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## TESSON HOLDINGS LIMITED

天臣控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1201)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Tesson Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, together with the audited comparative figures for the corresponding period in 2024, as follows:

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

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	<b>30,649</b>	66,713
Cost of sales		<b>(29,907)</b>	(66,345)
Gross profit		<b>742</b>	368
Other loss and income, net	4	<b>(1,208)</b>	(27,332)
Distribution and selling expenses		<b>(2,283)</b>	(4,247)
Administrative expenses		<b>(49,220)</b>	(129,468)
<b>Loss from operation</b>		<b>(51,969)</b>	(160,679)
Finance costs	6	<b>(1,903)</b>	(2,908)
<b>Loss before tax</b>		<b>(53,872)</b>	(163,587)
Income tax credit	7	<b>2,223</b>	–

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Loss for the year</b>	8	<u><b>(51,649)</b></u>	<u>(163,587)</u>
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>6,913</b>	(8,297)
<i>Items that will not be reclassified to profit or loss:</i>			
Surplus/(deficiency) arising on revaluation of property, plant and equipment		<b>929</b>	(16,455)
Deferred tax effect arising on revaluation of property, plant and equipment		<u><b>(222)</b></u>	<u>4,081</u>
		<u><b>7,620</b></u>	<u>(20,671)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(44,029)</b></u>	<u>(184,258)</u>
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(26,014)</b>	(142,893)
Non-controlling interests		<u><b>(25,635)</b></u>	<u>(20,694)</u>
		<u><b>(51,649)</b></u>	<u>(163,587)</u>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		<b>(27,155)</b>	(153,698)
Non-controlling interests		<u><b>(16,874)</b></u>	<u>(30,560)</u>
		<u><b>(44,029)</b></u>	<u>(184,258)</u>
<b>Loss per share</b>	<i>10</i>		
Basic ( <i>HK cents per share</i> )		<u><b>(11.16)</b></u>	<u>(69.54)</u>
Diluted ( <i>HK cents per share</i> )		<u><b>(11.16)</b></u>	<u>(69.54)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>103,227</b>	97,592
Right-of-use assets		<b>154,839</b>	55,005
		<hr/> <b>258,066</b>	<hr/> 152,597
<b>Current assets</b>			
Inventories		<b>1,135</b>	2,196
Trade, bills and other receivables, deposits and prepayments	<i>11</i>	<b>253,742</b>	255,786
Financial assets at fair value through profit or loss		<b>66</b>	29
Bank and cash balances		<b>16,263</b>	9,552
		<hr/> <b>271,206</b>	<hr/> 267,563
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>291,690</b>	269,140
Contract liabilities	<i>13</i>	<b>347</b>	419
Borrowings	<i>14</i>	<b>–</b>	30,965
Lease liabilities		<b>11,313</b>	1,808
Amount due to the Controlling Shareholder		<b>217</b>	135
		<hr/> <b>303,567</b>	<hr/> 302,467
<b>Net current liabilities</b>		<hr/> <b>(32,361)</b>	<hr/> (34,904)
<b>Total assets less current liabilities</b>		<hr/> <b>225,705</b>	<hr/> 117,693

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>90,144</b>	247
Deferred tax liabilities		<b>2,610</b>	4,528
		<u>92,754</u>	<u>4,775</u>
<b>NET ASSETS</b>		<u><b>132,951</b></u>	<u>112,918</u>
<b>Capital and reserves</b>			
Share capital		<b>31,969</b>	21,969
Reserves		<b>309,229</b>	312,015
		<u>341,198</u>	<u>333,984</u>
Equity attributable to owners of the Company		<b>341,198</b>	333,984
Non-controlling interests		<b>(208,247)</b>	(221,066)
		<u>132,951</u>	<u>112,918</u>
<b>TOTAL EQUITY</b>		<u><b>132,951</b></u>	<u>112,918</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. In the opinion of the directors of the Company (the “**Directors**”), the Company’s controlling shareholder is Double Key International Limited (the “**Controlling Shareholder**”), a company incorporated in British Virgin Islands with limited liability. The address of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 401A, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Group principally engaged in the manufacturing and sale of lithium ion motive battery, lithium ion battery module, battery charging devices, battery materials machines and production lines, new energy solution and sale of relevant equipment, investments holding and import and export trading (the “**Lithium Ion Motive Battery Business**”). During the year, the Group commenced the operation of electric vehicles charging network or stations and the provision of ancillary services (the “**Charging Station Business**”).

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants, and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Group’s consolidated financial statements have been prepared under the historical cost convention, except for property, plant and equipment, and certain financial instruments, which are measured at revalued amounts or fair values. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of key assumptions and estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

(a) *Adoption of new/revised HKFRS Accounting Standards – effective 1 January 2025*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2025:

HKAS 21 Amendments in relation to Lack of Exchangeability

(b) *New/revised HKFRS Accounting Standards that have been issued but not yet effective*

The following new and revised amendments to HKFRS Accounting Standards have been issued but are not effective for the financial year beginning on 1 January 2025, and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
HKFRS 1	Hedge Accounting by a First-time Adopter	1 January 2026
HKFRS 7	Gain or Loss on Derecognition	1 January 2026
Guidance on implementing HKFRS 7	Disclosure of Deferred Difference between Fair Value and Transaction Price	1 January 2026
Guidance on implementing HKFRS 7	Introduction and Credit Risk Disclosures	1 January 2026
HKFRS 7 and HKFRS 9	Amendments in relation to Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 7 and HKFRS 9	Amendments in relation to Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 9	Derecognition of Lease Liabilities	1 January 2026
HKFRS 9	Transaction Price	1 January 2026
HKFRS 10	Determination of a ‘De Facto Agent’	1 January 2026
HKAS 7	Cost Method	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
HKAS 21	Amendments in relation to Translation to Hyperinflationary Presentation Currency	1 January 2027
HKFRS 10 and HKAS 28	Amendments in relation to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	TBD

### 3. REVENUE

The Group's revenue was derived from lithium ion motive battery products sold in the People's Republic of China (the "PRC") and from charging service provided in Hong Kong during the year. In 2024, the Group's revenue was derived from lithium ion motive battery products sold in the PRC. Disaggregation of revenue from contracts with customers is set out as below. For both years, all revenue generated by the Group were recognised at a point in time when the customers obtain control of the goods or services.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Lithium ion motive battery products	29,688	66,713
Charging service	961	–
	<u>30,649</u>	<u>66,713</u>

### 4. OTHER LOSS AND INCOME, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income	21	98
Gain/(loss) on disposal of scrap products	412	(848)
Gain on waiver of trade and other payables	3,036	1,612
Impairment loss on trade receivables	(1,632)	(261)
Impairment loss on other receivables	(3,684)	(5,547)
Impairment loss on property, plant and equipment	–	(19,250)
Written off of inventory	–	(3,317)
Others	639	181
	<u>(1,208)</u>	<u>(27,332)</u>

## 5. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business unit requires different technology and marketing strategies. The Group's revenue and profit or loss were derived from the Lithium Ion Motive Battery Business, Charging Station Business (from 2025) and internet sales business (the "Internet Sales Business").

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

Information about profit or loss, assets and liabilities of the reportable segments:

	<b>Lithium Ion Motive Battery Business</b> <i>HK\$'000</i>	<b>Charging Station Business</b> <i>HK\$'000</i>	<b>Internet Sales Business</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Year ended 31 December 2025</b>				
Revenue from external customers	29,688	961	–	30,649
Segment loss	(40,279)	(208)	–	(40,487)
Depreciation	14,677	131	–	14,808
Depreciation of right-of-use assets	2,301	1,080	–	3,381
Additions to segment non-current assets	25	123,283	–	123,308
<b>At 31 December 2025</b>				
Segment assets	382,221	129,468	12	511,701
Segment liabilities	227,552	108,261	1,896	337,709
<b>Year ended 31 December 2024</b>				
Revenue from external customers	66,713	–	–	66,713
Segment loss	(139,868)	–	(2,238)	(142,106)
Depreciation	66,727	–	52	66,779
Depreciation of right-of-use assets	3,354	–	258	3,612
Additions to segment non-current assets	1,610	–	–	1,610
<b>At 31 December 2024</b>				
Segment assets	410,537	–	11	410,548
Segment liabilities	222,140	–	1,815	223,955

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>		
Total revenue of reportable segments	<u>30,649</u>	<u>66,713</u>
<b>Profit or loss</b>		
Total loss of reportable segments	(40,487)	(142,106)
Corporate and unallocated loss	<u>(11,162)</u>	<u>(21,481)</u>
Consolidated loss for the year	<u>(51,649)</u>	<u>(163,587)</u>
<b>Assets</b>		
Total assets of reportable segments	511,701	410,548
Corporate and unallocated assets	<u>17,571</u>	<u>9,612</u>
Consolidated total assets	<u>529,272</u>	<u>420,160</u>
<b>Liabilities</b>		
Total liabilities of reportable segments	337,709	223,955
Corporate and unallocated liabilities	<u>58,612</u>	<u>83,287</u>
Consolidated total liabilities	<u>396,321</u>	<u>307,242</u>

### Geographical information

All revenue generated by the Group were derived from the PRC and Hong Kong.

In 2025, 2 customers (2024: 1) individually contributed over 10% of total revenue of the Group.

In presenting the geographical information, revenue is based on the location of the customers. At the end of the year, the non-current assets of the Group were located as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>		
Hong Kong	123,024	697
The PRC	<u>135,042</u>	<u>151,900</u>
	<u>258,066</u>	<u>152,597</u>

## 6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on borrowings	1,811	2,649
Lease interests	<u>92</u>	<u>259</u>
	<u>1,903</u>	<u>2,908</u>

## 7. INCOME TAX CREDIT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deferred tax	<u>2,223</u>	<u>–</u>

No provision for Hong Kong profits tax was required since the Group has no assessable profit in Hong Kong for the years presented.

According to the Law of the PRC on Enterprise Income Tax, all group companies operating in the PRC are subject to the applicable tax rate of 25%, except for certain subsidiaries that are qualified for the tax benefit of being the National High-tech Enterprise, that are entitled to a preferential tax rate of 15% during the reporting years.

## 8. LOSS FOR THE YEAR

a) The Group's loss for the year is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration	1,250	900
Cost of inventories sold	29,907	66,345
Depreciation	14,808	66,800
Depreciation of right-of-use assets	5,046	4,236
Loss on disposal of property, plant and equipment	6,965	–
Fair value (gain)/loss on financial assets at fair value through profit or loss	(37)	21
Research and development expenses	415	15,092
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	15,352	22,174
Retirement benefits	1,379	2,690
	<u>1,379</u>	<u>2,690</u>

b) Impairment loss on various assets:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Impairment loss on various assets</b>		
Impairment loss on trade receivables	1,632	261
Impairment loss on other receivables	3,684	5,547
Impairment loss on property, plant and equipment	–	19,250
	<u>5,316</u>	<u>25,058</u>

## 9. DIVIDENDS

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

## 10. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on loss attributable to owners of the Company of approximately HK\$26,014,000 (2024: HK\$142,893,000), and the weighted average number of 233,109,886 (2024: 205,479,126) ordinary shares in issue during the year.

### Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2025 and 2024.

## 11. TRADE, BILLS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	10,201	18,277
<i>Less:</i> Impairment losses	<u>(4,018)</u>	<u>(2,252)</u>
	6,183	16,025
Bills receivable	73	20
Value-added tax receivables	4,785	6,410
Consideration receivable from the vendor of disposals of subsidiaries	11,109	10,640
Amounts due from the subsidiaries disposed	202,730	200,458
Prepayments	1,153	885
Deposits and other receivables	<u>27,709</u>	<u>21,348</u>
	<u><u>253,742</u></u>	<u><u>255,786</u></u>

### Trade receivables

The Group allows an average credit period of 30 to 60 days to its customers which are state-owned enterprise or those with guarantee provided, and cash on delivery for all other customers. The following is an aging analysis of trade receivables, presented based on the invoice date at the end of the years:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 60 days	5,784	12,551
61 to 90 days	–	1,372
Over 90 days	<u>399</u>	<u>2,102</u>
	<u><u>6,183</u></u>	<u><u>16,025</u></u>

## Trade and bills receivables that are not impaired

The Group applies the simplified approach under HKFRS 9 “Financial Instrument” to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current <i>HK\$'000</i>	Less than 60 days past due <i>HK\$'000</i>	Over 60 days and less than 1 year <i>HK\$'000</i>	Over 1 year <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 31 December 2025</b>					
Weighted average expected loss rate	0%	0%	0%	100%	
Receivable amount	5,857	–	399	4,018	10,274
Loss allowance	–	–	–	(4,018)	(4,018)
<b>At 31 December 2024</b>					
Weighted average expected loss rate	0%	0%	0%	99%	
Receivable amount	9,611	3,527	2,888	2,271	18,297
Loss allowance	–	–	–	(2,252)	(2,252)

Trade receivables that were not past due relate to a wide range of customers who has no recent history of default. The Group does not hold any collateral over these balances.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	60,283	58,635
Amounts payable on acquisition of property, plant and equipment	110,524	105,868
Unpaid amount for acquisition of charging station	5,848	–
Accruals and other payables	115,035	104,637
	<u>291,690</u>	<u>269,140</u>

An aging analysis of trade payables at the end of the reporting period, based on invoice dates, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 60 days	22	750
61 to 90 days	5	1,859
Over 90 days	60,256	56,026
	<u>60,283</u>	<u>58,635</u>

### 13. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	<b>As at 31 December 2025 HK\$'000</b>	As at 31 December 2024 HK\$'000	As at 1 January 2024 HK\$'000
Total contract liabilities	<u>347</u>	<u>419</u>	<u>3,541</u>
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
– 2025	–	424	
– 2026	<u>351</u>	<u>–</u>	
		<b>2025 HK\$'000</b>	2024 HK\$'000
Year ended 31 December			
Revenue recognised in the year that was included in contract liabilities at beginning of year		<u>267</u>	<u>3,250</u>
Significant changes in contract liabilities during the year:			
Increase due to operations in the year		–	253
Currency realignment		17	(60)
Transfer of contract liabilities to revenue		<u>(89)</u>	<u>(3,315)</u>

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

#### 14. BORROWINGS

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other borrowing	<u>–</u>	<u>30,965</u>

At 31 December 2025, no other borrowing (2024: HK\$30,965,000) was unsecured and repayable within 1 year.

#### 15. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the year are as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted but not provided for		
– Property, plant and equipment	<b>12,620</b>	12,088
– Investment in an associate	<b>19,994</b>	19,150
	<u><b>32,614</b></u>	<u>31,238</u>

At 31 December 2025, the acquisition of an associate was secured by the pledge of property, plant and equipment held by the Group with carrying value of approximately HK\$120,000 (2024: HK\$634,000), which the acquisition is not yet completed.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In recent years, the lithium ion battery market in the PRC has exhibited a fluctuating trend. Initially characterised by robust government subsidies and incentive policies, the market has gradually transitioned into a demand-driven landscape. This shift has been marked by challenges such as raw material shortages, escalating price competition among manufacturers within the product supply chain, as well as the more intense US-China trade war. As a market participant, the Group has adapted to these changes, leveraging opportunities for growth amid the industry's transformation.

During the year, the lithium ion battery market in the PRC continued to face an overcapacity situation and fading out of local government subsidy, accompanied by aggressive pricing strategies among manufacturers, imposing a cascading effect on the entire battery market. Market share for second-tier battery manufacturers has increased, posing a challenge to other manufacturers including well-known leaders in the sector. In the first half of 2025, the US-China trade war escalated further, with both sides imposing high tariffs on imported goods. Although the two countries subsequently engaged in negotiations to ease tensions and gradually reduce some tariffs, issues such as technology exports remained the focus of their disputes. In the second half of 2025, multilateral dialogue continued, and both sides reviewed their annual strategies. Restrictions on core technologies and tariff policies largely remained unchanged, with no signs of a complete reconciliation. The trade war affected economies on both sides, manufacturers in the PRC were deeply affected, including the customers of the Group whose export volume had dropped significantly, production scale was reduced and purchase for raw materials dropped. Consequently, the Group experienced a decline in sales volume and sales revenue during the year. To allocate resources effectively and adapt to changing market conditions, the Group has temporarily suspended certain research and development activities related to battery technology, resulting in a reduction of associated costs during the year. Additionally, the full depreciation of certain machinery and equipment has contributed to lower depreciation charges and a decrease in net loss for the year. In view of the future development plan, the Group is still considering different options to process the industrial land in Lishui, Nanjing including disposal, leasing or auction.

With the rising popularity of EVs and smart electric products in Hong Kong and the PRC, the management anticipate that safety and regulatory standards for batteries will only become more stringent in the future. In recent years, the Hong Kong government has actively promoted the use of EVs in light of its environmental benefits and its contribution to the development of environmental and green technology industries through various policy incentives. In view of the growing adoption of EVs in Hong Kong, driven by an increasing number of registered EVs and government policies, the Group considers it commercially beneficial to further expand into businesses that support the growing demands of EVs.

As disclosed in the announcements of the Company dated 22 December 2025 and 16 March 2026, Fujian Contemporary Nebula Technology Energy Co., Ltd.\* (福建時代星雲科技有限公司) (“**FCN**”), Sino Express Intelligence Company Limited (中匯智能科技有限公司) (“**Sino Express**”) and the Company entered into a strategic cooperation agreement to strategically cooperate to introduce the battery testing technology for the cascade utilisation of power batteries to Hong Kong. As a step of such strategic cooperation, the Group commenced the Charging Station Business in late 2025, by acquiring 7 EV charging stations in multiple locations across Hong Kong (the “**Charging Stations**”) from Sino Express, a company operating ultra-fast EV charging stations in Hong Kong. The Charging Stations are equipped with fast-charging piles, enabling users to recharge their EVs quickly and so reduce concerns regarding low battery. As part of the acquisition, Sino Express has also become a substantial shareholder of Tesson Sino Express Intelligence Power (Hong Kong) Limited, a subsidiary of the Company owning such assets with respect to the Charging Stations and principally engaging in the operation of electric private vehicle charging stations. The vast customers network in the Charging Station Business is expected to create opportunities for the Group to further sell its existing lithium ion motive battery products, which could bring about synergy effects for both the Group’s existing and expanding businesses.

As detailed in the announcement of the Company dated 18 July 2025, the Company and its controlling shareholder, as the defendant, received an amended writ of summons from Hai Xia Finance Holdings Limited, as the plaintiff (the “**Plaintiff**”), for claiming the outstanding principal amount of loan and interest. Following the parties’ subsequent settlement negotiations, the Company and the Plaintiff have reached an agreement and filed a consent order on 10 March 2026, pursuant to which further proceedings against the Company are stayed conditional upon the Company and the Plaintiff carrying out the terms of the settlement as detailed in the section headed Other Information in this announcement.

## **Prospects**

Looking ahead, the Group is committed to not only continuing its core battery manufacturing operations, but also to implementing the Company’s plan to deploy high-speed EV charging piles with photovoltaic storage charging and checking system at charging stations in Hong Kong. It is expected that the photovoltaic storage checking system is able to enhance charging efficiency and user experience, facilitating real-time monitoring on EV battery status. The Group will continue to evaluate the development direction and the performance of the Charging Station Business, ensuring that any expansion is undertaken prudently and at a reasonable cost, ultimately driving value for shareholders of the Company (the “**Shareholders**”) and contributing positively to the community.

## **FINANCIAL REVIEW**

### **Revenue and gross profit ratio**

During the year, the Group's revenue was mainly derived from its Lithium Ion Motive Battery Business, which had been decreased from approximately HK\$66,713,000 to approximately HK\$29,688,000 mainly due to reduction in sales volume as a consequence of the US-China trade war as compared to last year. Gross profit slightly increased in the year.

### **Other loss and income, net**

Other loss and income, net for the year reduced from loss of approximately HK\$27,332,000 to approximately HK\$1,208,000, as the written off of property, plant and equipment and inventory of approximately HK\$19,250,000 and approximately HK\$3,317,000, respectively were not recurring in the year.

### **Distribution and selling expenses**

During the year, the Group incurred distribution and selling expenses at approximately HK\$2,283,000 (2024: approximately HK\$4,247,000) which mainly consisted of staff costs and entertainment expenses.

### **Administrative expenses**

Administrative expenses dropped from approximately HK\$129,468,000 to approximately HK\$49,220,000, mainly due to (i) the reduction in depreciation from approximately HK\$64,382,000 to approximately HK\$14,544,000 as part of the property, plant and equipment is fully depreciated during the year; (ii) the reduction in research and development expenses from approximately HK\$15,092,000 to approximately HK\$415,000 as a result of temporary suspension on research projects in the process of ascertaining future development blueprint of the Group; and (iii) the decrease in staff salaries from approximately HK\$19,697,000 to approximately HK\$12,435,000.

### **Finance costs**

Finance costs for the year decreased to approximately HK\$1,903,000 (2024: approximately HK\$2,908,000) due to settlement of other borrowings during the year.

### **Basic and diluted loss per share**

Basic and diluted loss per share in the year ended 31 December 2025 were both HK11.16 cents (2024: HK69.54 cents).

In anticipation of the funds required for the development of the Lithium Ion Motive Battery Business, the Board does not recommend the payment of a final dividend for the year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group had bank and cash balances of approximately HK\$16,263,000 as at 31 December 2025 (31 December 2024: approximately HK\$9,552,000). The gearing ratio of the Group (which was expressed as a percentage of total borrowings over total equity) was 27.42% as at 31 December 2024. No gearing ratio is presented for the year as there is no outstanding borrowing as at 31 December 2025. The Board is of the view that the Group may support its operation and future development projects by its internally generated financial resources and possible fundraising activities.

## **EMPLOYMENT**

As at 31 December 2025, the Group had 70 employees (2024: 123), most of whom were working in the Company's subsidiaries in the PRC. During the year, the total employees' costs including Directors' emoluments were approximately HK\$16,731,000 (2024: approximately HK\$24,864,000).

The Group has developed its human resources policies and procedures based on performance and merit. Employees are rewarded on a performance basis within the general framework of its salary and bonus system. Discretionary bonus is linked to the performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, share option scheme, Mandatory Provident Fund for employees in Hong Kong and state-sponsored retirement plans for employees in the PRC. The Group has also developed training programs for its management and employees to promote career advancement of the staffs.

## **FOREIGN EXCHANGE EXPOSURE**

Since sales and purchase for the Lithium Ion Motive Battery Business and Charging Station Business are denominated in RMB and HK\$ respectively, the management considers that the Group's exposure to exchange risks is minimal. However, the Company faces foreign exchange risks when it conducts fund raising activities in Hong Kong (in HK\$) and remits funds to its subsidiaries in the PRC (in RMB). The Board will continue to monitor foreign exchange exposure in the future.

## **CONTINGENT LIABILITIES**

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

## **PLEDGE OF ASSETS**

Details of pledged assets as at 31 December 2025 are set out in Note 15 to this announcement.

## SHARE CAPITAL AND USE OF PROCEEDS

As at 31 December 2025, the Company's issued share capital is HK\$31,968,523 and the total number of issued ordinary shares of the Company (the "Shares") is 319,685,228 shares of HK\$0.1 each.

### Subscription I

On 25 July 2025, the Company entered into three separate subscription agreements with the respective subscribers for the subscription of an aggregate of 100,000,000 Shares at the price of HK\$0.5 per subscription share ("Subscription I"). Under the respective subscription agreements, (i) Double Key International Limited, the controlling shareholder of the Company; (ii) Mr. Wei Mingren, the executive Director and Chairman of the Board; and (iii) Mr. Li Yuqi, a then independent third party and an executive Director since 13 February 2026, would subscribe for (i) 75,000,000; (ii) 13,000,000; and (iii) 12,000,000 subscription shares respectively. The Company intended to apply approximately 40% of the net proceeds from Subscription I to repay outstanding loan, approximately 40% of such net proceeds to explore new opportunities to further develop the Group's business, and the remaining 20% as general working capital to support the Group's operation for approximately three months for both Hong Kong head office and the production bases in the PRC.

On 13 November 2025, Subscription I was completed and 100,000,000 new ordinary Shares were issued to the subscribers. The net proceeds after deduction of expenses amounted to approximately HK\$49,449,000. As at the date of this announcement, approximately HK\$22,965,000 had been used to repay outstanding loan, approximately HK\$9,000,000 has been used for exploring new business opportunities, particularly, the acquisition of charging stations, and approximately HK\$17,484,000 has been applied as general working capital, and settlement of trade and other payables of the Group, which included payment of staff salaries and retirement benefits, directors' remuneration, professional fees and other operating expenses. The net proceeds have been fully utilised by the Group.

### Subscription II

On 27 November 2025, the Company entered into five separate subscription agreements with the respective subscribers, each an independent third party, for the subscription of an aggregate of 50,000,000 Shares at the price of HK\$0.5 per Share ("Subscription II"). The Company intended to apply all net proceeds from Subscription II to explore new opportunities to further develop the Group's business, in particular, to establish and operate charging stations in Hong Kong.

On 12 January 2026, Subscription II was completed and 50,000,000 new ordinary Shares were issued to the subscribers. The net proceeds after deduction of expenses amounted to approximately HK\$24,650,000. As at the date of this announcement, approximately HK\$6,000,000 is used to settle the remaining payment for the acquisition of charging stations, approximately HK\$6,000,000 for their operation costs, and approximately HK\$5,196,000 for general working capital of the Group, which included professional fees and other operating expenses. Around HK\$7,454,000 remained unutilised as at the date of this announcement, and is expected to be applied towards the acquisition of equipment and operating expenses in connection with the electric vehicles charging stations in 2026.

## **OTHER INFORMATION**

On 16 July 2025, the Company, as a defendant, received an amended writ of summons dated 15 July 2025 issued in the Court of First Instance of the High Court of Hong Kong (the “**Court**”) by the solicitors acting for Plaintiff against the Company and its Controlling Shareholder (the “**Litigation**”), claiming, against the Company and the Controlling Shareholder, for (i) the outstanding principal of HK\$65,655,179.30 of the loan made by the Plaintiff to the Company in 2018; (ii) accrued contractual interest of HK\$460,485.64; and (iii) further or other orders or relief as the Court deems fit.

Subsequently, the Company and the Plaintiff have been in settlement negotiations. A total sum of approximately HK\$23 million has been paid to the Plaintiff as partial settlement of the parties’ dispute under the Litigation on a non-admission of liability basis in the second half of 2025.

Subsequently, the Company and the Plaintiff have reached an agreement in respect of the parties’ remaining dispute under the Litigation, pursuant to which, among other things, the Company has agreed to pay to the Plaintiff (or its designated payee) at a discount, on a non-admission of liability basis, an aggregate amount of HK\$30 million by three equal instalments payable on 30 June 2026, 30 September 2026 and 31 December 2026 (or such other dates that the parties may agree) respectively. Steps will then be taken for the Litigation to be discontinued. The Company and the Plaintiff have filed a consent order on 10 March 2026 pursuant to which further proceedings against the Company are stayed conditional upon the Company and the Plaintiff carrying out the terms of the settlement.

Details are disclosed in the announcements of the Company dated 18 July 2025 and 16 March 2026. Further announcement(s) will be made as and when appropriate to provide further update(s) to the Shareholders and potential investors if there is any significant development regarding the above matter.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

The Company’s corporate governance practices are based on the principles and code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules.

The Company and the Directors strive to follow the internal control manuals and put in place sufficient resources to comply with the CG Code. During the year ended 31 December 2025, save for the deviations disclosed below, the Company had complied with all the applicable Code Provisions set out in the CG Code:

Pursuant to Code Provision C.1.6 (which has been re-numbered as Code Provision C.1.5 with effect from 1 July 2025) of the CG Code, independent non-executive Directors and non-executive Directors should attend general meetings of the Company. However, two independent non-executive Directors were absent from the special general meeting of the Company held on 10 January 2025 due to other business commitments. To ensure compliance with the CG Code in the future, the Company has arranged and will continue to arrange to furnish all Directors with appropriate information on all general meetings of the Company and take all reasonable measures to schedule meetings in such a way that all Directors can attend the general meetings.

Following the appointment of each of Ms. Cheng Hung Mui and Mr. Li Yuqi as an executive Director on 13 February 2026, the Board comprised a total of ten Directors including three independent non-executive Directors, which fell short of one-third of the Board as required under Rule 3.10A of the Listing Rules. In addition to the requirement for board independence, the Board also notes the requirements under Code Provisions B.2.3 and B.2.4 of the CG Code, and the Board is aware that all three existing independent non-executive Directors, namely Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, have served on the Board for more than nine years as at 31 December 2025 and up to the date of this announcement. Furthermore, while the Board as a whole has achieved gender diversity with two female executive Directors, the current composition of the Nomination Committee consists of members of the same gender, which is not in line with Code Provision B.3.5 of the CG Code, the Company's board diversity policy and the Nomination Committee's terms of reference.

The Board is fully aware of the aforementioned requirements regarding board independence, the tenure of independent non-executive Directors, and the gender diversity of the Nomination Committee. The Board is in the process of actively identifying suitable candidates with diverse backgrounds and professional expertise to be appointed as additional independent non-executive Director(s). The Company intends to undergo a comprehensive restructuring of the composition of the Board and its committees in the near future to (i) restore the number of independent non-executive Directors to at least one-third of the Board as required under Rule 3.10A of the Listing Rules; (ii) introduce new independent non-executive Director(s) to address the long-tenure issue; and (iii) ensure gender diversity within the Nomination Committee. The Company will endeavour to fill the vacancies and complete the relevant appointments as soon as possible and by 12 May 2026, and will make further announcements as and when appropriate.

The Board will continue to review and improve the corporate governance practices and standards of the Company to ensure the business activities and decision making processes of the Company are regulated in a proper and prudent manner.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules for securities transactions.

Having made specific enquiry with all Directors, the Company is pleased to report that the Directors confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 2025. The Model Code also applies to other specified senior management of the Group.

## **REVIEW BY THE AUDIT COMMITTEE**

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed with the management its risk management and internal controls systems and financial reporting matters including the review of the annual results of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2025. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

## **PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the respective websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.tessonholdings.com>). The annual report of the Company for the year ended 31 December 2025 containing all the information as required by the Listing Rules will be available on the aforesaid websites and dispatched to the Shareholders in due course.

By order of the Board  
**TESSON HOLDINGS LIMITED**  
**Wei Mingren**  
*Chairman and Executive Director*

Hong Kong, 31 March 2026

*As at the date of this announcement, the Board comprises, Ms. Cheng Hung Mui Mr. Wei Mingren, Mr. Chan Wei, Ms. Yu Xiaolei, Mr. Li Jingquan, Mr. Li Yang and Mr. Li Yuqi as executive Directors, and Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin as independent non-executive Directors.*

\* *for identification purpose only*