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China Partytime Culture Holdings Limited

中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1532)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of China Partytime Culture Holdings Limited 中國派對文化控股有限公司 (the “**Company**”) is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Continuing operations			
Revenue	5	193,631	206,392
Costs of sales		<u>(161,454)</u>	<u>(170,402)</u>
Gross profit		32,177	35,990
Other income	6	15,854	18,711
Share of loss of associates		(37)	(1,448)
Selling expenses		(11,201)	(2,206)
Reversal of expected credit loss (“ ECL ”) allowance/ (ECL allowance) on trade receivables, net		80	(275)
Reversal of ECL allowance/(ECL allowance) on net investment in leases		8	(164)
Impairment loss on right-of-use assets and property, plant and equipment		(35,653)	(11,315)
Loss on remeasurement of disposal group held for sale to fair value less costs to sell		–	(11,870)
Fair value gain on derivative financial instruments		48	356
Administrative and other operating expenses		<u>(81,706)</u>	<u>(81,483)</u>
Loss from operations		(80,430)	(53,704)
Finance costs	7	<u>(622)</u>	<u>(351)</u>

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i> (Re-presented)
Loss before income tax	8	(81,052)	(54,055)
Income tax expense	9	<u>(2,629)</u>	<u>(4,006)</u>
Loss for the year from continuing operations		<u>(83,681)</u>	<u>(58,061)</u>
Discontinued operation			
Loss for the year from discontinued operation	12	<u>(6,502)</u>	<u>(17,334)</u>
Loss for the year		<u>(90,183)</u>	<u>(75,395)</u>
Other comprehensive (expense)/income:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operation recognised		<u>(14,056)</u>	<u>6,619</u>
Other comprehensive (expense)/income for the year, net of nil tax		<u>(14,056)</u>	<u>6,619</u>
Total comprehensive expenses for the year		<u>(104,239)</u>	<u>(68,776)</u>
Loss for the year attributable to:			
– Owners of the Company		<u>(79,777)</u>	<u>(66,884)</u>
– Non-controlling interests		<u>(10,406)</u>	<u>(8,511)</u>
		<u>(90,183)</u>	<u>(75,395)</u>

	<i>Notes</i>	2025 RMB'000	2024 RMB'000 (Re-presented)
Total comprehensive expenses for the year attributable to:			
– Owners of the Company		(93,833)	(60,265)
– Non-controlling interests		(10,406)	(8,511)
		(104,239)	(68,776)
Loss per share for loss attributable to equity holders of the Company			
	10		
Basic earnings per share			
From continuing operations		RMB(3.81) cents	RMB(3.46) cents
From discontinued operations		RMB(0.63) cents	RMB(0.53) cents
		RMB(4.44) cents	RMB(3.99) cents
Diluted earnings per share			
From continuing operations		RMB(3.81) cents	RMB(3.46) cents
From discontinued operations		RMB(0.63) cents	RMB(0.53) cents
		RMB(4.44) cents	RMB(3.99) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	123,690	153,190
Right-of-use assets	13	11,444	6,874
Investment properties	14	38,303	33,728
Interests in associates		67	104
Goodwill		–	–
Intangible assets	16	–	3,256
Deferred tax assets		14,600	17,519
Net investment in leases		2,050	2,877
		<hr/> 190,154 <hr/>	<hr/> 217,548 <hr/>
Current assets			
Inventories	17	9,780	22,162
Trade and other receivables	18	8,518	20,401
Net investment in leases		3,364	1,595
Bank balances and cash		68,309	63,585
		<hr/> 89,971 <hr/>	<hr/> 107,743 <hr/>
Disposal group classified as held for sale		<hr/> – <hr/>	<hr/> 91,818 <hr/>
		<hr/> 89,971 <hr/>	<hr/> 199,561 <hr/>
Current liabilities			
Trade and other payables	19	10,053	23,287
Contract liabilities	20	695	2,587
Bank borrowings		–	18,000
Lease liabilities		5,532	2,973
Derivative financial instruments		–	48
Tax payable		895	1,256
		<hr/> 17,175 <hr/>	<hr/> 48,151 <hr/>
Net current assets		<hr/> 72,796 <hr/>	<hr/> 151,410 <hr/>
Total assets less current liabilities		<hr/> 262,950 <hr/>	<hr/> 368,958 <hr/>

	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Deferred tax liabilities	–	251
Lease liabilities	4,549	5,017
	<u>4,549</u>	<u>5,268</u>
Net assets	258,401	363,690
CAPITAL AND RESERVES		
Share capital	15,393	15,072
Reserves	243,008	329,153
Equity attributable to owners of the Company	258,401	344,225
Non-controlling interests	–	19,465
Total equity	258,401	363,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as exempted company on 12 February 2015 with limited liability. The Company's shares are listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 October 2015. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is No. 3 Chunchao Road, Yichun Economic & Technological Development Zone ("**Yichun Development Zone**"), Jiangxi Province, the People's Republic of China ("**PRC**").

The Company is an investment holding company and its subsidiaries are principally engaged in the design, research and development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs), sexy lingerie and leasing of factory premises. During the year ended 31 December 2025, the subsidiaries engaged in fabric care, personal hygiene and home care products business in the PRC which was discontinued upon the completion of the disposal of High Kelee Investment Holdings Limited and its subsidiary, details are set out in notes 12 and 21.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("**HKFRS Accounting Standards**") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are stated at fair values. Non-current assets and disposal group classified as held for sale are stated the lower of carrying amount and fair value less costs to sell. The consolidated financial statements is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousands ("**RMB'000**"), except when otherwise indicated.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on or after 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 "Lack of Exchangeability" which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025.

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRS Accounting Standards

At the date of this announcement, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. These new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the most senior executive management for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the most senior executive management are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- (a) Wigs;
- (b) Clothing and others (including cosplay costumes, sexy lingerie and others); and
- (c) Leasing of factory premises (self-owned or held under leasehold interest).

Each of these reportable segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment results represented operating results of each reportable segment without allocation of finance costs (excluded finance charges on lease liabilities), bank interest income, loss on disposal of property, plant and equipment, share of loss of associates, unallocated other operating income, gain on disposal of financial asset at FVTPL, loss on remeasurement of disposal group held for sale to fair value less costs of sell, fair value gain on derivative financial instruments, unallocated corporate expenses, and income tax expense. All assets are allocated to reportable segments other than bank balances and cash, disposal group classified as held for sale, interests in associates and other corporate assets which are not directly attributable to the business activities of any reportable segments. All liabilities are allocated to reportable segments other than corporate liabilities which are not directly attributable to the business activities of any reportable segments.

During the year ended 31 December 2025, one operation (Fabric care, personal hygiene and home care products) was discontinued. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 21.

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

	Year ended 31 December 2025			Total RMB'000
	Wigs RMB'000	Clothing and others RMB'000	Leasing of factory premises RMB'000	
Revenue from external customers	31,599	162,032	–	193,631
Segment results	(25,557)	3,275	2,320	(19,962)
Finance costs (excluded finance charges on lease liabilities)				(73)
Bank interest income				1,006
Loss on disposal of property, plant and equipment				(58)
Share of loss of associates				(37)
Fair value gain on derivative financial instruments				48
Unallocated income				4,875
Unallocated expenses				(66,851)
Loss before income tax				(81,052)
Income tax expense				(2,629)
Loss for the year				(83,681)
Other segment items				
Depreciation and amortisation	5,299	6,689	3,252	15,240
Impairment loss on property, plant and equipment and right-of-use assets	24,956	10,697	–	35,653
Capital expenditure	24,538	14,039	–	38,577
Reversal of ECL allowance on trade receivables, net	(5)	(75)	–	(80)
Reversal of ECL allowance on net investment in leases	–	–	(8)	(8)

	Year ended 31 December 2024 (Re-presented)			
	Wigs RMB'000	Clothing and others RMB'000	Leasing of factory premises RMB'000	Total RMB'000
Revenue from external customers	32,186	174,206	–	206,392
Segment results	(9,737)	18,203	342	8,808
Finance costs (excluded finance charges on lease liabilities)				(246)
Bank interest income				824
Loss on disposal of property, plant and equipment				(321)
Share of loss of associates				(1,448)
Fair value gain on derivative financial instruments				356
Loss on remeasurement of disposal group held for sale to fair value less costs to sell				(11,870)
Unallocated income				4,416
Unallocated expenses				(54,574)
Loss before income tax				(54,055)
Income tax expense				(4,006)
Loss for the year				(58,061)
Other segment items				
Depreciation and amortisation	2,462	9,057	6,454	17,973
Impairment loss on property, plant and equipment	11,315	–	–	11,315
Capital expenditure	476	32,634	99	33,209
(Reversal of ECL allowance)/ECL allowance on trade receivables, net	(15)	290	–	275
ECL allowance on net investment in leases	–	–	164	164

Geographical information

Information about the Group's revenue by geographical locations presented based on the area or country in which the external customer is operated.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
PRC (place of domicile)	<u>23,088</u>	<u>16,093</u>
United States ("US")	153,431	178,609
United Kingdom ("UK")	498	–
Holland	53	258
Japan	13,968	8,362
Greece	109	–
Others	<u>2,484</u>	<u>3,070</u>
	<u>170,543</u>	<u>190,299</u>
	<u><u>193,631</u></u>	<u><u>206,392</u></u>

The Group's non-current assets, other than net investment in leases, are substantially located in the PRC.

Information about major customers

During the year ended 31 December 2025, RMB143,344,000 or 64.0% (2024: RMB178,159,000 or 74.0%) of the Group's revenue was derived from a single customer of the Group. It is related to wigs and clothing and other segment.

5. REVENUE

The Group's principal activities are disclosed in note 1 to this Announcement. Revenue of the Group is the revenue from these activities and represents the net invoiced value of goods sold.

The Group's revenue from continuing operations recognised during the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Wigs	31,599	32,186
Clothing and others	<u>162,032</u>	<u>174,206</u>
	<u><u>193,631</u></u>	<u><u>206,392</u></u>

Disaggregation of revenue from contracts with customers

The Group's revenue from sales of wigs and clothing and others are recognised at a point in time. The Group's contracts with customers usually have original expected duration of one year or less. Revenue from major product and service lines are as follow:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Contract Manufacturing Services (“CMS”) business		
Cosplay costumes	80,209	119,866
Cosplay wigs	2,841	20,409
Sexy lingerie	62	170
Others	19,317	4,878
	<u>102,429</u>	<u>145,323</u>
Original Brand Manufacturing (“OBM”) business		
Cosplay costumes	52,036	46,467
Cosplay wigs	28,758	11,777
Sexy lingerie	7,929	2,825
Others	2,479	–
	<u>91,202</u>	<u>61,069</u>
	<u><u>193,631</u></u>	<u><u>206,392</u></u>

6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Continuing operations		
Bank interest income	1,006	824
Government grant (<i>note</i>)	3,653	2,005
Rental income from operating leases of investment properties		
– Lease payments that are fixed	3,486	6,805
Income relating to net investment in leases		
– Finance lease income	224	62
Subcontracting income	4,381	1,867
Gain on disposal of financial asset at FVTPL	–	92
Gain on recognition of net investment in leases	–	388
Utility income	3,006	4,208
Exchange gain, net	–	2,433
Others	98	27
	<u>15,854</u>	<u>18,711</u>

Note: The Group was entitled to receive (1) a subsidy from the local government authorities for export sales business conducted in Yichun Development Zone and Yiwu, and (2) specific funds in the Yichun Development Zone and Yiwu Development Zone.

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Continuing operations		
Interest on bank and other short term borrowings	73	246
Finance charges on lease liabilities	549	105
	<u>622</u>	<u>351</u>

8. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Loss before income tax from continuing operations is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Auditors' remuneration	1,106	1,290
Cost of inventories recognised as an expense	100,139	124,216
Depreciation		
– Property, plant and equipment	7,565	14,045
– Investment properties	1,992	3,356
– Right-of-use assets	5,683	572
Loss on disposal of property, plant and equipment	58	321
Gain on recognition of net investment in leases	–	388
Gain on disposal of financial asset at FVTPL	–	92
Lease payments not included in the measurement of lease liabilities	91	113
Income relating to net investment in leases	(224)	(62)
Exchange loss/(gain), net	859	(2,433)
Research and development costs	26,705	31,396
Government grant	(3,653)	(2,005)
Staff costs		
– Salaries, allowances and other benefits	48,857	47,879
– Contributions to defined contribution retirement plans (<i>note</i>)	9,963	8,514
	<u>58,820</u>	<u>56,393</u>

Note: During the year ended 31 December 2025, no forfeited contribution under the Plans is available to offset the future contributions or reduce the existing and future levels of contributions (2024: nil).

9. INCOME TAX EXPENSE (RELATING TO CONTINUING OPERATIONS)

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year ended 31 December 2025 (2024: nil).

The provision for PRC enterprise income tax has been provided at the applicable tax rate of 25% (2024: 25%) on the assessable profits of the PRC subsidiaries.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Current year – PRC enterprise income tax	–	57
Deferred tax	<u>2,629</u>	<u>3,949</u>
Income tax expense	<u><u>2,629</u></u>	<u><u>4,006</u></u>

Under the Law of the People's Republic of China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. From December 2023 onwards, Partytime Group Co., Ltd and Partytime Costume & Lingerie (Yiwu) Factory were accredited as “High and New Technology Enterprise” in the PRC, and subject to a concessionary tax rate of 15% for three years in accordance with the EIT Law.

10. LOSS PER SHARE

From continuing and discontinued operations

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company)	<u><u>79,777</u></u>	<u><u>66,884</u></u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>1,795,992</u></u>	<u><u>1,674,479</u></u>

The diluted loss per share for the years ended 31 December 2025 and 2024 do not assume the exercise of the Company's share options because (i) the exercise price of those share options was higher than the average market price for shares; and (ii) the impact of exercise has anti-dilutive effect on the basic loss per share.

The diluted loss per share is the same as basic loss per share for the years ended 31 December 2025 and 2024.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the year attributable to owners of the Company	79,777	66,884
Add: Loss for the year from discontinued operations	<u>(11,331)</u>	<u>(8,841)</u>
Loss for the purpose of basic loss per share from continuing operations	<u><u>68,446</u></u>	<u><u>58,043</u></u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic loss per share for the discontinued operations is RMB0.63 cents per share (2024: RMB0.53 cents per share) and diluted loss per share for the discontinued operations is RMB0.63 cents per share (2024: RMB0.53 cents per share), based on the loss for the year from the discontinued operations of RMB11,331,000 (2024: RMB8,841,000) and the denominators detailed above for both basic and diluted loss per share.

11. DIVIDENDS

No dividend was paid or proposed during 2025 nor has any dividend been proposed since the end of the reporting period (2024: nil).

12. DISCONTINUED OPERATIONS

Disposal of fabric care, personal hygiene and home care products operations

On 19 November 2025, the Company entered into a sale agreement to dispose of High Kelee, which carried out all of the Group's fabric care, personal hygiene and home care products operations. The disposal of the fabric care, personal hygiene and home care products operations is consistent with the Group's long-term policy to focus its activities in the wigs and clothing and others. The disposal was completed on 19 November 2025, on which date control of the fabric care, personal hygiene and home care products operations passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 21.

The results of the fabric care, personal hygiene and home care products operations for the period from 1 January 2025 to 19 November 2025, which have been included in the consolidated statement of profit or loss and comprehensive income, were as follows:

	Period ended 19 November 2025 RMB'000	Year ended 31 December 2024 RMB'000
Revenue	31,071	33,935
Expenses	<u>(53,288)</u>	<u>(51,269)</u>
Loss from discontinued operations before income tax	(22,217)	(17,334)
Attributable income tax expense	<u>–</u>	<u>–</u>
Loss for the period/year	(22,217)	(17,334)
Gain on disposal of operation	<u>15,715</u>	<u>–</u>
Loss for the period/year from discontinued fabric care, personal hygiene and home care products operations	<u>(6,502)</u>	<u>(17,334)</u>
Loss for the period/year from discontinued fabric care, personal hygiene and home care products operations attributable to:		
Owners of the Company	11,331	8,841
Non-controlling interests	<u>10,886</u>	<u>8,493</u>
	<u>22,217</u>	<u>17,334</u>

Cash flows from discontinued fabric care, personal hygiene and home care products operations are analysed as follows:

	Period ended 19 November 2025 RMB'000	Year ended 31 December 2024 RMB'000
Net cash flows generated from operating activities	3,614	7,370
Net cash flows used in investing activities	(1,095)	(9,154)
Net cash flows generated from financing activities	<u>–</u>	<u>870</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,519</u>	<u>(914)</u>

13. RIGHT-OF-USE-ASSETS

	Prepaid land lease payments	Other properties leased for own use	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount as at 1 January 2024	7,016	–	7,016
Addition	–	5,272	5,272
Depreciation	(200)	(372)	(572)
Transfer to investment properties	(72)	–	(72)
Reclassified to disposal group held for sale	(4,770)	–	(4,770)
	<u>1,974</u>	<u>4,900</u>	<u>6,874</u>
Carrying amount as at 31 December 2024	<u>1,974</u>	<u>4,900</u>	<u>6,874</u>
Carrying amount as at 1 January 2025	1,974	4,900	6,874
Addition	19,164	–	19,164
Depreciation	(4,329)	(1,354)	(5,683)
Impairment loss	(5,341)	–	(5,341)
Transfer to investment properties	(200)	–	(200)
Transfer to net investment in leases	(3,370)	–	(3,370)
	<u>7,898</u>	<u>3,546</u>	<u>11,444</u>
Carrying amount as at 31 December 2025	<u>7,898</u>	<u>3,546</u>	<u>11,444</u>

The right-of-use assets represent prepaid land lease payments in relation to the leasehold land is situated in the PRC and is held under a medium term lease.

14. INVESTMENT PROPERTIES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Investment properties	<u>38,303</u>	<u>33,728</u>

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at 1 January	33,728	69,608
Transferred from right-of-use assets	200	72
Transferred from property, plant and equipment	6,367	2,808
Depreciation	(1,992)	(3,356)
Reclassified to disposal group held for sale	–	(35,404)
	<u>38,303</u>	<u>33,728</u>
Carrying amount at 31 December	<u>38,303</u>	<u>33,728</u>

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost	68,479	61,912
Accumulated depreciation and impairment	(30,176)	(28,184)
	<hr/>	<hr/>
Carrying amount	38,303	33,728
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2025, the fair value of the Group's investment properties, determined using income approach, which also representing the recoverable amounts of the leasing of factory premises CGU was RMB53,037,000 (2024: RMB53,557,000). The fair value as at 31 December 2025 has been arrived based on a valuation carried out by an independent professional qualified valuer Graval Consulting Limited. No impairment loss was determined by comparing carrying amounts of the investment properties, together with the relevant leasehold improvement, to the above fair value as at 31 December 2025 and 2024.

The fair values of the Group's investment properties are categorised under Level 3 fair value hierarchy and determined using income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments have been made to the estimated rental value.

The most significant inputs, all of which are unobservable, are the estimated rental value and the discount rate. The estimated rental value and discount rate are ranging from RMB11 (2024: RMB12) per square meter and from 6.0% (2024: 6.0%) as at year ended 31 December 2025 respectively. The estimated fair value increases if the estimated rental value increases or if discount rate (market yields) decline. The overall valuations are sensitive to all assumptions. Management considers the range of reasonably possible alternative assumptions is the greatest for rental values and that there is an interrelationship between these inputs.

The investment properties represent self-owned factory premises held under medium term leasehold land located in the PRC and are depreciated on a straight-line basis over the term of the lease.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machineries RMB'000	Motor vehicles RMB'000	Furniture and equipment RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 1 January 2024	197,314	30,268	4,407	5,187	193,251	17,709	448,136
Additions	-	8,675	573	262	142	31,333	40,985
Transfer to investment properties	(4,627)	-	-	-	-	-	(4,627)
Disposals	-	(1,959)	(191)	(191)	-	-	(2,341)
Reclassified to disposal group held for sale	(123,669)	(2,406)	-	(2,517)	(114,275)	-	(242,867)
As at 31 December 2024 and 1 January 2025	69,018	34,578	4,789	2,741	79,118	49,042	239,286
Additions	-	14,762	217	2	-	24,609	39,590
Transfer	54,423	-	-	-	19,228	(73,651)	-
Transfer to investment properties	(8,697)	-	-	-	-	-	(8,697)
Disposal of a subsidiary	-	(20,419)	(149)	(409)	(8,105)	-	(29,082)
Disposals	-	(1,999)	(551)	(20)	-	-	(2,570)
As at 31 December 2025	114,744	26,922	4,306	2,314	90,241	-	238,527
Accumulated depreciation and impairment							
As at 1 January 2024	83,276	12,742	1,962	4,693	140,040	-	242,713
Charge for the year	3,703	2,642	563	104	8,704	-	15,716
Transfer to investment properties	(1,819)	-	-	-	-	-	(1,819)
Written back on disposal	-	(1,279)	(118)	(169)	-	-	(1,566)
Impairment loss	5,344	565	272	23	5,111	-	11,315
Reclassified to disposal group held for sale	(62,490)	(2,051)	-	(2,265)	(113,457)	-	(180,263)
As at 31 December 2024 and 1 January 2025	28,014	12,619	2,679	2,386	40,398	-	86,096
Charge for the year	5,967	3,194	370	117	3,073	-	12,721
Transfer to investment properties	(2,330)	-	-	-	-	-	(2,330)
Disposal of a subsidiary	-	(11,886)	(104)	(325)	(7,454)	-	(19,769)
Written back on disposal	-	(608)	(462)	(18)	-	-	(1,088)
Impairment loss	14,809	11,897	570	154	11,777	-	39,207
As at 31 December 2025	46,460	15,216	3,053	2,314	47,794	-	114,837
Net book amount							
As at 31 December 2025	68,284	11,706	1,253	-	42,447	-	123,690
As at 31 December 2024	41,004	21,959	2,110	355	38,720	49,042	153,190

The management estimated the recoverable amounts and recognised relevant impairment loss as a result of the general economic uncertainty in the global market.

At 31 December 2025, the recoverable amounts of the Group's property, plant and equipment, determined using income approach, attributable to wigs CGU and clothing and others CGU were RMB23,910,000 and RMB101,570,000 (2024: RMB25,370,000 and RMB141,291,000) respectively. The recoverable amounts as at 31 December 2025 has been arrived based on a value in use estimation carried out by an independent professional qualified valuer Peak Vision Appraisals Limited. During the year ended 31 December 2025, impairment loss of RMB39,207,000 (2024: RMB11,315,000) was recognised for property, plant and equipment.

The recoverable amounts of the Group's property, plant and equipment are determined using income approach which adopted the discounted cash flow method, net of future cash outflow, using a pre-tax discount rate. When actual cash flow differs materially from the estimated cash flow, adjustments have been made to the estimated value in use.

The most significant inputs, all of which are unobservable, are the selling price growth rate, terminal growth rate, gross profit ratio and discount rate. The estimated value in use increases if the estimated cash flow increases or if discount rate (weighted average cost of capital) decline. The overall valuations are sensitive to all assumptions. Management considers the range of reasonably possible alternative assumptions is the greatest for value in use and that there is an interrelationship between these inputs.

	As at 31 December 2025	As at 31 December 2024
CGU of wigs		
– selling price growth rate	1%–3%	2%
– terminal growth rate	3%	3%
– gross profit ratio	24%–25%	25%–26%
– pre-tax discount rate	23.3%	23.2%
CGU of clothing and others (including cosplay costumes, sexy lingerie and others)		
– selling price growth rate	2%–2.5%	2%
– terminal growth rate	3%	3%
– gross profit ratio	23%–25%	25%–26%
– pre-tax discount rate	23.7%	23.4%

16. INTANGIBLE ASSETS

	Trademark <i>RMB'000</i>	Patent <i>RMB'000</i>	Total <i>RMB'000</i>
Cost			
As at 1 January 2024, 31 December 2024 and 1 January 2025	12,713	6,301	19,014
Disposal of a subsidiary	(12,713)	(6,301)	(19,014)
	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2025	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>
Accumulated amortisation			
As at 1 January 2024	12,713	1,785	14,498
Charge for the year	–	1,260	1,260
	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2024 and 1 January 2025	12,713	3,045	15,758
Charge for the year	–	1,155	1,155
Disposal of a subsidiary	(12,713)	(4,200)	(16,913)
	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2025	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>
Net book amount			
As at 31 December 2025	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>
As at 31 December 2024	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>

The amortisation charge for the year is included in the results of the discontinued operations as disclosed in note 12.

17. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	6,226	14,300
Work in progress	2,344	2,805
Finished goods	1,210	5,057
	<u> </u>	<u> </u>
	<u> </u> <u> </u>	<u> </u> <u> </u>

18. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– from third parties	5,405	14,214
Less: ECL allowance	<u>(4,616)</u>	<u>(5,996)</u>
	<u>789</u>	<u>8,218</u>
Deposits, prepayments and other receivables		
Prepayments	2,937	5,703
Other tax receivables	327	2,370
Deposits	3,145	3,582
Other receivables	<u>1,320</u>	<u>528</u>
	<u>7,729</u>	<u>12,183</u>
	<u>8,518</u>	<u>20,401</u>

The Group usually requires advance deposits from its customers. Before accepting any new customer, the Group applied an internal credit assessment policy to assess the potential customer's credit quality. The credit period is generally for a period of 45 to 90 days (2024: 45 to 90 days). Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables, based on the invoice date and net of ECL allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–30 days	715	4,228
31–60 days	59	658
61–90 days	–	1,368
91–365 days	<u>15</u>	<u>1,964</u>
	<u>789</u>	<u>8,218</u>

As at 31 December 2025, ECL allowance of RMB4,616,000 (2024: RMB5,996,000) was recognised.

The ECL rate for trade receivables as at 31 December 2025 and 2024 was determined as follows:

	2025	2024
0–30 days	1.17%	2.88%
31–60 days	1.83%	4.43%
61–90 days	2.81%	6.82%
91–365 days	21.89%	21.32%
Over 365 days	100.00%	100.00%

The movement in the ECL allowance of trade receivables, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	5,996	4,867
Disposal of a subsidiary	(1,300)	–
(Reversal of ECL allowance)/ECL allowance recognised during the year	(80)	1,129
	<u>4,616</u>	<u>5,996</u>
At 31 December	<u><u>4,616</u></u>	<u><u>5,996</u></u>

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities. The Group does not hold any collateral or other credit enhancements over these balances.

19. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables		
– To third parties	<u>4,474</u>	<u>10,179</u>
Accrued charges and other payables		
– Salaries payables	3,677	5,610
– Other tax payables	–	5,011
– Other payables	<u>1,902</u>	<u>2,487</u>
	<u>5,579</u>	<u>13,108</u>
	<u><u>10,053</u></u>	<u><u>23,287</u></u>

The Group was granted by its suppliers credit periods ranging from 15 to 60 days. An aged analysis of the trade payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–30 days	<u>4,474</u>	<u>10,179</u>

20. CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities arising from receiving deposits of manufacturing orders	<u>695</u>	<u>2,587</u>

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the contract exceeds the amount of the deposit.

All the outstanding contract liabilities at beginning of the year have been recognised as revenue during the year.

21. DISPOSAL OF A SUBSIDIARY

Disposal of a subsidiary with a loss of control

On 19 November 2025, the Group disposed of its entire interest in High Kelee which carried out all of the Group's fabric care, personal hygiene and home care products operations.

Consideration received

	2025 <i>RMB'000</i>
Consideration received in cash and cash equivalents	<u>20,500</u>

Analysis of assets and liabilities over which control was lost

	As at 19 November 2025 <i>RMB'000</i>
Property, plant and equipment	9,313
Inventories	2,990
Intangible assets	2,101
Trade and other receivables	8,844
Cash and cash equivalents	2,970
Deferred tax assets	39
Trade and other payables	(8,874)
Borrowings	(8,000)
Non-controlling interests	<u>(4,598)</u>
Net assets disposed of	<u>4,785</u>

Gain on disposal of a subsidiary

	As at 19 November 2025 RMB'000
Consideration received	20,500
Net assets disposed of	(4,785)
	<hr/>
Gain on disposal	15,715
	<hr/> <hr/>

The gain on disposal is included in the loss for the year from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

In response to rising production costs in Yiwu City, Zhejiang Province, PRC (such as increased wages and labor shortages), the Group plans to gradually relocate its wig and clothing production lines to an existing manufacturing site in Yichun City, Jiangxi Province (the “**Relocation Plan**”). This move aims to enhance overall production efficiency and reduce costs. On 19 November 2024, the Company signed an equity transfer agreement to sell the manufacturing site in Yiwu City. More details can be found in the sub-section titled “Significant Events” on page 34 of this announcement.

During the year ended 31 December 2025, the Board has reviewed the financial and operational performance of the subsidiaries engaged in the fabric care, personal hygiene and home-care products business (“**High Kelee Group**”). In light of the intensified competition and normalised post-COVID-19 demand in the personal hygiene market, the Board considers that the High Kelee Group’s business outlook remains uncertain and may require ongoing financial and management resources. On 19 November 2025 (after trading hours), the Company as vendor entered into a sale and purchase agreement with Fuzhou Baihui Technology Co., Ltd.* (福州百慧科技有限公司) (the “**Fuzhou Baihui**”) pursuant to which the Company agreed to sell and Fuzhou Baihui agreed to purchase the sale equity interest (representing the entire equity interest of the High Kelee Investment Holdings Limited) at a total consideration of RMB20.5 million (the “**High Kelee Disposal**”). High Kelee Disposal will allow the Group to streamline its business structure, reduce the resources devoted and enhance overall management efficiency. More details can be found in the sub-section titled “Significant Events” on page 34 of this announcement.

Furthermore, in view of the underperformance of a subsidiary Hmda Culture International Co., Limited (“**Hmda**”) and its subsidiaries which engaged in trademark authorization services and sale of trademark processed costumes, the Group had disposed its 75% equity interests in Hmda to an independent third party at a cash consideration of RMB4.8 million in November 2025.

Gross income from leasing of factory premises of approximately RMB3,710,000 (2024: RMB6,867,000) were recognized during the year ended 31 December 2025 and included in other income in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

Loss attributable to the equity holders of the Company increased from approximately RMB66.9 million for the year ended 31 December 2024 to approximately RMB79.8 million for the year ended 31 December 2025.

FINANCIAL REVIEW

Revenue and gross profit from continuing operations

	2025		2024		Revenue % change
	Revenue <i>RMB'000</i>	Gross profit margin	Revenue <i>RMB'000</i>	Gross profit margin	
			(Re-presented)		
CMS business					
Cosplay costumes	80,209	15.3%	119,866	18.1%	(33.1)%
Cosplay wigs	2,841	10.5%	20,409	18.9%	(86.1)%
Sexy lingerie	62	18.9%	170	16.9%	(63.5)%
Others	19,317	2.9%	4,878	45.6%	296.0%
	102,429	12.9%	145,323	19.1%	(29.5)%
OBM business					
Cosplay costumes	52,036	17.9%	46,467	22.9%	12.0%
Cosplay wigs	28,758	23.4%	11,777	22.5%	144.2%
Sexy lingerie	7,929	30.1%	2,825	32.4%	180.7%
Others	2,479	22.2%	–	–%	N/A
	91,202	20.8%	61,069	20.6%	49.3%
Total	193,631	16.6%	206,392	17.4%	(6.2)%

Revenue

CMS business

During the year ended 31 December 2025, our revenue derived mainly from our CMS business, representing approximately 52.9% (2024: 70.4%) of the total revenue. Revenue derived from the CMS business decreased from approximately RMB145.3 million in 2024 to approximately RMB102.4 million in 2025, representing a decrease of approximately 29.5%.

OBM business

The revenue derived from our OBM business increased from approximately RMB61.1 million in 2024 to approximately RMB91.2 million in 2025, representing an increase of approximately 49.3%.

During the year 2025, the Group faces heightened geopolitical tensions and trade protectionism, specifically tightening US import regulations and tariff volatility, which pressured our CMS export sales. Supply chain diversification by global brands led to reduced CMS orders which in turn led to sales from cosplay costumes and wigs from the CMS business decreased by approximately RMB57.2 million or 40.8%. Conversely, the Group's sales of costumes and wigs from the OBM business increased by approximately RMB22.6 million or 38.7% due to our own brand's competitive price, brand recognition and product quality.

However, due to intensified market competition in the cosplay costumes, total sales from both the CMS and OBM segments decreased by approximately RMB34.1 million, or 20.5%. The Group remains committed to enhancing product precision and actively seeks to engage new customers and explore new markets, particularly in the high-end sector.

Leasing business

After the completion of the disposal of the Yiwu Production Plant, the leasing business mainly represents our Feifeng Road Premises in Yiwu, PRC and our Yichun Production Plant. These premises have been sub-leased to companies in the relevant industries with the aim to integrate the design and development and the supply chain of the whole industrial chain. Gross income from leasing of these premises of approximately RMB3,710,000 (2024: RMB6,867,000) were recognized during the year ended 31 December 2025 and included in "other income" in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

Gross profit margin

Our gross profit margin decreased from approximately 17.4% in 2024 to approximately 16.6% in 2025. The decrease in the gross profit margin was mainly due to the decrease in the margin contributed by the cosplay wigs and cosplay costumes which were affected by the international trade environment.

Cost of sales

The costs of sales decreased by approximately RMB8.9 million, from approximately RMB170.4 million in 2024 to approximately RMB161.5 million in 2025.

Our cost of sales mainly comprised raw material cost, direct labor cost and manufacturing overhead. Manufacturing overhead includes subcontracting payments, utilities and social insurance for our production staff and other miscellaneous items.

Other income

Our other income decreased by approximately RMB2.9 million, from approximately RMB18.7 million in 2024 to approximately RMB15.9 million in 2025. The decrease was primarily due to the decrease in rental income from operating leases of investment properties of approximately RMB3.2 million and exchange gain of approximately RMB2.4 million and offset by the increase in government grant of approximately RMB1.6 million.

Selling expenses

Our selling expenses increased by approximately RMB9.0 million, from approximately RMB2.2 million in 2024 to approximately RMB11.2 million in 2025. The increase was primarily due to the increase in advertisement expense incurred for the promotion of our OBM brand recognition.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately RMB0.2 million, from approximately RMB81.5 million in 2024 to approximately RMB81.7 million in 2025. The slightly increase in administrative and other operating expenses was mainly attributable to the increase in general corporate expenses such as legal fee etc.

ECL allowance of trade receivables

The Group had applied the expected credit losses for all trade receivables. The decrease of the expected credit losses was due to the decrease in long overdue trade receivable.

Impairment loss on property, plant and equipment and right-of-use assets

The Group has determined the impairment loss of property, plant and equipment, right-of-use assets and investment properties based on the recoverable amount of the cash-generating units (“CGU”) with property, plant and equipment, right-of-use assets and investment properties allocated respectively. During the year ended 31 December 2025, impairment loss on property, plant and equipment and right-of-use assets of approximately RMB35.7 million was recognized as a result of the drop in the turnover which in turn reduced the recoverable amount of the property, plant and equipment in relation to the CGU of wigs, and clothing and others.

The details of the key inputs and assumptions adopted in the valuations relating to the property, plant and equipment and investment properties are set out in notes 14 and 15 to this announcement. There are no significant changes in the assumption adopted in the valuations.

Loss on remeasurement of disposal group held for sale to fair value less costs to sell

On 19 November 2024, the Group entered into an equity transfer agreement to dispose the entire equity interests in a subsidiary which principally engaged in properties holding and leasing of factory premises. Certain parts of the land and properties held by this subsidiary were mainly used as the manufacturing and production site for the Group's business segments of wigs and clothing and others. As at 31 December 2024, the above disposal have not been completed and the assets attributable to the business of the subsidiary were therefore reclassified as assets held for sale. Since the consideration for the disposal is below the fair value of land and properties held by this subsidiary, impairment loss on remeasurement of disposal group held for sale to fair value less costs to sell of approximately RMB11.9 million was recognized during the year ended 31 December 2024.

Finance costs

During the year ended 31 December 2025, the finance costs of the Group amounted to approximately RMB622,000 (2024: approximately RMB351,000), representing an increase of approximately 77.2% as compared to that for the year ended 31 December 2024. The finance costs of the Group were mainly derived from the interest expenses on bank borrowings and the finance charges on lease liabilities.

Share of loss of associates

Share of loss of associates relates to the Group's associates established for the purpose of developing the cultural tourism business. The Group's share of loss of associates for the year was approximately RMB37,000 (2024: RMB1,448,000).

Income tax

Income tax expenses for the year ended 31 December 2025 was approximately RMB2.6 million (2024: income tax expenses of approximately RMB4.0 million). The decrease was mainly due to the decrease in deferred tax recognised during the year ended 31 December 2025.

Financial resources and liquidity and capital structure

As at 31 December 2025, the total amount of bank balances and cash of the Group was approximately RMB68.3 million, an increase of approximately RMB4.7 million when compared with that as at 31 December 2024. The increase in bank balances and cash arose mainly from (i) the proceed from the exercise of share options of 34 million Shares of by our employees of approximately HK\$6.8 million (equivalent to approximately RMB6.4 million), (ii) the consideration of approximately RMB25.3 million from disposal of subsidiaries,

(iii) the remaining consideration of approximately RMB48.0 million from the disposal of a property holding subsidiary, (iv) the repayment of bank borrowings of approximately RMB18 million and (v) the capital expenditure of approximately RMB38.6 million.

As at 31 December 2025, the current ratio and the gearing ratio were 523.8% and 2.1% respectively. Current ratio is calculated based on total current assets divided by total current liabilities at the end of the financial year and gearing ratio is calculated based on total borrowings divided by total equity at the end of the financial year.

The Group's operations are financed principally by revenue generated from its business operation, available bank balances and cash as well as interest-bearing borrowings. The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity position to ensure that the Group is well positioned to achieve its business objectives and strategies.

The share capital of the Company only comprises of ordinary shares. As at 31 December 2025, the Company's number of issued ordinary shares was 1,807,263,120 ("**Share(s)**") (2024: 1,773,263,120 Shares).

Capital expenditure

During the year ended 31 December 2025, the Group invested approximately RMB38.6 million in property, plant and equipment.

Pledged of assets

As at 31 December 2025, the Group did not have any pledge of assets.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2025.

Foreign currency exposure

Our exposures to currency risk arose from sales to overseas markets, which are primarily denominated in USD and JPY. These are not our functional currencies to which these sales transactions relate. In order to minimise risk, the Group continues to adopt a prudent approach regarding foreign exchange exposure. Forward foreign exchange contracts are utilised when considered appropriate and when attractive pricing opportunities arise to mitigate foreign exchange exposures. Fair value gain on forward foreign exchange contracts of approximately RMB48,000 was recognised during the year.

Human resources

As at 31 December 2025, we had approximately 369 employees (31 December 2024: 412) from the continuing operations. Total staff costs from the continuing operations for the year ended 31 December 2025 amounted to approximately RMB58.8 million (2024: RMB56.4 million).

Remuneration policy

The Remuneration Policy for the employees (including key management) of the Group was laid down by the management of the Group on the basis of their merit, qualifications and competence. The Remuneration Committee will review and recommend to the Board for approval the Remuneration Policy periodically.

The remuneration of the Directors of the Company are reviewed and recommended by the Remuneration Committee to the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. No Director, or any of his associates and executives, will be involved in deciding his own remuneration.

We have adopted a share option scheme to recognise and reward the contribution of our employees, provide incentives to retain them to support our continued growth and to attract suitable personnel for further development. We regularly review the remuneration and benefits of our employees according to the relevant market practice, employee performance and the financial performance of the Company.

SIGNIFICANT EVENTS

Issuance of unlisted warrant under specific mandate

On 26 March 2025, the Company entered into the Warrant Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue to the Subscriber the Warrants conferring the rights to subscribe for the Warrant Shares (representing a maximum of 354,652,624 Shares) at a nominal Subscription Price of HK\$1.00. Subject to the fulfillment of the Exercise Conditions to the satisfaction of the Company (failure to fulfill so shall render the Warrant lapsed and cancelled immediately), the subscription rights attached to the Warrants will be exercisable for a period of five years from the date of issue. The Warrants issuance was duly approved by the Shareholders by way of poll at an extraordinary general meeting held on 15 August 2025.

Details of the Warrants issuance are set out in the Company's announcement dated 26 March 2025 and 15 August 2025, and circular dated 25 July 2025.

Disposal of entire equity interest in a wholly owned subsidiary of the Company

On 19 November 2025 (after trading hours), the Company as vendor entered into the sale and purchase agreement with the Fuzhou Baihui pursuant to which the Company agreed to sell and Fuzhou Baihui agreed to purchase the Sale Equity Interest (representing the entire equity interest of the High Kelee at a total consideration of RMB20.5 million). Immediately after completion on 19 November 2025, High Kelee and its subsidiary (collectively “**High Kelee Group**”) ceased to be subsidiaries of the Company and the financial results of the High Kelee Group no longer be consolidated in the Group’s forthcoming consolidated financial statements and presented as discontinued operation. Gain on disposal of approximately RMB15.7 million was recognised during the year.

High Kelee is an investment holding company and its subsidiary Zhejiang Kelee is principally engaged in the fabric care, personal hygiene, and home care products business.

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the High Kelee Disposal are more than 5% but less than 25%, the High Kelee Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under the Listing Rules.

Details of the High Kelee Disposal are set out in the Company’s announcements dated 19 November 2025.

Disposal of a property holding company and leaseback of properties

On 19 November 2024 (after trading hours of the Stock Exchange), 派對文化集團有限公司 (Partytime Group Co., Ltd*) (“**Partytime Group**”), being an indirect wholly-owned subsidiary of the Company (as vendor) entered into an equity transfer agreement with 浙江百慧服飾有限公司 (Zhejiang Bestway Costume & Accessory Co., Ltd), a company established in the PRC with limited liability (“**Zhejiang Bestway**”) (as purchaser) and 浙江中派企業管理有限公司 (Zhejiang Zhongpai Enterprise Management Co., Ltd*) (“**Zhejiang Zhongpai**”) (as the target company). Pursuant to the equity transfer agreement, Partytime Group has conditionally agreed to dispose of, and Zhejiang Bestway has conditionally agreed to purchase, the sale capital, representing the entire equity interests in the Zhejiang Zhongpai, for a consideration of RMB80,000,000 (the “**Zhejiang Zhongpai Disposal**”). The Zhejiang Zhongpai Disposal was duly approved by the Shareholders by way of poll at an extraordinary general meeting held on 5 March 2025. Zhejiang Zhongpai was a company established in the PRC in March 2024 with limited liability.

Zhejiang Zhongpai is principally engaged in properties holding and leasing of factory premises. Certain parts of the land and properties held by Zhejiang Zhongpai were mainly used as the manufacturing and production site for the Group’s business segments of wigs and clothing and others.

On the same date (after trading hours of the Stock Exchange), Zhejiang Bestway (as tenant) and Zhejiang Zhongpai (as landlord) entered into a leaseback agreement. Pursuant to the leaseback agreement, if the Zhejiang Zhongpai Disposal materialises, Zhejiang Bestway has conditionally agreed to lease back the properties from Zhejiang Zhongpai for a term of three (3) years commencing from the commencement date defined in the leaseback agreement for an annual rent of RMB2,459,900 for the first year, RMB2,582,895 for the second year and RMB2,712,040 for the third year (the “**Leaseback of Properties**”).

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Zhejiang Zhongpai Disposal exceed(s) 75%, the entering into of the equity transfer agreement constitutes a very substantial disposal on the part of the Company under the Listing Rules, and is therefore subject to reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the leaseback agreement as tenant will require the Group to recognise the properties as the right-of-use assets on its consolidated statement of financial position, thus the leaseback agreement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) calculated based on the value of the right-of use assets recognised by the Group pursuant to HKFRS 16 under the leaseback agreement is/are more than 5% but all of the percentage ratios are less than 25%, the entering into of the leaseback agreement constitutes a discloseable transaction on the part of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Zhejiang Zhongpai Disposal was completed on 30 April 2025.

Details of the Zhejiang Zhongpai Disposal and the Leaseback of Properties are set out in the Company’s announcements dated 19 November 2024, 24 December 2024, 15 January 2025, 24 January 2025 and 5 March 2025, and the circular dated 13 February 2025. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in these announcements and the said circular.

USE OF PROCEEDS

On 30 April 2025, the Company completed the Zhejiang Zhongpai Disposal, the net proceeds from the disposal, after deducting the expense directly attributable thereto, is approximately RMB79.5 million.

The intended uses and the balance of the total net proceeds from the Zhejiang Zhongpai Disposal as at 31 December 2025 are set out below:

Intended use of proceeds

	Net proceeds <i>RMB'000</i>	Utilised amount as at 31 December 2025 <i>RMB'000</i>	Unutilised amount as at 31 December 2025 <i>RMB'000</i>	Expected timeline for unutilized amount
(i) Expansion and enhancement of the manufacturing and production site located in Yichun City, Jiangxi Province, the PRC				
(a) preliminary levelling and geological survey and design	600	(600)	–	N/A
(b) steel building materials	2,070	(2,070)	–	N/A
(c) foundation construction and supervision works	6,680	(6,680)	–	N/A
(d) fire service installation or equipment	4,800	(4,800)	–	N/A
(e) renovation works	10,000	–	10,000	June 2026
	<u>24,150</u>	<u>(14,150)</u>	<u>10,000</u>	

	Net proceeds RMB'000	Utilised amount as at 31 December 2025 RMB'000	Unutilised amount as at 31 December 2025 RMB'000	Expected timeline for unutilized amount
(ii) Repayment of the principal and/or interests of certain borrowings of the Groups				
(a) a loan in the principal amount of RMB10,000,000 at the interest rate of 3.2% per annum due on 10 March 2025	10,000	(10,000)	–	N/A
(b) a loan in the principal amount of RMB5,000,000 at the interest rate of 3.0% per annum due on 18 June 2025	5,000	(5,000)	–	N/A
(c) a loan in the principal amount of RMB3,000,000 at the interest rate of 3.2% per annum due on 4 June 2025	3,000	(3,000)	–	N/A
	<u>18,000</u>	<u>(18,000)</u>	<u>–</u>	

	Net proceeds <i>RMB'000</i>	Utilised amount as at 31 December 2025 <i>RMB'000</i>	Unutilised amount as at 31 December 2025 <i>RMB'000</i>	Expected timeline for unutilized amount
(iii) the general working capital of the Group				
(a) staff costs of the Group	16,783	(16,783)	–	N/A
(b) material costs for production of the Group	13,053	(13,053)	–	N/A
(c) other day-to-day operating expenses, such as maintenance expenses for our existing wigs, clothing and others, and our fabric care, personal hygiene and home care products businesses	7,459	(7,459)	–	N/A
	<u>37,295</u>	<u>(37,295)</u>	<u>–</u>	

On 19 November 2025, the Company completed the High Kelee Disposal, and the net proceeds from the High Kelee Disposal (after deducting transaction costs and professional expenses) is approximately RMB20.4 million. The Group intends to use such net proceeds as general working capital and/or financing for future business opportunities of the Group.

As at 31 December 2025, the net proceeds from High Kelee Disposal of approximately RMB5.0 million have been used for general working capital of the Group such as materials costs for productions of wigs and costumes and other day-to-day operating expenses in relation to the wigs and costumes business. The remaining unutilized amount of approximately RMB15.4 million is expected to be utilized before June 2026.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this Announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this announcement.

PROSPECTS

The global economic landscape is increasingly complex, with gradually easing inflation overshadowed by elevated interest rates that hinder growth. Geopolitical tensions and uneven recoveries across major economies contribute to market uncertainties, impacting global trade and investment.

Looking ahead, the Group anticipates that a recovery in consumer spending and an increase in demand for affordable fashion will enhance exports. However, challenges such as inflation, rising labor costs, and ongoing geopolitical tensions may affect profitability. In this environment, brands that prioritize sustainability and digital transformation are poised to gain a competitive edge, while trade policies and tariffs will play a crucial role in shaping export dynamics, necessitating flexibility in supply chains and pricing strategies.

The Group will continue to use its best endeavor to improve the efficiency and effectiveness of its operation. Moreover, the Board will seek opportunities to diversify our business and broaden our revenue stream by acquiring of intellectual property right with potential growth and collaborating with companies in our upstream and downstream industries. The Group will continue to evaluate and identify target companies which have investment value and which can generate synergies with our businesses within the industry and along the industry chain, with the aim of bringing greater return to shareholders while expanding our business and revenue streams.

CORPORATE GOVERNANCE REPORT

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). To the knowledge of the Board, the Company had fully complied with the relevant code provisions in the CG Code for the year ended 31 December 2025.

The Group also has an internal control system in place serving the check and balance function. There are three Independent Non-executive Directors who represent nearly one half of the Board offering practical, independent and differing perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 7 August 2015 with written terms of reference in compliance with the CG code, and currently comprises three Independent Non-executive Directors, namely Mr. Zheng Jin Min (as chairman), Mr. Chen Wen Hua and Ms. Peng Xu. The primary duties of the Audit Committee are to review the financial reporting process and internal control and risk management systems of the Group. The Audit Committee has reviewed the Company's annual results for the year ended 31 December 2025 in conjunction with the Company's external auditor.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's Auditor, Grant Thornton Hong Kong Limited (“**Grant Thornton**”), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton 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 Grant Thornton on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the 2025 annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in accordance with the Listing Rules.

By order of the Board
China Partytime Culture Holdings Limited
Teng Hao
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board of Directors of the Company consists of (i) three Executive Directors, namely Mr. Teng Hao, Mr. Xu Chengwu and Mr. Chen Jinbo; and (ii) three Independent Non-executive Directors, namely Mr. Zheng Jin Min, Mr. Chen Wen Hua and Ms. Peng Xu.

** For identification purposes only*