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AOM International

AOM INTERNATIONAL GROUP COMPANY LIMITED

權識國際集團股份有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 00381)

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	300,643	386,662
Cost of sales		<u>(192,441)</u>	<u>(244,996)</u>
Gross profit		108,202	141,666
Other income	6	1,126	2,626
Other gains, net	6	251	889
Selling and distribution costs		(34,837)	(36,171)
Administrative expenses		(86,277)	(82,964)
Finance costs		(31,795)	(28,919)
Reversal of/(impairment loss) under expected credit loss model, net		1,936	(8,979)
Loss on extinguishment of financial liabilities by issue of ordinary shares	16(f), (e)	(15,634)	(17,186)
Share of results of associates		<u>(46,363)</u>	<u>(36,806)</u>
Loss before income tax		(103,391)	(65,844)
Income tax expense	7	<u>(7,795)</u>	<u>(6,981)</u>
Loss for the year	8	<u>(111,186)</u>	<u>(72,825)</u>
(Loss)/profit attributable to:			
— owners of the Company		(121,747)	(84,626)
— non-controlling interests		10,561	11,801
		<u>(111,186)</u>	<u>(72,825)</u>
Loss per share attributable to the owners of the Company		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted loss per share	10	<u>(14.17)</u>	<u>(24.83)</u>

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

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	<u>(111,186)</u>	<u>(72,825)</u>
Other comprehensive income/(loss):		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Surplus/(deficit) on revaluation of properties	736	(2,985)
Deferred tax effect on revaluation of properties	(121)	547
<i>Items that may be reclassified to profit or loss:</i>		
Exchange difference arising from translation of foreign operations	11,470	(16,921)
Share of exchange translation difference of associates	13,426	(5,270)
Other comprehensive income/(loss) for the year, net of tax	<u>25,511</u>	<u>(24,629)</u>
Total comprehensive loss for the year	<u>(85,675)</u>	<u>(97,454)</u>
Total comprehensive (loss)/income attributable to:		
— owners of the Company	(102,882)	(106,094)
— non-controlling interests	17,207	8,640
	<u>(85,675)</u>	<u>(97,454)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		105,655	99,722
Right-of-use assets		28,189	29,275
Investment properties		11,635	11,251
Goodwill		52,770	50,199
Other intangible assets		5,846	5,897
Investments in associates		171,957	204,894
Deposit paid for acquisition of property	<i>11</i>	–	48,423
Deferred income tax assets		143	70
Prepayment	<i>13</i>	7,867	13,900
		<hr/> 384,062	<hr/> 463,631
Current assets			
Inventories		101,607	97,643
Biological assets		5,789	7,615
Trade and bills receivables	<i>12</i>	41,609	57,429
Prepayments, deposits and other receivables	<i>13</i>	79,286	33,206
Tax recoverable		1,148	1,186
Bank balances and cash		156,221	135,901
		<hr/> 385,660	<hr/> 332,980
Current liabilities			
Trade payables	<i>14</i>	49,417	27,362
Accruals and other payables	<i>15</i>	90,991	121,344
Contract liabilities		5,914	586
Income tax payable		16,933	3,183
Lease liabilities		2,434	2,064
Borrowings		199,572	143,149
Amount due to an associate		175	167
Convertible bonds		46,806	61,553
		<hr/> 412,242	<hr/> 359,408
Net current liabilities		<hr/> (26,582)	<hr/> (26,428)
Total assets less current liabilities		<hr/> 357,480	<hr/> 437,203

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities		4,631	4,168
Borrowings		3,455	–
Deferred income tax liabilities		11,994	12,964
Convertible bonds		–	36,422
Long service payment		1,112	–
		<u>21,192</u>	<u>53,554</u>
Net assets		<u>336,288</u>	<u>383,649</u>
Equity			
Share capital	<i>16</i>	94,712	78,924
Reserves		135,205	170,233
		<u>229,917</u>	<u>249,157</u>
Equity attributable to owners of the Company		<u>229,917</u>	<u>249,157</u>
Non-controlling interests		106,371	134,492
		<u>336,288</u>	<u>383,649</u>
Total equity		<u>336,288</u>	<u>383,649</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

AOM International Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability under the Companies Act 1981 of the Bermuda. The address of its registered office is The Penthouse Level, 5 Reid Street, Hamilton HM11, Bermuda. The address of its principal place of business is Flat E, 20/F., Lucky Plaza, 315–321 Lockhart Road, Wanchai, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in (i) the manufacturing and trading of toys and gifts items, (ii) development, processing and manufacturing of Chinese herbs products, (iii) the investment in various businesses including fruit plantation, leisure and culture and (iv) trading of wines, food and beverage products.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. The directors of the Company (“**Directors**”) consider HK\$ is the most appropriate presentation currency for the users of the Group’s consolidated financial statements as the Company is listed on the Stock Exchange. The functional currency of the Company’s major subsidiaries in the People’s Republic of China (“**PRC**”) and the United States of America (“**USA**”) is Renminbi (“**RMB**”) and United States dollars (“**US\$**”) respectively.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA, and 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. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(b) Going concern basis

For the year ended 31 December 2025, the Group incurred a loss of approximately HK\$111,186,000 and as at that date, the Group had net current liabilities of approximately HK\$26,582,000 and secured other borrowings of HK\$63,858,000 together with accrued interest of HK\$37,850,000 has been defaulted. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In order to improve the Group's financial position, the Directors are implementing various plans and measures, as follows:

- (a) subsequent to 31 December 2025, the Group is negotiating with the lender of the defaulted loans for settlement/extension;
- (b) After 31 December 2025, an amount of approximately HK\$37,524,000 due to a shareholder, which is included in borrowings and related party transactions, became subject to a written agreement by the shareholder not to demand for repayment of the amount due to her before 31 March 2027; and
- (c) the Group is considering to raise new capital by carrying out fund raising activities including but not limited to right issue, open offer, placing of new shares and issuance of convertible bonds.

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation and outcome of the abovementioned plans and measures to be undertaken by the Group. The Directors are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2025. The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as 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 the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

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 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a 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 and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and 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 *Presentation and Disclosure in Financial Statements*, 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 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and 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 consolidated statement of profit or loss.

4. REVENUE

Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of toys and gifts items	195,440	239,744
Sales of Chinese herbs products	54,355	95,286
Sale of wines	47,501	51,632
Commission income from trading of food and beverage products	3,347	—
	<u>300,643</u>	<u>386,662</u>
By revenue source		
<i>Manufacturing of goods items</i>		
— Toys and gifts items	122,567	146,093
— Chinese herbs products	54,355	95,286
<i>Trading of goods items</i>		
— Toys and gift items	72,873	93,651
— Wines, food and beverage products	50,848	51,632
	<u>300,643</u>	<u>386,662</u>
Timing of revenue recognition		
At point in time	<u>300,643</u>	<u>386,662</u>

5. OPERATING SEGMENT INFORMATION

For the year ended 31 December 2025, the Group has seven (2024: seven) reportable and operating segments as follows:

Exploration	—	Exploration of natural resources
Toys and gifts items	—	Manufacturing and trading of toys and gifts items
Fruit plantation	—	Investment in business related to fruit plantation
Leisure	—	Investment in the PRC outbound tourism and tea and wine products related business through associates of the Group
Culture	—	Trading of ceramic items
Chinese herbs	—	Development, processing and manufacturing of Chinese herbs
Wines, food and beverage products	—	Trading of wines, food and beverage products

Upon completion of acquisition of Heilongjiang Yingli International Trade Co., Ltd. (“**Heilongjiang Yingli**”) on 22 October 2025, the wines segment was expanded to wines, food and beverage products — trading of wines, food and beverage products for the year ended 31 December 2025.

Upon completion of acquisition of Fujian Laojiu Investment Co., Ltd (“**Fujian Laojiu**”) on 31 May 2024, wines — trading of wines business became a new reportable and operating segment of the Group for the year ended 31 December 2024.

The Group’s reportable and operating segments are strategic business units that offer different products and services. They are managed separately because each business has different economic characteristics. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment results do not include corporate finance costs, fair value gain on convertible bonds — derivative component, loss on extinguishment of financial liabilities by issue of shares, and other corporate income and expenses. Segment assets do not include assets at corporate level, bank balances and cash, prepayments, deposits and other receivables and right-of-use assets. Segment liabilities do not include liabilities at corporate level, borrowings, accruals and other payables, convertible bonds, long service payment, income tax payable and lease liabilities.

(a) The segment results for the year ended 31 December 2025 and 2024:

	Exploration		Toys and gifts items		Fruit plantation		Leisure		Culture		Chinese herbs		Wines, food and beverage products		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
Amounts included in the measure of segment profit or loss																
Year ended 31 December																
Revenue from external customers	-	-	195,440	239,744	-	-	-	-	-	-	54,355	95,286	50,848	51,632	300,643	386,662
Segment (loss)/profit	-	-	(20,623)	(12,386)	(39,993)	(33,886)	(6,370)	(3,125)	-	-	18,360	40,444	1,199	(748)	(47,427)	(9,701)
Unallocated amounts:																
Corporate finance costs															(22,633)	(27,077)
Fair value gain on convertible bonds — derivative component															5	1
Loss on extinguishment of financial liabilities by issue of shares															(15,634)	(17,186)
Other corporate income and expenses															(25,497)	(18,862)
Loss for the year															(111,186)	(72,825)

Notes:

(i) There were no inter-segment sales during the years.

(b) Segment assets:

	Exploration		Toys and gifts items		Fruit plantation		Leisure		Culture		Chinese herbs		Wines, food and beverage products		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 31 December																
Segment assets	2	2	206,965	213,413	84,381	125,974	87,577	89,917	-	-	288,811	295,213	101,567	22,137	769,303	746,656
Unallocated corporate assets																
Bank balances and cash															173	68
Prepayments, deposits and other receivables															19	49,604
Right-of-use assets															227	283
Total assets															769,722	796,611

(c) Segment liabilities:

	Exploration		Toys and gifts items		Fruit plantation		Leisure		Culture		Chinese herbs		Wines, food and beverage products		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 31 December																
Segment liabilities	(93)	(88)	(189,200)	(176,145)	(1,005)	(1,005)	(16,990)	(16,540)	-	-	(8,057)	(5,892)	(96,558)	(22,807)	(311,903)	(222,477)
Unallocated corporate liabilities																
Borrowings															(28,469)	(23,327)
Accruals and other payables															(40,876)	(68,894)
Convertible bonds															(46,806)	(97,975)
Lease liabilities															(228)	(289)
Income tax payable															(5,015)	-
Long service payment															(137)	-
Total liabilities															(433,434)	(412,962)

(d) Other information:

	Exploration		Toys and gifts items		Fruit plantation		Leisure		Culture		Chinese herbs		Wines, food and beverage products		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation and amortisation	-	-	(7,892)	(7,990)	-	-	-	-	-	-	(6,224)	(8,678)	(2,249)	(656)	(242)	(192)	(16,607)	(17,516)
Reversal of/(impairment loss) under expected credit loss model, net	-	-	65	(7,362)	-	-	-	(204)	-	-	-	347	(756)	(158)	2,626	(1,602)	1,936	(8,979)
Share of results of associates	-	-	-	-	(39,993)	(33,886)	(6,370)	(2,920)	-	-	-	-	-	-	-	-	(46,363)	(36,806)
Interest income	-	-	648	584	-	-	-	-	-	-	72	53	1	1	-	-	721	638
Interest expenses	-	-	(8,698)	(1,723)	-	-	-	-	-	-	(56)	(57)	(396)	(40)	(22,645)	(27,099)	(31,795)	(28,919)
Additions to segment non-current assets (note)	-	-	144	387	-	-	-	-	-	-	13,575	5,957	2,695	10,175	185	474	16,599	16,993
Investment in associates included in segment assets	-	-	-	-	84,381	115,356	87,576	89,538	-	-	-	-	-	-	-	-	171,957	204,894
Income tax (expense)/credit	-	-	1,021	(1,565)	-	-	-	-	-	-	(3,954)	(5,456)	153	40	(5,015)	-	(7,795)	(6,981)
Cost of sales	-	-	125,284	150,321	-	-	-	-	-	-	29,446	45,790	37,711	48,885	-	-	192,441	244,996
Selling and distribution costs	-	-	30,026	33,716	-	-	-	-	-	-	1,672	1,942	3,139	513	-	-	34,837	36,171

Note:

Non-current assets included property, plant and equipment, right-of-use assets and goodwill.

(e) Geographical information:

	Revenue		Non-current assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC (including Hong Kong)	105,808	147,696	375,640	454,801
North America	190,044	238,852	1,543	1,539
Europe	4,627	-	-	-
Samoa	-	-	6,736	7,221
Others ¹	164	114	-	-
	<u>300,643</u>	<u>386,662</u>	<u>383,919</u>	<u>463,561</u>

Note: Non-current assets excluded deferred tax assets.

¹ Others include Asia.

² North America include USA and Canada.

³ Europe include United Kingdom.

The geographical analysis of revenue is based on location of customers which is determined based on the location at which the goods were delivered and information about the geographical analysis of non-current assets, which include goodwill, property, plant and equipment, right-of-use assets, investment properties, other intangible asset, investments in associates, deposit paid for acquisition of property and prepayment, is classified in accordance with geographical location of the assets or the associates' country of domicile at the end of the reporting period.

Revenue from customers of the corresponding years which contributed more than 10% of the Group's total revenue for the year represented approximately 38.77% of the total Group's revenue for the year ended 31 December 2025 (2024: 73%), which are shown as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	79,581	123,231
Customer B ²	– ⁴	57,003
Customer C ³	36,964	51,528
Customer D ¹	– ⁴	50,655
	<u> </u>	<u> </u>

¹ Revenue from toys and gifts item.

² Revenue from Chinese herbs.

³ Revenue from food and beverage products.

⁴ The corresponding revenue did not contribute 10% or more of the total revenue of the Group in the respective year.

6. OTHER INCOME/OTHER GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	721	638
Rental income from investment properties	356	405
Written back of accrued expenses (<i>Note</i>)	–	1,172
Others	49	411
	<u> </u>	<u> </u>
	<u>1,126</u>	<u>2,626</u>
Other gains, net		
Fair value loss on investment properties	(17)	(925)
Fair value gain on biological assets	974	–
Fair value gain on convertible bonds — derivative component	5	1
Net foreign exchange (loss)/gain	(711)	1,813
	<u> </u>	<u> </u>
	<u>251</u>	<u>889</u>

Note:

During the year ended 31 December 2024, the Group recognised an over provision in the amount of approximately HK\$1,172,000 in respect of provision for rental expenses.

7. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	208	719
Overprovision in prior year	—	(2)
	<u>208</u>	<u>717</u>
Current tax — Overseas		
Provision for the year	<u>3,908</u>	<u>5,093</u>
Total current tax	4,116	5,810
Withholding tax on dividend declared by PRC subsidiary	5,015	—
Deferred income tax	<u>(1,336)</u>	<u>1,171</u>
Income tax expense	<u><u>7,795</u></u>	<u><u>6,981</u></u>

Under the two-tiered profits tax rates regime, one of the subsidiaries of the Company is subject to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Other subsidiaries of the Company are subject to Hong Kong Profits Tax at the rate of 16.5% for both years.

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% from 1 January 2008 onwards.

Taxations on overseas profits have been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group’s foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

8. LOSS FOR THE YEAR

Loss for the year has been arrived after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of sales		
Amortisation of other intangible assets	344	2,874
Cost of materials consumed and finished goods purchased and sold		
— Toys and gifts items	84,830	104,574
— Chinese herbs products	22,619	37,569
— Wines	35,870	48,718
	<u>143,319</u>	<u>190,861</u>
Depreciation of property, plant and equipment	3,033	2,902
Depreciation of right-of-use assets	4,151	2,710
Licence fee	7,712	9,891
Write-down of biological assets	1,183	–
Royalty fee	15,335	17,496
Salaries, bonus and allowance	11,202	11,721
Subcontracting fee	1,931	1,396
Others	4,231	5,145
	<u>192,441</u>	<u>244,996</u>
Selling and distribution costs		
Advertising and promotional costs	3,776	2,832
Research and development costs	6,582	6,258
Sales commission	5,115	5,922
Salaries, bonus and allowance	9,263	9,507
Testing	1,707	2,254
Couriers	2,402	2,860
Others	5,992	6,538
	<u>34,837</u>	<u>36,171</u>
Administrative expenses		
Auditor's remuneration		
— Provision for the year	2,736	2,512
— Over-provision in previous year	(26)	(318)
Consultancy fee	1,114	1,165
Depreciation of property, plant and equipment	7,893	7,697
Depreciation of right-of-use assets	1,186	1,333
Entertainment	4,639	3,835
Expense relating to short-term leases	3,530	5,580
Write-off of property, plant and equipment	49	47
Written off of other intangible assets	–	953
Legal and professional fees	1,700	2,786
Salaries, bonus and allowance (including directors' remuneration)	44,973	37,722
Retirement benefits scheme contributions	3,270	3,064
Long service payment	1,112	–
Others	14,101	16,588
	<u>86,277</u>	<u>82,964</u>

9. DIVIDEND

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

10. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(121,747)</u>	<u>(84,626)</u>
Number of shares		
Weighted average number of ordinary shares in issue	<u>859,362</u>	<u>340,870</u>
Loss per share		
Basic loss per share (<i>HK cents</i>)	<u>(14.17)</u>	<u>(24.83)</u>

Note: The weighted average number of ordinary shares for the year ended 31 December 2024 has been adjusted for the two-to-one share consolidation (“**2024 Share Consolidation**”) of the Company which became effective on 16 January 2024. The loss per share calculations for 2024 have been adjusted so as to be based on the new number of shares under the 2024 Share Consolidation.

Diluted loss per share

For the years ended 31 December 2025 and 31 December 2024, the computation of the basic and diluted loss per share are the same as the convertible bonds are anti-dilutive.

11. DEPOSIT PAID FOR ACQUISITION OF PROPERTY

On 24 October 2024, Kiu Hung (Fujian) Investment Co., Ltd, a wholly-owned subsidiary of the Group in the PRC entered into a sales and purchase agreement with an independent third party not connected with the Group for the purchase of 2,580.39 squares metres of office space in Beijing, the PRC for a consideration of RMB51,608,000 (equivalent to approximately HK\$56,283,000) as its new headquarters in the PRC for the wine segment. The original real estate ownership certificate (房產證) have been held by an independent lawyer 福建乾順律師事務所, as security until the completion of the sale. A refundable deposit of RMB45,000,000 (equivalent on approximately HK\$49,010,000) was paid to the vendor on 25 October 2024 and included as deposit at 31 December 2024. The acquisition is expected to be completed within the next 12 months.

On 30 June 2025, the acquisition of property was cancelled due to encumbrances on some units affecting the complete of transfer and the deposit of RMB45,000,000 was refunded to the Group during the year.

12. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables — contracts with customers	52,443	70,173
Less: Allowance for credit losses	<u>(19,112)</u>	<u>(18,846)</u>
Trade receivables, net	33,331	51,327
Bills receivables	<u>8,278</u>	<u>6,102</u>
	<u><u>41,609</u></u>	<u><u>57,429</u></u>

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	9,578	22,844
31 days to 90 days	22,723	22,327
91 days to 180 days	<u>1,030</u>	<u>6,156</u>
	<u><u>33,331</u></u>	<u><u>51,327</u></u>

As of 31 December 2025, trade receivables of approximately HK\$221,000 (2024: HK\$2,694,000) were past due and net of allowance. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables based on due date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	<u><u>221</u></u>	<u><u>2,694</u></u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Trade deposits	<i>(a)</i>	29,943	5,338
Deposit and other receivables	<i>(b)</i>	6,881	17,752
Prepayment	<i>(c)</i>	50,329	24,016
		87,153	47,106
		2025 HK\$'000	2024 HK\$'000
Analysed as:			
Non-current		7,867	13,900
Current		79,286	33,206
		87,153	47,106

(a) At 31 December 2025, trade deposits of approximately HK\$5,044,000 and HK\$24,899,000 in relation to the Group's toy business and food and beverage products respectively (2024: toy business HK\$5,338,000) for purchases of toys and gift items and food and beverage products.

(b)

	2025 HK\$'000	2024 HK\$'000
Due from associate	–	10,618
Other taxes recoverable	1,782	3,206
Other receivables	5,099	3,928
	6,881	17,752

(c) In 2024, Hubei Jincaotang, a subsidiary of the Group, entered into plantation contracts for periods of between 3 to 5 years (2025: remaining 2 to 4 years) with local farming companies/organisations to cultivate for plant which includes sowing, fertilising, irrigation and related labour costs. As 31 December 2025, the prepaid plantation costs amounted to approximately HK\$9,755,000 (2024: HK\$22,521,000). During the year, HK\$12,766,000 was utilised and included in the cultivation of bearer plants (2024: HK\$5,197,000).

As 31 December 2025, the prepayment included HK\$39,896,000 and HK\$678,000 (2024: HK\$717,000 and HK\$778,000) in relation to the Group's wine, food and beverage products and toys business respectively for the purchase of inventories, office operating expenses and marketing fees.

14. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	27,324	19,692
31 days to 90 days	18,445	2,901
91 days to 180 days	153	1,138
181 days to 360 days	155	1,841
Over 360 days	3,340	1,790
	<u>49,417</u>	<u>27,362</u>

15. ACCRUALS AND OTHER PAYABLES

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other payables	<i>(a)</i>	27,531	52,399
Obligation under share re-purchase arrangement	<i>16(a)</i>	–	8,000
Other accruals		10,541	11,568
Accrued salaries		27,106	26,807
Accrued professional fees		5,413	5,501
VAT payables		2,139	3,450
Due to related parties		18,261	13,619
		<u>90,991</u>	<u>121,344</u>

(a) Other payables comprised:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Overpayment from customer	–	16,000
Guo Jing Sheng (“ Mr. Guo ”) (<i>Note</i>)	–	9,538
Royalty payable	4,956	3,958
Commission payable	6,262	5,082
Others	16,313	17,821
	<u>27,531</u>	<u>52,399</u>

Note: As at 31 December 2024, included in other payables is an amount due to Mr. Guo of approximately HK\$9,538,000 in relation outstanding borrowings. The amount was fully settled during the year (see Note 16(a)).

16. SHARE CAPITAL

	<i>Notes</i>	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each			
Authorised:			
At 1 January 2024		39,721,140,615	1,986,056
2024 share consolidation	<i>(b)</i>	<u>(19,860,570,308)</u>	<u>—</u>
At 31 December 2024 and 2025		<u>19,860,570,307</u>	<u>1,986,056</u>

	<i>Notes</i>	Number of shares	Amount HK\$'000
Issued and fully paid:			
At 1 January 2024		193,507,544	9,675
Issue of shares			
— 2024 share consolidation	<i>(b)</i>	<u>(96,753,772)</u>	<u>—</u>
— conversion of convertible bonds	<i>(c)</i>	150,000,000	15,000
— placement of shares	<i>(d)</i>	470,000,000	47,000
— loan capitalisation	<i>(e)</i>	<u>72,570,754</u>	<u>7,257</u>
At 31 December 2024 and 1 January 2025		789,324,526	78,932
Issue of shares			
— placement of shares	<i>(f)</i>	<u>157,800,000</u>	<u>15,780</u>
At 31 December 2025		<u>947,124,526</u>	<u>94,712</u>

	<i>Notes</i>	Number of shares		Amount	
		2025	2024	2025	2024
				HK\$'000	HK\$'000
Classified as:					
Share capital		947,124,526	789,244,526	94,712	78,924
Obligation under share repurchase arrangement	<i>(a)</i>	<u>—</u>	<u>80,000</u>	<u>—</u>	<u>8</u>
		<u>947,124,526</u>	<u>789,324,526</u>	<u>94,712</u>	<u>78,932</u>

Note:

- (a) On 21 May 2019, the Company issued and allotted 80,000,000 ordinary shares of the Company at HK\$0.10 per share (the “**Shares**”) as settlement sum for HK\$8,000,000 as partial settlement of Mr. Guo’s debt of HK\$17,600,000. As there is a buy-back clause for the Shares by the Company contained in the Settlement Deed, the Shares for HK\$8,000,000 are classified as financial liabilities and presented as obligation under share repurchase arrangement instead of equity under share capital as at 30 June 2022 and 31 December 2021.

On 15 May 2020, the Company received a writ of summons from Mr. Guo demanding an order that the Company buy back the shares from Mr. Guo. As at the date of this announcement, the Company is liaising with Mr. Guo about the buy-back of the shares.

On 27 June 2022, the Company completed the 2022 share consolidation, as a result of the share consolidation, total number of ordinary shares due to Mr. Guo was adjusted from 4,000,000 ordinary shares to 800,000 ordinary shares. Also, total amount of ordinary shares due to the Mr. Guo was adjusted from HK\$40,000 to HK\$8,000 effect by the capital reduction.

On 28 April 2023, the Company completed the share consolidation, refer to note (b), as a result of the 2023 share consolidation, total number of ordinary shares due to Mr. Guo was adjusted from 800,000 ordinary shares to 160,000 ordinary shares to reflect the share consolidation.

On 18 January 2024, the Company completed the share consolidation, refer to note (c), as a result of the 2024 share consolidation, total number of ordinary shares due to Mr. Guo was adjusted from 160,000 ordinary shares to 80,000 ordinary shares to reflect the share consolidation.

On 3 July 2025, a shareholder of the Company, Ou Zhu settled Mr. Guo’s debt of HK\$9,600,000 and repurchased the 80,000 ordinary shares of HK\$8,000,000 for the Company.

- (b) Pursuant to the special resolution passed on 16 January 2024 and became effective on 18 January 2024, the Company implemented the share consolidation on the basis of every two (2) issued and unissued existing shares of HK\$0.05 each will be consolidated into one (1) consolidated share of HK\$0.1 each (the “**2024 Share Consolidation**”). Details of 2024 Share Consolidation is disclosed in the circular of the Company dated 27 December 2024 and announcement of the Company dated 16 January 2024.
- (c) Between 2 May 2024 to 23 May 2024, 150,000,000 ordinary shares was issued and allotted to the convertible bond holders upon conversion of the 2024 Convertible Bonds with a principal amount of HK\$45,000,000.

- (d) On 30 September 2024, the Company completed the placement of 470,000,000 ordinary shares to not less than six places at the placing price of HK\$0.111 per placing share. The net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$51,300,000. HK\$51,000,000 of the net proceeds from the placement will be utilised to repay the outstanding amount of the Hubei CB in full and the remaining net proceeds from the placement of HK\$300,000 for general working capital of the Company. Details of the placement is set out in the circular of the Company dated 19 August 2024 and in the announcements of the Company on 16 August 2024, 9 September 2024 and 30 September 2024.
- (e) On 17 May 2024, the Company issued and allotted 19,350,000 ordinary shares at the subscription price of HK\$0.147 per share to a creditor in settlement of the amount due to her of approximately HK\$19,200,000 which was included in other loan and a gain on extinguishment of financial liabilities by issue of ordinary shares of approximately HK\$16,343,000 was recognised. Details of loan capitalisation is disclosed in the announcements of the Company dated 3 May 2024 and 17 May 2024. In addition, on 10 October 2024, the Company issued and allotted 53,220,754 ordinary shares at the market price of HK\$0.78 each to a creditor in settlement of the amount due to her of approximately HK\$7,980,000 which was included in other loan and a loss on extinguishment of financial liabilities by issue of ordinary shares of approximately HK\$33,529,000 was recognised. Details of the loan capitalisation is disclosed in the announcements of the Company dated 9 June 2023 and 23 June 2023. Details are set out in the announcement of the Company dated 2 October 2024 and 10 October 2024 (“**2024 Loan Capitalisation**”). The excess of the fair value of the shares issued to the creditors at the date of settlement over the carrying amount of the liability owed to the creditor is recognised as loss on extinguishment of the financial liability of approximately HK\$17,186,000 in the consolidated statement of profit or loss for the year ended 31 December 2024.
- (f) On 22 July 2025, the Company completed the issue of 157,800,000 subscription shares were allotted and issued to the subscriber at the subscription price of approximately HK\$0.4309 per subscription share pursuant to the terms of the subscription agreement. The money payable by the Subscriber of approximately HK\$68 million under the Subscription Agreement shall be satisfied by way of (i) off-setting against the principal amount of the Second Hubei CB of HK\$34 million payable by the Company to the Subscriber; and (ii) early redemption of the Third Hubei CB by the Company, whereupon the redemption money payable by the Company to the Subscriber in respect of the Third Hubei CB in the principal amount of HK\$34 million be set off against the subscription money payable by the Subscriber. The subscription was fulfilled and completed on 21 July 2025 at the market price of HK\$0.53 each. Details of subscription is disclosed in the announcement of the Company dated 4 July 2025 and 22 July 2025. The excess of the fair value of the shares issued to the creditors as at the date of settlement over the carrying amount of the liability owed to the creditor is recognised as loss on extinguishment of the financial liability of approximately HK\$15,634,000 in the consolidated statement of profit or loss for the year ended 31 December 2025.

17. LITIGATIONS

(a) Guo Jingsheng

On 8 June 2016 and 19 July 2016, the Company and a director of the Company received from Mr. Guo a writ of summons and an indorsement of claim issued by the High Court, respectively, against the Company as borrower and the director Yu Wan Kong, Dennis of the Company as guarantor for the outstanding amount of borrowing including interests of approximately HK\$13,921,000.

A deed of settlement (the “**Settlement Deed**”) was made between the Company, the director of the Company and Mr. Guo on 29 April 2019. Pursuant to the Settlement Deed, the Company would issue 80,000,000 ordinary shares of the Company at HK\$0.10 per share (the “**Shares**”) for the settlement of HK\$8,000,000 as partial settlement of Mr. Guo’s debt of approximately HK\$17,600,000 as at 29 April 2019. The Settlement Deed contains a buy-back clause for the Shares by the Company should the quoted market price of the Company’s shares fail to reach at least HK\$0.10 per share within one year from the date of issue of the Shares. The Company issued and allotted the Shares to Mr. Guo on 21 May 2019. On 15 May 2020 and 8 June 2020, the Company received a writ of summons from Mr. Guo demanding an order that the Company buy back the Shares from Mr. Guo.

As stated in Note 16(a), Mr. Guo’s shares of the Company were repurchased in full settlement of the debt during the year ended 31 December 2025.

(b) Everbright Centre

Pursuant to a tenancy agreement dated 23 September 2014 entered into between Everbright Centre Company Limited (“**Everbright Centre**”) (formerly known as Wing Siu Company Limited) as landlord and Super Dragon Management Limited (“**Super Dragon**”), a wholly-owned subsidiary of the Company, as tenant, and the Company as guarantor to Super Dragon, for a lease of premises for a term of three years from 15 December 2014 to 14 December 2017.

On 8 August 2016, Super Dragon and the Company received from Everbright Centre a writ of summons issued by the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) with an indorsement of claim against Super Dragon and the Company jointly for (i) vacant possession of the premises; (ii) the outstanding total amount of rent, management fees, interests and other charges of approximately HK\$3,886,000 as at 1 August 2016; (iii) rent, management fees and rates to the date of delivery of vacant possession of the Wanchai Property; (iv) damage for breach of the tenancy agreement to be assessed; (v) interest; (vi) costs; and (vii) further or other relief.

The Company vacated from the premises in the third quarter of 2017 and has settled part of the amount claimed above. Based on the notice from lawyer on 13 August 2024, an amount of approximately HK\$149,000 as full settlement of the outstanding rentals and interest. An over provision in the amount of approximately HK\$1,172,000 was recognised for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In the year 2025, the global economy faced multifaceted pressures, including high inflation, escalating international trade tensions, and geopolitical turmoil, leading to a slowdown in growth. Despite these challenges, China's economy showcased strong resilience in the complex global market, driven by robust macroeconomic control and domestic demand stimulation. In view of this, the Group started wine trading business during the year 2024. This move is in line with the Group's diversified investment strategy to ensure the Company's long-term development.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025 (the “Year”), the Group recorded turnover of approximately HK\$300.6 million (2024: HK\$386.7 million), representing a decrease of approximately 22.3% as compared with last year.

The Group's loss attributable to equity holders of the Company for the Year was approximately HK\$121.7 million (2024: loss attributable of HK\$84.6 million), representing a decrease of approximately HK\$37.1 million comparing to last year. The increase in loss attributable to equity holders of the Company for the Year was mainly attributable to (i) decrease in gross profit of approximately HK\$33.5 million; and (ii) share of results of associates amounted to HK\$46.4 million. Basic loss per share for the Year was HK cents 14.17 (2024: Basic loss per share HK cents 24.83).

BUSINESS AND OPERATIONAL REVIEW

Segmental Information Analysis

During the Year, the Group has seven reportable segments, namely “Manufacturing and trading of toys and gifts items”, “Exploration of natural resources”, “Fruit plantation”, “Leisure”, “Culture”, “Chinese herbs” and “Wines, food and beverage products”.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business has different economic characteristics.

Manufacturing and Trading of Toys and Gifts Items

Turnover from toys and gifts business for the Year was approximately HK\$195.4 million (2024: HK\$239.7 million), representing a decrease of approximately 18.5% comparing to last year. The decrease in turnover was mainly attributable to the decrease in revenue generated from the North America. The gross profit margin was decreased which was 35.9% (2024: 37.7%) during the Year, showing the production and logistic cost was increased with the unstable global situation.

Exploration of Natural Resources

The Group owns the minor interest of exploration rights of Bayanhushuo Coal Field and Guerbanhada Coal Mine, all located in Inner Mongolia Autonomous Region (the “**Inner Mongolia**”), the PRC with total estimated coal resources of approximately 500.05 million tonnes under the JORC Code.

The retained equity interest was regarded as financial assets at FVTOCI since the Group has no significant influence to participate in the financial and operating policy decisions of the Investment Group.

In the opinion of the directors of the Company as at 31 December 2025, the Investment Group is still unable to generate cash flows to the Group due to the absence of the mining rights of coal mines concerned. Fair value of approximately HK\$3,435,000 was recognised for the year ended 31 December 2020 to fully write down the carry amount of the investment and no reversal of impairment for the years ended 31 December 2025 and 2024.

Fruit Plantation

(a) Multijoy Group

Multijoy Developments Limited, 40% equity interest of which was acquired by the Group, together with its subsidiaries (the “**Multijoy Group**”) is principally engaged in the business of holding of forestry concession rights in relation to a parcel of forest land situated in Nanfeng County, Fuzhou City, Jiangxi Province, the PRC with an aggregate site area of approximately 1,765.53 Chinese mu (the “**Forest Land**”). The cooperation agreement with an independent third party has expired during the Year. The Multijoy Group is changing the use of land and developing a diversified ecological sightseeing farm business on the Forest Land.

The Group’s share of result of loss amounted to approximately HK\$39.5 million for the Year (2024: loss of HK\$24.8 million).

(b) *USO Management & Holding Co. Ltd (“USO”)*

USO entered into a development cooperation agreement with Plantation Construction & Development Co Ltd. (the “**Development Company**”), pursuant to which USO and the Development Company will jointly develop the leased properties. The management expected that the leased properties will be mainly developed for commercial purposes such as residential properties and hotels, residential villas, high-end hotel and casino, and ancillary public amenities. Under the impact of weak global economic environment, the commencement date of construction of the luxury hotel and casino, as well as the first 100 residential villas is delayed, and expected to be taken place in October 2026. The management of the Group is assessing the operational and financial impacts of the proposed arrangements to the Group.

The Group’s share of result of loss amounted to approximately HK\$0.5 million for the Year (2024: loss of HK\$9.1 million).

Leisure

(a) *Tea related business*

In the recent years, the competition in tea industries becomes more fierce as the traditional sales model is facing a keen competition from those online business platform. During the Year, Fujian Yuguo has continued to fine-tune its operation model to meet its customers’ needs, including but not limited to provide more attractive terms to its selected customers to increase its competitiveness in the markets.

The Group’s share of result of loss amounted to approximately HK\$15,000 (2024: loss of HK\$20,000) for the Year.

(b) *Wine related business*

Wine culture forms an important part and has a long history in the Chinese culture. In view of the increase in the living standard of the Chinese people in the recent years, the Group is optimistic about the future growth in the wine industry and has intention to invest in the wine business, especially for the yellow wine products. Since the end of 2016, the Group has invested in the yellow base wine.

Since 31 May 2018, the Group has 20% equity interest Anhui Fu Lao. Due to the lack of cooperation from the administrator of the deceased vendor of Anhui Fu Lao (the “**Administrator**”), the transfer procedures of 20% equity to the Group remains incomplete. Reference to announcement of the Company date on 14 March 2023, the case was concluded on 24 February 2023. The Civil Judgment proclaimed that the 20% equity interests in Anhui Fu Lao under the name of Mr. Chen Jun Wei, son of the deceased shall belong to the Group. Such judgment is final. In the opinion of the Directors, the Group is the rightful owner of the 20% equity interests in Anhui Fu Lao. On 5 February 2025, the Company applied to the courts to exercise it right to enforce the judgement. On 23 April 2025, the Courts have frozen the 20% equity interests by Mr. Chen Jun Wei. Based on the legal opinion from the PRC lawyers dated 27 March 2026, any further action is pending from the courts.

The Group’s share of result of loss amounted to HK\$2.1 million for the year (2024: loss of HK\$2.9 million).

(c) Outbound tourism

No turnover from outbound tourism business for the year and 2024.

Culture

No turnover from culture business for the year and 2024.

Chinese Herbs

Hubei Jincaotang Pharmaceutical Co., Ltd. (湖北金草堂藥業有限公司), 51% equity interest of which was acquired by the Group in 2021, is principally engaged in the business of Chinese herbs and the decoction business in Mainland China. Turnover from the Chinese herbs related business for the Year was approximately HK\$54.4 million (2024: HK\$95.3 million).

The management believes that with its own TCM herbs plantation bases and enhancing the existing TCM production bases are critical for the Chinese Herbs Business. These measures will not only ensure a stable and high-quality supply of Chinese herbs but also contribute to the sustainable growth of the business in alignment with the government’s policies to optimise the TCM industry.

Wines

On 31 May 2024, Kiu Hung (Fujian) Investment Limited, a wholly owned indirect subsidiary of the Group entered into a sales and purchase agreement with Jiang Ping, independent third party for the acquisition 60% of the equity interest in Fujian Laojiu Investment Co., Ltd (“**Fujian Laojiu**”). Fujian Laojiu is principally engaged in the wine trading business in Mainland China. Turnover from the Wines business for the Year was approximately HK\$50.8 million (2024: HK\$51.6 million).

Food and beverage products

On 22 October 2025, Heilongjiang Yingli, a wholly owned indirect subsidiary of the Group entered into a sales and purchase agreement with Meng Fanyou, Sun Linhao and Heilongjiang Yingli Agricultural Group Co., Ltd, independent third parties for the acquisition 65% of the equity interest in Heilongjiang Yingli for a consideration of RMB6,500,000 (equivalent to approximately HK\$7,088,000). Heilongjiang Yingli is principally engaged in the trading of food and beverage product in the PRC. The acquisition has been accounted for as acquisition of business using the acquisition method. The acquisition was completed on 22 October 2025. Commission income from trading of food and beverage products for the Year was approximately HK\$3.3 million.

Geographical Information

During the Year, the Group recorded revenue in North America (includes the USA and Canada) of approximately HK\$190 million as compared to approximately HK\$239 million last year and represented approximately 63.2% (2024: approximately 61.8%) of the Group's total revenue. Revenue in the PRC (including Hong Kong) amounted to approximately HK\$105.8 million for the Year as compared to approximately HK\$147.7 million last year and represented approximately 35.2% (2024: approximately 38.2%) of the Group's total revenue of the Year. Revenue in the United Kingdom amounted to approximately HK\$4.6 million for the Year as compared to HK\$nil last year and represented approximately 1.53% (2024: 0%) of the Group's total revenue.

Selling and Distribution Costs

The amount of the selling and distribution costs for the Year was approximately HK\$34.8 million (2024: approximately HK\$36.2 million). The decrease was mainly attributable by the decrease in advertising and promotional costs of the toys segment during the Year.

Administrative Expenses

Administrative expenses for the Year increased by approximately 4% to approximately HK\$86.3 million as compared to approximately HK\$83 million in the previous year. The increase in administrative expenses was mainly attributable the increase in salary and bonus during the Year.

Finance Costs

Finance costs for the Year increased by approximately 10% to approximately HK\$31.8 million as compared to approximately HK\$28.9 million in the previous year. The increase in finance costs was mainly attributable by the increase in other loans interest during the Year.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group generally finances its operations with internally generated cash flow and facilities provided by its bankers in Hong Kong and in PRC. As at 31 December 2025, the Group had bank balances and cash of approximately HK\$156.2 million (2024: HK\$135.9 million). The Group's bank balances and cash were mostly denominated in Hong Kong dollars, United States Dollars and Renminbi.

As at 31 December 2025, the Group's borrowings amounted to approximately HK\$203 million (2024: HK\$143.1 million). The Group's borrowings were mainly denominated in Hong Kong dollars, United States Dollars and Renminbi.

The Group monitors its capital using a gearing ratio, which is the Group's net debt (comprising trade payables, accruals and other payables, lease liabilities, borrowings, amount due to an associate and convertible bonds less bank balances and cash) over its total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The Group's gearing ratio as at 31 December 2025 was 72% (2024: 68%).

As the majority of the Group's transactions and borrowings were denominated in Hong Kong dollars, United States dollars and Renminbi, the Group's exposure to exchange rate fluctuation was relatively insignificant, and the Group had not used any financial instruments for hedging during the Year.

PLACING OF NEW SHARES

On 22 July 2025, the Company completed the issue of 157,800,000 subscription shares were allotted and issued to the subscriber at the subscription price of approximately HK\$0.4309 per subscription share pursuant to the terms of the subscription agreement. The money payable by the Subscriber of approximately HK\$68 million under the Subscription Agreement shall be satisfied by way of (i) off-setting against the principal amount of the Second Hubei CB of HK\$34 million payable by the Company to the Subscriber; and (ii) early redemption of the Third Hubei CB by the Company, whereupon the redemption money payable by the Company to the Subscriber in respect of the Third Hubei CB in the principal amount of HK\$34 million be set off against the subscription money payable by the Subscriber. The subscription has been fulfilled and completed on 21 July 2025 at the market price of HK\$0.53 each. Details of subscription are disclosed in the announcement of the Company dated 4 July 2025 and 22 July 2025.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

ACQUISITION OF A SUBSIDIARY

On 22 October 2025, Heilongjiang Yingli, a wholly owned indirect subsidiary of the Group entered into a sales and purchase agreement with Meng Fanyou, Sun Linhao and Heilongjiang Yingli Agricultural Group Co., Ltd, independent third parties for the acquisition 65% of the equity interest in Heilongjiang Yingli for a consideration of RMB6,500,000 (equivalent to approximately HK\$7,088,250). Heilongjiang Yingli is principally engaged in the trading of food and beverage product in the PRC. The acquisition has been accounted for as acquisition of business using the acquisition method. The acquisition was completed on 22 October 2025.

DEPOSIT PAID FOR ACQUISITION OF PROPERTY

On 24 October 2024, Kiu Hung (Fujian) Investment Co., Ltd, a wholly-owned subsidiary of the Group in the PRC entered into a sales and purchase agreement with an independent third party not connected with the Group for the purchase of 2,580.39 squares metres of office space in Beijing, the PRC for a consideration of RMB51,608,000 (equivalent to approximately HK\$56,283,000) as its new headquarters in the PRC for the wine segment. The original real estate ownership certificate (房產證) have been held by an independent lawyer 福建乾順律師事務所, as security until the completion of the sale. A refundable deposit of RMB45,000,000 (equivalent on approximately HK\$49,010,000) was paid to the vendor on 25 October 2024 and included as deposit at 31 December 2024. The acquisition is expected to be completed within the next 12 months.

On 30 June 2025, the acquisition of property was cancelled due to encumbrances on some units affecting the complete of transfer and the deposit was refunded to the Group during the year.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2025 and 2024.

CAPITAL COMMITMENT

As at 31 December 2025 and 2024, the Group had no significant capital commitment.

DIVIDEND

The Directors do not recommend any payment of final dividend for the years ended 31 December 2025 and 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities during the years ended 31 December 2025 and 2024.

PROSPECTS

The Group has been reviewing its existing operations from time to time and exploring other investment opportunities that have earning potentials in order to expand its existing operations and diversify its businesses and income base to maximize the interests of the Group and the shareholders as a whole.

CAPITAL STRUCTURE

On 22 July 2025, 157,800,000 Subscription Shares were allotted and issued to the Subscriber at the Subscription Price of HK\$0.4309 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2025, the Group had a total of 378 employees (2024: 365 employees). The Group maintains good working relations with its employees and has committed itself to staff training and development. Remuneration packages are maintained at a competitive level and are being reviewed on a yearly basis. Bonus and share options are awarded to employees according to the assessment of individual performance and industrial practice.

SCOPE OF WORK

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditors, KTC Partners CPA Limited, to the amounts as set out in the Group's consolidated financial statements for year ended 31 December 2025. The work performed by KTC Partners 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 KTC Partners CPA Limited on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2025. The report includes a material uncertainty related to going concern, paragraph without qualification.

Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 3.2 to the consolidated financial statements which highlights mentions that the Group incurred a loss of approximately HK\$111,186,000 for the year ended 31 December 2025 and as of that date, the Group was in net current liability position of approximately HK\$26,582,000 and had defaulted on secured other borrowings of HK\$63,858,000 together with accrued interest of HK\$37,850,000 has been defaulted. As stated in note 3.2, these conditions, along with other matters as set forth in note 3.2, indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to ensuring high standards of corporate governance. During the Year, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 “Corporate Governance Code and Corporate Governance Report” to the Listing Rules, except for the deviation from code provisions A.6.7 of the Corporate Governance Code as described below.

Code Provision A.6.7

Under code provision A.6.7 of the Corporate Governance Code, the independent non-executive Directors should attend the general meetings. However, the independent non-executive Directors, Mr. Chak Ching Long, Ms. Chen Yuxin and Mr. Wang Xiao Ning, had other important engagements at the same time and did not attend the annual general meeting of the Company held on 18 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry, all directors have fully complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee assists the Board in meeting its responsibilities for ensuring effect systems of financial reporting process, risk management, internal control and compliance, and in meeting its external financial reporting objectives. The audit committee of the Company comprises Mr. Chak Ching Long, Mr. Wang Xiao Ning and Ms. Chen Yuxin, all independent non-executive Directors of the Company. The audit committee members have reviewed the final results announcement of the Group for the year ended 31 December 2025.

PUBLICATION OF RESULTS

This announcement of results of the Company has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aom381.com). The annual report of the Company for the year ended 31 December 2025 containing all the information required by Appendix 16 “Disclosure of Financial Information” to the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers, business partners, banks, professional parties and employees of the Group for their continuous support.

By order of the Board
AOM International Group Company Limited
Yang Ling
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises five executive Directors, Mr. Yang Ling, Mr. Li Lizhong, Mr. Liu Mingqing, Mr. Sun Weiwei and Mr. Yang Bincheng, one non-executive Director, Mr. Tang Sing Hing, Kenny and three independent non-executive Directors, Mr. Chak Ching Long, Mr. Wang Xiao Ning and Ms. Chen Yuxin.

* *For identification purposes only*