US (OTC Pink: RHCO) which is listing on OTC market in the US. RHCO is a venture capital corporation which is active in the Fintech, Online Payment and E-commerce industries. RHCO has growth engines which are projected to have significant growth on the revenue in coming years as the business becomes mature. Based on the latest unaudited financial statements for the nine months ended 29 September 2025, the net income was approximately US\$0.4 million. The total stockholders’ equity of RHCO as at 29 September 2025 was approximately US\$9.8 million. No dividend was received from RHCO during the Reporting Period (2024: nil). The Board expects RHCO has growth engines making positive to its financial performance. The Group would closely monitor its performance and may adjust the portfolio of RHCO timely.

### ***Listed Equity Investment – Sante Technology Holdings Inc. (“SNTE”)***

SNTE is a company incorporated in the US (OTC Pink: SNTE) which is listing on OTC market in the US which intend to acquire and merger potential AI technology related companies by offering the a unique platform with technology function, marketing function, finance function and resources integration function. No dividend was received from SNTE during the year ended 31 December 2025 (31 December 2024: N/A). The Board believed artificial intelligence business is a future trend.

### ***Listed Equity Investment – Xiaomi Corporation (“Xiaomi”)***

Xiaomi is a China-based investment holding company principally engaged in the research, development and sales of smartphones, Internet of things (IoTs) and lifestyle products, the provision of Internet services, and investment business. Xiaomi mainly conducts its businesses through four segments. The Smartphone segment is engaged in the sales of smartphones. The IoT and Lifestyle product segment is engaged in the sales of other in-house products, including smart televisions (TVs), laptops, artificial intelligence (AI) speakers and smart routers; ecosystem products, including IoT and other smart hardware products, as well as certain lifestyle products. The Internet service segment is engaged in the provision of advertising services and Internet value-added services. The Others segment is engaged in the provision of repair services for its hardware products. Xiaomi distributes its products in domestic market and to overseas markets. Based on the latest published quarterly results for the nine months ended 30 September 2025 of Xiaomi, the revenue for the period was approximately RMB340,370.2 million comparing with the revenue for the same period last year was approximately RMB256,901.2 million, the profit for the period was RMB35,022.7 million comparing with the profit for the same period last year was approximately RMB14,583.2 million. No dividend was received from Xiaomi during the Reporting Period (2024: nil). The Group would hold the investment in Xiaomi and closely monitor its performance and may adjust the portfolio of Xiaomi from time to time.

### ***Listed Equity Investment – GSG Group Inc. (“GSGG”)***

GSGG is a company incorporated in the US (OTC: GSGG) which is listing on OTC market in the US, which is originally a development-stage company focused on investment consultancy for real estate in Asia, has recently expanded into the medical devices industry. Based on the acquisition of the Prejex needle free injection project, GSG Group Inc. is working to enter the global markets with its Prejex specialty drug delivery systems. These devices have been designed to provide painless, needlefree injections for safe and effective self-administration of a multitude of medicines and due to recent developments they plan their first roll-outs for the US market. No dividend was received from GSGG during the Reporting Period (2024: nil).

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group employed a total of 5 employees (2024: 5 employees), including the executive Directors. Employees’ remuneration are fixed and determined with reference to the market remuneration.

The remuneration policy of the Company for non-executive Directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company and that for the employees, including the executive Directors and senior management, is to ensure that the remuneration offered is appropriate for the duties and in line with market practice. The remuneration policy is to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. No Director, or any of his associates, or executive is involved in deciding his own remuneration.

The key components of the Company’s remuneration package include basic salary plus other allowances, discretionary cash bonus and mandatory provident fund. As a long-term incentive plan and with the aim at motivating employees in the continued pursuit of the Company’s goal and objectives, the Company may grant share options to subscribe for shares of the Company to the employees (including Directors) of the Company based on their performance and contribution to the Company under the Company’s share option scheme (if any).

### **EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not employ any financial instruments to hedge such exposures.

### **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group had no significant contingent liabilities.

### **PLEDGE OF ASSETS**

As at 31 December 2025, no asset was pledge by the Group (31 December 2024: nil).

### **MAJOR ACQUISITIONS AND DISPOSALS**

The Group did not have any major acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2025.

## **CAPITAL COMMITMENTS**

The Company have no capital commitments as at 31 December 2025 (31 December 2024: nil).

## **CORPORATE GOVERNANCE**

Maintaining high standards of corporate governance in everything we do.

Sound corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company is committed to high standards of corporate governance with a view to being transparent, open and accountable to our shareholders.

The Company has adopted all the code provisions in the Corporate Governance Code (the “Code”) contained in Appendix C1 of the Listing Rules as its own code on corporate governance practices.

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

Code provision C.2.1 of part 2 of the Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The chief executive officer of the Company has been vacant following the resignation of Ms. Chan Carman Wing Yan on 20 June 2022. 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.

## **RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

The Board recognises its responsibility to ensure the Company maintains a sound and effective risk management and internal control systems. The Group’s risk management and internal control systems are designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group’s performance are appropriately identified and managed. Review of the Group’s risk management and internal controls covering major financial, operational and compliance controls, as well as risk management functions. The risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has not established an internal audit, but has engaged an external professional consultant to perform the work of internal audit function and during the Reporting Period, the external professional consultant had reviewed and assessed the Group's risk management and internal control systems (the "Systems") and reported to the Audit Committee (the "Review"). The Review would identify the risks associated with the business of the Group by considering both internal and external factors and events which may include politics, economy, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follows:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party.

Audit Committee has reviewed and discussed the Systems with the management annually to ensure that the management has performed its duty to have effective Systems.

The external consultant, has conducted a review of the effectiveness of the Group's Systems for the year ended 31 December 2025 and made recommendations to improve the effectiveness of the Group's Systems. After the Review, the management provided an action plan so as to mitigate those identified deficiencies in a timely manner. All internal control findings would be followed up closely to ensure that the action plan is implemented accordingly.

Pursuant to the Group's risk identification and assessment framework, certain significant risks have been identified. The nature of these significant risks, their respective levels, and the strategic controls implemented to manage them are set forth below:

**(i) Equity Risk**

Equity risk exposure arises from the volatility and price fluctuations inherent in equity securities and broader equity portfolios. The Group manages this exposure through in-depth fundamental analysis of investees, benchmarking pricing against market conditions and the Group's risk appetite. Additionally, the Group employs diversification strategies to limit concentration risk.

**(ii) Liquidity Risk**

The Group acknowledges that its private equity investments may be subject to liquidity constraints. To mitigate this, the management regularly review the Group's liquidity position to ensure adequate liquid capital is maintained, while also employing diversification strategies to limit exposure.

During the Reporting Period, the Board was satisfied that the current internal control systems of the Company are effective and adequate and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under D.2.1 to D.2.4 and D.3.3 of the Code relating to risk management and internal control.

In addition to the Review, undertaken by the external professional consultants, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

The Board has received a confirmation from the management of the Company on the effectiveness of the risk management and internal control system.

To facilitate the management and standardisation of internal operation, the Company has regulations in place that specify the responsibilities and scopes of anti-corruption works. Anti-corruption policy has been adopted and all employees of the Group have been required to strictly abide them. To encourage employees to report the improprieties they found or suspected, the Company has established appropriate whistleblowing procedures pursuant to its whistleblowing policy so as to provide a secure and fully confidential environment for employees to report the improprieties that they genuinely concerned.

## **DIVIDENDS**

The board of directors (the “**Board**”) does not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

## **EVENTS AFTER THE REPORTING PERIOD**

As of the approval date on these consolidated financial statements of the Group, the Group had no significant events after the reporting period which need to be disclosed.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

The Company did not redeem any of its listed shares during the Reporting Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the Reporting Period.

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

The Company has adopted the Model Code for Securities Transactions by Directors for the Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all the Directors confirmed that in respect of the year ended 31 December 2025, they have complied with the required standard set out in the Model Code.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for specific individual who may have access to inside information in relation to the securities of the Company.

## EXTERNAL AUDITOR

The Audit Committee reviewed engagement letter and report from the external auditor of the Company, McMillan Woods (Hong Kong) CPA Limited, confirmed its independence. The Audit Committee also approves its appointment, discusses the scope of their audit, approved the audit fees, and the scope and appropriate fees for any non-audit services requested to be provided by McMillan Woods (Hong Kong) CPA Limited.

McMillan Woods (Hong Kong) CPA Limited provided annual audit services in respect of the Group's consolidated financial statements, which are prepared in accordance with IFRS Accounting Standards, for the year ended 31 December 2025. The consolidated financial statements are prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

During the Reporting Period, remuneration paid/payable to the Company's auditor, McMillan Woods (Hong Kong) CPA Limited and other network firms, is as follows:

<b>Services rendered:</b>	<i>HK\$</i>
Audit services	380,000
Non-audit services	
– Review of interim financial information	63,000

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting to be held on 15 June 2026, the register of members of the Company will be closed from 10 June 2026 to 15 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the aforementioned meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 9 June 2026.

## AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company is composed of three independent non-executive Directors, namely, Dr. Wong Sze Lok (Chairman), Ms. Lin Hsiu Mei and Ms. Leung Yin Ting. It reports directly to the Board and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditor, to discuss audit process and accounting issues, and reviews effectiveness of internal controls and risk evaluation. Written terms of reference, which describes the authority and duties of the Audit Committee are regularly reviewed and updated by the Board. The terms of reference is available on the Company's website and the website of the Stock Exchange.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including review and approval of the annual results for the year ended 31 December 2025.

## **SCOPE OF WORK OF EXTERNAL AUDITOR**

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 Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on this announcement.

By order of the Board  
**Cocoon Holdings Limited**  
中國天弓控股有限公司  
**Chau Wai Hing**  
*Chairman*

Hong Kong, 30 March 2026

*As at the date hereof, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Leung Yin Ting, Mr. Wong Sze Lok and Ms. Lin Hsiu Mei.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*