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**China Fortune Holdings Limited**

**中國長遠控股有限公司\***

*(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Limited)*

**(Stock Code: 110)**

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

The board of directors (the “Board”) of China Fortune Holdings Limited (the “Company”) announces the consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures as follows:

\* *For identification purposes only*

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

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Continuing Operations</b>			
<b>Revenue</b>	4	<b>62,396</b>	43,634
Cost of sales		<u>(60,431)</u>	<u>(42,078)</u>
<b>Gross profit</b>		<b>1,965</b>	1,556
Other income		<b>1,541</b>	1,073
Other gains and losses, net	5	<b>(868)</b>	(3,163)
Selling and distribution costs		<b>(48)</b>	(208)
Administrative expenses		<b>(18,219)</b>	(15,931)
Finance costs	6	<b>(2,038)</b>	(431)
Share of results of associates		<u>(147)</u>	<u>(927)</u>
Loss before income tax	8	<b>(17,814)</b>	(18,031)
Income tax expense	7	<u>(49)</u>	<u>(13)</u>
<b>Loss for the year from Continuing Operations</b>		<b>(17,863)</b>	(18,044)
<b>Discontinued Operation</b>			
Loss for the year from Discontinued Operation		<u>–</u>	<u>(15,662)</u>
<b>Loss for the year</b>		<u><b>(17,863)</b></u>	<u>(33,706)</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other comprehensive income (expenses) that may be subsequently transferred to profit or loss</b>		
Exchange differences arising on translation from functional currency to presentation currency	572	(161)
Share of exchange differences of associates	23	(61)
Release of translation reserve upon disposal of subsidiaries	—	(13,313)
	<u>—</u>	<u>(13,313)</u>
<b>Total comprehensive expenses for the year</b>	<b><u>(17,268)</u></b>	<b><u>(47,241)</u></b>
Loss for the year attributable to owners of the Company:		
— Continuing Operations	(14,479)	(16,138)
— Discontinued Operation	—	(15,373)
	<u>—</u>	<u>(15,373)</u>
	<b><u>(14,479)</u></b>	<b><u>(31,511)</u></b>
Loss for the year attributable to non-controlling interests:		
— Continuing Operations	(3,384)	(1,906)
— Discontinued Operation	—	(289)
	<u>—</u>	<u>(289)</u>
	<b><u>(3,384)</u></b>	<b><u>(2,195)</u></b>
<b>Loss for the year</b>	<b><u>(17,863)</u></b>	<b><u>(33,706)</u></b>

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Total comprehensive expenses for the year attributable to owners of the Company:</b>			
— Continuing Operations		(13,791)	(31,104)
— Discontinued Operation		—	(15,373)
		<u>(13,791)</u>	<u>(46,477)</u>
<b>Total comprehensive (expenses) income for the year attributable to non-controlling interests:</b>			
— Continuing Operations		(3,477)	(1,860)
— Discontinued Operation		—	1,096
		<u>(3,477)</u>	<u>(764)</u>
<b>Total comprehensive expenses for the year</b>		<u><b>(17,268)</b></u>	<u><b>(47,241)</b></u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Loss per share</b>			
<b>From Continuing Operations and Discontinued Operation</b>			
— Basic and diluted		<u>(5.73)</u>	<u>(13.91)</u>
<b>From Continuing Operations</b>			
— Basic and diluted	9	<u>(5.73)</u>	<u>(7.12)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-Current Assets</b>			
Plant and equipment		<b>16</b>	26
Right-of-use assets		<b>628</b>	452
Interests in associates		<b>405</b>	529
Financial assets at fair value through profit or loss		<b>107</b>	102
Club membership		<b>680</b>	680
		<u><b>1,836</b></u>	<u>1,789</u>
<b>Current Assets</b>			
Inventories		<b>1,378</b>	629
Trade and other receivables	<i>10</i>	<b>22,808</b>	50,844
Amounts due from non-controlling shareholders of subsidiaries		<b>328</b>	–
Financial assets at fair value through profit or loss		<b>557</b>	533
Cash and cash equivalents		<b>4,834</b>	7,182
		<u><b>29,905</b></u>	<u>59,188</u>

		2025	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Current Liabilities</b>			
Trade and other payables	<i>11</i>	<b>35,436</b>	50,512
Amounts due to related parties		<b>5,633</b>	10,657
Amounts due to non-controlling shareholders of subsidiaries		<b>28</b>	27
Contract liabilities		–	2,703
Short-term borrowings	<i>12</i>	<b>16,177</b>	10,469
Lease liabilities		<b>505</b>	365
		<u><b>57,779</b></u>	<u>74,733</u>
<b>Net Current Liabilities</b>		<u><b>(27,874)</b></u>	<u>(15,545)</u>
<b>Total Assets less Current Liabilities</b>		<u><b>(26,038)</b></u>	<u>(13,756)</u>
<b>Capital and Reserves</b>			
Share capital		<b>2,536</b>	2,376
Reserves		<b>(23,909)</b>	(14,097)
<b>Equity Attributable to Owners of the Company</b>		<u><b>(21,373)</b></u>	<u>(11,721)</u>
Non-controlling interests		<b>(4,836)</b>	(2,135)
		<u><b>(26,209)</b></u>	<u>(13,856)</u>
<b>Non-Current Liabilities</b>			
Lease liabilities		<b>171</b>	100
		<u><b>171</b></u>	<u>100</u>
<b>Total Equity and Liabilities</b>		<u><b>(26,038)</b></u>	<u>(13,756)</u>

Notes:

## 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “Group”) are distribution and trading of mobile phones and electronic products and mining and processing of celestite, zinc and lead minerals. During the year ended 31 December 2024, the Company disposed of its entire equity interest in China Yellow Stone Investment Company Limited and its subsidiaries (the “China Yellow Stone Group”) which is mainly engaged in the exploration, exploitation, refining and asset investment of mineral resources business and thus the Company ceased its Mining Business (the “Discontinued Operation”). Subsequently, the Company remains its Mobile Phones and Electronic Products Business (the “Continuing Operations”).

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) New and 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 issued by the Hong Kong Institute of Certified Public Accountants (the “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

The effects of changes in foreign exchange rates: Lack of Exchangeability

The directors of the Company consider that 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.

**(b) New and amendments to HKFRS Accounting Standards issued 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 HKFRS 18	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup> Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to HKFRS Accounting Standards Amendments to HKFRS 9 and HKFRS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup> Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> 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 of the Company 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* (“HKFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“HKAS 1”). 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 (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some 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 amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. 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.

### **3. 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 HKFRSs issued by the HKICPA. 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. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

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

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. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if participants would take those characteristics into account when pricing the asset or liability market at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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 liability 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.

**(b) Going concern assessment**

The directors of the Company 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.

During the year ended 31 December 2025, the Group incurred a loss attributable to the owner of the Company of approximately HK\$14,479,000 (2024: HK\$31,511,000) and a net operating cash outflow of approximately HK\$5,607,000 (2024: HK\$19,677,000). In addition, as at 31 December 2025, its current liabilities exceeded its current assets by approximately HK\$27,874,000 (2024: HK\$15,545,000).

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Company. The cash flow projections cover a period of at least the next twelve months from 31 December 2025. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025, after taking into consideration of the measures and plans made by the Group as detailed below:

- (i) On 8 January 2025, the Company entered into subscription agreements with certain subscribers and pursuant to which the subscribers have subscribed, and the Company has allotted and issued, a total 16,000,000 shares of HK\$0.26 each under the general mandate for a gross proceed of approximately HK\$4.16 million. Further, as described in note 13, on 31 March 2026, the Company entered into a conditional subscription agreements with certain independent third parties and pursuant to which the subscribers have conditionally agreed to subscribe, and the Company has conditionally to allot and issue, a total 25,000,000 shares of HK\$0.26 each under the general mandate for the estimated gross proceed of approximately HK\$6.50 million.

The directors of the Company will consider to improve the financial position of the Group and to enlarge the capital base of the Company by further conducting fund raising exercises such as share placement, right issues or others as and when necessary;

- (ii) In March 2026, Mr. Lau has provided an additional unsecured and non-interest bearing loan of approximately HK\$3 million to the Group which is repayable on demand.

The Company obtained a letter of undertaking (the “Letter of Undertaking”) dated 31 March 2026 from Mr. Lau that: (i) Mr. Liu has agreed not to request the Group to repay the amount due to him of approximately HK\$8.31 million (including the newly provided loan of HK\$3 million as described above) until the Group has sufficient funds to meet any liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2025; (ii) Mr. Lau has provided an loan facilities amounting to HK\$50 million to the Group for a period of at least the next twelve months from 31 December 2025; and (iii) Mr. Lau has agreed to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for a period of at least the next twelve months from 31 December 2025.

- (iii) The directors consider that Group has good track record and relationship with the lenders of the Group’s bank and other borrowings and the availability of assets to be used as collateral and thus, the directors are confident that the banks and lenders will agree to renew its bank and other borrowings which will be matured within the next twelve months from 31 December 2025;

Further, the Group is continuing and actively seeking for other new financing and borrowings so as to finance the settlement of its existing financial obligations and also to provide funds for its operating and capital expenditures; and

- (iv) The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

In light of the above measures and plans implemented to date, the directors of the Company are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for a period of at least the next twelve months from 31 December 2025 after having taken into account of the Group’s projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its business. Accordingly, the directors of the Company are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its measures and plans as described above. Whether the Group will be able to continue as a going concern would depend upon the Group’s ability to generate adequate financing and operating cash flows in the near future and obtain the continuous financial support from its controlling shareholder.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their estimated recoverable amounts, to provide further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

#### **4. SEGMENT INFORMATION AND REVENUE**

##### **(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (the “CODM”), being the executive directors of the Company throughout the year ended 31 December 2024 that are used to make strategic decisions and also for the purposes of resource allocation and performance assessment.

During the years ended 31 December 2024, the Group has two reportable segments: (i) Mobile Phones and Electronic Products Business; and (ii) Mining Business.

The following describes the operations in each of the Group’s reportable segments:

- Mobile Phones and Electronic Products Business: Sales and marketing of mobile phones and electronic products and components.
- Mining Business: Exploration, exploitation, refining and asset investment of mineral resources.

During the year ended 31 December 2024, the Company disposed of its 100% equity interest in the China Yellow Stone Group which is mainly engaged in the exploration, exploitation, refining and asset investment of mineral resources business (the “Disposal”). Subsequent to the Disposal of the China Yellow Stone Group, the directors of the Company decided to cease its Mining Business (i.e. the “Discontinued Operation”) and the Group continues to be engaged in the Mobile Phones and Electronic Products Business (i.e. the “Continuing Operations”).

Subsequent to the Disposal of the Discontinued Operation during the year, the directors of the Company consider that the Group’s operations are operated and managed as a single segment (i.e. the Continuing Operations — the Mobile Phones and Electronic Products Business). The executive directors of the Company, being the chief operating decision maker of the Group, review the operating results of the Group as a whole when making decisions about resource allocations and assessing performances. Hence it is determined that the Group has only one operating segment. Accordingly, no segment information relating to segments revenue and result, segment assets and liabilities and other information is presented for the year ended 31 December 2025.

Information regarding the Group's reportable segments from Continuing Operations and Discontinued Operation as provided to the Group's executive directors of the Company for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2024 is set out below.

	Continuing Operations — Mobile phones and electronic products business <i>HK\$'000</i>	Discontinued Operation — Mining business* <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended</b>				
<b>31 December 2024</b>				
<b>Reportable segment revenue</b>	<u>43,634</u>	<u>—</u>	<u>—</u>	<u>43,634</u>
<b>Reportable segment results</b>	<u>(4,428)</u>	<u>(602)</u>	<u>—</u>	<u>(5,030)</u>
Loss on the Disposal				(15,060)
Unallocated and corporate income				1,361
Unallocated and corporate expenses				<u>(14,964)</u>
Loss before tax				(33,693)
Income tax expense				<u>(13)</u>
Loss for the year				<u>(33,706)</u>
<b>Reportable segment assets</b>	<u>60,977</u>	<u>N/A</u>	<u>N/A</u>	60,977
Unallocated and corporate assets				<u>N/A</u>
Total assets				<u>60,977</u>
<b>Reportable segment liabilities</b>	<u>(74,833)</u>	<u>N/A</u>	<u>N/A</u>	(74,833)
Unallocated and corporate liabilities				<u>N/A</u>
Total liabilities				<u>(74,833)</u>

	Continuing Operations — Mobile phones and electronic products business <i>HK\$'000</i>	Discontinued Operation — Mining business* <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Other segment information:</b>				
Depreciation of plant and equipment	–	–	12	12
Depreciation of right-of-use assets	278	–	602	880
Impairment loss recognised in respect of trade and other receivables, net	357	–	40	397
Impairment loss in respect of amounts due from non-controlling shareholders of subsidiaries, net	340	–	–	340
Impairment loss recognised in respect of interest in an associate	134	–	–	134
Share of results of associates	927	–	–	927
Loss on termination of lease contract	10	–	73	83
Additions to non-current assets	<u>270</u>	<u>–</u>	<u>18</u>	<u>288</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

*Notes:*

- (a) The unallocated and corporate income mainly included miscellaneous income and other corporate income.
- (b) The unallocated and corporate expenses mainly included fair value loss on financial assets at fair value through profit or loss, salaries and allowances and other corporate expenses.
- (c) The unallocated corporate assets mainly included plant and equipment and deposits for the headquarter in Hong Kong.
- (d) The unallocated corporate liabilities mainly included lease liabilities for the headquarter in Hong Kong, accrued salaries, professional fee and audit fee.
- (e) Additions to non-current assets consists of additions to plant and equipment and right of-use assets.

**(b) Geographical information**

The following table sets forth the Group's revenue from Continuing Operations and Discontinued Operation by geographical location of customers for the years indicated:

	Year ended 31 December 2025				Year ended 31 December 2024					
	Continuing Operations — Mobile	Phones and Electronic Products Business HK\$'000	Discontinued Operation — Mining Business HK\$'000	Unallocated HK\$'000	Total HK\$'000	Continuing Operations — Mobile	Phones and Electronic Products Business HK\$'000	Discontinued Operation — Mining Business* HK\$'000	Unallocated HK\$'000	Total HK\$'000
Hong Kong	49,549	N/A	N/A	N/A	49,549	34,022	–	–	–	34,022
PRC	12,847	N/A	N/A	N/A	12,847	9,612	–	–	–	9,612
	<u>62,396</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>62,396</u>	<u>43,634</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>43,634</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

The information about the Group's non-current assets from Continuing Operations and Discontinued Operation by location of assets are detailed below:

	At 31 December 2025				At 31 December 2024					
	Continuing Operations — Mobile	Phones and Electronic Products Business HK\$'000	Discontinued Operation — Mining Business HK\$'000	Unallocated HK\$'000	Total HK\$'000	Continuing Operations — Mobile	Phones and Electronic Products Business HK\$'000	Discontinued Operation — Mining Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Hong Kong	1,217	N/A	N/A	N/A	1,217	923	N/A	N/A	N/A	923
PRC	512	N/A	N/A	N/A	512	764	N/A	N/A	N/A	764
	<u>1,729</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,729</u>	<u>1,687</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,687</u>

(c) **Information about major customers**

Revenue from major customers, where each of them accounted for 10% or more of the Group's revenue which are mainly attributable to Mobile Phones and Electronic Products Business, are set out below:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Mobile Phones and Electronic Products Business:		
Customer A	<b>49,549</b>	–
Customer B*	<b>9,405</b>	–
Customer C	–	33,425
Customer D <sup>#</sup>	–	5,735
Customer E <sup>#</sup>	–	2,340
Customer F <sup>#</sup>	–	1,051
Customer G <sup>#</sup>	–	597

\* The corresponding revenue in the year for these customers did not contribute over 10% of the total revenue of the Group.

<sup>#</sup> The revenue in the year for this customer did not contribute over 10% of the total revenue of the Group.

(d) **Revenue from contracts with customers**

(a) *Disaggregation of revenue from contracts with customers*

(i) *The Group derives revenue from the transfer of goods and services by categorise of major product lines and business which are mainly attributable to Mobile Phones and Electronic Products Business*

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
<b>within the scope of HKFRS 15</b>		
<b>Major product</b>		
<i>Trading of mobile phones and electronic products</i>		
Mobile phones and electronic products	<b>62,396</b>	43,634

The Company's Mining Business did not generate any revenue for the years ended 31 December 2025 and 31 December 2024.

- (ii) *The Group derives revenue from the transfer of goods and services by timing of revenue recognition which are mainly attributable to Mobile Phones and Electronic Products Business*

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
<b>Timing of revenue recognition</b>		
<b><i>Trading of mobile phones and electronic products</i></b>		
At a point in time	<u><b>62,396</b></u>	<u>43,634</u>

The Company's Mining Business did not generate any revenue for the years ended 31 December 2025 and 31 December 2024.

- (iii) *The Group derives revenue from the transfer of goods and services by geographical markets which are mainly attributable to Mobile Phones and Electronic Products Business*

Information relating to the revenue from the transfer of goods and services by geographical markets which are mainly attributable to Mobile Phones and Electronic Products Business is set out in note 4.

**(b) Contract balances**

	<b>As at 31 December</b>		As at
	<b>2025</b>	2024	1 January
	<b>HK\$'000</b>	HK\$'000	2024
			HK\$'000
Trade receivables	<b>15,616</b>	42,652	20,440
Less: Allowance for credit losses	<u><b>(4,015)</b></u>	<u>(3,342)</u>	<u>(3,166)</u>
	<u><b>11,601</b></u>	<u>39,310</u>	<u>17,274</u>
Contract liabilities	<u><b>–</b></u>	<u>2,703</u>	<u>–</u>

## 5. OTHER GAINS AND LOSSES, NET

	Continuing Operations — Mobile Phones and Electronic Products Business		Discontinued Operation — Mining Business		Unallocated		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2025	2024	2025	2024*	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Exchange gains (loss), net	35	(20)	N/A	–	N/A	61	35	41
Fair value loss on financial assets at FVTPL	–	–	N/A	–	N/A	(1,364)	–	(1,364)
Impairment losses recognised in respect of trade and other receivables, net	(509)	(357)	N/A	–	N/A	(40)	(509)	(397)
Impairment losses recognised in respect of amounts due from non-controlling shareholders of subsidiaries, net	(5)	(340)	N/A	–	N/A	–	(5)	(340)
Impairment losses recognised in respect of inventories	(587)	(999)	N/A	–	N/A	–	(587)	(999)
Impairment losses recognised in respect of interests in associates	–	(134)	N/A	–	N/A	–	–	(134)
Loss on termination of lease contract	–	(10)	N/A	–	N/A	(73)	–	(83)
Others	198	–	N/A	–	N/A	113	198	113
	<u>(868)</u>	<u>(1,860)</u>	<u>N/A</u>	<u>–</u>	<u>N/A</u>	<u>(1,303)</u>	<u>(868)</u>	<u>(3,163)</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

## 6. FINANCE COSTS

	Continuing Operations — Mobile Phones and Electronic Products Business		Discontinued Operation — Mining Business		Unallocated		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2025	2024	2025	2024*	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on lease liabilities	22	27	N/A	–	N/A	45	22	72
Interest on short-term borrowings	2,011	356	N/A	–	N/A	–	2,011	356
Others interest expenses	5	–	N/A	–	N/A	3	5	3
	<u>2,038</u>	<u>383</u>	<u>N/A</u>	<u>–</u>	<u>N/A</u>	<u>48</u>	<u>2,038</u>	<u>431</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

## 7. INCOME TAX EXPENSE

The amount of income tax expense from Continuing Operations and Discontinued Operation in the consolidated statement of profit or loss and comprehensive income represents:

	Continuing Operations — Mobile Phones and Electronic Products Business		Discontinued Operation — Mining Business		Unallocated		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2025	2024	2025	2024*	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax								
— Hong Kong Profits Tax	(22)	8	N/A	—	N/A	—	(22)	8
— PRC EIT	71	5	N/A	—	N/A	—	71	5
	<u>49</u>	<u>13</u>	<u>N/A</u>	<u>—</u>	<u>N/A</u>	<u>—</u>	<u>49</u>	<u>13</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

### Bermuda and the BVI

Pursuant to the rules and regulations of Bermuda and the BVI, the Group is not subject to any income tax under these jurisdictions for both years.

### Hong Kong

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%.

### PRC

The Group's major operations are being carried out through its subsidiaries established in the PRC and subject to the Enterprises Income Tax ("EIT") rate of 25% (2024: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

## 8. LOSS BEFORE INCOME TAX

Loss before income tax from Continuing Operations and Discontinued Operation is arriving at after charging (crediting):

	Continuing Operations — Mobile Phones and Electronic Products Business		Discontinued Operation — Mining Business		Unallocated		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2025	2024	2025	2024*	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs								
Directors' emoluments	2,801	–	N/A	189	N/A	2,808	2,801	2,997
Other staff costs								
— Salaries and allowances for other staffs	5,451	695	N/A	44	N/A	4,454	5,451	5,193
— Performance bonus	–	–	N/A	–	N/A	–	–	–
— Retirement benefit scheme contribution (excluding directors)	377	103	N/A	–	N/A	183	377	286
	<u>8,629</u>	<u>798</u>	<u>N/A</u>	<u>233</u>	<u>N/A</u>	<u>7,445</u>	<u>8,629</u>	<u>8,476</u>
Auditor's remuneration	1,071	103	N/A	10	N/A	912	1,071	1,025
Cost of sales	60,431	42,078	N/A	–	N/A	–	60,431	42,078
Depreciation of plant and equipment	14	–	N/A	–	N/A	12	14	12
Depreciation of right-of-use assets	497	278	N/A	–	N/A	602	497	880
and after crediting:								
Interest income	<u>(6)</u>	<u>(45)</u>	<u>N/A</u>	<u>–</u>	<u>N/A</u>	<u>(18)</u>	<u>(6)</u>	<u>(63)</u>

\* The above amounts represent the financial information of the Group's Mining Business companies during the period from 1 January 2024 to 23 December 2024.

## 9. LOSS PER SHARE

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

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<b>Loss for the year attributable to owners of the Company</b>		
— Continuing Operations	(14,479)	(16,138)
— Discontinued Operation	—	(15,373)
	<u>          </u>	<u>          </u>
— Continuing and discontinued Operation	<u><b>(14,479)</b></u>	<u><b>(31,511)</b></u>

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>'000</b>	'000
<b>Weighted average number of ordinary shares for the purpose of basic loss per share</b>		
Issued ordinary shares at 1 January	237,556	211,556
Effect of 2025 Subscription of new shares	15,079	—
Effect of 2024 Subscription of new shares	—	15,060
	<u>          </u>	<u>          </u>
	<u><b>252,635</b></u>	<u><b>226,616</b></u>

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 December 2025 and 31 December 2024 has been adjusted subscription of new shares of the Company for both years.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<i><b>HK cents</b></i>	<i>HK cents</i>
<b>Loss per share</b>		
— Continuing Operations	(5.73)	(7.12)
— Discontinued Operation	—	(6.79)
	<u>—</u>	<u>(6.79)</u>
— Continuing Operations and Discontinued Operation	<u>(5.73)</u>	<u>(13.91)</u>

No diluted loss per share is presented as there are no dilutive potential ordinary shares in issue for each of the years ended 31 December 2025 and 31 December 2024.

#### 10. TRADE AND OTHER RECEIVABLES

	<b>2025</b>	2024
	<i><b>HK\$'000</b></i>	<i>HK\$'000</i>
Trade receivables	15,616	42,652
Less: Allowance for credit loss	(4,015)	(3,342)
	<u>11,601</u>	<u>39,310</u>
Value-added-tax recoverable	202	151
Prepayments to suppliers	30,035	30,031
Other receivables and deposits	8,153	7,459
	<u>38,390</u>	<u>37,641</u>
Less: Allowance for credit loss	(27,183)	(26,107)
	<u>11,207</u>	<u>11,534</u>
	<u><u>22,808</u></u>	<u><u>50,844</u></u>

The Group generally requests for full prepayment from its trade customers but it also allows credit period of 30 to 90 days for certain trade customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

The Group does not hold any collateral over its trade debts.

The following is an aged analysis of trade receivables (net of allowance for credit loss) presented based on the invoice date at the end of reporting period:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	<b>5,221</b>	7,072
31 to 90 days	–	–
91 to 365 days	<b>4,995</b>	32,238
Over 365 days	<b>1,385</b>	–
	<u><b>11,601</b></u>	<u>39,310</u>

Movement in the allowance for doubtful debts in respect of trade and other receivables

	<b>Trade receivables</b> <i>HK\$'000</i>	<b>Other receivables</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Balance at 1 January 2024	3,166	30,061	33,227
Impairment losses recognised during the year	322	77	399
Reversal of impairment loss recognised	–	(2)	(2)
Disposal of Discontinued Operation	(29)	(3,050)	(3,079)
Exchange adjustments	(117)	(979)	(1,096)
	<u>3,342</u>	<u>26,107</u>	<u>29,449</u>
Balance at 31 December 2024 and 1 January 2025	<b>3,342</b>	<b>26,107</b>	<b>29,449</b>
Impairment losses recognised during the year	<b>809</b>	<b>32</b>	<b>841</b>
Reversal of impairment loss recognised	<b>(297)</b>	<b>(35)</b>	<b>(332)</b>
Exchange adjustments	<b>161</b>	<b>1,079</b>	<b>1,240</b>
	<u><b>4,015</b></u>	<u><b>27,183</b></u>	<u><b>31,198</b></u>
Balance at 31 December 2025	<b>4,015</b>	<b>27,183</b>	<b>31,198</b>

## 11. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	18,580	32,820
Value-added-tax payables	308	243
Prepayments from customers	1,153	943
Other payables and accruals	14,285	15,446
Amount due to an associate	1,110	1,060
	<u>35,436</u>	<u>50,512</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	–	43
Over 90 days	18,580	32,777
	<u>18,580</u>	<u>32,820</u>

During the year ended 31 December 2024, in the ordinary course of the Group's business, the Group has been subject to a claim from a supplier arising out of and in the normal course of business. At the end of the reporting period, the directors of the Company are of the opinion that the Group has already accrued the payable to the supplier and would not result in any material adverse impact on the financial position or results and operations of the Group.

## 12. SHORT-TERM BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank borrowing – secured ( <i>Note (a)</i> )	1,110	–
Other borrowings – unsecured ( <i>Note (b)</i> )	15,067	10,469
	<u>16,177</u>	<u>10,469</u>

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements		
Within one year or on demand	<u>16,177</u>	<u>10,469</u>
	<b>16,177</b>	10,469
The carrying amounts of bank and other borrowings that become immediately due and payable due to contain a repayment on demand clause/or payable within one year or demand which was shown under current liabilities	<u>(16,177)</u>	<u>(10,469)</u>
Amounts shown under non-current liabilities	<u>–</u>	<u>–</u>

*Notes:*

- (a) As at 31 December 2025, the bank borrowing was secured by properties held by the director of a subsidiary and carry interest at 3.85% per annum. (2024: Nil)
- (b) As at 31 December 2025, the other borrowing was unsecured and carry fixed interest-rate ranging from 6.72% to 14.40% per annum (2024: 12.00% to 14.40% per annum).

### **13. EVENT AFTER THE END OF THE REPORTING PERIOD**

On 31 March 2026, the Company entered into subscription agreements with five independent third parties (“the 2026 Subscribers”), pursuant to which the 2026 Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, a total 25,000,000 shares of HK\$0.26 each under the general mandate for an estimated gross proceed of approximately HK\$6.50 million (“the 2026 Subscriptions”). At the date of approval of these consolidated financial statements, the 2026 Subscriptions have not yet been completed.

Save as disclosed above, there were no other significant events subsequent to the reporting period.

## **EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT**

Below is an extract of the report by ZSZH (HK) Fuson CPA Limited, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2025.

### **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 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(b) to the consolidated financial statements, for the year ended 31 December 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$14,479,000 and as at 31 December 2025, its current liabilities exceeded its current assets by approximately HK\$27,874,000. These conditions, along with other matters as set forth in note 3(b) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The directors, having considered the measures and plans being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW AND OUTLOOK

#### Revenue

For the year ended 31 December 2025, the Group recorded total revenue of HK\$62.4 million, which was HK\$18.8 million or 43.0% higher than the revenue of HK\$43.6 million reported in 2024. The increase was primarily attributable to stronger trading activity in mobile phones and electronic products across Hong Kong and the PRC. The Group's revenue was only derived from mobile phones and electronic products trading business in Hong Kong and the PRC during the year.

During the year ended 31 December 2025, revenue from mobile phones and electronic products trading business was HK\$62.4 million (2024: HK\$43.6 million), contribution from the PRC and Hong Kong was HK\$12.8 million and HK\$49.6 million (2024: HK\$9.6 million and HK\$34.0 million) respectively, representing 20.6% and 79.4% (2024: 22.0% and 78.0%) of the total revenue of the Group.

Revenue increased as the improving global economic backdrop strengthened demand for mobile phones and electronics across both wholesale and retail channels in Hong Kong and the PRC. However, constrained consumer spending in China kept parts of the retail market subdued, which limited sales growth in certain segments.

Compared with 2024, the Group's revenue contribution from the PRC decreased slightly from 22.0% to 20.6%, while Hong Kong's contribution increased from 78.0% to 79.4%. The change was primarily attributable to the Group's supply chain diversification strategy and shifts in product focus across markets. During the current reporting period, the Group expanded its trade and distribution activities in the PRC, while sales in Hong Kong remained focused on mobile phones.

In Hong Kong, revenue performance was supported by (i) a relatively stronger contribution from higher-value mobile phone demand, including newer models with improved specifications; (ii) increased customer preference for AI-enabled handset features and related upgrades, which helped lift both purchasing intent and average selling price; and (iii) continued effectiveness of channel and distribution arrangements, contributing to better product availability and replenishment to meet local customer demand. As a result, the Group was able to diversify its product mix and customer base and maintain revenue growth despite the weak retail environment in the region.

## **Gross profit and gross profit margin**

The Group's gross profit and gross profit margin were HK\$2.0 million or 3.1% and HK\$1.6 million or 3.6% for the years ended 31 December 2025 and 2024, respectively. The increased in gross profit was contributed by the Group's trading and distribution of routers and related electronic products business in the PRC commenced during the current reporting period. The gross profit margin decreased mainly due to the trading and distribution of routers in the PRC, where pricing competition and higher proportion of lower margin routers were sold during the current reporting period.

## **Other income**

Other income was HK\$1.5 million for the year ended 31 December 2025, as compared to HK\$1.1 million for the year ended 31 December 2024. The Group's other income mainly consisted of HK\$0.4 million of database traffic monetisation generated from our mobile applications business for the year ended 31 December 2025 (2024: HK\$0.3 million). In addition, other income also included HK\$0.5 million (2024: HK\$0.2 million) ancillary to the Group's trading and distribution of routers and related electronic products business in the PRC.

## **Other gains and losses, net**

We had net losses of HK\$0.9 million for the year ended 31 December 2025 and net losses of HK\$3.2 million for the year ended 31 December 2024. For the year ended 31 December 2025, the net losses mainly consisted of the impairment losses recognised in respect of trade and other receivables of HK\$0.5 million (2024: HK\$0.4 million) and impairment losses recognised in respect of inventories of HK\$0.6 million (2024: HK\$1 million).

## **Selling and distribution costs**

Selling and distribution costs were HK\$48,000 for the year ended 31 December 2025, compared with HK\$0.2 million for the year ended 31 December 2024. The Group's selling and distribution costs mainly comprised logistics and transportation and commission fees. The lower selling and distribution costs for the current year were primarily due to less commission fees being incurred.

## **Administrative expenses**

The Group's administrative expenses increased by HK\$2.3 million or 14.4% from HK\$15.9 million for the year ended 31 December 2024 to HK\$18.2 million for the year ended 31 December 2025. Balance mainly included salaries and allowances, rental expenses, legal and professional fees and travelling expenses.

The increase of administrative expenses by HK\$2.3 million was primarily attributable to the increase in salaries and allowances, services fee and consultancy fees incurred related to the trading and distribution of routers and related electronic products business in the PRC.

## **Finance costs**

During the years ended 31 December 2025 and 2024, the Group's finance costs amounted to HK\$2.0 million and HK\$0.4 million, respectively. The Group's finance costs mainly consisted of the interest on lease liabilities and interest on short-term borrowings for both years. The increase of financial costs by HK\$1.6 million was primarily attributable to the interest on short-term borrowings.

## **Income tax expense**

The Group's income tax expense amounted to HK\$49,000 for the year ended 31 December 2025, as compared to income tax expense of HK\$13,000 in last year.

## **Loss for the year attributable to owners of the Company**

As a result of the factors set out above, the Group's loss for the year attributable to owners of the Company amounted to HK\$14.5 million for the year ended 31 December 2025, as compared to loss for the year attributable to owners of the Company of HK\$31.5 million in last year.

## **Loss per share**

The basic loss per share was 5.73 HK cents in current year as compared to the basic loss per share of 13.91 HK cents in last year.

## **Financial assets at fair value through profit or loss**

As at 31 December 2025 and 2024, the Group held (i) an unlisted equity investment (31 December 2025: HK\$0.1 million; 31 December 2024: HK\$0.1 million); and (ii) listed equity investments in the PRC (31 December 2025: HK\$0.6 million; 31 December 2024: HK\$0.5 million) engaged in different business.

As at 31 December 2025, unlisted equity investment represented an investment of 4.8% in an entity which focuses on artificial intelligence base data service provider in the PRC.

As at 31 December 2025, listed equity investments in the PRC mainly represented the Group's listed equity investments in the ordinary shares of entities listed on Shanghai/Shenzhen Stock Exchange.

## **Inventories**

As at 31 December 2025, inventories of HK\$1.4 million were recognised, compared with HK\$0.6 million as at 31 December 2024. The increase in inventories was primarily due to router products that had not yet been delivered prior to the year ended 31 December 2025.

## **Trade and other receivables**

Trade and other receivables of the Group decreased by HK\$28.0 million from HK\$50.8 million as at 31 December 2024 to HK\$22.8 million as at 31 December 2025. The decrease in trade and other receivables was mainly attributable to a HK\$27.7 million reduction in trade receivables as at 31 December 2025, which primarily reflected shorter customer settlement periods.

## **Cash and cash equivalents**

The total cash and cash equivalents amounted to HK\$4.8 million as at 31 December 2025 as compared to HK\$7.2 million as at 31 December 2024, without any deposit pledged to banks. The decrease of cash and cash equivalents was mainly due to the operating expenditures, which was offset with the net proceeds of HK\$4.12 million from the subscriptions of new shares under general mandate in January 2025. The Group is financed by a combination of its equity capital and the cash flow generated from its operation.

The Group has adopted a prudent financial management approach towards its financial and treasury policies. During the year, the Group was on track with this approach to maintain a healthy liquidity position. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group may utilise the balance of cash for appropriate investment in accordance with the Group's strategic direction and development.

During the year, there was no material change in the funding and treasury policy of the Group. The Group considers there was no material potential currency exposure as the majority of its revenue and expenses are derived and incurred in Hong Kong dollars in Hong Kong and Renminbi in PRC. The treasury policy of the Group to manage its foreign currency exposure whenever its financial impact is material to the Group. The Group currently does not have a foreign currency hedging policy.

## **Trade and other payables**

The trade and other payables of the Group decreased by HK\$15.1 million from HK\$50.5 million as at 31 December 2024 to HK\$35.4 million as at 31 December 2025.

The decrease in trade and other payables was principally driven by a reduction in trade payables of HK\$14.2 million as at 31 December 2025, which primarily reflected faster settlement of obligations to suppliers.

Balances also consisted of value-added-tax payables (2025: HK\$0.3 million; 2024: HK\$0.2 million), prepayment from customers (2025: HK\$1.2 million; 2024: HK\$0.9 million), other payables and accruals (2025: HK\$14.3 million; 2024: HK\$15.4 million) and amount due to an associate (2025: HK\$1.1 million; 2024: HK\$1.1 million).

Other payables and accruals mainly consisted of accruals for directors' emoluments, staff costs, auditor's remuneration, legal and professional fees and rental payable. The increase in other payables and accruals was primarily attributable to the Group's ongoing trading and distribution of router products in the PRC during the reporting period, which led to higher operational expenses and related payables.

### **Short-term borrowings**

As at 31 December 2025, the Group had outstanding short-term borrowings of HK\$16.2 million (2024: HK\$10.5 million). The Group has secured bank borrowing which carry interest at 3.85% per annum and unsecured, fixed interest-rate other borrowings which carry interest ranging from 6.72% to 14.40% per annum.

### **Liquidity and gearing ratio**

The net liabilities of the Group attributable to owners of the Company as at 31 December 2025 amounted to HK\$21.4 million when compared to the net liabilities attributable to owners of the Company of HK\$11.7 million as at 31 December 2024. As at 31 December 2025, the Group had net current liabilities of HK\$27.9 million when compared to that of HK\$15.5 million as at 31 December 2024.

As at 31 December 2025, the Group had a current ratio of 0.52 time (31 December 2024: 0.79 time). The Group's gearing ratios (defined as total interest-bearing short-term borrowings and lease liabilities divided by total equity) as at 31 December 2025 and as at 31 December 2024 were (64.3%) and (78.9%), respectively.

### **Capital commitments**

As at 31 December 2025, the Group did not have any capital expenditure contracted for but not provided in the consolidated financial statements (31 December 2024: Nil).

## **Contingent liabilities**

As at 31 December 2025, the Group did not have any contingent liabilities or guarantees (31 December 2024: Nil).

## **Material acquisitions and disposals of subsidiaries or associates**

The Group did not have any material acquisitions and disposals of subsidiaries or associates during the year ended 31 December 2025.

## **Future plans for material investments and acquisitions of capital assets**

As at 31 December 2025, the Group did not have any plans for material investments or acquisitions of capital assets.

## **Employees and remuneration policies**

As at 31 December 2025, the Group has in total 27 employees as compared to 31 employees as at 31 December 2024. All employees were remunerated according to the nature of their job duties and market trend. The Group provided staff welfare and fund contribution to its employees in accordance with the prevailing regulations in the PRC and Hong Kong.

During the year, there was no change in the remuneration policy, bonus scheme and share option scheme. The Group has a share option scheme which was expired on 28 May 2024 under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company.

## **Significant investments held by the group**

As at 31 December 2025, the Group maintained an unlisted equity investment and three listed equity investments in the PRC at fair value through profit and loss with a total fair value of HK\$0.7 million (31 December 2024: HK\$0.6 million).

## **Subscriptions of new shares under general mandate**

On 8 January 2025, the Company entered into the subscription agreements (the “2025 Subscription Agreements”) with two independent subscribers (the “2025 Subscribers”), pursuant to which the Company has conditionally agreed to allot and issue to the 2025 Subscribers, and the 2025 Subscribers have conditionally agreed to subscribe for an aggregate of 16,000,000 subscription shares (the “2025 Subscription Shares”) at the subscription price (the “2025 Subscription Price”) of HK\$0.26 per 2025 Subscription Share under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 31 May 2024 (the “2025 Subscription”).

The 2025 Subscription Price of HK\$0.26 per 2025 Subscription Share represented: (i) a premium of approximately 44.4% over the closing price of HK\$0.18 per share as quoted on the Stock Exchange on the date of the 2025 Subscription Agreements; (ii) a premium of approximately 43.6% over the average closing price of approximately HK\$0.181 per share as quoted on the Stock Exchange for the last five (5) trading days immediately before the date of the 2025 Subscription Agreements; and (iii) a premium of approximately 130.1% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.113 per share as at 30 June 2024.

Pursuant to the Company’s announcement on 22 January 2025, the Company announced that all the conditions precedent set out in the 2025 Subscription Agreements have been fulfilled, and completion of the 2025 Subscription with the remaining 2025 Subscribers took place on 22 January 2025 in accordance with the terms and conditions of the 2025 Subscription Agreements.

An aggregate of 16,000,000 2025 Subscription Shares, representing approximately 6.3% of the issued share capital of the Company as enlarged by the issue and allotment of the 2025 Subscription Shares, have been allotted and issued to the remaining 2025 Subscribers at the 2025 Subscription Price of HK\$0.26 per 2025 Subscription Share. The net proceeds (after deduction of all relevant expenses) from the subscriptions of approximately HK\$4.12 million would be applied as general working capital of the Group.

## **Subsequent events**

On 31 March 2026, the Company entered into subscription agreements with five independent third parties (the “Subscribers”), pursuant to which the Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, a total 25,000,000 shares of HK\$0.26 each for a cash consideration of approximately HK\$6.50 million (“the 2026 Subscriptions”). The 2026 Subscribers were China Dingli Capital Holding Group Limited (中國鼎立資本控股集團有限公司), Mr. Chen Wei (陳維), Mr. Tsang Chiu Ming (曾昭明), Mr. Lei Yongjia (雷勇佳) and Mr. Liao Jianjun (廖建軍). The net proceeds (after deduction of all relevant expenses) from the Subscriptions of approximately HK\$6.46 million will be applied as general working capital of the Group. Further details were set out in the Company’s announcement dated 31 March 2026. As at the date of this announcement, the 2026 Subscriptions have not yet been completed.

Save as disclosed above, there is no other significant events subsequent to the reporting period.

## **Charge of assets**

As at 31 December 2025, the Group had no charge on assets (31 December 2024: Nil).

## **FINAL DIVIDEND**

The Board do not recommend the payment of any dividend in respect of the year (2024: Nil).

## **OPERATIONAL REVIEW**

### **Market Overview**

According to statistics from the Ministry of Industry and Information Technology of the People’s Republic of China (“MIIT”), there are approximately 1.8 billion mobile phone subscribers in the PRC. Competition among major mobile phone manufacturers remains intense, and many are streamlining distribution by selling directly to provincial distributors and leading retailers to improve margins. As a result, distributors are increasingly adopting multi channel distribution models, including “national distribution”, “provincial distribution”, “direct to retail” and “direct to operator”.

Mobile carriers are a key part of the mobile phone industry ecosystem. Recent industry restructuring and the rollout of 5G licenses have heightened competition among carriers. By partnering with retailers, particularly large telecommunications chain stores, carriers can leverage deeper insights into customer behaviour and spending patterns to deliver more professional, convenient and integrated services. Consequently, large telecommunications chain stores are expected to become a primary sales channel for bundled mobile phone offerings.

The PRC mobile phone market is largely mature, but the 5G economy continues to expand rapidly. Nationwide 5G commercialisation and broader data plans from telecom operators have driven fast infrastructure rollout and higher data use. By the end of 2025, about 4.8 million 5G base stations had been deployed and over 1.18 billion users had adopted 5G services, well over half of the country's mobile subscribers. This wide 5G coverage is increasing demand for new services and higher data consumption, creating opportunities for device makers and service providers.

During 2025, PRC added around 700,000 5G base stations and plans further rollouts in 2026, while continuing investment in 6G research to preserve its lead in mobile communications. Although 6G remains at the R&D stage and global 5G rollout is ongoing, the country's large internet and smartphone user base and dense 5G network support continued innovation and market opportunity. The mobile phone market eased in 2025 due to trade tensions, economic uncertainty and soft consumer spending. Continued 5G rollout and early 6G development should help mitigate these challenges and support a gradual recovery. Meanwhile, our network and business restructuring efforts are designed to improve business operations, strengthen financial results and position the Group for sustainable growth.

## **Business Review**

### ***Mobile Phones and Electronic Products Business***

The trading and distribution of mobile phones and electronic products remained the Group's primary business in current period, solely contributing to our overall revenue. We anticipate that this business will experience steady growth in the coming years and will continue to be a core part of the Group's business moving forward.

In 2024 we entered into a master distribution arrangement to distribute branded routers and related electronic products across the PRC, Hong Kong and Macau. That arrangement has since been terminated during the reporting period, and the Group is now focused on developing and launching its own router brand. The Group will expand distribution of routers and electronic products in key markets, capitalising on strong demand for internet services in the PRC (fixed broadband users totaled 654 million households in 2025). Our next generation edge cloud routers are AI driven devices offering content distribution, cloud storage and related services, designed to deliver efficient, user centered network solutions and support innovation in AI edge cloud computing.

The router business in the PRC is at an early stage as we develop and launch our own brand. We expect sales and margins to improve as volumes grow, supply chain efficiencies are realised and channel partnerships deepen. Early trading has already enhanced the Group's revenue and gross profit, and we will continue to invest in product development, distribution, and after sales support to capture demand and build a sustainable, value added revenue stream.

In 2025, the Group's Hong Kong mobile phones trading and distribution business performed well, supported by steady customer demand across wholesale and retail channels. Revenue increased compared with the previous year, and demand remained resilient as new handset models were released and product cycles refreshed, while the Group continued to manage supply and inventory to meet market needs in a competitive environment.

Going forward, the Hong Kong market is expected to remain active, driven by technology upgrades, pricing competition, and changing customer preferences. The Group will continue focusing on mobile phone distribution in Hong Kong by strengthening sourcing and customer relationships to capture opportunities and sustain trading momentum. In addition, the Group will maintain its trading and distribution activities for mobile phones and electronic products in both Hong Kong and the PRC, while diversifying markets, product lines, and distribution channels to grow value-added services and enhance long-term revenue and resilience.

## ***Mining Business***

On 23 December 2024, Richly Giant International Limited (“Richly Giant”), an indirect wholly-owned subsidiary of the Company, entered into an agreement with an independent third party, pursuant to which Richly Giant agreed to sell 100% equity interest of China Yellow Stone Group for a total consideration of HK\$100,000 (the “Disposal”). China Yellow Stone Group is principally engaged in the exploration, exploitation, refining and asset investment of mineral resources business (i.e. the “Discontinued Operation”). Subsequent to the Disposal of the Discontinued Operation, the Group ceased its Mining Business (i.e. the “Discontinued Operation”).

The Disposal was completed on 23 December 2024.

## ***Prospects and Outlook***

The PRC economy is still showing signs of slowdown due to the ongoing US-China trade war. The Group believes that the consumption and retail sectors will continue to be impacted by this trade conflict, which presents an uncertain outlook for the coming years. While the mobile phone market in the PRC remains strong, its growth is clearly slowing down as a result of the trade pressure from the US, which is hindering economic growth in the PRC.

However, the continued economic growth in the PRC is fuelled by a high internal consumption. As the world’s largest mobile handset market, there were approximately 1.8 billion handset subscribers in the PRC which benefit from preferential mobile internet traffic policies. The significant increase in 5G users and internet users implies that there are huge business opportunities in both mobile application and mobile commerce. Since the Group has been in the related mobile phone industry for decades, big data, mobile phone operating system and mobile internet would be surely the key business areas that the Group is interested in.

As the technology for 5G telecommunications has advanced, it is now ready for widespread deployment. Recent developments in the Chinese market, along with our proactive approach to building a strong 5G presence, position us to take advantage of the expanding global economy. We will closely monitor changes and explore opportunities in Hong Kong and ASEAN trading markets.

As 5G technology becomes increasingly prevalent, it will significantly enhance customer experiences. This advancement will facilitate real-time intelligence and support for smart devices and applications. Additionally, the evolving dynamics of the mobile phone market, including challenges faced by wholesalers and retailers, may prompt customers to seek alternatives that could impact our overall performance.

Looking ahead, we will continue to focus on technological advancements and market diversification to strengthen our competitive edge. By aligning our strategies with emerging trends and maintaining operational efficiency, we aim to deliver long-term value to our stakeholders and ensure robust growth in the years to come.

## **USE OF PROCEEDS**

### **The 2024 Subscriptions**

#### *Subscriptions of new shares under general mandate*

On 20 March 2024, 14 May 2024 and 22 May 2024, the Company entered into subscription agreements with four subscribers, all being independent third parties (i.e. the 2024 Subscribers), pursuant to which the 2024 Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, a total 26,000,000 2024 Subscription Shares of HK\$0.26 each for a cash consideration of approximately HK\$6.76 million. The 2024 Subscribers were Mr. Liu Xiaocheng (劉小城), Mr. Su Xing (蘇行), Ms. Yang Ping (楊平) and Mr. Li Guohui (李國輝).

The closing price per Share as quoted on the Stock Exchange on 20 March 2024, being the date of the subscription agreements, was HK\$0.235. The net proceeds from the 2024 Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$6.72 million. The net subscription price per subscription share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.259 per subscription share.

On 3 June 2024, the 2024 Subscriptions have been completed. The net proceeds (after deduction of all relevant expenses) from the 2024 Subscriptions of approximately HK\$6.72 million will be applied as general working capital of the Group. Further details were set out in the Company's announcements dated 20 March 2024, 14 May 2024, 22 May 2024 and 3 June 2024.

During the year ended 31 December 2025, there is no change to the intended use of the net proceeds disclosed as above.

The table below sets out the net proceeds and the actual usage up to 31 December 2025:

	<b>Allocation of net proceeds as disclosed in the 2024 Subscriptions HK\$'000</b>	<b>Unutilised amount as at 31 December 2024 HK\$'000</b>	<b>Utilised amount during the year ended 31 December 2025 HK\$'000</b>	<b>Unutilised amount as at 31 December 2025 HK\$'000</b>
General working capital	6,720	1,262	1,262	–

## **The 2025 Subscriptions**

### *Subscriptions of new shares under general mandate*

On 8 January 2025, the Company entered into subscription agreements with two subscribers, all being independent third parties (i.e. the 2025 Subscribers), pursuant to which the 2025 Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, a total 16,000,000 subscription shares at the subscription price of HK\$0.26 each for a cash consideration of approximately HK\$4.16 million. The 2025 Subscribers were Mr. Lei Yongjia (雷勇佳) and Ms. Cheung Ha (張霞).

The closing price per Share as quoted on the Stock Exchange on 8 January 2025, being the date of the subscription agreements, was HK\$0.18. The net proceeds from the 2025 Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$4.12 million. The net subscription price per subscription share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.258 per subscription share. Under the 2025 Subscriptions, the Company issued 16,000,000 ordinary shares with aggregate nominal value of HK\$160,000.

On 22 January 2025, the 2025 Subscriptions have been completed. The net proceeds (after deduction of all relevant expenses) from the 2025 Subscriptions of approximately HK\$4.12 million will be applied as general working capital of the Group. Further details were set out in the Company's announcements dated 8 January 2025 and 22 January 2025.

During the year ended 31 December 2025, there is no change to the intended use of the net proceeds disclosed as above.

The table below sets out the net proceeds and the actual usage up to 31 December 2025:

	<b>Allocation of net proceeds as disclosed in the 2025 Subscriptions <i>HK\$'000</i></b>	<b>Utilised amount during the year ended 31 December 2025 <i>HK\$'000</i></b>	<b>Utilised amount up to 31 December 2025 <i>HK\$'000</i></b>	<b>Unutilised amount as at 31 December 2025 <i>HK\$'000</i></b>
General working capital	4,120	4,120	4,120	–

## **OTHER INFORMATION**

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

During the year ended 31 December 2025 and up to the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

### **Materials Events after the Reporting Period**

On 31 March 2026, the Company entered into subscription agreements with five independent third parties (the “Subscribers”), pursuant to which the Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, a total 25,000,000 shares of HK\$0.26 each for a cash consideration of approximately HK\$6.50 million (“the 2026 Subscriptions”). The 2026 Subscribers were China Dingli Capital Holding Group Limited (中國鼎立資本控股集團有限公司), Mr. Chen Wei (陳維), Mr. Tsang Chiu Ming (曾昭明), Mr. Lei Yongjia (雷勇佳) and Mr. Liao Jianjun (廖建軍). The net proceeds (after deduction of all relevant expenses) from the Subscriptions of approximately HK\$6.46 million will be applied as general working capital of the Group. Further details were set out in the Company’s announcement dated 31 March 2026. As at the date of this announcement, the 2026 Subscriptions have not yet been completed.

Save as disclosed above, there is no other significant events subsequent to the reporting period.

## **CORPORATE GOVERNANCE**

### **Compliance with the Corporate Governance Code**

The Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2025, with deviations as stated below:

#### **Code Provision C.2.1 and B.2.2**

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual but Mr. Lau Siu Ying (“Mr. Lau”) currently assumes both roles of the Chairman and the Chief Executive Officer of the Company.

Code Provision B.2.2 states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, Mr. Lau, being the Chairman of the Board, does not need to retire by rotation. Mr. Lau has been in charge of the overall management of the Company since its incorporation.

As a result, although Mr. Lau does not need to retire by rotation and assumes both roles of the Chairman and the Chief Executive Officer of the Company, the Board considers that such arrangement at the current stage of development of the Group can facilitate the execution of its business strategies and maximise the effectiveness of its operations. Nevertheless, through the supervision from the Board including the Independent Non-executive Directors, the interests of the shareholders should be adequately and fairly considered.

## **AUDIT COMMITTEE**

The Company has formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. As at the date of this announcement, the Audit Committee comprises three Independent Non-executive Directors, Mr. Leung Wai Hung (Chairman of the Audit Committee), Dr. Law Chun Kwan and Dr. Lo Wai Shun.

The primary responsibilities of the Audit Committee include reviewing the reporting of financial and other information to the shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the auditors of the Company in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors. The Audit Committee has discussed with the management of the Group, reviewed and approved the annual results for the year ended 31 December 2025.

## **SCOPE OF WORK OF ZSZH (HK) FUSON 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, ZSZH (HK) Fuson CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZSZH (HK) Fuson 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 Engagement issued by the HKICPA and consequently no assurance has been expressed by ZSZH (HK) Fuson CPA Limited on the preliminary announcement.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Securities Dealing Code on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules to regulate the Directors and employees' dealings in the Company's securities. Having made specific enquiry to all the Directors, all of them confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the year from 1 January 2025 to the date of this announcement. No incident of non-compliance of the Securities Dealing Code by the relevant employees was noted by the Company.

## **PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement was published on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the Company's website at <http://www.chinafortune.com>. The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 of the Listing Rules is expected to be published in April 2026 on the same websites and will be despatched to the shareholders of the Company by no later than 30 April 2026.

## **APPRECIATION**

The Board would like to express its sincere appreciation to the Company's shareholders, customers, suppliers and staff for their continued support to the Group.

By Order of the Board  
**China Fortune Holdings Limited**  
**Lau Siu Ying**  
*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2026

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lau Siu Ying, Ms. Lau Zi Yin, Michelle and Mr. Li Jianwu; and three independent non-executive directors, namely Dr. Law Chun Kwan, Dr. Lo Wai Shun and Mr. Leung Wai Hung.*