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## **CONFIDENCE INTELLIGENCE HOLDINGS LIMITED**

### **信懇智能控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1967)**

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

The board (the “**Board**”) of directors (“**Directors**”) of Confidence Intelligence Holdings Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024.

	<b>2025</b>	2024
Revenue ( <i>RMB'000</i> )	<b>267,338</b>	288,825
Gross profit ( <i>RMB'000</i> )	<b>39,571</b>	44,774
Gross profit margin (%)	<b>14.8</b>	15.5
Profit for the year ( <i>RMB'000</i> )	<b>5,066</b>	6,551
Earnings per share attributable to owners of the Company		
– Basic and diluted ( <i>RMB cents</i> )	<b>1.41</b>	0.64

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**YEAR ENDED 31 DECEMBER 2025**

		<b>2025</b>	2024
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Revenue</b>	5	<b>267,338</b>	288,825
Cost of sales		<u>(227,767)</u>	<u>(244,051)</u>
<b>Gross profit</b>		<b>39,571</b>	44,774
Other income	6	<b>7,473</b>	5,911
Other (losses)/gains, net	7	<b>(2,132)</b>	354
Selling and distribution expenses		<b>(3,074)</b>	(3,484)
Administrative and other operating expenses		<b>(33,918)</b>	(32,838)
Impairment losses on financial assets and contract assets, net	8	<b>(695)</b>	(3,064)
Impairment losses on property, plant and equipment, net	8	<b>(1,240)</b>	(930)
Finance costs	8	<u>(183)</u>	<u>(708)</u>
<b>Profit before tax</b>	8	<b>5,802</b>	10,015
Income tax expenses	9	<u>(736)</u>	<u>(3,464)</u>
<b>Profit for the year</b>		<u><b>5,066</b></u>	<u>6,551</u>
<b>Profit for the year attributable to:</b>			
– Owners of the Company		<b>3,892</b>	1,596
– Non-controlling interests		<u><b>1,174</b></u>	<u>4,955</u>
		<u><b>5,066</b></u>	<u>6,551</u>
		<i>RMB cents</i>	<i>RMB cents</i>
<b>Earnings per share attributable to owners of the Company</b>			
– Basic and diluted	10	<u><b>1.41</b></u>	<u>0.64</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*YEAR ENDED 31 DECEMBER 2025*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Profit for the year</b>	<u><b>5,066</b></u>	<u>6,551</u>
<b>Other comprehensive (loss)/income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of the Company's financial statements to presentation currency	(1,165)	985
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	<b>3,072</b>	(531)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(102)</u>	<u>(1,202)</u>
<b>Total other comprehensive income/(loss) for the year</b>	<u><b>1,805</b></u>	<u>(748)</u>
<b>Total comprehensive income for the year</b>	<u><b>6,871</b></u>	<u>5,803</u>
<b>Total comprehensive income for the year attributable to:</b>		
– Owners of the Company	5,697	848
– Non-controlling interests	<u>1,174</u>	<u>4,955</u>
	<u><b>6,871</b></u>	<u>5,803</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

		2025	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>81,325</b>	102,723
Intangible assets		<b>410</b>	889
Prepayments, deposits and other receivables	<i>12</i>	<b>4,634</b>	–
Deferred tax assets		<b>1,279</b>	1,295
Financial assets at FVOCI		<b>2,652</b>	10,245
		<b>90,300</b>	115,152
<b>Current assets</b>			
Inventories		<b>16,022</b>	14,416
Trade and bills receivables and contract assets	<i>13</i>	<b>77,999</b>	104,018
Prepayments, deposits and other receivables	<i>12</i>	<b>52,925</b>	8,900
Financial assets at amortised cost		<b>5,516</b>	12,317
Financial assets at fair value through profit or loss (“FVTPL”)		–	13,423
Income tax recoverable		<b>249</b>	301
Cash and cash equivalents		<b>64,311</b>	73,719
		<b>217,022</b>	227,094
<b>Current liabilities</b>			
Trade payables	<i>14</i>	<b>21,322</b>	15,106
Contract liabilities	<i>15</i>	<b>2,487</b>	2,693
Other payables and accruals	<i>15</i>	<b>18,517</b>	23,930
Bank borrowings		–	3,250
Lease liabilities	<i>16</i>	<b>1,106</b>	3,404
Deferred government grants		<b>3,991</b>	4,798
		<b>47,423</b>	53,181
<b>Net current assets</b>		<b>169,599</b>	173,913
<b>Total assets less current liabilities</b>		<b>259,899</b>	289,065

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Lease liabilities	<i>16</i>	<b>2,166</b>	3,272
Deferred government grants		<b>6,297</b>	8,767
Deferred tax liabilities		<b>319</b>	128
		<u><b>8,782</b></u>	<u>12,167</u>
<b>NET ASSETS</b>		<u><b>251,117</b></u>	<u>276,898</u>
<b>Capital and reserves</b>			
Share capital		<b>2,707</b>	2,250
Share premium		<b>110,367</b>	98,676
Retained earnings		<b>35,324</b>	31,184
Other reserves		<b>102,719</b>	131,279
		<u><b>251,117</b></u>	<u>263,389</u>
Equity attributable to owners of the Company		<b>251,117</b>	263,389
Non-controlling interests		<u><b>–</b></u>	<u>13,509</u>
<b>TOTAL EQUITY</b>		<u><b>251,117</b></u>	<u>276,898</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Confidence Intelligence Holdings Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 December 2018. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 October 2019. The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business is situated at Unit 1705, 17/F, Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong and the Group’s headquarter is situated at No. 7 Building, New Development Zone, Baishixia, Fuyong Street, Bao’an District, Shenzhen, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and its subsidiaries are principally engaged in (i) provision of electronic manufacturing service (“**EMS**”) and (ii) sales of printed circuit board assembly (“**PCBA**”) and electronic components.

In the opinion of the directors of the Company, the ultimate controlling party of the Group is Mr. Li Hao (the “**Ultimate Controlling Party**”).

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following amended HKFRS Accounting Standards that are relevant to the Group and effective from the current period.

### 3. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

The Group has applied, for the first time, the following amended HKFRS Accounting Standards that are relevant to the Group:

Amendments to HKAS 21 and HKFRS 1      Lack of Exchangeability

The application of the amendments to the 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.

#### 4. FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/amended HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

	<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
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	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 HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/amended HKFRS Accounting Standards in future periods will have any material impact on the Group's consolidated financial statements.

#### 5. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company who make strategic decisions have been identified as the Group's chief operating decision maker (“**CODM**”) to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks, returns, the production process and the Group's internal financial reporting, the CODM considers that the Group has one reportable and operating segment which is the provision of EMS and sales of PCBA and electronic components during the year of 2025.

In determining the Group's geographical segments, revenue is attributable to the countries based on the location of customers; non-current assets are attributable to the countries based on the locations of the assets.

## Geographical Information

### (i) Revenue from external customers

The Group's operation is principally domiciled in the PRC. The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	2025 RMB'000	2024 RMB'000
The PRC	267,338	288,661
The United States of America (the "USA")	–	110
Malaysia	–	54
	<u>267,338</u>	<u>288,825</u>

### (ii) Non-current assets by geographical location

At 31 December 2025 and 2024, majority of the Group's non-current assets were located in the PRC.

## Major customer information

A major customer is a customer (including a group of entities under common control) with whom revenue from transactions amounted to 10% or more of the Group's total revenue in the respective reporting period.

Revenue from customers (including a group of entities under common control) individually contributed over 10% of the total revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
<b>– Provision of EMS and sales of PCBA and electronic components</b>		
Customer A	120,979	124,969
Customer B	70,114	59,870
Customer C	39,745	N/A
	<u>190,838</u>	<u>184,839</u>

Revenue from Customer C was less than 10% of the total revenue of the Group for the year ended 31 December 2024.

The five largest customers accounted for approximately 92% of the Group's total revenue for the year ended 31 December 2025 (2024: approximately 78%).

## Revenue from contracts with customers within HKFRS 15

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Recognised on overtime basis</i>		
– Provision of EMS	146,243	187,936
<i>Recognised on point in time basis</i>		
– Sales of PCBA and electronic components	<u>121,095</u>	<u>100,889</u>
	<u><u>267,338</u></u>	<u><u>288,825</u></u>

The amounts of revenue recognised for the year ended 31 December 2025 that were included in the contract liabilities at the beginning of the reporting period was approximately RMB1,623,000 (2024: RMB120,000).

Information about the Group's performance obligations is summarised as below:

**(a) Provision of EMS**

The performance obligation is satisfied over time as services are rendered. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

**(b) Sales of PCBA and electronic components**

The performance obligation is satisfied upon the goods have been shipped to the customer's specific location (delivery). Following delivery or used, the customers have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. Sales to customers are either due for payment on delivery or with credit term of normally no more than 120 days.

Under the Group's standard contract terms, customers have a right to exchange defective goods within specified periods. The Group uses its accumulated historical experience to estimate the number of exchange, using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The management considers that there will be no significant reversal of revenue as of the end of the reporting period for exchange of goods.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision. Based on accumulated historical experience, the amount of relevant provisions was insignificant, hence, the provision was close to zero or no provision was recognised.

## 6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank interest income	975	503
Government subsidies ( <i>Note</i> )	6,107	5,347
Rental income	372	–
Others	19	61
	<u>7,473</u>	<u>5,911</u>

*Note:* Government grants primarily represent subsidies from relevant local government authorities granted to the Group for purchase of certain qualified property, plant and equipment for its operation. During the year ended 31 December 2025, the assets related grants recognised to profit or loss were approximately RMB5,237,000 (2024: RMB3,872,000). There are no unfulfilled conditions or contingencies attached to the remaining government grants for the years ended 31 December 2025 and 2024.

## 7. OTHER (LOSSES)/GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from unlisted corporate bonds	875	1,238
Interest income from amount due from an independent third party	425	456
Dividend income from equity investment at FVOCI	90	353
Fair value changes on financial assets at FVTPL	–	185
Investments income from financial assets at FVTPL	96	–
Losses on disposal of property, plant and equipment, net	(2,652)	(639)
Written off of property, plant and equipment	(223)	(242)
Written off of other receivables	–	(571)
Gains on early termination of long-term leases	–	251
Exchange losses, net	(689)	(677)
Others	(54)	–
	<u>(2,132)</u>	<u>354</u>

## 8. PROFIT BEFORE TAX

This is stated after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Finance costs</b>		
Interest on bank borrowings	71	156
Interest on lease liabilities	112	552
	<u>183</u>	<u>708</u>
<b>Staff costs (including directors' emoluments) (Note vi)</b>		
Salaries, allowances and other benefits in kind	40,539	55,201
Discretionary bonus	3,760	4,954
Contributions to defined contribution plans (Note i)	4,702	4,670
	<u>49,001</u>	<u>64,825</u>
Manpower service expenses (Note ii)	6,807	8,194
	<u>55,808</u>	<u>73,019</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other expenses by nature</b>		
Cost of raw materials and consumables used	132,128	120,161
Subcontracting charges	21,244	18,598
Expenses recognised under short-term leases		
– Machineries	10,332	8,155
– Offices, warehouses, production plant and staff quarters	4,359	1,010
Utilities	1,089	1,127
Depreciation (Note iii)	24,551	39,919
Amortisation (Note iv)	583	541
Auditor's remuneration	1,556	1,332
Professional fees	5,440	3,432
Provision for write-down of inventories, net	576	4,524
Impairment losses on financial assets and contract assets, net	695	3,064
Impairment losses on property, plant and equipment, net	1,240	930
Other tax and surcharges	1,816	2,291
Transportation	47	1,042
Travelling expenses	2,559	1,903

Notes:

- (i) As stipulated under the relevant rules and regulations in the PRC, subsidiaries operating in the PRC contribute to state-sponsored retirement plans for its employees. For the years ended 31 December 2025 and 2024, depending on the provinces of the employees' registered residences and their current region of work, the subsidiaries contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

(ii) During the years ended 31 December 2025 and 2024, the Group entered into certain manpower service arrangements with several external manpower service organisations in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these organisations at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group did not have any employment relationship with the Group.

(iii) During the years ended 31 December 2025 and 2024, depreciation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Costs of sales	<b>22,468</b>	38,125
Administrative and other operating expenses	<b>2,083</b>	1,794
	<b>24,551</b>	39,919

(iv) During the years ended 31 December 2025 and 2024, amortisation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Costs of sales	<b>173</b>	188
Administrative and other operating expenses	<b>410</b>	353
	<b>583</b>	541

(v) Staff costs, material costs and other miscellaneous expenses incurred for research and development purposes in aggregate amounted to approximately RMB13,633,000 (2024: RMB13,436,000) for the year ended 31 December 2025 and are included in costs of sales and administrative and other operating expenses of the Group.

(vi) During the years ended 31 December 2025 and 2024, staff costs have been charged in costs of sales, selling and distribution expenses and administrative and other operating expenses, as appropriate, as below:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Costs of sales	<b>36,079</b>	51,882
Selling and distribution expenses	<b>523</b>	731
Administrative and other operating expenses	<b>19,206</b>	20,406
	<b>55,808</b>	73,019

## 9. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current income tax</b>		
PRC enterprise income tax (“PRC EIT”)		
Provision for the year	–	2,479
Under/(over) provision in respect of prior years	<u>529</u>	<u>(426)</u>
	<b>529</b>	2,053
<b>Deferred taxation</b>		
Changes in temporary differences	<u>207</u>	<u>1,411</u>
<b>Total income tax expenses</b>	<u><b>736</b></u>	<u><b>3,464</b></u>

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax during the years ended 31 December 2025 and 2024.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the years ended 31 December 2025 and 2024.

The Group’s entities established in the PRC are subject to the PRC EIT at a statutory rate of 25% except for Shenzhen Confidence Intelligence Electronic Co. Limited\* (“**Shenzhen Confidence Intelligence**”) (深圳信懋智能電子有限公司) and Chongqing Xinken Technology Company Limited\* (“**Chongqing Xinken Technology**”) (重慶信懋科技有限公司) (“**重慶信懋科技**”) which were recognised as High and New Technology Enterprise and are entitled to a preferential tax rate of 15% during the year ended 31 December 2025 (2024: Same). The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years.

### Reconciliation of income tax expenses

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<u><b>5,802</b></u>	<u>10,015</u>
Income tax at statutory tax rate applicable in respective tax jurisdictions	<b>2,236</b>	2,826
Effects of the preferential income tax rates	<b>(1,502)</b>	(1,382)
Tax exempt revenue	<b>(129)</b>	(341)
Non-deductible expenses	<b>2,283</b>	2,009
Utilisation of previously unrecognised tax losses	<b>(743)</b>	–
Unrecognised tax losses	<b>22</b>	1,224
Super deductions on research and development expenses ( <i>Note</i> )	<b>(1,960)</b>	(446)
Under/(over) provision in prior years	<u><b>529</b></u>	<u>(426)</u>
<b>Total income tax expenses</b>	<u><b>736</b></u>	<u><b>3,464</b></u>

*Note:* According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year.

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxation profits is probable. At 31 December 2025, no deferred tax assets arising from tax losses has been recognised (2024: Same).

At 31 December 2025, the Group has accumulated unrecognised tax losses of approximately RMB1,775,000 (2024: RMB1,504,000) and RMB65,843,000 (2024: RMB69,355,000) arising in Hong Kong and the PRC respectively, which are available for offsetting against future taxable profits of the entities in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses due to the uncertainty of future taxable profits against which the tax losses can be utilised. The tax losses arising in Hong Kong and the PRC can be carried forward against future taxable profits. Under the current tax legislation, the tax losses arising in Hong Kong can be carried forward indefinitely and the tax losses arising in the PRC can be carried forward for a maximum of 10 years from the year in which the tax loss was incurred as the entity in which the tax loss arose is recognised as High and New Technology Enterprise in the PRC.

## 10. EARNINGS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Profit</i>		
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	<u>3,892</u>	<u>1,596</u>
	<i>'000</i>	<i>'000</i>
<i>Number of shares</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	<u>276,301</u>	<u>250,000</u>
	<i>RMB cents</i>	<i>RMB cents</i>
<i>Earnings per share</i>		
Basic and diluted earnings per share	<u>1.41</u>	<u>0.64</u>

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

Diluted earnings per share are same as the basic earnings per share as there are no potential dilutive ordinary shares in existence for the years ended 31 December 2025 and 2024.

## 11. DIVIDENDS

The directors did not recommend a payment of any dividend for the year ended 31 December 2025 (2024: Same).

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current portion</b>			
Prepayments to suppliers	<i>12(iv)</i>	50,867	1,544
Prepayment for consultancy services fee		903	926
Rental and other deposits	<i>12(i)</i>	65	1,413
Interest receivable from unlisted corporate bonds		131	269
Interest receivable from amount due from an independent third party		–	545
Other receivables	<i>12(i)</i>	1,368	150
Amount due from an independent third party	<i>12(ii)</i>	–	4,630
Amount due from Shanghai Wanhai Jinyuan Business Management Company Limited ("Wanhai Jinyuan")	<i>12(iii)</i>	7,032	7,032
		<u>60,366</u>	<u>16,509</u>
Less: Loss allowance		(409)	(7,609)
Less: Write off		(7,032)	–
		<u>52,925</u>	<u>8,900</u>
<b>Non-current portion</b>			
Prepayment for consultancy services fee		753	–
Rental deposits	<i>12(i)</i>	114	–
Amount due from an independent third party	<i>12(ii)</i>	4,516	–
Interest receivable from amount due from an independent third party		48	–
		<u>5,431</u>	<u>–</u>
Less: Loss allowance		(797)	–
		<u>4,634</u>	<u>–</u>
		<u>57,559</u>	<u>8,900</u>

### Notes:

- (i) At 31 December 2025 and 2024, the carrying amounts of deposits and other receivables approximated their fair values. These balances were unsecured and interest free.

(ii) Amount due from an independent third party

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amount due from an independent third party	4,516	4,630
Less: Loss allowance	(789)	(147)
	<u>3,727</u>	<u>4,483</u>

On 27 October 2025, The Group entered into a supplementary agreement with the independent third party, pursuant to which, both parties agreed to extend the maturity date of the loan for 2 years, from the original maturity date on 27 October 2025 to 26 October 2027.

This principal amount of the amount due from an independent third party was HK\$5,000,000 (equivalent to approximately RMB4,516,000) (2024: HK\$5,000,000 (equivalent to approximately RMB4,630,000)). The amount due was unsecured, bearing interest of 6% per annum, and repayable before 26 October 2027 (2024: Bearing interest of 10% per annum and repayable before 27 October 2025).

(iii) Amount due from Wanhai Jinyuan

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amount due from Wanhai Jinyuan	7,032	7,032
Less: Loss allowance	–	(7,032)
Less: Write off	(7,032)	–
	<u>–</u>	<u>–</u>

As at 31 December 2025, the amount due was not recoverable (2024: The amount due was unsecured, interest free and repayable on demand).

(iv) On 23 September 2025, the Shenzhen Confidence Intelligence signed a purchase contract with ZiGuang Digital (Suzhou) Group Co., Ltd. According to the contract terms, Shenzhen Confidence Intelligence is required to make a full prepayment of RMB50 million for the purchase of the GPU server. On 29 September 2025, Shenzhen Confidence Intelligence has made the prepayment.

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	51,879	2,710
HK\$	5,680	6,190
	<u>57,559</u>	<u>8,900</u>

### 13. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, from third parties		43,966	62,694
Less: Loss allowances for trade receivables		<u>(1,653)</u>	<u>(1,640)</u>
Trade receivables, net	<i>13(a)</i>	<u>42,313</u>	<u>61,054</u>
Bills receivables	<i>13(b)</i>	<u>20,135</u>	<u>23,600</u>
Contract assets		17,241	20,814
Less: Loss allowances for contract assets		<u>(1,690)</u>	<u>(1,450)</u>
Contract assets, net	<i>13(c)</i>	<u>15,551</u>	<u>19,364</u>
Trade and bills receivables and contract assets, net		<u><u>77,999</u></u>	<u><u>104,018</u></u>

#### 13(a). Trade receivables, from third parties

The Group's business with its trade debtors is mainly on credit basis and the credit period is ranging from 30 to 120 days (2024: 30 to 120 days). At the end of the reporting period, the ageing analysis of trade receivables, net of loss allowance, by invoice date was as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	28,540	33,459
1 to 2 months	8,167	22,580
2 to 3 months	5,406	3,780
3 to 4 months	–	663
Over 4 months	<u>200</u>	<u>572</u>
	<u><u>42,313</u></u>	<u><u>61,054</u></u>

At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Not yet past due	40,567	58,150
Less than 1 month past due	1,205	2,332
1 to 2 months past due	334	–
2 to 3 months past due	7	–
3 to 4 months past due	–	–
More than 4 months past due	<u>200</u>	<u>572</u>
	<u><u>42,313</u></u>	<u><u>61,054</u></u>

### 13(b). Bills receivables

At 31 December 2025 and 2024, all bill receivables are interest-free and guaranteed by banks in the PRC and have maturities of less than six months.

### 13(c). Contract assets

The Group generally secures a 100% deposit when the order from specific customers for EMS or sales of PCBA and electronic components is accepted. The remaining payment becomes due upon the earlier of two events: either the delivery and acceptance of the finished goods by the customer, or the receipt of a cancellation notice from the customer. In the event of cancellation, the Group is entitled to immediate payment for the work performed for EMS.

Contract assets represent the Group's rights to consideration for transfer the control of services but unbilled. The contract assets are transferred to trade receivables when the rights become unconditional, which generally takes one to four months (2024: one to four months).

Movements of contract assets are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the reporting period	19,364	36,913
Additions	17,241	20,754
Transferred to trade receivables	(19,364)	(36,853)
Less: Loss allowances for contract assets	(1,690)	(1,450)
	<u>15,551</u>	<u>19,364</u>
At the end of the reporting period	<u>15,551</u>	<u>19,364</u>

At 31 December 2025 and 2024, the contract assets are expected to be recovered within 12 months.

13(d). The carrying amounts of the Group's trade and bills receivables and contract assets were denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	77,957	104,018
USD	42	–
	<u>77,999</u>	<u>104,018</u>

#### 14. TRADE PAYABLES

The trade payables are unsecured, interest-free and with normal credit terms ranging from 30–90 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	15,899	11,046
1 to 2 months	4,046	2,823
2 to 3 months	1,286	1,077
Over 3 months	91	160
	<u>21,322</u>	<u>15,106</u>

The carrying amounts of the Group's trade payables were denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	10,605	11,171
USD	10,717	3,935
	<u>21,322</u>	<u>15,106</u>

#### 15. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Contract liabilities</b>	<u>2,487</u>	<u>2,693</u>
<b>Other payables and accruals</b>		
Payable for operating expenses	1,649	3,433
Payable for staff salaries and manpower service expenses	10,594	12,621
VAT and other tax payables	3,864	5,497
Other payables	739	1,066
Accruals	1,671	1,313
	<u>18,517</u>	<u>23,930</u>
	<u>21,004</u>	<u>26,623</u>

### 15(a). Contract liabilities

Contract liabilities represent advance payments received from the customers for services or goods that have not been transferred to the customers. The contract liabilities fluctuated during the years ended 31 December 2025 and 2024 due to fluctuation in sales orders with advance payments.

The balance at the end of each reporting period is expected to be recognised as revenue in the next reporting period. The movements (excluding those arising from increase and decrease both occurred within the same reporting period) of contract liabilities within HKFRS 15 are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the reporting period	2,693	1,175
Additions	1,417	1,638
Revenue recognised ( <i>Note 5</i> )	<u>(1,623)</u>	<u>(120)</u>
At the end of the reporting period	<u><u>2,487</u></u>	<u><u>2,693</u></u>

The contract liabilities at 31 December 2025 and 2024 represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price at 31 December 2025 and 2024 of approximately RMB2,487,000 and RMB2,693,000, respectively, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

15(b). The carrying amounts of the Group's contract liabilities, other payables and accruals were denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	18,258	24,100
USD	1,075	1,099
HK\$	<u>1,671</u>	<u>1,424</u>
	<u><u>21,004</u></u>	<u><u>26,623</u></u>

## 16. LEASES LIABILITIES

16(a). The consolidated statement of financial position shows the following amounts relating to leases:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Right-of-use assets</b>		
Properties	<u>3,246</u>	<u>6,617</u>
	<b>2025</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
<b>Lease liabilities</b>		
Current portion	<u>1,106</u>	<u>3,404</u>
Non-current portion	<u>2,166</u>	<u>3,272</u>
	<u><b>3,272</b></u>	<u><b>6,676</b></u>

At 31 December 2025, the weighted average effective interest rates of the lease liabilities of the Group were approximately 3.99% per annum (2024: 4.90% per annum).

At 31 December 2025 and 2024, the carrying amounts of the Group's lease liabilities were denominated in RMB.

16(b). The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Depreciation charges of right-of-use assets</b>		
Properties	<u>3,371</u>	<u>8,272</u>
Plant and machineries	<u>–</u>	<u>5,667</u>
	<u><b>3,371</b></u>	<u><b>13,939</b></u>
Finance costs	<u><b>112</b></u>	<u><b>552</b></u>

16(c). During the years ended 31 December 2025 and 2024, the total cash outflow for leases were analysed as below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Cash flows used in operating activities</b>		
Expenses under short term leases in respect of:		
– Machineries	<u>10,332</u>	<u>8,155</u>
– Offices, warehouses, production plant and staff quarters	<u>4,359</u>	<u>1,010</u>
<b>Cash flows used in financing activities</b>		
– Payment of principal element of lease liabilities	<u>3,404</u>	<u>14,176</u>
– Payment of interest element of lease liabilities	<u>112</u>	<u>552</u>
	<u><b>18,207</b></u>	<u><b>23,893</b></u>

## **BUSINESS REVIEW**

The Group is an electronic manufacturing services (the “EMS”) provider offering comprehensive assembling and production services of printed circuit board assembly (the “PCBAs”) in the PRC that integrate research and design, selection and procurement of raw materials, assembling of PCBAs, quality control, testing, logistics and aftersales services.

During the Reporting Period, the economy in China is facing significant challenges, such as U.S. tariff policies, uncertain China-U.S. trade negotiations, adjustments in the real estate sector, and insufficient domestic demand, which has led to increasingly fierce competition among enterprises in the PRC. The Group ceased cooperation with several customers during the Reporting Period, and the Group’s revenue decreased by 7.4% from RMB288.8 million for the year ended 31 December 2024 to RMB267.3 million for the Reporting Period. As a result of the decrease in revenue, the gross profit of the Group decreased, and the Group recorded a net profit of approximately RMB5.1 million for the Reporting Period, representing a decrease of 22.7% as compared to that of approximately RMB6.6 million for the corresponding period in 2024.

## **PROSPECTS**

The economy environment in China and the world remains uncertain and challenging. The Group is taking proactive measures and making active responses in an effort to sustain the business and actively diversify or expand our customer base and product base to broaden the sources of revenue and diversify business risk. The Group will also take actions to adjust the product mix and strictly control cost to improve the profitability of the Group.

Also, the Group will continue to invest in our development of in-house capabilities and keep ourselves abreast of the development of latest technology advancement in our industries to secure more opportunities in the EMS business.

At the same time, the Company will actively explore and capture opportunities arising from technological advancements and evolving market dynamics. Our strategy involves a continuous scan of the national landscape to identify and leverage cutting-edge technologies that align with our core capabilities and long-term vision. The Group has made some purchase orders of GPU servers during the Reporting Period to explore more business opportunities.

We will continue to strive a balance among the interests of shareholders, employees and customers, and pursue long-term and sustainable development for the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULTS

#### Revenue by Customers' Geographical Location

The Group's revenue by customers' geographical location, which is determined by the location of customers, is as follows:

	Revenue for the year ended 31 December	
	2025 RMB'000	2024 RMB'000
The PRC	267,338	288,661
The United States of America (the "USA")	–	110
Malaysia	–	54
Total	<u>267,338</u>	<u>288,825</u>

The Group derives its revenue from provision of EMS and sales of PCBAs during the Reporting Period. Based on the usage of the electronic products which incorporated with our PCBAs, our PCBAs can be broadly applied to electronic end products for three principal industries, namely, telecommunication devices, IoT products, and automotive related devices. The table below summarises the amount of revenue generated and as a percentage of total revenue from each product category for the Reporting Period and for the year ended 31 December 2024, respectively:

	Revenue for the year ended 31 December			% of total revenue for the year ended 31 December		
	2025 RMB'000	2024 RMB'000	Change %	2025	2024	Change
PCBAs for						
Telecommunication devices	131,472	158,461	(17.0)	49.2	54.9	(5.7)
IoT products	15,020	47,744	(68.5)	5.6	16.5	(10.9)
Automotive related devices	76,098	71,955	5.8	28.5	24.9	3.6
Others	44,748	10,665	319.6	16.7	3.7	13.0
Total	<u>267,338</u>	<u>288,825</u>	<u>(7.4)</u>	<u>100.0</u>	<u>100.0</u>	<u>–</u>

Our revenue generated from sales of PCBAs for telecommunication devices decreased by approximately 17.0% from approximately RMB158.5 million for the year ended 31 December 2024 to approximately RMB131.5 million for the Reporting Period, primarily due to that the group ceased to cooperate with a few customers as the group cannot agree on a favorable selling price with these customers.

Our Group recorded a significant decrease in revenue derived from sales of PCBAs for IoT products from approximately RMB47.7 million for the year ended 31 December 2024 to approximately RMB15.0 million for the Reporting Period, which was mainly attributable to the decline orders received from the IoT products customers for the reason that (i) the current sluggish consumer environment for the Reporting Period; and (ii) the cessation cooperation with a major customer as the Group cannot agree on a favorable price with this customers.

Our revenue generated from sales of PCBAs for automotive related devices increased slightly by approximately RMB4.1 million from approximately RMB72.0 million for the year ended 31 December 2024 to approximately RMB76.1 million for the Reporting Period, primarily because we achieve more orders from a major customer as we offered a more competitive price to this major customer.

Other revenue mainly include (i) sales of PCBAs for industrial use devices and other electronic devices of RMB4.5 million; and (ii) the revenue generated from the sale of auxiliary and other materials of RMB40.2 million. Other revenue increased from approximately RMB10.7 million for the year ended 31 December 2024 to approximately RMB44.7 million for the Reporting Period, which was mainly due to the significant increase in sales of IC materials of approximately RMB39.7 million.

## Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately RMB39.6 million, representing a decrease of approximately RMB5.2 million or approximately 11.6% as compared with approximately RMB44.8 million for the year ended 31 December 2024. Overall gross profit margin decreased slightly from approximately 15.5% for the year ended 31 December 2024 to approximately 14.8% for the Reporting Period.

	Gross profit for			Gross profit margin for		
	the year ended 31 December			the year ended 31 December		
	2025	2024	Change	2025	2024	Change
	RMB'000	RMB'000	(%)	(%)	(%)	(%)
PCBAs for						
Telecommunication devices	<b>25,201</b>	25,151	0.2	<b>19.2</b>	15.9	3.3
IoT products	<b>2,369</b>	6,323	(62.5)	<b>15.8</b>	13.2	2.6
Automotive related devices	<b>10,594</b>	12,631	(16.1)	<b>13.9</b>	17.6	(3.7)
Others	<b>1,407</b>	669	110.3	<b>3.1</b>	6.3	(3.2)
Total	<b>39,571</b>	44,774	(11.6)	<b>14.8</b>	15.5	(0.7)

The gross profit for telecommunication devices was RMB25.2 million, which kept stable as compared to that for the year ended 31 December 2024 (2024: approximately RMB25.2 million). The gross profit margin increased to approximately 19.2% for the Reporting Period (2024: approximately 15.9%), which was primarily due to that the group strictly controlled the costs at each stage of production to improve the profit margin.

The gross profit for IoT products decreased significantly by approximately 62.5% to approximately RMB2.4 million for the Reporting Period (2024: approximately RMB6.3 million) which was in line with the decrease in revenue. The gross profit margin increased to approximately 15.8% for the Reporting Period (2024: approximately 13.2%), which was primarily due to that the Group ceased cooperation with one major customer who has a lower gross profit margin while acquired new orders from new customers who has a higher gross profit margin.

The gross profit for automotive related devices decreased by approximately 16.1% to approximately RMB10.6 million for the Reporting Period (2024: approximately RMB12.6 million). The gross profit margin decreased to approximately 13.9% for the Reporting Period (2024: approximately 17.6%) which was due to the decreased selling price offered to the customers due to the fierce competition for the Reporting Period.

## Other Income

Other income of the Group for the Reporting Period of approximately RMB7.5 million (2024: approximately RMB5.9 million) mainly represented government grants and bank interest income.

## **Other (Losses)/Gains, Net**

Other (losses)/gains, net mainly represented (i) net losses on disposal of property, plant and equipment; (ii) written off of property, plant and equipment; (iii) interest income from unlisted corporate bonds and loans; (iv) dividend income; and (v) exchange difference. The losses for the Reporting Period of RMB2.1 million was mainly due to the increase in loss on disposal of the obsolete and unused equipment of RMB2.7 million.

## **Selling and Distribution Expenses**

Selling and distribution expenses mainly comprised (i) relevant employee benefit expenses; (ii) transportation costs; (iii) entertainment expenses and other expenses. For the Reporting Period, selling and distribution expenses amounted to approximately RMB3.1 million (2024: approximately RMB3.5 million), which kept stable as compared to the year ended 31 December 2024.

## **Administrative and Other Operating Expenses**

Administrative and other operating expenses mainly represented (i) employment benefit expenses; (ii) depreciation; (iii) professional fee; (iv) rental expenses; (v) travelling expenses; (vi) utilities; (vii) telecommunication; (viii) office expenses and other expenses. For the Reporting Period, administrative and other operating expenses amounted to approximately RMB33.9 million (2024: approximately RMB32.8 million), representing a slight increase of approximately 3.4% as compared to the year ended 31 December 2024, which was mainly due to the increase of professional fees for the compliance matters of the Company.

## **Impairment Losses on Financial Assets and Contract Assets**

For the Reporting Period, impairment losses of approximately RMB0.7 million (2024: approximately RMB3.1 million) was made against the financial assets at amortised cost, other receivables and the trade receivables for customers who probably have credit risk, which was unlikely to be collected.

## **Finance Costs**

Our finance costs mainly comprised interest expenses on bank borrowings and leases liabilities. For the Reporting Period, the finance costs of the Group were approximately RMB0.2 million (2024: approximately RMB0.7 million). The decrease in finance costs was in line with the decreased average balance of bank borrowings and lease liabilities.

## **Income Tax Expense**

The Group recorded a decrease in income tax expense of approximately RMB0.7 million for the Reporting Period (2024: approximately RMB3.5 million), which was primarily due to the decreased profit before tax of the Group for the Reporting Period.

## **Profit for the Year**

As a result of the facts discussed above, the Group recorded a net profit of approximately RMB5.1 million for the Reporting Period as compared to net profit of approximately RMB6.6 million for the year ended 31 December 2024.

## **Profit for the Year Attributable to Non-controlling Interest**

Profit for the year attributable to non-controlling interest amounted approximately RMB1.2 million for the Reporting Period (2024: approximately RMB5.0 million). The profit for the year attributable to non-controlling interest mainly arose from Chongqing factory.

## **Liquidity and Capital Resources**

### *Net Current Assets*

The Group had net current assets of approximately RMB169.6 million as at 31 December 2025 (2024: approximately RMB173.9 million). The current ratio of the Group increased from approximately 4.3 as at 31 December 2024 to 4.6 as at 31 December 2025.

### *Borrowing and the Pledge of Assets*

The bank borrowings of the Group was nil as at 31 December 2025 (2024: approximately RMB3.3 million). As at 31 December 2024, the above bank borrowings were secured by property, plant and equipment with carrying amounts approximately RMB8.3 million. The Group did not pledged any assets as at 31 December 2025.

### *Gearing Ratio*

Our gearing ratio, which is calculated by total borrowings and lease liabilities divided by total equity, was approximately 1.3% and 3.6% as at 31 December 2025 and 31 December 2024, respectively. The decrease in gearing ratio for the Reporting Period was in line with the decreased balance of bank borrowing. The gearing ratio remained low due to our low level of bank borrowings and lease liabilities.

### *Capital Structure*

The Shares were listed on the Main Board of the Stock Exchange on 18 October 2019. There has been no change in the capital structure of the Group for the Reporting Period except for the placing during the Reporting Period as mentioned in the section “Use of Proceed From the Placing of New Shares Under General Mandate”. As at 31 December 2025, the number of issued shares of the Company was 300,000,000 ordinary shares of HK\$0.01 each.

## **Foreign Exchange Exposure and Exchange Rate Risk**

The Group's assets, liabilities and transactions are mainly denominated in RMB, US\$ and HK\$. There are no significant assets and liabilities denominated in other currencies. Management considers that the Group is not exposed to any significant foreign exchange risk as at 31 December 2025 as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

## **Capital Expenditure**

For the Reporting Period, the Group had capital expenditure of approximately RMB10.0 million (2024: approximately RMB19.9 million). The capital expenditure was mainly related to the additions of office equipment, plant and equipment and intangible assets.

## **Dividend**

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

## **Employees, Emoluments Policy and Training**

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme. Other benefits include share options to be granted under the Share Option Schemes. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs to employees, which are identified annually by individual departments.

As at 31 December 2025, the Group had 330 employees (2024: 489 employees) with a total remuneration of approximately RMB49.0 million during the Reporting Period (2024: approximately RMB64.8 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

## PENSION SCHEME

Pursuant to the relevant labor laws and regulations of the PRC, the employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme (the “**Defined Contribution Scheme**”) operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the Defined Contribution Scheme.

The Group's contributions to the Defined Contribution Scheme vest fully and immediately with the employees. Accordingly, (i) during the Reporting Period, there was no forfeiture of contributions under the Defined Contribution Scheme; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Scheme as at 31 December 2025. The contributions are charged to profit or loss as they become payable in accordance with the rules of the Defined Contribution Scheme.

## CAPITAL COMMITMENT

As at 31 December 2025, the Group's capital commitment was nil (2024: approximately RMB0.4 million). The capital commitment as at 31 December 2024 was mainly related to the acquisition of machinery and equipment to enhance our production efficiency.

## MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

On 17 October 2025, Shenzhen Confidential Intelligence Electronics Limited Company\* (深圳信懇智能電子有限公司) (the “**Purchaser**”) (being a wholly-owned subsidiary of the Company) and Mr. Chen Wensheng (the “**Vendor**”) (being an independent third party of the Company) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), in which, the Purchaser has agreed to acquire and the Vendor have agreed to sell the 30% of the equity interest of the Chongqing Confidential Intelligence Limited Company\* (重慶信懇科技有限公司) (the “**Target Company**”) at a total consideration of RMB40 million (the “**Acquisition**”). The Target Company is a limited liability company established by the Purchaser and the Vendor under the laws of the PRC on 14 October 2020 and an indirect non-wholly owned subsidiary of the Company owned as to 70% by the Purchaser and 30% by the Vendor.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company and are subject to reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Acquisition was approved by the shareholders of the Company on 12 December 2025. For details please refer to the Circular of the Company dated 24 November 2025 and the poll results announcement of the Company date 12 December 2025.

Upon the satisfaction of the conditions precedent defined in the Sale and Purchase Agreement, the completion of the Acquisition took place in December 2025 and upon completion, the Target Company became a wholly owned subsidiary of the Company.

Saved as disclosed in this announcement, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Period.

As of 31 December 2025, the Group held no significant investments (including any investments in target companies with a value equal to or exceeding 5% of the Group's total assets).

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as of 31 December 2025 (2024: nil).

## **INVESTMENT STRATEGY**

The Group will from time to time utilised its idle cash to select different kinds of investment to improve the profitability of the Group, including but limited to equity securities, new shares through IPO subscription in Hong Kong and low risk or fixed income investment products from financial institutions, stockbrokers and professional investors.

The selection criteria of equity securities include (i) the issuer is listed on the main board in Hong Kong without suspension of trading; (ii) big ticker with market capitalization of the issuer of not lower than HK\$2 billion; (iii) the shares recorded active trading volume in the past three months; (iv) has sustainable business model; and/or (v) is engaged in the growing and booming industry.

Low risk or fixed income investment products include short term time deposit, bond and financial products between 3–12 months with favourable interest rate or to generate returns denominated in Hong Kong Dollar that are in line with, or superior to, prevailing money market rates.

The CEO or chairman of the Board is responsible for exploring and sourcing investment opportunities for the Group. The finance and company secretary department are responsible for conducting due diligence of potential investment and the relevant compliance issues.

Factors will be taken into consideration before an investment decision is finalised, including working capital sufficiency, level of idle cash, duration of investment, prevailing deposits interest rates offered by banks, liquidity of the investment; market condition and future prospect and level of risk.

The Group employs a risk management strategy which includes monitoring global economic developments and political changes, the market price of equity securities and the performance of the listed companies, reviewing the financial performance and announcements made by the listed companies, the news of the relevant listed companies and their industry to assess the potential impact to their share performance and the upcoming business development.

For each investment, if any one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the investment exceeds 5%, the investment will be passed to the Board for review and approval. The Group will also take on-going monitoring measures on the investments, including:

- (i) the investment portfolio is reviewed by CEO or chairman of the Board and the financial controller of the Company on a weekly basis; and
- (ii) the investment performance analysis is submitted to the Board for review every six months.

## **USE OF PROCEED FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE**

In order to raise fund for purchase of equipment, repayment of borrowing and increasing of working capital, on 13 June 2025, the Company entered into the placing agreement with Kingston Securities Limited (the “**Placing Agent**”) pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent places for up to 50,000,000 new ordinary Shares at a price of HK\$0.27 per placing Share, for and on behalf of the Company (the “**Placing**”). The aggregate nominal value of the maximum number of placing Shares under the Placing was HK\$500,000. The maximum number of 50,000,000 placing shares represents approximately 20.00% of the entire issued share capital of the Company of 250,000,000 shares as at 13 June 2025 and approximately 16.67% of the Company’s entire issued share capital as enlarged by the Placing. The closing price of the share of the Company on 13 June 2025 (being the date on which of the placing agreement) was HK\$0.34. The net proceeds from the Placing of approximately HK\$13.1 million will be used for (i) approximately HK\$4.4 million for acquisition of new machinery for assembly and production of PCBAs at the production plant in Shenzhen; (ii) approximately HK\$3.3 million for the repayment of bank borrowing; and (iii) the remaining of approximately HK\$5.4 million for other general working capital of the Group. All the conditions precedent set out in the Placing Agreement have been fulfilled and the Placing was completed on 23 June 2025 and 50,000,000 new Shares were issued to not less than six places at the placing price. The net placing price (after deducting the related costs and expenses incurred in the Placing) is approximately HK\$0.261 per Share. Details are set out in the Company’s announcement dated 13 June 2025 and 23 June 2025.

The following table sets forth the status of use of proceeds from the Placing as at 31 December 2025:

	<b>Intended use of net proceeds from the Placing</b>	<b>Utilised net proceeds from the Placing during the Reporting Period</b>	<b>Unutilised net proceeds from the Placing as at 31 December 2025</b>
Acquisition of new machinery for assembly and production of PCBAs at the production plant in Shenzhen	4.4	4.4	–
Repayment of bank borrowing	3.3	3.3	–
General working capital	5.4	5.4	–
	<hr/>	<hr/>	<hr/>
Total	<u>13.1</u>	<u>13.1</u>	<u>–</u>

#### **EVENT AFTER REPORTING PERIOD**

The Group does not have any important events after the Reporting Period and up to the date of this announcement.

#### **CORPORATE GOVERNANCE PRACTICES**

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the trust of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance codes to meet the legal and commercial standards by focusing on areas such as internal control, adequate disclosure and accountability to all shareholders.

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the Reporting Period except the following deviation:

CG Code provision C.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Li is the chairman of the Board and the chief executive officer of our Group, which was deviated from the CG Code. However, having considered the nature and extent of our Group's operations, Mr. Li's extensive experience in the industry, familiarity with the operations of our Group since its business operation, that all major decisions are made in consultation with members of our Board and relevant Board committees, and that there are three independent non-executive Directors on our Board offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between our Board and the management of our Company and that it is in the best interest of our Group to have Mr. Li taking up both roles. As such, the roles of the chairman and chief executive officer of our Group are not being separated pursuant to the requirement under code provision C.2.1 of the CG Code. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the Reporting Period. The Company did not hold any treasury shares as at 31 December 2025.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 20 September 2019 with terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules for the purpose of to making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the internal control procedures and risk management of our Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Chow Kit Ting (Chairman), Mr. Huang Jianfei and Ms. Mu Lingxia.

The Audit Committee had reviewed the audited annual results of the Group for the year ended 31 December 2025.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")**

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the Reporting Period and to the date of this announcement.

## **SCOPE OF WORK OF CONPAK CPA LIMITED**

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

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

This annual results announcement will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.szxinken.com](http://www.szxinken.com)). The annual report of the Company for the year ended 31 December 2025 will be dispatched to shareholders (if requested) of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Confidence Intelligence Holdings Limited**  
**Li Hao**  
*Chairman & Executive Director*

Hong Kong, 30 March 2026

*As at the date of this announcement, the executive Directors are Mr. Li Hao, Mr. Zhang Bizhong, Mr. Xu Shizhen, Ms. Li Biqiong and Mr. Hao Xiangjun, and the independent non-executive Directors are Mr. Huang Jianfei, Mr. Chow Kit Ting and Ms. Mu Lingxia.*

\* *For identification purpose only*