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CIPRUN TECHNOLOGY HOLDINGS COMPANY LIMITED

中細軟科技控股有限公司

(formerly known as Cybernaut International Holdings Company Limited)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1020)

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

The board (the “Board”) of directors (the “Directors”) of Ciprun Technology Holdings Company Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the previous corresponding year, which have been reviewed by the audit committee of the Company prior to recommending them to the Board for approval.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	60,827	93,237
Cost of sales/service rendered		<u>(47,160)</u>	<u>(73,896)</u>
Gross profit		13,667	19,341
Other gains or losses, net	6	10,891	(664)
Net impairment loss (recognised)/reversed	7	(65,452)	4,298
Selling and distribution costs		(69)	–
Administrative expenses		(27,109)	(30,563)
Finance costs	8	<u>(27,835)</u>	<u>(37,309)</u>
Loss before taxation	9	(95,907)	(44,897)
Income tax credit	10	<u>897</u>	<u>–</u>
LOSS FOR THE YEAR		<u>(95,010)</u>	<u>(44,897)</u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,726)	3,689
Reclassification of cumulative translation reserve upon disposal of a subsidiary		<u>1,108</u>	<u>–</u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		<u>(618)</u>	<u>3,689</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u><u>(95,628)</u></u>	<u><u>(41,208)</u></u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/profit for the year attributable to:			
Owner of the Company		(95,269)	(43,993)
Non-controlling interest		259	(904)
		<u>(95,010)</u>	<u>(44,897)</u>
Total comprehensive (expense)/income for the year attributable to:			
Owner of the Company		(95,881)	(40,305)
Non-controlling interest		253	(903)
		<u>(95,628)</u>	<u>(41,208)</u>
Loss per share:			
	<i>12</i>		
Basic (RMB cents per share)		<u>(1.83)</u>	<u>(0.90)</u>
Dilute (RMB cents per share)		<u>(1.83)</u>	<u>(0.90)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		6,131	6,964
Right-of-use assets		881	1,584
Loan receivables	<i>14</i>	–	523
Goodwill		143,794	77,885
Intangible assets		50,900	–
Deferred tax assets		955	–
		<hr/> 202,661	<hr/> 86,956
Current assets			
Inventories		–	79
Trade receivables	<i>13</i>	28,703	50,287
Loan receivables	<i>14</i>	120,548	209,219
Other receivables, deposits and prepayment		33,717	20,909
Bank balances and cash		86,469	26,494
		<hr/> 269,437	<hr/> 306,988
Current liabilities			
Trade payables	<i>15</i>	50,859	68,063
Contract liabilities		17,896	–
Other payables and accruals		51,237	30,813
Borrowings		1,909	18,866
Promissory notes		847	2,984
Lease liabilities		590	1,381
Tax liabilities		11,830	4,397
		<hr/> 135,168	<hr/> 126,504
Net current assets		<hr/> 134,269	<hr/> 180,484
Total assets less current liabilities		<hr/> 336,930	<hr/> 267,440

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities		
Lease liabilities	392	239
Promissory notes	164,649	185,376
Deferred income	250	–
	<u>165,291</u>	<u>185,615</u>
Net assets	<u><u>171,639</u></u>	<u><u>81,825</u></u>
Capital and reserves		
Share capital	462,014	346,736
Reserves	<u>(290,183)</u>	<u>(264,466)</u>
	171,831	82,270
Non-controlling interests	<u>(192)</u>	<u>(445)</u>
TOTAL EQUITY	<u><u>171,639</u></u>	<u><u>81,825</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Ciprun Technology Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Company and its subsidiaries (the “Group”) are investment holding, eCommerce, provision of intellectual property related services and money lending.

The consolidated financial statements are presented in Renminbi (“RMB”). Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”).

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of these amendments to HKFRS Accounting Standards in the current year had no material input on the Group’s financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

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

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

1 Effective date to be determined.

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

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

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7 “Financial Instruments Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and consequential amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained on the accounting policy set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contract with customer</i>		
Revenue from internet business for eCommerce (acting as principal)		
– recognised at a point of time	28,850	74,982
Revenue from internet business for intellectual property related services – intellectual property agency and registration services (acting as a principal)		
– recognised at a point of time	8,281	–
Revenue from internet business for intellectual property related services – intellectual property trading facilitation services (acting as an agent)		
– recognised at a point of time	6,106	–
<i>Revenue from other sources</i>		
Revenue from money lending business	17,590	18,255
	60,827	93,237

5. OPERATING SEGMENTS

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

The Group’s operating activities are attributable to three operating segments focusing on: i) money lending; ii) internet business – intellectual property related services; and iii) internet business – eCommerce and internet education services (2024: two operating segments focusing on i) money lending; and ii) internet business). These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRS Accounting Standards, that are regularly reviewed by the CODM.

As a result of the temporary suspension of the internet education services operation, which was acquired in November 2017, no revenue was contributed by this component of the internet business – eCommerce and internet education services segment for the year ended 31 December 2025 (2024: RMB nil). The subsidiary providing internet education services now has only residual assets and liabilities remaining and is currently undergoing restructuring for its future business operations within the Group.

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

Segment revenue and results

For the year ended 31 December 2025

	Money lending <i>RMB'000</i>	Internet business – intellectual property related services <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue	<u>17,590</u>	<u>14,387</u>	<u>28,850</u>	<u>60,827</u>
Gross profit/(loss)	<u>15,199</u>	<u>5,844</u>	<u>(7,376)</u>	<u>13,667</u>
Segment profit/(loss)	<u>5,216</u>	<u>4,948</u>	<u>(17,352)</u>	(7,188)
Unallocated corporate income				12,403
Unallocated corporate expenses				<u>(100,225)</u>
Loss for the year				<u>(95,010)</u>

For the year ended 31 December 2024

	Money lending <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue	<u>18,255</u>	<u>74,982</u>	<u>93,237</u>
Gross profit	<u>16,251</u>	<u>3,090</u>	<u>19,341</u>
Segment profit/(loss)	<u>13,506</u>	<u>(4,619)</u>	8,887
Unallocated corporate income			9,292
Unallocated corporate expenses			<u>(63,076)</u>
Loss for the year			<u>(44,897)</u>

Segment profit/(loss) represents the profit/(loss) incurred by each segment include depreciation, and impairment losses other than impairment losses on goodwill. Certain administrative expenses, finance costs and other gains or losses, net are not allocated to operating segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

All assets are allocated to reportable segments, other than the office building located in Hong Kong.

All liabilities are allocated to reportable segments, other than partial promissory note, other payables and accruals, lease liabilities and borrowings.

For the year ended 31 December 2025

	Money lending <i>RMB'000</i>	Internet business – intellectual property related services <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
ASSETS				
Segment assets	<u>192,065</u>	<u>87,922</u>	<u>40,677</u>	320,664
Unallocated corporate assets				<u>151,434</u>
Consolidated total assets				<u><u>472,098</u></u>
LIABILITIES				
Segment liabilities	<u>286</u>	<u>31,063</u>	<u>55,101</u>	86,450
Unallocated corporate liabilities				<u>214,009</u>
Consolidated total liabilities				<u><u>300,459</u></u>

For the year ended 31 December 2024

	Money lending <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
ASSETS			
Segment assets	<u>224,507</u>	<u>70,691</u>	295,198
Unallocated corporate assets			<u>98,746</u>
Consolidated total assets			<u><u>393,944</u></u>
LIABILITIES			
Segment liabilities	<u>15,879</u>	<u>75,598</u>	91,477
Unallocated corporate liabilities			<u>220,642</u>
Consolidated total liabilities			<u><u>312,119</u></u>

Other segment information

For the year ended 31 December 2025

	Money lending <i>RMB'000</i>	Internet business – intellectual property related services <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Other segment information					
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to right-of-use assets	-	-	-	943	943
Additions to right-of-use assets upon acquisition of subsidiaries	-	301	-	-	301
Additions to intangible assets upon acquisition of subsidiaries	-	-	50,900	-	50,900
Depreciation of property, plant and equipment	33	-	38	434	505
Depreciation of right-of-use assets	-	226	-	1,331	1,557
Interest income	(286)	(1)	(14)	-	(301)
Interest expense	221	1	120	27,714	28,056
Impairment loss recognised/(reversed) in respect of:					
goodwill	-	-	-	57,160	57,160
trade receivables	-	(2)	5,328	-	5,326
loan receivables	4,487	-	-	-	4,487
other receivables	(7)	(2)	(1,510)	(2)	(1,521)

For the year ended 31 December 2024

	Money lending <i>RMB'000</i>	Internet business – eCommerce and internet education services <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Other segment information				
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to right-of-use assets	-	-	2,659	2,659
Depreciation of property, plant and equipment	57	78	437	572
Depreciation of right-of-use assets	-	22	1,371	1,393
Interest income	(890)	(93)	-	(983)
Interest expense	105	150	37,159	37,414
Impairment loss recognised/(reversed) in respect of:				
trade receivables	-	(1,406)	-	(1,406)
loan receivables	(2,019)	-	-	(2,019)
other receivables	29	(640)	(262)	(873)

Information about geographical areas

The following table provides an analysis of the Group's revenue by geographical market:

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
The People's Republic of China excluding Hong Kong (the "PRC") (country of domicile)	14,387	6,655
Hong Kong	46,440	86,582
	<u>60,827</u>	<u>93,237</u>

Non-current assets

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Hong Kong	68,291	86,424
The PRC	133,415	9
	<u>201,706</u>	<u>86,433</u>

The non-current asset information above is based on the location of assets excluding deferred tax assets and loan receivables.

Information about major customers

For the year ended 31 December 2025, two customers (2024: three customers) that individually accounted for over 10% of total revenue of the Group are set out below:

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A – Internet business – eCommerce and internet education services	14,386	29,168
Customer B – Internet business – eCommerce and internet education services	N/A ¹	22,092
Customer C – Internet business – eCommerce and internet education services	8,553	15,896
	<u>22,939</u>	<u>67,156</u>

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group.

6. OTHER GAINS OR LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income on bank deposit	287	904
Interest income on treasury product	14	79
Exchange gain	40	–
Loss on disposal of financial assets at fair value through profit and loss	–	(3,096)
Consultancy fee income	916	–
Rental income	44	52
Sundry income	148	68
Gain/(loss) on modification of promissory notes	11,326	(6,876)
Gain on extinguishment of promissory notes	–	9,179
Loss on disposal of a subsidiary	(1,051)	–
Loss on loan recovery	(833)	(974)
	<u>10,891</u>	<u>(664)</u>

Details of disposal of a subsidiary during the year ended 31 December 2025 are set out in Note 17.

7. NET IMPAIRMENT LOSS RECOGNISED/(REVERSED)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net impairment losses recognised/(reversed)		
– Goodwill	57,160	–
– Trade receivables	5,326	(1,406)
– Loan receivables	4,487	(2,019)
– Other receivables, deposits and prepayment	(1,521)	(873)
	<u>65,452</u>	<u>(4,298)</u>

8. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	88	111
Interest on promissory notes	27,611	36,868
Interest on borrowings	357	435
	<u>28,056</u>	<u>37,414</u>
Total borrowing costs		
	28,056	37,414
Less: interest on borrowings recognised in cost of sales/service rendered	(221)	(105)
	<u>27,835</u>	<u>37,309</u>

9. LOSS BEFORE TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation has been arrived at after charging/(crediting):		
Auditor's remuneration		
– Auditor 1	–	683
– Auditor 2	920	924
Cost of inventories recognised as cost of sales	36,225	71,891
Consultancy and commission fee for money lending business	1,324	1,441
Depreciation of property, plant and equipment	505	572
Depreciation of right-of-use assets	1,557	1,393
Legal and professional fee	4,740	2,909
Net exchange loss	46	572
Share-based payment	1,266	1,591
Short-term lease payment	22	48
Staff costs (including directors' emoluments) (<i>Note</i>)		
– Salaries and other benefits	14,772	11,683
– Retirement benefit scheme contributions	826	354
	15,598	12,037

Note: Of the staff costs, RMB1,696,000 (2024: RMB nil) has been included in cost of service rendered, RMB41,000 (2024: RMB nil) has been included in selling and distribution costs, and RMB13,861,000 (2024: RMB12,037,000) has been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

10. INCOME TAX CREDIT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong Profits Tax:		
– Provision for the year	339	–
– Over-provision in prior year	(1,523)	–
	(1,184)	–
PRC Enterprise Income Tax:		
– Provision for the year	1,265	–
Deferred Tax:		
– Provision for the year	(978)	–
	(897)	–

Hong Kong Profits Tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year, except for the first HK\$2,000,000 of a qualified entity's assessable profits which is calculated at 8.25%.

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

For the current year, Hong Kong Profits Tax has been provided for one group entity which derived assessable profits in Hong Kong. The provision is calculated based on the two-tiered profits tax rates regime. For the prior year, Hong Kong Profits Tax has not been provided as the Group did not derive any assessable profits in Hong Kong.

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

11. DIVIDENDS

No dividend was paid or proposed by the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

12. LOSS PER SHARE

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

Loss figures are calculated as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share	95,269	43,993

	Number of shares 2025 '000	Number of shares 2024 '000
Number of shares		
Weighted average number of issued ordinary shares for the purpose of basic loss per share	4,372,091	4,001,399
Effect of conversion of convertible preference shares	837,333	908,775
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of basic loss per share:	5,209,424	4,910,174
Effect of exercise of share options (<i>Note</i>)	–	–
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted loss per share	5,209,424	4,910,174
	<hr/> <hr/>	<hr/> <hr/>

Note:

The calculation of diluted loss per share for each of the two years ended 31 December 2025 and 2024 had not taken into consideration the assumed exercise of the Company's outstanding share options as it would reduce the loss per share.

13. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	43,108	59,426
Less: Loss allowance	(14,405)	(9,139)
	<hr/>	<hr/>
	28,703	50,287
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables are non-interest bearing and they are recognised at their original invoice amounts which represent their transaction price at initial recognition.

The movement in the loss allowance for the impairment of trade receivables during the reporting period are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	9,139	10,336
Addition upon acquisition of subsidiaries	310	–
Impairment loss recognised/(reversed)	5,326	(1,406)
Exchange realignment	(370)	209
	<hr/>	<hr/>
At 31 December	14,405	9,139
	<hr/> <hr/>	<hr/> <hr/>

Impairment under HKFRS 9

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The credit period granted by the Group to certain customers is within 90 to 180 days (2024: within 90 to 180 days), while payment from other customers are due immediately when goods are delivered. The following is an ageing analysis of trade receivables at the end of the reporting year, net of allowance, presented based on the invoice dates, which approximated the respective revenue recognition dates:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0-30 days	2,242	7,208
31-60 days	1,734	17,966
61-90 days	2,158	12,929
91-120 days	2,401	566
121-180 days	3,623	–
181 days to within 1 year	16,545	11,618
	<hr/>	<hr/>
	28,703	50,287
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, trade receivables over 90 days amounted to RMB22,569,000 (2024: RMB12,184,000) were past due but not impaired. These receivables primarily relate to customers with a good historical repayment track record, where payments, although delayed, have been recovered in prior periods, and no significant adverse changes in their credit quality have been observed.

The Group did not hold any collateral in respect of trade receivables.

14. LOAN RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Secured loan receivables at fixed rate	122,600	204,265
Unsecured loan receivables at fixed rate (Note)	3,733	6,235
Unsecured loan at variable rate (Note)	–	721
Interest receivables	–	1
Less: Loss allowance	(5,785)	(1,480)
	<u>120,548</u>	<u>209,742</u>
Analysed as:		
Current	120,548	209,219
Non-current	–	523
	<u>120,548</u>	<u>209,742</u>

Note:

For the unsecured loan receivables in the total gross amount of RMB3,733,000 (2024: RMB6,956,000), the loans were unsecured because the management of the Group considered that the relevant borrowers and/or guarantors (as the case may be) had sufficient resources to repay the loans after assessing their personal net worth and repayment capability.

Impairment under HKFRS 9

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group's loan receivables arose from the money lending business during the year.

Loan receivables bear interest at variable and fixed rates, and with credit periods mutually agreed between the contracting parties. Secured loan receivables are pledged by properties and personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables, net of allowance, at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	26,533	122,208
3 months to 1 year	89,052	80,367
Over 1 year which contain a repayment on demand clause	4,963	6,644
Over 1 year	–	523
	120,548	209,742

The effective interest rates range from 6% to 24% per year as at 31 December 2025 (2024: 6% to 18%).

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the loan receivables. The Group seeks to maintain tight control over its loan receivables in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

As at 31 December 2025, the carrying amount of loan receivables amounting to RMB122,600,000 (2024: RMB204,265,000) is pledged with collaterals comprising mainly properties. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. There have not been any significant changes in the quality of the collateral held for the loan receivables.

15. TRADE PAYABLES

The following is an ageing analysis of trade payables at the end of the reporting period presented based on the goods receipt date.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0-30 days	2,273	7,167
31-60 days	1,639	17,064
61-90 days	2,081	12,084
Over 90 days	44,866	31,748
	50,859	68,063

The credit period granted by the suppliers to the Group is within 30 days.

16. ACQUISITION OF SUBSIDIARIES

Newsbaba LTD and its subsidiaries (collectively, the “Newsbaba Group”)

Reference is made to the announcements of the Company dated 9 February 2025, 7 March 2025 and 5 September 2025, and the circular of the Company dated 20 August 2025 in relation to the acquisition of the Newsbaba Group.

On 9 February 2025, the Group, through its wholly-owned subsidiary incorporated in the British Virgin Islands, Cybernaut Technology Development Limited, entered into a sale and purchase agreement dated 9 February 2025 with CIPRUN LTD (an exempted company incorporated in the Cayman Islands, directly owned as to approximately 73.4% by CIPRUN International, which is in turn directly owned by Mr. Kong Junmin as to approximately 60.6%).

Pursuant to the agreement, the Group acquired 100% of the issued share capital of Newsbaba LTD, a BVI business company incorporated in the British Virgin Islands with limited liability. Newsbaba LTD held Newsbaba Technology Limited and Suzhou Niu Si Baba Technology Co., Ltd.*, and indirectly controls the PRC Operating Company, Beijing Niu Si Baba Intellectual Property Agency Co., Ltd.*, through Contractual Arrangements. The PRC Operating Company is principally engaged in provision of intellectual property related services.

The acquisition was completed on 9 October 2025. The acquisition has been accounted for using the acquisition method in accordance with HKFRS 3.

The primary reasons for the acquisition were to strengthen the Group’s internet business by integrating the Newsbaba Group’s intellectual property related services operations with the Group’s existing eCommerce operations. This combination is expected to deliver significant synergies through (i) product diversification and a wider array of intellectual property-related solutions, (ii) enhanced brand recognition, market competitiveness and customer loyalty, and (iii) leveraging the Newsbaba Group’s expertise to upgrade the Group’s internet business. The acquisition also enables the Group to capitalise on the strong growth momentum of the PRC intellectual property related services market.

The Group obtained control of the Newsbaba Group by acquiring 100% of the issued share capital of Newsbaba LTD on the completion date. Through this ownership, together with the pre-existing Contractual Arrangements, the Group obtained full control over the economic benefits and decision-making rights of the PRC Operating Company.

The total consideration for the acquisition was satisfied entirely by the allotment and issue of new ordinary shares of the Company. This comprised the initial consideration shares of 1,205,334,000 new shares, which were allotted and issued upon completion, together with contingent consideration shares of an additional 400,000,000 new shares issuable if the earn-out condition is met (i.e. the audited net profit after tax of the Newsbaba Group for the year ended 31 December 2025 equals or exceeds RMB15,000,000).

Details, including the fair value of consideration transferred, identifiable assets acquired and liabilities assumed, goodwill arising from the acquisition, and the financial impact on the consolidated financial statements, are set out below.

* *For identification purpose only*

The fair value of the identifiable assets and liabilities of Newsbaba Group as at the date of acquisition were as follows:

	Fair Value RMB'000
Intangible assets	50,900
Right-of-use assets	301
Trade receivables	1,504
Other receivables, deposits and prepayment	26,855
Bank balances and cash	7,638
Trade payables	(984)
Contract liabilities	(17,647)
Other payables and accruals, including amount due to CIPRUN Group (Note (i))	(6,649)
Lease liabilities	(174)
Tax liabilities	(7,666)
Deferred income	(250)
	<hr/>
Goodwill arising from the acquisition	124,532
	<hr/>
	178,360
	<hr/> <hr/>
Considerations satisfied by:	
Initial consideration – 1,205,334,000 shares at acquisition-date market price	143,560
Contingent consideration (Note (ii))	34,800
	<hr/>
	178,360
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Notes:

- (i) Amount due to CIPRUN Group represents balances with CIPRUN GROUP CO., LTD.* and its fellow subsidiaries (the “CIPRUN Group”). CIPRUN GROUP CO., LTD. is a wholly-owned subsidiary of CIPRUN Network Technology (Jiangsu) Co., Ltd.*, a company established in the PRC, approximately 48% owned by Mr. Kong Junmin, who is a director and shareholder of the Company. CIPRUN GROUP CO., LTD. and its fellow subsidiaries are under the significant influence and control of Mr. Kong.
- (ii) The contingent consideration arrangement required the Company to issue an additional 400,000,000 new ordinary shares if the earn-out condition is met. The contingent consideration was classified as an equity instrument in accordance with HKAS 32 *Financial Instruments: Presentation*, as it was to be settled by the issuance of a fixed number of the Company’s own equity shares upon achievement of the specified performance target, with no obligation to deliver cash or other financial assets. Consequently, it was accounted for within equity and not subject to subsequent remeasurement.

At the acquisition date, the contingent consideration was recognised as part of the total consideration transferred at its acquisition-date fair value, determined in accordance with HKFRS 3 and HKFRS 13 *Fair Value Measurement*. The fair value was estimated using a probability-weighted expected value approach, which incorporated (i) management’s best estimate of the probability that the earn-out condition would be met, derived from forecasted financial performance for the Newsbaba Group, historical trends, market conditions, and other relevant factors; and (ii) the acquisition date market price of the Company’s shares.

The fair value of the contingent consideration at the acquisition date amounted to RMB34,800,000 based on management’s estimated probability of 95% and the acquisition-date market price of HK\$0.13.

The acquisition resulted in the recognition of an intangible asset representing the patent agency practice licence of approximately RMB50,900,000, which has been determined by management to have an indefinite useful life.

* For identification purpose only

The goodwill of approximately RMB124,532,000 arising from the acquisition represents the excess of the fair value of the consideration transferred over the net fair value of the identifiable assets acquired and liabilities assumed. It primarily reflects the expected synergies from integrating the Newsbaba Group's intellectual property related services operations with the Group's existing eCommerce business, the value of the assembled workforce, and other intangible assets that do not qualify for separate recognition, including established customer relationships, specialised know-how in intellectual property commercialisation, and the future growth potential from business cooperation initiatives. The goodwill has been allocated in full to the intellectual property related services CGU.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash inflow arising from the acquisition:

	<i>RMB'000</i>
Bank balances and cash acquired	<u>7,638</u>
Net cash inflow arising from the acquisition	<u><u>7,638</u></u>

Included in the Group's loss for the year is profit of RMB3,682,000 attributable to the additional business generated from the Newsbaba Group. Revenue for the year includes RMB14,387,000 generated from the Newsbaba Group.

Had the acquisition of the Newsbaba Group been completed on 1 January 2025, revenue for the year of the Group would have been RMB97,199,000, and loss for the year would have been RMB82,665,000.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

17. DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2025, the Company's wholly-owned subsidiary, Engle Pioneer Limited entered into an agreement with an independent third party to dispose of 100% equity interest in a subsidiary, namely China Safety Holdings Limited at a nominal cash consideration of HK\$1. The disposal was completed on 20 November 2025. Upon completion of the disposal, China Safety Holdings Limited ceased to be a subsidiary of the Group. The net liabilities disposed of are as follows:

	<i>RMB'000</i>
Property, plant and equipment	1
Right-of-use assets	331
Other payables and accruals	(40)
Lease liabilities	<u>(349)</u>
Net liabilities disposed of	<u><u>(57)</u></u>

Losses on disposal of the subsidiary are as follows:

	<i>RMB'000</i>
Cash consideration	–
Net liabilities disposed of	57
Release of exchange reserve upon disposal of a subsidiary	<u>(1,108)</u>
Loss on disposal	<u><u>(1,051)</u></u>

18. CONTINGENT LIABILITIES

Litigation against AHS Device Hong Kong Limited

Reference is made to the inside information announcement of the Company dated 16 February 2022 in relation to the receipt of a writ of summons. On 15 February 2022, VT Zero Limited (a wholly-owned subsidiary of the Company, “VT Zero”) received a writ of summons issued by the Court of First Instance of the High Court of Hong Kong (the “Court”), under which AHS Device Hong Kong Limited (the “Plaintiff”), a supplier of refurbished and second-hand mobile phones to VT Zero, claimed against VT Zero under an internet sales service cooperation agreement dated 1 August 2020 entered into between the Plaintiff and VT Zero, for (a) approximately HK\$26,226,000 on account of purported outstanding net sales proceeds of goods; (b) approximately HK\$36,929,000 on account of purported late remittance payment; (c) approximately HK\$390,000 on account of purported agreed buyout price of unsold goods, and (d) return of goods, interests and costs.

The parties have since reached an agreement that, amongst others, (i) the Plaintiff shall obtain a partial judgment in the sum of approximately HK\$5,724,000 with costs and (ii) the Plaintiff shall withdraw the remainder of its claims against VT Zero. On 27 March 2026, the Court made an order reflecting the parties’ said agreement.

19. EVENT AFTER THE REPORTING PERIOD

Contingent consideration in relation to the acquisition of the Newsbaba Group

As disclosed in the announcements of the Company dated 9 February 2025, 7 March 2025, 5 September 2025 and 9 October 2025, and the circular dated 20 August 2025, and Note 16 to the consolidated financial statements (in relation to the acquisition of the Newsbaba Group), the Group acquired 100% of the issued share capital of Newsbaba LTD on 9 October 2025. The total consideration included contingent consideration of an additional 400,000,000 new ordinary shares of the Company issuable if the audited net profit after tax of the Newsbaba Group for the year ended 31 December 2025 equals or exceeds RMB15,000,000.

Subsequent to 31 December 2025, the Group has obtained and reviewed the audited financial statements of the Newsbaba Group for the year ended 31 December 2025. Based on these audited results, the earn-out condition has been met, as the audited net profit after tax of the Newsbaba Group for the year ended 31 December 2025 equals or exceeds RMB15,000,000.

The issuance of the additional 400,000,000 consideration shares remains subject to final confirmation of the audited figures, fulfilment of any remaining conditions under the sale and purchase agreement, and compliance with applicable regulatory requirements (including any necessary approvals from the Stock Exchange or other authorities, if required). The Company will make further announcement(s) in due course to disclose the detailed arrangements, timing of issuance (if any), and any other relevant information as and when appropriate.

Share placing under general mandate

On 13 March 2026, the Company entered into a placing agreement with Grand Moore Capital Limited, an independent third party, pursuant to which the placing agent conditionally agreed to place, on a best-effort basis, a maximum of 40,000,000 new shares at a placing price of HK\$0.26 per share. The estimated net proceeds from the placing are approximately HK\$10.2 million. Please refer to the Company's announcement dated 15 March 2026 for further details of the share placing.

Saved as disclosed above, there were no other significant events occurred subsequent to 31 December 2025 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2025, the global economy navigated a complex environment shaped by heightened trade tensions, persistently elevated geopolitical uncertainty, and structural shifts in supply chains. Large-scale tariff measures introduced by the United States created significant headwinds for international trade and prompted retaliatory responses from major trading partners, leaving the overall environment volatile and uncertain. These trade headwinds were partially offset by technology-related investment — most notably in the field of artificial intelligence — as well as fiscal and monetary policy support. According to the World Economic Outlook Update published by the International Monetary Fund (IMF) in January 2026, global economic growth was estimated at 3.3% in 2025, with growth projected to remain at 3.3% in 2026 and 3.2% in 2027, though long-term fiscal sustainability risks arising from elevated levels of global public debt remain a key area of concern.

According to the 2026 Government Work Report delivered by Premier Li Qiang of the State Council of the PRC in March 2026, China's GDP grew by 5% in 2025 to reach RMB140.19 trillion, with the 14th Five-Year Plan completed as scheduled despite significant external headwinds. The government introduced a package of countermeasures encompassing fiscal stimulus, monetary easing, and domestic demand expansion, while stabilising bilateral trade relations through five rounds of China-US economic and trade consultations. Notwithstanding persistent structural challenges including subdued domestic consumption, deflationary pressures, and a stressed property market, value-added output in high-technology manufacturing grew by 9.4%, industrial robot production increased by 28%, and structural transformation continued to advance steadily. In the intellectual property sector, the number of high-value invention patents per 10,000 population rose to 16, and the transaction value of technology contracts increased by 10.8%, reflecting the continued deepening of innovation commercialisation. The Guangdong-Hong Kong-Macao Greater Bay Area continued to serve as an important platform for IP creation, transactions, and financing. Looking ahead to 2026, the 15th Five-Year Plan sets out a target of average annual growth of over 7% in overall research and development expenditure, providing strong long-term support for the medium-to-long-term development of IP-related industries.

Regarding the Hong Kong economy, according to the 2025 Economic Background and 2026 Prospects published by the Hong Kong Special Administrative Region Government in February 2026, real GDP grew by 3.5% in 2025, marking three consecutive years of expansion with growth momentum strengthening over the course of the year. Robust global investment in artificial intelligence and new technologies spurred strong demand for electronics-related products, driving steady growth in goods exports. Expansion in service exports was supported by buoyant inbound tourism and cross-boundary financial services activities, while local private consumption and investment spending also recovered in tandem. In financial markets, the Hang Seng Index surged 27.8% over the year to close at 25,631 points at year-end, with average daily turnover soaring to a record high. The residential property market saw a notable turnaround, with property prices reversing three consecutive years of decline to register a moderate increase, while rentals remained firm. Consumer price inflation stayed mild throughout the year, overall cost pressures were moderate, and the economic environment became increasingly resilient.

BUSINESS REVIEW

In 2025, the Company and its subsidiaries (collectively the “Group”) comprised two segments of subsidiary groups, namely those engaged in the money lending business and internet businesses (ECommerce & Intellectual Property Related Services).

Money Lending Business

Time Credit Limited (TCL), was the subsidiary of the Group engaged in money lending business in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). In consideration of the government measures to relieve the hardship of businesses in Hong Kong financially and for economic recovery, the management of TCL has helped entities with good track record in need of loans for their business operation. However, Interest rates in Hong Kong might still remain at relatively high levels for some time, and the extent and pace of future US interest rate cuts are subject to considerable uncertainty. The Hong Kong Monetary Authority (HKMA) announced that the base rate be kept at 5% and the public should carefully assess and continue to manage the interest rate risk when making property purchase, mortgage or other borrowing decisions. The HKMA will continue to closely monitor market developments and maintain monetary and financial stability.

During the year under review, TCL generated revenue by granting mainly the first mortgage property loans to customers for their financial needs. TCL does not only deal with SME loans at retail level, but also the customer basis of its potential borrowers from the social and business networks of the management and the marketing team. TCL has good credit control efficiency with clientele comprising mainly of the high-net-worth customers or through the recommendation by the partnership alliance on sub-mortgage arrangements. The loan portfolio of TCL’s clients was of good standings such as big corporate clients, which had contributed a steady income stream for the Group.

Internet Businesses

– *Intellectual property related services*

During the year, the Group acquired Newsbaba Limited, a company that provides intellectual property (IP) related services within the PRC. Its offerings encompass (1) IP application agency and registration services, and (2) IP trading facilitation services, which are delivered through an online platform supported by on-the-ground staff across multiple locations, including Beijing, Tianjin, and Suzhou.

Intellectual property protection and the digital economy are key pillars of the PRC’s national strategy. Demand for specialised IP services is rising, driven by high-growth sectors such as new-generation IT, biotech, and renewable energy. The government has strengthened IP laws, stepped up enforcement, and encouraged greater R&D and IP awareness among enterprises. At the same time, the mature eCommerce and online service environment supports the digital transformation of IP services. Official data shows that patent and trademark application volumes continue to grow rapidly, indicating an expanding industry. This favourable policy and market environment creates strong tailwinds for Newsbaba’s business. Its online-platform-based model aligns well with the digitalisation trend, while the sustained growth in IP applications ensures a steady stream of demand for its application agency and registration services. Moreover, as more enterprises seek to commercialise IP assets, the need for IP trading facilitation services is also likely to increase. Taken together, these factors validate the strategic rationale for the acquisition and position Newsbaba to benefit from continued industry expansion.

– *ECommerce*

The Company operates an eCommerce business focused on second-hand mobile phone trade services. Recently, however, the market landscape has shifted significantly. An increasing number of mobile phone manufacturers now offer low-end models equipped with advanced functions, narrowing the performance gap with used devices. Meanwhile, in the high-end segment, rapid technological advancements — particularly the integration of AI applications — have driven consumer preference toward purchasing new mobile phones. Together, these factors have led to a notable decline in the Company’s eCommerce business.

PROSPECTS

Looking ahead to 2026, the global economy is expected to enter a pivotal period characterized by steady growth and technological transformation. While external uncertainties such as geopolitical fluctuations and regulatory changes persist, global growth momentum remains resilient. As monetary policies in major economies shift toward easing, declining financing costs are expected to create a more favorable financial environment for corporate investment and technological innovation. In particular, the accelerated adoption of Artificial Intelligence and the surge in related infrastructure investment are becoming core engines for enhancing global productivity.

In the PRC market, 2026 will be a crucial year for promoting high-quality economic development. According to the 2026 Government Work Report, the target for economic growth has been set at 4.5%-5%. National policies will continue to prioritize “progress while maintaining stability,” utilizing moderately loose monetary policy and precise fiscal support to maintain ample liquidity and reduce comprehensive financing costs. The state is vigorously promoting reforms to unleash the potential of intangible assets such as data and intellectual property. By strengthening IP-related financial innovation, the government is guiding financial resources toward technological innovation and MSMEs. This policy direction underscores the emphasis on “New Quality Productive Forces,” creating unprecedented market opportunities for the IP service industry.

As an international financial and trade hub, Hong Kong’s economy shows a cautiously optimistic outlook for 2026. Benefiting from robust global demand for AI-related electronics and high-end technical components, Hong Kong’s external trade is expected to maintain its growth momentum. With the partial easing of trade tensions and enhanced policy predictability, Hong Kong’s role as a bridge connecting domestic and international innovative resources will become even more prominent.

As a pioneering listed IP Tech company in Asia, the Group will leverage its integrated advantages to capture the vast opportunities arising from market transformation through the following strategic pillars:

1. Deepening “AI + IP” to Drive Digital Intelligence

- Increase AI R&D to shift from traditional to smart operations.
- Improve online platforms for faster, more accurate patent searches, infringement monitoring, and valuation.
- Use blockchain for digital copyright to enable instant registration and efficient IP trading.

2. Revitalizing IP Assets and Expanding IP Finance

- Bridge innovation and capital through IP-backed loans, appraisal, and securitization.
- Offer full-lifecycle services – registration, protection, management, monetization – to create client value and stable revenue.

3. Leveraging the GBA to Build a Global Service Network

- Based in Hong Kong, use the Greater Bay Area’s advantages to serve over 150 countries.
- Help domestic firms go global and overseas IP enter China locally, supporting the “Dual Circulation” strategy.

4. Aligning with National Strategies to Empower “New Quality Productive Forces”

- Target high-value patent needs in advanced manufacturing, biomedicine, and new energy.
- Provide information services and solutions to optimize R&D, reduce risks, and support national tech self-reliance.

Looking ahead, the Group maintains a strong conviction in the growth trajectory of the IP Tech industry. By fully leveraging its platform resources as a listed entity, the Group will further reinforce its leading market position through sustained technological innovation and strategic resource integration. Underpinned by a resilient operational model and a forward-looking strategic framework, the Group is steadfastly committed to generating long-term, sustainable value for its shareholders – thereby inaugurating a new chapter in the advancement of a global intellectual property powerhouse.

FINANCIAL REVIEW

Revenue

Money Lending

The weakened property market contributed to a reduction of revenue from money lending business by approximately 3.8% compared to 2024. The revenue contributed by this business was approximately RMB17.6 million for the year ended 2025 (2024: approximately RMB18.3 million). The decrease was mainly due to a reduction in the number of loans applications as well as the amount of new loans granted.

As at 31 December 2025, TCL had 16 customers as borrowers (2024: 18 customers). The loan maturities ranged from 1 to 30 years. The loan size ranged from HK\$0.50 million to HK\$20.0 million. The loan receivables of the 5 largest borrowers accounted for approximately 50.9% of the total loan receivables. The average effective interest rate ranged from 6% to 24% per year as at 31 December 2025 (2024: 6% to 18%).

Internet Businesses

The revenue contributed by eCommerce was approximately RMB28.9 million for the year ended 31 December 2025 (2024: approximately RMB75.0 million). The revenue decreased by approximately 61.5% mainly due to the reduction of demand for refurbished second-hand mobile phones.

On 9 October 2025, the Company completed a major acquisition of the IP-related services business. The acquired group generated total revenue of approximately RMB50 million for year ended 31 December 2025, of which around RMB14.4 million was contributed to the Group's consolidated results for the period from the acquisition date to 31 December 2025.

Cost of Sales/Service Rendered

The Group's cost of sales mainly comprised costs of raw materials, labour and other direct costs of sales and services rendered. During the year, the Group's cost of sales decreased by approximately 36.1% from approximately RMB73.9 million in 2024 to approximately RMB47.2 million in 2025. The decrease was mainly driven by a significant drop in sales of second-hand mobile phones in the eCommerce segment.

Gross Profit

The Group recorded a gross profit of approximately RMB13.7 million for the year ended 31 December 2025, compared to RMB19.3 million in 2024, representing a decrease of 29.3%. This decline was primarily attributable to the eCommerce segment, which experienced a significant drop in global demand for second-hand mobile phones. Although the newly acquired IP business contributed approximately RMB5.8 million in gross profit, this was insufficient to offset the gross profit shortfall from the eCommerce segment.

Other gains or loss, net

The Group recorded a net other gains of approximately RMB10.9 million for the year ended 31 December 2025, compared to a net other loss of approximately RMB0.7 million for the year ended 31 December 2024. The variance was primarily attributable to the gain on extinguishment and modification on promissory notes.

Impairment Loss

The Group recorded an impairment loss of approximately RMB65.5 million for the year ended 31 December 2025, compared to a reversal of impairment on receivables of approximately RMB4.3 million for the prior year. The impairment was primarily attributable to the IP-related services business and the money lending business.

For the IP-related services business, an impairment loss of approximately RMB42.1 million was recognised. This arose because the Company's share price increased significantly between the signing and completion of the acquisition, resulting in higher consideration transferred that exceeded the recoverable amount of the CGU.

For the money lending business, an impairment loss of approximately RMB15.1 million was recognised. Although Time Credit Limited continued to grant first mortgage loans to high-net-worth and corporate clients with good credit standing through its networks, the Group adopted a more conservative lending strategy due to high interest rates, sluggish economic environment and general decline in property prices in Hong Kong. This resulted in reduced loan receivables and lower projected cash flows.

Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commissions, sales staff costs and transportation costs. During the year, approximately RMB0.1 million (2024: Nil) selling and distribution expense was recorded. The increase was mainly due to cost of the newly acquired intellectual property related business.

Administrative Expenses

The Group's administrative expenses decreased by approximately 11.4% from approximately RMB30.6 million for the year ended 31 December 2024 to approximately RMB27.1 million for the year ended 31 December 2025. The decrease was mainly due to the downsize of the structure of the Group.

Finance Costs

The Group's finance costs, comprising other loans and promissory notes, were approximately RMB27.8 million for the year ended 31 December 2025 (2024: approximately RMB37.3 million). The decrease was mainly due to changes in the terms of promissory notes and early partial settlement of promissory notes.

Loss for the Year

The Group recorded a net loss of HK\$95.0 million for the year ended 31 December 2025, compared to a net loss of HK\$44.9 million in the prior year. The significant increase was primarily attributable to the impairment of goodwill recognised during the year.

Final Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Capital Structure, Liquidity and Financial Resources

As at 31 December 2025, the Group's bank balances and cash was approximately RMB86.5 million (2024: approximately RMB26.5 million).

Total equity of the Group as at 31 December 2025 was approximately RMB171.6 million (2024: approximately RMB81.8 million). The Group had outstanding promissory notes of approximately RMB165.5 million as at 31 December 2025 (2024: approximately RMB188.4 million).

Significant Investments

The Group did not hold any significant investments during the year ended 31 December 2025.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

Acquisition of Subsidiaries

Newsbaba LTD and its subsidiaries (collectively, the "Newsbaba Group")

Reference is made to the announcements of the Company dated 9 February 2025, 7 March 2025 and 5 September 2025, and the circular of the Company dated 20 August 2025 in relation to the acquisition of the Newsbaba Group.

On 9 February 2025, the Group, through its wholly-owned subsidiary incorporated in the British Virgin Islands, Cybernaut Technology Development Limited, entered into a sale and purchase agreement dated 9 February 2025 with CIPRUN LTD (an exempted company incorporated in the Cayman Islands, directly owned as to approximately 73.4% by CIPRUN International, which is in turn directly owned by Mr. Kong Junmin as to approximately 60.6%).

Pursuant to the agreement, the Group acquired 100% of the issued share capital of Newsbaba LTD, a BVI business company incorporated in the British Virgin Islands with limited liability. Newsbaba LTD held Newsbaba Technology Limited and Suzhou Niu Si Baba Technology Co., Ltd.*, and indirectly controls the PRC Operating Company, Beijing Niu Si Baba Intellectual Property Agency Co., Ltd.*, through the Contractual Arrangements. The PRC Operating Company is principally engaged in provision of intellectual property related services.

The total consideration for the acquisition was satisfied entirely by the allotment and issue of new ordinary shares of the Company. This comprised the initial consideration shares of 1,205,334,000 new shares, which were allotted and issued upon completion, together with contingent consideration shares of an additional 400,000,000 new shares issuable if the earn-out condition is met (i.e. the audited net profit after tax of the Newsbaba Group for the year ended 31 December 2025 equals or exceeds RMB15,000,000).

The acquisition was completed on 9 October 2025. The acquisition has been accounted for using the acquisition method in accordance with HKFRS 3. Details, including the fair value of consideration transferred, identifiable assets acquired and liabilities assumed, goodwill arising from the acquisition, and the financial impact on the consolidated financial statements, are set out below.

* *For identification purpose only*

Pledge of Assets

As at 31 December 2025, the Group had pledged buildings with carrying values of approximately RMB6.1 million (2024: approximately RMB6.9 million) to secure its promissory notes, which had aggregate carrying amounts of approximately RMB164.6 million (2024: approximately RMB185.4 million). The gearing ratio is calculated as total debt at the end of the year divided by total assets at the end of the year multiplied by 100%. As at 31 December 2025, the gearing ratio of the Group was approximately 35% (2024: 53%).

Currency Exchange Exposures

The Group's purchases and sales are mainly denominated in US dollars, Renminbi and Hong Kong dollars. The operating expenses of the Group are mainly incurred in Hong Kong dollars and Renminbi. The Group has effectively monitored and managed its exposure to fluctuations in currency exchange rates.

HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2025, the Group employed about 183 staff members in mainland China and Hong Kong (2024: 39). Total staff costs for the year were approximately RMB15.6 million (2024: approximately RMB12.0 million). During the year, the Group continued to strengthen staff training by providing opportunities for management staff and professional technicians to participate in training and further study. In addition, the Group has provided timely updates to all staff about the latest government policies of the industry to continuously enhance the professional standards and quality of the staff.

Meanwhile, the Group has provided competitive remuneration to encourage staff commitment and dedication to customer service. The Group operates share option scheme to provide incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The remuneration payable to the senior management of the Company (excluding Directors and the Chief Executive Officer) for the year ended 31 December 2025 was determined with reference to their position, responsibilities, experience and prevailing market conditions.

CONTINGENT LIABILITIES

Apart from those disclosed in note 18 to the consolidated result in this announcement, there were no material contingent liabilities of the Group as at 31 December 2025.

EVENT AFTER THE REPORTING PERIOD

Apart from those disclosed in note 19 to the consolidated result in this announcement, the Board is not aware any significant event affecting the Company or any of its subsidiaries after 31 December 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its own code of corporate governance. During the year ended 31 December 2025, save as disclosed below, the Company has complied with all applicable code provisions set out in the Code.

Pursuant to code provision C.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, due to the nature and extent of the Group’s operations and Mr. Kong Junmin’s in-depth knowledge and experience in IP industry, the Board considers that it is not preferable to find an alternative candidate to replace Mr. Kong Junmin and serve in either of the positions at this stage. As such, the roles of the chairman and chief executive officer of the Company are not being separated pursuant to the requirement under code provision C.2.1 of the Code during the year ended 31 December 2025. Further, the Board believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently. Besides, all major decisions have been made in consultation with members of the Board and appropriate committees, as well as the senior management team. There have been three Independent non-executive Directors in the Board during the year ended 31 December 2025 that the independence element was sufficient in the Board.

The Board is therefore of the view that there are adequate balance of power and safeguards in place. Nevertheless, the Board will continue to monitor and review the Company’s current structure and to make changes at an appropriate time in the future, if necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the year ended 31 December 2025.

Relevant employees who are likely to be in possession of unpublished price-sensitive information regarding the Group are subject to compliance with the Company’s Code for Securities Transactions by Relevant Employees (the “RE Code”) in respect of their dealings in the securities of the Company. The terms of the RE Code are likewise no less exacting than the required standards set out in the Model Code.

REVIEW OF ANNUAL RESULTS

The audit committees of the Company (the “Audit Committee”) has three members comprising three independent non-executive Directors, Mr. Lee Kam Wing Victor (Chairman of the Audit Committee), Mr. Li Yik Sang and Ms. Lu Yonghao, with written terms of reference in compliance with the Rules Governing the Listing of Securities on The Stock Exchange (The “Listing Rules”). The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to assess the financial reporting system, internal control procedures and risk management function of the Company and making recommendations thereof. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2025.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. CONFUCIUS INTERNATIONAL 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 the preliminary announcement have been agreed by the Group’s auditor, Messrs. Confucius International CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Confucius International 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 Messrs. Confucius International CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS

This announcement will be published on the Company’s website (www.cipruntech.com) and Stock Exchange’s website (www.hkexnews.hk). The 2025 Annual Report containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners, bankers and auditors for their support to the Group throughout the reporting period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
Ciprun Technology Holdings Company Limited
Kong Junmin
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Directors are Mr. Kong Junmin (Chairman and Chief Executive Officer), Mr. Zhu Min and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Li Yik Sang, Mr. Lee Kam Wing Victor and Ms. Lu Yonghao.