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

The board (the “**Board**”) of directors (the “**Directors**”) of Momentum Financial Holdings Limited (the “**Company**”) would like to announce the consolidated final results of the Company and its subsidiaries (collectively refer to as the “**Group**”) for the year ended 31 December 2025 (the “**Annual Results**”), together with the comparative figures for the previous year, as follows:

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

*For the year ended 31 December 2025*

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>592,378</b>	630,131
Cost of sales		<u>(572,564)</u>	<u>(599,278)</u>
<b>Gross profit</b>		<b>19,814</b>	30,853
Other operating (expense)/income, net	6	<b>(514)</b>	(10,450)
Change in fair value of financial asset at fair value through profit or loss (“ <b>FVTPL</b> ”)		<b>(31)</b>	(60)
Administrative and other expenses		<b>(8,502)</b>	(8,807)
Reversal of impairment loss on finance lease receivables		–	12
Impairment loss on trade receivables		<b>(2,265)</b>	(16,457)
Impairment loss on other receivables and deposits		<u><b>(8,781)</b></u>	<u>(4,641)</u>
<b>Loss from operation</b>		<b>(279)</b>	(9,550)
Finance costs	7	<u><b>(9,791)</b></u>	<u>(11,349)</u>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Loss before tax</b>	8	<b>(10,070)</b>	(20,899)
Income tax expense	9	<u>(1,334)</u>	<u>(2,382)</u>
<b>Loss for the year</b>		<u><b>(11,404)</b></u>	<u>(23,281)</u>
<b>Other comprehensive expense for the year, net of tax:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>2,676</u>	<u>(2,616)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(8,728)</b></u>	<u>(25,897)</u>
<b>Loss for the year attributable to:</b>			
— the owners of the Company		<b>(10,385)</b>	(22,345)
— non-controlling interests		<u>(1,019)</u>	<u>(936)</u>
		<u><b>(11,404)</b></u>	<u>(23,281)</u>
<b>Total comprehensive expense for the year attributable to:</b>			
— the owners of the Company		<b>(7,769)</b>	(24,878)
— non-controlling interests		<u>(959)</u>	<u>(1,019)</u>
		<u><b>(8,728)</b></u>	<u>(25,897)</u>
<b>Loss per share (HK cents)</b>			
Basic and diluted	10	<u><b>(0.99)</b></u>	<u>(2.28)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		5,377	5,534
Right-of-use assets		2,950	1,212
Interest in a joint venture		–	–
Interest in an associate		–	–
		<b>8,327</b>	6,746
<b>Current assets</b>			
Inventories		50,795	64,063
Trade and other receivables	12	331,328	309,780
Financial assets at FVTPL		35	66
Tax recoverables		–	1,199
Bank balances and cash		3,605	3,572
		<b>385,763</b>	378,680
<b>Current liabilities</b>			
Trade and other payables	13	79,519	95,355
Loan from a shareholder		50,000	–
Loan from the ultimate holding company		–	50,000
Lease liabilities		1,208	593
Bank and other borrowings		1,534	6,589
Promissory notes		–	91,556
Convertible bonds		8,683	–
Corporate bonds		–	51,515
Tax payables		7,493	7,375
		<b>148,437</b>	302,983
<b>Net current assets</b>		<b>237,326</b>	75,697
<b>Total assets less current liabilities</b>		<b>245,653</b>	82,443
<b>Non-current liabilities</b>			
Lease liabilities		1,654	466
Convertible bonds		84,516	–
		<b>86,170</b>	466
<b>NET ASSETS</b>		<b>159,483</b>	81,977
<b>Capital and reserves</b>			
Equity attributable to owners of the Company			
Share capital		9,533	4,910
Reserves		149,013	75,171
		<b>158,546</b>	80,081
Non-controlling interests		937	1,896
<b>TOTAL EQUITY</b>		<b>159,483</b>	81,977

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. GENERAL INFORMATION

Momentum Financial Holdings Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The principal activities of the Group are the provision of finance leasing and consultancy services and cross-border business.

The functional currency of the Company is Renminbi (“**RMB**”). These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) as the directors of the Company consider that HK\$ is appropriate presentation currency for the users of the Group’s consolidated financial statements.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which in collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Main Board of the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policy information adopted by the Group are discussed below.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1                      Lack of Exchangeability

The application of the new and amendments to HKFRS Accounting Standards and interpretation in the current year has had no material impact on the Group's consolidated financial position and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

#### (b) New and revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The company's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendment to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to HKAS 21 — Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<i>To be determined by the HKICPA</i>

### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted profit from operations and adjusted profit before interest, tax and depreciation) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

#### 4. REVENUE

An analysis of the Group's revenue for the year is as follows:

##### Disaggregated by major products or service line

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
— Cross-border trading business of electronic products	261,477	—
— Cross-border trading of nutrition food and health care products	<u>330,901</u>	<u>629,993</u>
	592,378	629,993
<b>Revenue from other sources</b>		
— Interest income from provision of finance leasing service	<u>—</u>	<u>138</u>
	<u><u>592,378</u></u>	<u><u>630,131</u></u>

##### Disaggregation of revenue by timing of recognition

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
— At a point in time	<u><u>592,378</u></u>	<u><u>629,993</u></u>

## 5. SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements.

### Operating segment information

The Group is engaged in the (i) provision of finance leasing and consultancy services in finance leasing business (earning interest income, handling fee and consultancy fee) and purchasing of leased assets; (ii) cross-border trading business of nutrition food and health care products and (iii) cross-border trading business of electronic products.

#### (a) Segment revenues and results

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

	Provision of finance leasing and consultancy services		Cross-border trading business of nutritional food and health care products		Cross-border trading business of electronic products		Others		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Years ended 31 December										
Revenue from external customers	<u>-</u>	<u>138</u>	<u>330,901</u>	<u>629,993</u>	<u>261,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>592,378</u>	<u>630,131</u>
Segment (loss)/profit	<u>(3,266)</u>	<u>(1,654)</u>	<u>10,421</u>	<u>11,144</u>	<u>4,529</u>	<u>-</u>	<u>(5,254)</u>	<u>(2,991)</u>	<u>6,430</u>	<u>6,499</u>
Loss on extinguishment of financial liabilities by the issuance of promissory notes									-	(10,288)
Unallocated other operating income									126	171
Change in fair value of financial asset at FVTPL									(31)	(60)
Unallocated expenses									(6,805)	(5,872)
Finance costs									<u>(9,790)</u>	<u>(11,349)</u>
Loss before taxation									<u>(10,070)</u>	<u>(20,899)</u>

Revenue under the other segment represents mainly income derived from website advertising and other consultancy income, which does not meet the quantitative threshold of a separate reportable segment.

Segment results represent the profit/(loss) by each segment without allocation of loss on extinguishment of financial liabilities by the issuance of promissory notes, change in fair value of financial asset at FVTPL, unallocated expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) *Segment assets and liabilities*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Segment assets</b>		
Cross-border trading business of electronic products	<b>309,608</b>	–
Cross-border trading business of nutrition food and health care products	<b>75,046</b>	366,390
Finance leasing business	<b>532</b>	3,764
Others	<b>777</b>	5,653
	<hr/>	<hr/>
Total segment assets	<b>385,963</b>	375,807
Unallocated corporate assets	<b>8,127</b>	9,619
	<hr/>	<hr/>
Total assets	<b>394,090</b>	385,426
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 December 2025, there was no addition of non-current assets to the reportable segments of the Group (2024: Nil).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Segment liabilities</b>		
Cross-border trading business of electronic products	<b>43,722</b>	–
Cross-border trading business of nutrition food and health care products	<b>26,383</b>	89,302
Finance leasing business	<b>49</b>	139
Others	<b>5,379</b>	10,151
	<hr/>	<hr/>
Total segment liabilities	<b>75,533</b>	99,592
Unallocated corporate liabilities	<b>159,074</b>	203,857
	<hr/>	<hr/>
Total liabilities	<b>234,607</b>	303,449
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than financial asset at FVTPL and other assets for corporate use including certain property, plant and equipment, right-of-use assets, tax recoverables, bank balances and cash and other receivables which were managed in a centralised manner.
- all liabilities are allocated to operating segments other than certain other payables, loan from the shareholder, convertible bonds, promissory notes, corporate bonds, lease liabilities and income tax payables which were managed in a centralised manner.

(c) *Geographical information*

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from external customers is presented based on the location of the operations is detailed below:

	For the year ended 2025			For the year ended 2024		
	Revenue from contract with customers <i>HK\$'000</i>	From other sources <i>HK\$'000</i>	Total <i>HK\$'000</i>	Revenue from contract with customers <i>HK\$'000</i>	From other sources <i>HK\$'000</i>	Total <i>HK\$'000</i>
The PRC	–	–	–	–	138	138
Hong Kong	<u>592,378</u>	–	<u>592,378</u>	<u>629,993</u>	–	<u>629,993</u>
	<u>592,378</u>	–	<u>592,378</u>	<u>629,993</u>	<u>138</u>	<u>630,131</u>

The Group's information about its non-current assets based on the geographical location of the assets is detailed below:

	Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The PRC	<u>7,876</u>	5,694
Hong Kong	<u>451</u>	<u>1,052</u>
	<u>8,327</u>	<u>6,746</u>

(d) *Information about major customers*

Revenue from the customers contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Cross-border trading business of electronic products</b>		
Customer A	<u>213,803</u>	N/A*
<b>Cross-border trading of nutrition food and health care products segment</b>		
Customer B	N/A*	125,748
Customer C	N/A*	70,142
Customer D	<u>130,338</u>	140,033
Customer E	<u>111,162</u>	<u>N/A*</u>

\* The corresponding revenue did not contribute over 10% of the Group's total revenue.

**6. OTHER OPERATING (EXPENSE)/INCOME, NET**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	2	8
Exchange loss, net	(640)	(333)
Loss on extinguishment of financial liabilities by the issuance of promissory notes	–	(10,288)
Sundry income	<u>124</u>	<u>163</u>
	<u>(514)</u>	<u>(10,450)</u>

**7. FINANCE COSTS**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on:		
— bank and other borrowings	2,087	2,505
— shareholder's loan	4,750	4,750
Effective interest expenses on:		
— promissory notes	1,307	1,551
— convertible bonds	1,346	–
— corporate bonds	237	2,516
— lease liabilities	<u>64</u>	<u>27</u>
	<u>9,791</u>	<u>11,349</u>

## 8. LOSS BEFORE TAX

Loss for the year has been arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Directors' and chief executive's emoluments	630	629
Salaries and other allowances (excluding directors' and chief executive's emoluments)	1,897	2,918
Retirement benefit scheme contributions (excluding directors' and chief executive's emoluments)	139	199
	<u>2,666</u>	<u>3,746</u>
Total staff costs	2,666	3,746
Auditor's remuneration		
— Audit services	700	750
— Non-audit services	100	100
Amount of inventories recognised as an expense	571,164	599,223
Depreciation of property, plant and equipment	397	447
Depreciation on right-of-use assets	721	662
Exchange loss, net	640	333
Loss on extinguishment of financial liabilities by the issuance of promissory notes	—	10,288
Impairment loss on trade receivables	2,265	16,457
Reversal of impairment loss on finance lease receivables	—	(12)
Impairment loss on other receivables and deposits	8,781	4,641
Lease payments in respect of short-term operating lease for rented premises	21	221
	<u>21</u>	<u>221</u>

## 9. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
— Provision for the year	112	2,853
— Overprovision in prior years	—	(472)
	<u>112</u>	<u>2,381</u>
PRC EIT		
— Provision for the year	—	—
— Under provision in prior years	1,222	1
	<u>1,222</u>	<u>1</u>
	<u>1,334</u>	<u>2,382</u>

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the years ended 31 December 2025 and 2024.

The tax rate applicable to the Group's PRC subsidiaries were 25% (2024: 25%) during the year.

## 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>
<b>Loss</b>		
Loss for the purpose of calculating basic/diluted loss per share	<u>(10,385)</u>	<u>(22,345)</u>
	<b>Number of Shares</b>	
	2025	2024
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic/diluted earnings per share	<u>1,047,960</u>	<u>982,000</u>

Diluted loss per share is same as the basic loss per share as the Company did not have any dilutive potential ordinary share during the two years ended 31 December 2025 and 2024.

## 11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## 12. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	365,387	334,723
Less: allowance for impairment losses	<u>(37,804)</u>	<u>(34,860)</u>
	<u>327,583</u>	299,863
Other receivables	23,674	20,576
Deposits	989	720
Less: allowance for impairment losses	<u>(21,560)</u>	<u>(12,020)</u>
	<u>3,103</u>	9,276
Prepayments	<u>642</u>	641
	<u>331,328</u>	<u>309,780</u>

The Group generally allows an average credit period of 60–180 days (2024: 60–180 days) to its trade customers. Set out below the ageing analysis of the Group’s trade receivables net of allowance for impairment losses, based on invoice date, at the end of reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	53,772	28,337
31–60 days	71,922	57,755
Over 60 days	201,889	213,771
	<u>327,583</u>	<u>299,863</u>

### 13. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current</b>		
Trade payables	51,645	61,963
Other payables	12,925	22,488
Interest payable	14,778	10,733
Value added tax payables	171	171
	<u>79,519</u>	<u>95,355</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	11,715	32,346
31–60 days	12,363	564
Over 60 days	27,567	29,053
	<u>51,645</u>	<u>61,963</u>

The average credit period on purchases of goods is 60 days (2024: 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 December 2025, approximately HK\$5,051,000 (2024: HK\$8,245,000) of other payables of the Group were denominated in HK\$, which is not the functional currencies of the relevant Group entities and exposed the Group to the foreign currency risk.

### 14. CAPITAL COMMITMENT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital expenditure in respect of contracted commitments for capital contribution to investees	<u>11,094</u>	<u>10,431</u>

## 15. EVENTS AFTER THE REPORTING PERIOD

On 9 January 2026, the convertible bonds of approximately HK\$12,353,630 were converted into 169,227,809 ordinary shares.

On 21 January 2026, the convertible bonds of approximately HK\$6,500,000 were converted into 89,041,096 ordinary shares.

On 11 March 2026, the Company entered into a memorandum of understanding (“**MOU**”) with PayCools Cayman Limited (the “**Target Company**”), pursuant to which the Company intends to subscribe for or acquire a total of 2% of the issued shares of the Target Company for a consideration of USD3 million. Save for certain clauses relating to, among others, confidentiality, effective period, costs and expenses, and governing law, the MOU is not legally binding on either the Company or the Target Company. Further details are set out in the Company’s announcement dated 11 March 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the provision of cross-border business and provision of finance leasing and consultancy service.

#### 1. Cross-border business

The Group commenced its cross-border business since 2017, and expands its cross-border business under the S2B2C and B2C model. The S2B2C model is to provide value-added service to e-commerce distributors and/or end consumers in the PRC by (i) securing a cross-border e-commerce platform that integrates overseas direct procurement, import and export supply chain management; and (ii) leasing of several bonded warehouses, which allows the Group to efficiently import products into the PRC and maintain inventory to respond to customer orders in a swift manner, while providing custom clearance, warehouse storage and logistics assistance to its customers to strengthen its competitive edge.

The B2C model allows the Group to directly advertise and offer its products to end-consumers. The Group believed that the B2C model could diversify the source of income generated from its cross-border business segment.

During the Reporting Period, the Group adhered to a prudent operational strategy and remained committed to high quality development, while continuing to optimize its business portfolio and product mix. Building upon its established core businesses, the Group further expanded its cross-border trading activities in nutritional food and health care products. The Group also continued to strengthen its global supply chain framework by progressively broadening quality sourcing channels, enhancing its warehousing and logistics capabilities, and improving compliance operational systems. These initiatives enhanced product supply capacity and market coverage, thereby reinforcing the foundation for the sustainable development of this segment.

Concurrently, the Group actively seized market development opportunities and prudently cultivated and promoted the layout of emerging business segments. In response to global trends in the consumer electronics industry, developments in cross-border trade policies and evolving market demand, the Group progressively advanced its cross-border trading activities in electronic products. These initiatives included the establishment of a compliant and efficient operational framework, the expansion of domestic and international collaboration resources, and the enhancement of its business processes and risk management mechanisms.

Through proactive deployment and solid implementation during the Reporting Period, the aforementioned emerging business segments have achieved phased progress. The business structure was progressively refined, and customer and channel resources were steadily accumulated. These developments have established a foundation for the Group to diversify its revenue streams, enhance its risk resistance capability, and achieve diversified and synergistic development.

## **2. Provision of finance leasing and consultancy service**

Since 2014, the finance leasing business has been one of the core businesses of the Group. In the early stage of its launch, the segment capitalized on industry development opportunities and the Group's inherent resource advantages, contributing positively to the Group's overall operating performance while enabling the Group to accumulate extensive experience in leasing operations and risk management. In recent years, due to a combination of factors including intensified market competition in the finance leasing industry, shifts in the macroeconomic environment, changes in regulatory policies, and the overall industry development cycle, the Group's finance leasing business has encountered increasing operational challenges. Business expansion has become notably more difficult, and as a result, the scale and profitability of this segment have gradually declined, reflecting an overall trend of contraction.

Based on an evaluation of industry development trends, the strategic realignment of the Group's overall business layout, and with a view to optimizing resource allocation efficiency, the Group has progressively scaled down and reorganized its finance leasing operations. As of now, the Group has ceased conducting any new finance leasing business, and accordingly, this business segment did not generate any operating income during the reporting period. All subsequent activities in relation to this business will be involve the follow-up and compliant handling of existing matters (such as the subsequent performance monitoring of existing leasing agreements and the compliant accounting treatment of historical financial data).

The Group will continue to concentrate on its core business segments and channel its resources towards advancing the development of its principal operations, with the objective of enhancing the Group's overall operational quality and sustainable development capabilities. The aforementioned business adjustments are consistent with the Group's actual operational needs and regulatory requirements, and will not have any material adverse effect on the Group's normal course of production and operation, nor the stability of its core businesses.

In summary, during the year ended 31 December 2025, the Group continued to make strategic tailor-made arrangements to support the Group's position as follows: (i) it introduced new customers and suppliers; (ii) it strengthened product lines and platform for products; (iii) it improved operations and reducing operating costs; and (iv) it solicited new financing facilities in the market to support and strengthen the businesses and operations of the Group.

## **FINANCIAL REVIEW**

### **Revenue**

For the Year, cross-border business segment recorded a segment revenue of approximately HK\$592.4 million (2024: HK\$630.0 million), showing a decrease of 6% comparing with last year. Finance leasing business segment recorded a segment revenue of approximately HK\$Nil million (2024: HK\$0.1 million), showing a decrease of 100% comparing with last year.

The decrease was mainly due to the decrease in cross-border trading business of nutrition food and health care products.

### **Cost of Sales and Gross Profit**

The Group's cost of sales during the Reporting Period decrease by 4.5% to approximately HK\$572.6 million compared to the year ended 31 December 2024 (the "Corresponding Period") which was driven by the decrease in revenue.

The gross profit margin of the Group decreased from approximately 4.9% for the Corresponding Period to approximately 3.3% for the Reporting Period. The gross profit had decreased by 35.9% to approximately HK\$19.8 million compared to the Corresponding Period due to the decrease in revenue. The decrease in gross profit margin was mainly because the Group offer more competitive prices to the customers under the current intense market competition.

### **Expenses**

The administrative and other expenses accounted for the largest portion of the operating cost. The administrative and other expenses decreased by 3.4% to approximately HK\$8.5 million when compared to the Corresponding Period, which is mainly because of the decrease of revenue and relevant operating cost.

## **Tax**

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the Year.

The tax rate applicable to the Group's PRC subsidiaries was 25% (2024: 25%) during the Year.

## **Loss for the Year**

The Group recorded a net loss for the Year of approximately HK\$11.4 million as compared with a net loss of approximately HK\$23.3 million for the year ended 31 December 2024. The decrease in net loss was primarily attributable to (i) decrease in other operating expense; and (ii) decrease in impairment losses on trade receivables.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group had total cash and bank balances of approximately HK\$3.6 million as at 31 December 2025 (2024: HK\$3.6 million). The current ratio (defined as current assets divided by current liabilities) of the Group as at 31 December 2025 and 31 December 2024 was 2.6 times and 1.25 times respectively. As at 31 December 2025, the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and United States dollars ("US\$").

At 31 December 2025, the total borrowings of the Group were approximately HK\$147.6 million (2024: HK\$200.8 million) which comprised (i) loan from a shareholder of HK\$50 million (2024: HK\$50 million); (ii) bank and other borrowings of HK\$1.5 million (2024: HK\$6.6 million); (iii) promissory note of HK\$Nil million (2024: HK\$91.6 million); (iv) corporate bonds of HK\$Nil million (2024: HK\$51.5 million); (v) lease liabilities of HK\$2.9 million (2024: HK\$1.1 million); and convertible bond of HK\$93.2 million (2024: HK\$Nil million) respectively.

The loan from a shareholder is carried at fixed interest rate of 9.5% (2024: 9.5%) per annum and repayable on demand.

The Group's bank borrowings are denominated in RMB, repayable in one year and bearing a fixed interest of 8% (2024: 9.0%) per annum.

Pursuant to a subscription agreement dated 14 June 2019 and the supplemental agreement dated 17 June 2019, the Company issued convertible bonds in an aggregate principal amount of HK\$39,000,000 with 5% interest per annum three-year lifespan on 24 June 2019. Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$0.2, the Convertible Bonds will be convertible into 195,000,000 conversion shares. Details are disclosed in the announcements of the Company dated 14 June 2019, 17 June 2019 and 24 June 2019. The gross proceeds from the subscription of the Convertible Bonds was approximately HK\$39 million and the net proceeds was approximately HK\$38.7 million. During the year ended 31 December 2023, the outstanding principal and interest of the Convertible Bonds was reclassified to corporate bonds and no share was converted. The Company and the bondholder had mutually agreed to extend the maturity date to 24 June 2025.

On 3 March 2025, the Company received a statutory demand (the “**3 March 2025 Statutory Demand**”) from the solicitors firm acting for a holder of the convertible bonds of the Company demanding the Company to pay an amount of HK\$50,881,644, being the outstanding principal amount of the convertible bonds of the Company and interests on the aforesaid outstanding principal amount. Subsequently in June 2025, the convertible bond holder issued a letter to the Stock Exchange and stated that, among others, its disputes with the Company in relation to the convertible bonds of the Company is a misunderstanding caused by the convertible bond holder and it is going to immediately withdraw the 3 March 2025 Statutory Demand. Subsequently, the convertible bond holder has issued a letter to the Company to officially withdraw the 3 March 2025 Statutory Demand.

The Group’s corporate bonds were unsecured and bearing interest ranging from 5% to 7% per annum.

In June 2019, the Company issued a promissory note in a principal amount of HK\$10,000,000 with an interest rate of 3% per annum and a maturity of 2 years to an independent third party (the “**PN10M**”). The net proceeds of approximately HK\$10 million was intended to be used for working capital. As at 31 December 2024, approximately HK\$10 million was used as working capital as intended and the maturity of the PN10M had been extended to June 2025.

In March 2021, the Company issued a promissory note in principal amount of HK\$3,000,000 with an interest rate of 4% per annum and a maturity of 2 years to an independent third party (the “**PN3M**”). The proceeds of approximately HK\$3 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$3 million was used as intended and the maturity of the PN3M had been extended to March 2025.

In April 2021, the Company issued a promissory note in principal amount of HK\$9,000,000 with an interest rate of 3% per annum and a maturity of 1 year which can be extended to another 1 year with mutual written consent to an independent third party (the “**PN9M**”). The proceeds of approximately HK\$9 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$9 million was used as intended and the maturity of the PN9M had been extended to April 2025.

In July 2021, the Company issued a promissory note in principal amount of HK\$12,000,000 with an interest rate of 3% per annum and a maturity of 1 year which can be extended to another 1 year with mutual written consent to an independent third party (the “**PN12M**”). The proceeds of approximately HK\$12 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$12 million was used as intended and the maturity of the PN12M had been extended to July 2025.

In June 2024, the Company issued a promissory note in principal amount of HK\$5,000,000 with an interest rate of 3% per annum to an independent third party (the “**PN5M**”). The proceeds of approximately HK\$5 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$5 million was used as intended and the maturity of the PN5M will be due and payable in June 2025.

The Company received a letter (the “**Demand Letter**”) dated 16 September 2024 and issued by the holder of the promissory notes (the “**PN Holder**”) with the aggregate principal amount of HK\$20 million issued by the Company (the “**Promissory Note**”), which was addressed to the Company.

It was stated in the Demand Letter that (among other things):

- (i) there is a material adverse change in the financial condition of the Company as the consolidated net profit for the six months ended 30 June 2024 has been significantly decreased; and
- (ii) the PN Holder demand the immediate repayment of the total outstanding sum of approximately HK\$20.3 million (the “**Outstanding Sum**”) in relation to the Promissory Note within 14 days of the date of the Demand Letter.

As at 30 June 2024, the Company had an outstanding trade and other payables of approximately HK\$214.1 million, loan from a shareholder of approximately HK\$50.0 million, bank and other borrowings of approximately HK\$16.0 million, promissory note of approximately HK\$39.3 million and corporate bonds of approximately HK\$50.5 million, while the bank balances and cash amounted to approximately HK\$12.2 million. Based on the above, the board of directors of the Company were of the view that the Company may not be able to repay the Outstanding Sum by the date as demanded in the Demand Letter.

Subsequently, the Company received a statutory demand (the “**10 October 2024 Statutory Demand**”) dated 10 October 2024 from the legal adviser acting on behalf of the PN Holder pursuant to Section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong), demanding the Company to pay the amount of HK\$20,316,438, being the principal amount of the Promissory Note issued by the Company to the PN Holder together with interest accrued thereon, within 3 weeks from the date of the service of the 10 October 2024 Statutory Demand, failing which the PN Holder may present a winding up petition against the Company.

After the receipt of the 10 October 2024 Statutory Demand received by the Company on 10 October 2024, a creditor who has continued to provide financial support to the Company for business development and daily operation of the Group by way of financial advance (the “**Advance**”) since 12 August 2021 to 31 July 2024, demanded the immediate repayment of the Advance. In view of the limited financial resources, the Company, at its best endeavor, negotiated with the creditor. On 12 October 2024, the Company reached the agreement with the creditor and issue a promissory note in the principal amount of HK\$51,250,000 which carries an interest rate of 3% per annum to the creditor to settle the Advance.

After the receipt of the 10 October 2024 Statutory Demand received by the Company on 10 October 2024, the Company received a demand letter (the “**Second Demand Letter**”) dated 14 October 2024 issued by the holder of the promissory notes (the “**Second PN Holder**”) with an aggregate principal amount of HK\$9 million issued by the Company (the “**Second Promissory Note**”), which was addressed to the Company.

It was stated in the Second Demand Letter that (among other things):

- (i) as a result of the 10 October 2024 Statutory Demand received by the Company, the Second PN Holder believes the Company had failed to repay the Promissory Note as demanded in the 10 October 2024 Statutory Demand, which constitutes an event of default under the Second Promissory Note; and
- (ii) the Second PN Holder demand the immediate repayment of the total outstanding sum of approximately HK\$9.2 million in relation to the Second Promissory Note within 7 days of the date of the Second Demand Letter.

On 18 October 2024 (after trading hours), the Company entered into a settlement agreement (the “**Previous Settlement Agreement**”) (supplemented by a supplemental agreement dated 31 December 2024) with the relevant creditors in relation to a debt restructuring, pursuant to which the Company has conditionally agreed to capitalise the outstanding debt of HK\$91,534,164 owed to the relevant creditors by the Company as at 15 October 2024, the relevant creditors has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the 3% unsecured convertible bonds in the aggregate principal amount of HK\$91,534,164 to the relevant creditors.

As disclosed in the announcement of the Company dated 28 March 2025, the issuance of the convertible bonds under the Previous Settlement Agreement would result in a theoretical dilution effect of approximately 61.06%, which is higher than the 25% threshold as set out in Rule 7.27B of the Listing Rules. Pursuant to the Previous Settlement Agreement, the completion of the Previous Settlement Agreement is conditional upon the satisfaction of, among other things, the consent from the Stock Exchange in respect of Rule 7.27B of the Listing Rules. In view of Rule 7.27B of the Listing Rules, the Company had been negotiating with the relevant creditors for adjusting the conversion price of the convertible bonds. However, no agreement could be reached with the relevant creditors in this regard. In light of the above, the conditions precedent under the Previous Settlement Agreement are not expected to be fulfilled. Accordingly, on 28 March 2025, the Company and the relevant creditors entered into a termination agreement to terminate the Previous Settlement Agreement with immediate effect.

On 5 July 2025, the Company entered into the settlement agreements with creditors (including Rosy Benefit Limited (“**Rosy Benefit**”), Forever Brilliance International Group Co., Limited (“**Forever Brilliance**”), Sunshine Flame Development Limited (“**Sunshine Flame**”), Lumina Investment International Limited (“**Lumina Investment**”) and Mr. Zheng Lizhong (“**Mr. Zheng**”), among others) (including the Previous Settlement Agreement, the “**Settlement Agreements**”) in relation to a debt restructuring (the “**Debt Restructuring**”) to capitalise outstanding debts of HK\$178,615,220 by issuing convertible bonds (the “**July 2025 Convertible Bonds**”). On 18 November 2025, all conditions precedent to the Debt Restructuring were fulfilled, and the restructuring was formally completed.

The convertible bonds have an aggregate principal amount of HK\$178,615,220, bearing interest at a rate of 3% per annum, with a maturity date falling on the second anniversary of the issue date. The initial conversion price is HK\$0.073 per share. Based on this, if fully converted, 2,446,783,836 conversion shares may be allotted and issued, representing approximately 71.36% of the enlarged issued share capital upon completion (issued under a specific mandate approved by the independent shareholders at the extraordinary general meeting held on 10 November 2025).

For more details of the above incidents, please refer to the announcements of the Company dated 17 September 2024, 10 October 2024, 14 October 2024, 8 January 2025, 3 February 2025, 28 February 2025, 28 March 2025, 4 August 2025, 25 August 2025, 8 September 2025, 29 September 2025, 20 October 2025 and 18 November 2025.

Apart from the borrowings of approximately HK\$1.53 million (2024: HK\$1.7 million) which were secured personal guarantee provided by certain director of a subsidiary and corporate guarantee provided by a subsidiary, others were unsecured. Short-term borrowings amounted to approximately HK\$75.8 million (2024: HK\$200.3 million), while others were long-term borrowings due after one year.

In order to support and expand the cross-border trading business, the Group will strive to diversify its financing sources and explore fund raising opportunities.

### **CONTINGENT LIABILITIES**

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

### **GEARING RATIO**

The gearing ratio was 37.5% as at 31 December 2025 (2024: 52.1%). The gearing ratio is arrived at by dividing the total external financing debt by total assets at the end of the corresponding year.

### **PLEDGE OF ASSETS**

As at 31 December 2025, assets in the net book value of HK\$113,000 (held under finance lease arrangement) of the Group had been pledged (2024: HK\$160,000).

### **CAPITAL EXPENDITURE**

For the Year, the Group incurred approximately HK\$Nil (2024: HK\$Nil) on the acquisition of property, plant and equipment.

### **CAPITAL COMMITMENTS**

As at 31 December 2025, the Group has contracted commitment for capital contribution to investees amounting to approximately HK\$11.1 million (2024: HK\$10.4 million).

## **FOREIGN EXCHANGE EXPOSURE**

In respect of the cross-border business, the Group is mainly exposed to the currency risk of HK\$/US\$/RMB, the Group considers its exposure to foreign currency risk is primarily in the fluctuation of RMB against HK\$/US\$ and HK\$ against RMB.

In respect of the finance leasing business, the Group's receipts, payments and operating expenses are all transacted in RMB, in which the Group expects the currency risks would be insignificant.

The Group currently does not have a foreign currency hedging policy. The Group will monitor its foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arises.

## **FINAL DIVIDEND**

The Board has resolved not to declare any final dividend for the year ended 31 December 2025 (2024: Nil).

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

During the Year, as far as the Group is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 31 December 2025, the Group has a total workforce of 25 employees (2024: 16) in Hong Kong and the PRC.

Remuneration policies of the Group are determined with reference to performance, qualification and experience of the staff as well as the operating results of the Group and the current market condition with salaries and wages being reviewed on an annual basis. The Group also provides discretionary bonus, medical insurance, social security and provident fund to the staff of the Group.

## **MATERIAL EVENTS**

### **Trading Suspensions and Resumptions**

The following is a description of the trading suspensions and resumptions of the Company during the Year and up to the date of this announcement:

Trading in the shares of the Company (the “**Shares**”) on the Stock Exchange was suspended with effect from 9:00 a.m. on 21 October 2024, pending the publication of inside information announcements in relation to, among other things, (i) the proposed debt restructuring involving issue of convertible bonds under specific mandate; (ii) application of whitewash waiver; and (iii) special deal in relation to repayment of shareholder’ s loans. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 9 January 2025.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 March 2025 pending the publication of an inside information announcement in relation to, among others, the receipt of a statutory demand by the Company on 3 March 2025. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 11 March 2025.

Due to the delay in the publication of the announcement of the 2024 annual results by the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2025 until the publication of the announcement of the 2024 annual results by the Company. The announcement in relation to the 2024 annual results was published on 7 July 2025. Nonetheless, at the request of the Company, trading in the Shares on the Stock Exchange will continue to be halted pending the release of an announcement in relation to inside information of the Company. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 5 August 2025.

For details of the abovementioned trading suspension and resumption, please refer to the announcements of the Company dated 21 October 2024, 8 January 2025, 10 March 2025, 27 March 2025, 1 April 2025, 17 June 2025, 30 June 2025, 7 July 2025 and 4 August 2025.

### **Appointment of Joint Independent Financial Advisers**

During the Reporting Period, the Company advanced matters relating to the Debt Restructuring, the Settlement Agreements and the transactions contemplated thereunder, the specific mandate, the repayment of the indebtedness due to Mr. Zheng and the whitewash waiver. Approved by the independent board committee of the Board under Rule 2.1 of the Takeovers Code, the Company appointed RaffAello Capital Limited and Red Sun Capital Limited as joint independent financial advisers. RaffAello Capital Limited is a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and Red Sun Capital Limited is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and both are appointed to provide professional advice to the independent board committee of the Board and independent shareholders regarding the aforesaid matters.

The opinion letters from the joint independent financial advisers regarding the above matters have been included in the circular despatched by the Company to the Shareholders dated 20 October 2025.

For details of the appointment of the joint independent financial advisers, please refer to the announcement of the Company dated 13 August 2025.

### **Change of Receivers**

During the Reporting Period, the joint and several receivers of the Company's previously charged shares ceased to hold their positions with effect from 1 December 2025.

On 3 December 2025, Mr. Lam Koon Leung (appointed by CCTH CPA Limited) was appointed as the new receiver over the charged shares of the Company held by Triumph Hope Ltd ("THL"), representing approximately 26.29% of the issued share capital of the Company as at the date of the announcement dated 15 December 2025. THL is wholly owned by Mr. Chan Chung Shu.

The Board considers that the appointment of the new receiver does not have any material adverse impact on the financial and operational position of the Company.

For details of the change of receivers, please refer to the announcement of the Company dated 15 December 2025.

### **Application for Whitewash Waiver**

As the shareholding percentage of Rosy Benefit, Sunshine Flame, Lumina Investment, Mr. Zheng, and Forever Brilliance, their respective ultimate beneficial owners and parties acting in concert with any of them would increase from 0.01% to 71.36% upon full conversion of the July 2025 Convertible Bonds, Rosy Benefit and Forever Brilliance applied for a whitewash waiver under Note 1 to Rule 26 of the Takeovers Code to avoid the obligation to make a mandatory general offer. The waiver was approved by the independent shareholders at the extraordinary general meeting by not less than 75% of the votes cast, and was granted by the executive director of the Corporate Finance Division of the SFC.

For details of the above application for the whitewash waiver, please refer to the announcements of the Company dated 8 January 2025, 3 February 2025, 28 March 2025, 4 August 2025, 25 August 2025, 8 September 2025, 29 September 2025, 20 October 2025 and 18 November 2025.

## **Conversion of Convertible Bonds**

During the Reporting Period and after the end of the Reporting Period, holders of the Company's convertible bonds progressively exercised their conversion rights. The relevant details are as follows:

On 28 November 2025, Lumina Investment, Ms. Li Weiwei and Ms. Tian Ying exercised their convertible bonds with an aggregate principal amount of HK\$27,500,000 (conversion price of HK\$0.073 per share), converting them into 376,712,328 conversion shares. These shares were allotted and issued on 3 December 2025, representing approximately 38.76% of the issued share capital before conversion and approximately 27.73% of the enlarged issued share capital.

On 2 December 2025, Rosy Benefit exercised its convertible bonds with an aggregate principal amount of HK\$40,000,000 (conversion price of HK\$0.073 per share), converting them into 547,945,205 conversion shares. These shares were allotted and issued on 8 December 2025, representing approximately 40.33% of the issued share capital before conversion and approximately 28.74% of the enlarged issued share capital.

On 6 January 2026, Rosy Benefit and Mr. Peng Chaohui exercised their convertible bonds with an aggregate principal amount of HK\$12,353,630 (conversion price of HK\$0.073 per share), converting them into 169,227,809 conversion shares. These shares were allotted and issued on 9 January 2026, representing approximately 8.88% of the issued share capital before conversion and approximately 8.15% of the enlarged issued share capital.

On 15 January 2026, Ms. Xiao Yongzhen exercised her convertible bonds with an aggregate principal amount of HK\$6,500,000 (conversion price of HK\$0.073 per share), converting them into 89,041,096 conversion shares. These shares were allotted and issued on 21 January 2026, representing approximately 4.29% of the issued share capital before conversion and approximately 4.11% of the enlarged issued share capital.

The above conversion shares rank pari passu in all respects with the existing issued shares of the Company.

For details of the above conversion of convertible bonds, please refer to the announcements of the Company dated 3 December 2025, 8 December 2025, 9 January 2026 and 21 January 2026.

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

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

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

Details of the conversion of convertible bonds proposed to be carried out by the Company after the Reporting Period are set out under the heading "Material Events" on page 28 of this announcement.

On 11 March 2026 (after trading hours), the Company entered into the memorandum of understanding ("MOU") with the PayCools Cayman Limited ("**Target Company**"), pursuant to which the Company intends to subscribe or acquire certain number of shares of the Target Company. Save for certain clauses regarding, among others, confidentiality, effective period, costs and expenses and governing law, the MOU is not legally binding on the Company and the Target Company. Details of the above are set out in the Company's announcement dated 11 March 2026.

## **KEY RISKS AND UNCERTAINTIES**

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

### **Market Risks**

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### **Foreign Exchange Rates Risk**

As our Group's assets and liabilities were mainly denominated in HK\$, US\$ and RMB, in view of the potential RMB exchange rate fluctuations, our Group will continue to closely monitor the exposure and take any actions when appropriate.

## **Interest Rate Risk**

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

## **Liquidity Risk**

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

## **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

## **Investment Risk**

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

Proper authorization system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

## **Manpower and Retention Risk**

Our Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of our Group. Our Group will provide attractive remuneration package to suitable candidates and personnel.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

To maintain a sufficient level of operations and assets of sufficient value to support its operations, the Group has been exploring ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or extending to other business as long as it is in the interest of the Company and the shareholders as a whole. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

## **OUTLOOK AND PROSPECT**

Presently, under the dual impetus of deepening regional cooperation and the permeation of digital technology in the global economic and trade landscape, Hong Kong's cross-border business industry is embracing a development window period characterised by "the release of locational dividends + the upgrading of service value":

On the one hand, with the deepening of regional economic and trade integration under RCEP, the increasing vibrancy of economic and trade exchanges among countries along the "Belt and Road", coupled with the continuous implementation of policies promoting the "facilitation of cross-border factor flow" in the Guangdong-Hong Kong-Macao Greater Bay Area (such as supporting measures for cross-border capital pools and cross-border mobility of talents), Hong Kong, by virtue of its institutional advantages under "One Country, Two Systems" and its internationally aligned financial and legal systems, serves as a core hub for enterprises connecting the Mainland with global markets. This drives sustained growth in demand for services such as cross-border settlement, trade matchmaking, and compliance support. On the other hand, the rapid maturation of Hong Kong's fintech ecosystem (e.g., the application of virtual banks and offshore Renminbi digital settlement tools) is propelling the transformation of cross-border businesses towards being "efficient and intelligent". The implementation of technologies such as blockchain and AI in areas like cross-border risk management and identity verification further reinforces Hong Kong's value as an "efficiency node" for cross-border services.

At the same time, against the backdrop of tightening global cross-border regulations (such as cross-border data compliance and the harmonization of anti-money laundering standards), Hong Kong's mature international compliance system and localized service capabilities enable service providers with a "Hong Kong hub + global network" layout to better align with the regulatory requirements of different jurisdictions, thereby establishing competitive moats within the industry.

As a cross-border business participant rooted in Hong Kong, the Company will leverage Hong Kong's status as a financial hub and its synergistic advantages with the Greater Bay Area, focusing on expanding cross-border settlement support and trade resource matching services along the "Mainland — Hong Kong — RCEP/Belt and Road" routes. Concurrently, by harnessing the empowerment of Hong Kong's fintech sector, the Company will upgrade its offshore Renminbi cross-border service tools, strengthen its compliance and risk management capabilities, and assist clients in efficiently connecting with both the Mainland and global markets.

Despite potential short-term uncertainties arising from global economic volatility and geopolitical factors, Hong Kong's core positioning as a "super-connector" and the clear long-term trend of regional economic and trade integration remain intact. The Company is fully confident in the growth prospects of Hong Kong's cross-border business sector and in the development of its own strategic development.

#### **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company had complied throughout the year ended 31 December 2025 with the code provisions set out in the CG Code contained in Appendix C1 of the Listing Rules.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standard as set out in the Model Code regarding securities transactions by the directors during the year ended 31 December 2025.

#### **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been compared by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"), to the amounts set out in the Group's financial statements for the year and the amounts were found to be in agreement. The work performed by McMillan Woods in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor on this preliminary announcement of results.

## AUDIT COMMITTEE

The Board is responsible for overseeing the Group's internal control system and ensuring that a sound and effective internal control system is maintained. The Company has engaged professional staff and external consultant with relevant expertise to conduct review and make recommendations for the improvement and strengthening of the internal control system. The professional staff and external consultant with relevant expertise has reviewed the major internal controls and measures, including financial, operational and compliance as well as risk management and has made relevant recommendations for improvement of the internal control system to the Board. Any material non-compliance or failures in internal controls maintained by the Group and relevant recommendations for improvements are reported to the Audit Committee.

The Board has to be fully responsible for the stability and effectiveness of the systems of internal control and with management of the Group. It is also responsible for ensuring that recommendations made by the internal audit function, external consultant and professional staff with relevant expertise are properly implemented. The Board recognizes that the Group's internal control system plays a key role in the management of risks, and the assurance of continued compliance with laws and regulations by the Group.

The Audit Committee has kept under review the system of internal control. Based on review undertaken together with reports submitted by the management and professional staff with relevant expertise, the Audit Committee will provide the Board with advice on the adequacy of the Group's internal control system, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, in order to ensure that an effective internal control system is put in place. During the year under review, the Board considers that the Group has complied with the provisions on internal controls as stipulated in the CG Code. The Board is satisfied that the Group's internal control system including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and that no significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

**PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE  
COMPANY AND THE STOCK EXCHANGE**

According to the Listing Rules, the 2025 Annual Report of the Company shall contain all information as required by the Listing Rules and will be published on the Company's website at [www.1152.com.hk](http://www.1152.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

On behalf of the Board  
**Momentum Financial Holdings Limited**  
**Cao Wenbo**  
*Executive Director*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises two executive directors, Mr. Cao Wenbo and Mr. Li Zilun; and three independent non-executive directors, namely, Mr. Sin Ka Man, Ms. Liang Lina, Mr. Chen Yifan.*