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BRAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2203)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the Period together with the audited comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	82,460	119,991
Cost of sales		<u>(69,393)</u>	<u>(126,443)</u>
Gross profit (loss)		13,067	(6,452)
Other income		7,623	9,669
Other gains (losses)		5,745	(32,747)
Selling and distribution costs		(4,735)	(7,038)
Administrative expenses		(40,220)	(53,392)
Impairment loss on trade receivables, contract assets and amounts due from related companies		(5,834)	(8,302)
Finance costs		<u>(10,138)</u>	<u>(10,206)</u>
Loss before tax		(34,492)	(108,468)
Income tax expenses	4	<u>(33)</u>	<u>(19,411)</u>
Loss for the year	5	(34,525)	(127,879)
Other comprehensive income (expense) for the year			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>1,863</u>	<u>(2,149)</u>
Total comprehensive expense for the year		<u><u>(32,662)</u></u>	<u><u>(130,028)</u></u>
Loss per share			
– Basic and diluted (<i>HK cents</i>)	6	<u><u>(4.32)</u></u>	<u><u>(15.98)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Plant and equipment		23,891	29,729
Right-of-use assets		1,105	1,006
Intangible assets		625	727
Deferred tax asset		—	—
		<u>25,621</u>	<u>31,462</u>
Current assets			
Inventories		425	1,207
Trade and other receivables	7	14,456	38,115
Contract assets		3,242	2,145
Amounts due from related companies		4,496	5,015
Financial assets at fair value through profit or loss		47,191	48,228
Bank balances and cash		23,545	26,568
		<u>93,355</u>	<u>121,278</u>
Current liabilities			
Trade and other payables	8	39,833	43,896
Lease liabilities		938	2,151
Amounts due to related companies		—	4,173
Loan from ultimate controlling party		—	116,276
Loans from related companies		44,942	44,598
Other loan		543	—
Income tax payables		35	34
		<u>86,291</u>	<u>211,128</u>
Net current assets (liabilities)		<u>7,064</u>	<u>(89,850)</u>
Total assets less current liabilities		<u>32,685</u>	<u>(58,388)</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		608	681
Deferred tax liability		—	—
		<u>608</u>	<u>681</u>
Net assets (net liabilities)		<u>32,077</u>	<u>(59,069)</u>
Capital and reserves			
Share capital		8,000	8,000
Perpetual bonds		123,808	—
Reserves		<u>(99,731)</u>	<u>(67,069)</u>
Total equity (deficiency in assets)		<u>32,077</u>	<u>(59,069)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Brainhole Technology Limited was incorporated in the Cayman Islands on 10 September 2014 as an exempted company with limited liability under the Cayman Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares had been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 2017.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of the principal place of business of the Company is Suites 1801-03, 18/F., One Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong. Its immediate holding company is Yoho Bravo Limited (“Yoho”), a company incorporated in the British Virgin Islands (the “BVI”) with limited liability and its ultimate controlling party is Mr. Zhang Liang Johnson (“Mr. Zhang”).

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are the manufacturing and trading of electronic and electrical parts and components, provision of broadband infrastructure construction services, promotion of broadband services, smart domain solution services and operating leases for broadband infrastructure.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

Basis of preparation

During the year ended 31 December 2025, the Group incurred a consolidated loss of approximately HK\$34,525,000 and a net operating cash outflow. As at 31 December 2025, the Group had loans from related companies of approximately HK\$44,942,000. However, the Group had only cash and bank balances of approximately HK\$23,545,000.

In preparing the Group’s consolidated financial statements, the directors of the Company have taken into account all information that could reasonably be expected to be available. In particular, the directors of the Company have taken the following measures to mitigate the liquidity pressure and to improve its financial position:

- (i) Mr. Zhang agreed to provide continuing financial support to the Group and will not demand the repayment of amount due to him before 31 December 2026 and until such time the Group is in a financial position to do so.
- (ii) The related companies had agreed not to demand repayment from the Group the loans due to them of approximately HK\$44,942,000 before 31 December 2026 and until such time the Group is in a financial position to do so.
- (iii) The Group has been actively searching for new business projects to improve the Group’s profitability and cash flows.

Based on the Group’s cash flow projections, taking account of the effectiveness and feasibility of the above measure covering a period of twelve months from the end of the reporting period prepared by the management, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. These consolidated financial statements do not include any adjustments that would result should the Group be unable to operate as a going concern.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- (a) Semiconductor business segment engages in selling of electronic goods and electrical parts and components manufactured by the Group or sourced from third-party suppliers.
- (b) Broadband infrastructure and smart domain segment engages in the provision of broadband infrastructure construction services, promotion of broadband services and smart domain solution services, and operating leases for broadband infrastructure.
- (c) Strategic investments segment engages in trading of listed equity securities.

During the year ended 31 December 2025, the Group changes its internal reporting structure used by the CODM to allocate resources and assess performance in order to align with the Group's business strategic and development. Accordingly, the Group's manufacturing and trading segments for selling and trading of electronic goods and electrical parts are re-designated as semiconductor business segment to reflect the Group's business as a solutions integrator. Accordingly, the composition of reportable segments has been revised. Comparative information has been restated to conform with the current year presentation.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the method used to distribute the products and/or the nature of production processes.

Despite that all of the Group's products are of a similar nature, they are subject to different risks and returns. Accordingly, the Group's operating activities are attributable to semiconductor business, broadband infrastructure and smart domain and strategic investments segments.

Revenue represents revenue arising from the manufacturing and trading of electronic goods and electrical parts and components, provision of broadband infrastructure construction services, promotion of broadband services and smart domain solution services, and operating leases for broadband infrastructure. An analysis of the Group's revenue for the year is as follows:

	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Semiconductor business:		
Manufacturing and trading of electronic goods	714	85,395
Broadband infrastructure and smart domain:		
Broadband infrastructure construction services	14,616	19,078
Commission income from promotion of broadband services	6,201	6,039
Provision of smart domain solution services	<u>60,737</u>	<u>9,089</u>
	82,268	119,601
Revenue from other sources		
Broadband infrastructure and smart domain:		
Rental income from broadband infrastructure under operating lease		
– Lease payments that are fixed at a rate	<u>192</u>	<u>390</u>
	<u>82,460</u>	<u>119,991</u>

Segment revenue and results

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

	Semiconductor business		Broadband infrastructure and smart domain		Strategic investments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>714</u>	<u>85,395</u>	<u>81,746</u>	<u>34,596</u>	<u>–</u>	<u>–</u>	<u>82,460</u>	<u>119,991</u>
Segment (loss) profit	<u>(7,881)</u>	<u>(17,626)</u>	<u>(8,883)</u>	<u>(14,021)</u>	<u>6,149</u>	<u>(31,440)</u>	<u>(10,615)</u>	<u>(63,087)</u>
Unallocated income							1,107	2,412
Unallocated expenses							<u>(24,984)</u>	<u>(47,793)</u>
Loss before tax							<u>(34,492)</u>	<u>(108,468)</u>

The accounting policies of (loss) profit represents the (loss from) profit earned by each segment without allocation of certain administrative expenses, certain finance costs and certain other income. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSES

	2025	2024
	HK\$'000	HK\$'000
Current tax – the People’s Republic of China (“the PRC”):		
Provision for the year	33	–
Under provision in prior years	–	79
	<hr/>	<hr/>
	33	79
Deferred tax	–	19,332
	<hr/>	<hr/>
	33	19,411
	<hr/> <hr/>	<hr/> <hr/>

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.
- (b) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2025 and 2024.

- (c) Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2025	2024
	HK\$'000	HK\$'000
Emoluments of the directors of the Company and chief executive:		
Salaries and allowances	540	1,675
Retirement benefits scheme contributions	–	11
Other staff costs:		
Salaries and allowances (<i>note a</i>)	22,958	35,613
Retirement benefits scheme contributions	2,409	5,043
Total staff costs	25,907	42,342
Auditors' remuneration	680	830
Amount of inventories recognised as expenses	14,322	89,791
Amortisation of intangible assets	190	181
Depreciation of plant and equipment	2,602	7,357
Depreciation of right-of-use assets	821	2,638
Research and development costs (included in administrative expenses) (<i>note a</i>)	3,543	5,079
Write-off of plant and equipment	461	525
Impairment loss on inventories (included in cost of sales) (<i>note b</i>)	84	13,160

Note: (a) Included in research and development costs were staff costs of HK\$3,446,000 (2024: HK\$4,991,000), which were included in other staff costs disclosure above.

(b) During the year ended 31 December 2025, an impairment loss of HK\$84,000 (2024: HK\$13,160,000) was recognised for certain obsolete and slow-moving inventories based on management's assessment of their net realisable value.

6. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(34,525)</u>	<u>(127,879)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>800,000</u>	<u>800,000</u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2025 and 2024.

7. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	28,401	52,020
Less: allowance for impairment of trade receivables	<u>(21,536)</u>	<u>(19,238)</u>
	6,865	32,782
Deposits and other receivables	3,055	1,561
Value-added tax recoverable	998	872
Prepayments	<u>3,538</u>	<u>2,900</u>
Total trade and other receivables	<u>14,456</u>	<u>38,115</u>

The Group does not hold any collateral over its trade and other receivables.

The Group allows a credit period up to 90 days to its customers for semiconductor business segment. For customers for broadband infrastructure and smart domain segment, various credit periods are granted to its customers, and the credit period of individual customer is considered on a mutually-agreed basis and stipulated in the project contract, as appropriate.

The following is an aged analysis of trade receivables, net of allowance for impairment, presented based on the date of delivery/invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	2,121	10,166
31 to 90 days	135	8,666
91 to 365 days	1,149	9,461
Over 365 days	3,460	4,489
	<u>6,865</u>	<u>32,782</u>

8. TRADE AND OTHER PAYABLES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	32,511	32,908
Accrued staff costs	1,198	3,964
Other payables	6,124	7,024
	<u>39,833</u>	<u>43,896</u>

Included in other payables, amount of approximately HK\$279,000 (2024: HK\$279,000) represented interest payable to loan from the immediate holding company as at 31 December 2025.

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 3 months	2,738	7,820
4 to 6 months	2,259	5,815
7 to 12 months	9,721	10,531
Over 1 year	17,793	8,742
	<u>32,511</u>	<u>32,908</u>

The credit period on purchases of goods ranged from 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

9. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025, the Group had acquired and disposed of certain listed equity securities. Details of which are set out in the Company's announcements from the end of reporting period up to the date of audited consolidated financial statement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

(i) Broadband infrastructure and smart domain business

Guangzhou Weaving, a wholly owned subsidiary of the Group, is primarily engaged in broadband infrastructure development in China and provides integrated solutions for smart venue applications, including smart homes, smart parks, and smart communities. Its smart venue solutions encompass hardware used for security and identification purposes, as well as software designed for residential management, energy efficiency, and community services. During the Period, Guangzhou Weaving further expanded its smart product business, entered overseas markets through e-commerce channels, and achieved relatively fruitful results in the development of new projects.

Following the pandemic, China's real estate industry continues to face the dual challenges of macroeconomic regulation and a slow recovery in property sales. As a result, property developers have adopted a cautious approach to capital expenditure management and remain conservative when acquiring new land or initiating new development projects. Consequently, market demand and revenue from Guangzhou Weaving's broadband infrastructure construction and smart venue solutions have also declined.

In view of these circumstances, the Group has further strengthened its cost management measures and adopted a prudent approach when selecting and investing in new projects. It is also exploring collaboration with industry partners to mitigate risks. The Group's product portfolio and resources are being optimized and reallocated to more profitable and cash-flow-stable projects, while consolidating resources into the smart product business and exploring new opportunities.

In addition, government policies implemented in China's telecommunications sector have presented challenges for the Group. The government's initiatives to accelerate internet speed improvements and reduce costs continue to exert pressure on the profitability of the broadband infrastructure industry. Although telecom operators are encouraged to maintain stable broadband service revenues, their long-term expansion capability remains uncertain.

(ii) Semiconductor business

Following the pandemic, global demand for high performance optimization and acceleration technologies has continued to increase, driven by the growing adoption of high tech products such as 5G networks, artificial intelligence (AI), the Internet of Things (IoT), cloud computing, and big data processing. This trend has significantly impacted the global semiconductor industry. Semiconductor production consists of multiple processes, including integrated circuit (IC) design, feasibility testing, wafer fabrication, assembly and packaging, and final testing.

The Group's semiconductor segment primarily focuses on the assembly, packaging, and sales of its own discrete semiconductors, as well as the procurement of semiconductor products from third party suppliers. Assembly and packaging are critical steps in the production chain as they transform semiconductor chips into functional devices for a wide range of end use applications. While IC design and wafer fabrication are dominated by several multinational corporations, the assembly and packaging of discrete semiconductors involve both large enterprises and smaller regional participants. As a downstream player in the semiconductor supply chain, the Group's semiconductor segment faces intense market competition. The business has yet to show any signs of recovery, and as early as the beginning of the year, customer orders had already come to a halt.

During the Period, the Group's semiconductor business was affected by a combination of factors, the challenges facing the semiconductor business intensified significantly. Due to the rapid technological iteration and generational upgrades of semiconductor, the Group's existing products struggled to keep pace with the evolving market standards. This technological gap led to a continuous and substantial loss of key customers, who migrated toward more advanced and competitive solutions. As a result, revenue from the Group's semiconductor production and trading operations decreased by approximately 99.2% compared with the same period last year.

Specifically, due to the cessation of customer orders, revenue from semiconductor production dropped to nil during the Period. Apart from production activities, the Group recorded only minor trading revenue during the Period, mainly supporting the sale of in house products. As a solutions integrator, the Group engages in the trading of semiconductors according to specific customer demands; however, these semiconductors are not produced by the Group itself. The product mix requested by customers varies over time, and with orders having ceased early in the year, revenue from semiconductor trading declined by approximately 98.7% year on year.

In addition, global trade uncertainties and complex geopolitical conditions have contributed to a sluggish global economic recovery, while the timeline for a stable rebound in the consumer market remains unclear. Consequently, semiconductor customers have suspended placing new orders, and it is uncertain when demand will fully recover. In light of this situation, the Group has adopted a highly prudent approach to this business segment. Management has adjusted operations based on prevailing market conditions to mitigate losses and is considering the potential discontinuation of the semiconductor segment. Resources will be reallocated to the smart products trading business, while the Group continues to explore opportunities in technological innovation.

(iii) Strategic investments business

Since the second half of 2022, the Group has embarked on strategic investment activities. The Group believes that technological innovation is a crucial driver for future economic development and can also propel emerging applications in the smart living sector. Leveraging its own advantages in the field of smart technology, the Group aims to seize investment opportunities and actively diversify its investments in innovative technologies to create greater value for its shareholders.

The Group has made the investments in listed equity securities during the Period.

Listed equity securities portfolio

The listed equity investments mainly comprises leading technology companies and high quality large companies listed in the United States and Hong Kong.

The Group's investments are aimed to be made medium term in nature with an expected investment period of approximately six months and are primarily financed by the Group's existing internal financial resources.

During the Period, the Group acquired several United States-listed equity securities and Hong Kong-listed equity securities with the aggregate acquisition costs of approximately HK\$222.2 million and disposed of part of shareholdings of those listed equity securities with the aggregate carrying amounts of approximately HK\$219.2 million. The net sale proceeds of the disposals was approximately HK\$229.3 million, resulting in net realised gain of approximately HK\$10.1 million which recorded in the changes in fair value of financial assets at fair value through profit or loss ("FVTPL") in the consolidated statement of profit or loss and other comprehensive income.

At the end of the Period, the Group measured its listed equity securities at fair value based on the closing prices quoted in active markets. The Group recognised the unrealised loss of approximately HK\$4.0 million arising on the changes in fair value of financial assets at FVTPL.

Movements in the carrying amount of the listed equity securities held by the Group during the Period are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Carrying amount at 1 January	48,228	69,276
Add: Acquisitions	222,244	323,512
Less: Disposals	(219,243)	(333,434)
Unrealised (loss) gain arising on changes in fair value	<u>(4,038)</u>	<u>(11,126)</u>
Carrying amount at 31 December	<u><u>47,191</u></u>	<u><u>48,228</u></u>

Details of the listed equity securities held by the Group as at 31 December 2025 are as follows:

Principal activities	Cost of shares as at 31 December 2025 <i>HK\$'000</i>	Number of shares held as at 31 December 2025	Percentage of shares held as at 31 December 2025	Fair value as at 31 December 2025 <i>HK\$'000</i>	Fair value as	Dividend received/ receivable for the year ended 2025 <i>HK\$'000</i>	Gain/(loss)	
					compared to the consolidated total assets of the Group as at 31 December 2025		arising on change in fair value recognised for the year ended 2025 <i>HK\$'000</i>	
Name of US-listed equity securities								
Nebius Group N.V. (NASDAQ: NBIS)	A company incorporated in the Netherlands and a technology company building full-stack infrastructure	23,052	28,800	0.01%	18,755	15%	-	(4,297)
TeraWulf Inc. (NASDAQ: WULF)	A Delaware corporation and digital asset technology company	23,183	212,300	0.05%	18,979	16%	-	(4,204)
Canadian Solar Inc. (NASDAQ: CSIQ)	An Ontario corporation and is one of the world's largest solar technology and renewable energy companies	7,998	34,300	0.05%	6,343	5%	-	(1,655)
IB portfolio investments (Note)		5,428			3,114	3%	-	(2,314)
		<u>59,661</u>			<u>47,191</u>		<u>-</u>	<u>(12,470)</u>

Note: IB portfolio investments mainly comprise the Group's investments in 46 companies whose securities and/or options are traded on NASDAQ. Each of the investments has a carrying amount that accounted for not more than 5% of the consolidated total assets of the Group as at 31 December 2025.

Investment policy and objectives

Investment activities of the Group are conducted in accordance with its investment policies. In formulating and reviewing its investment strategy, the Group takes into account, including but not limited to, its corporate strategy and business plan. The primary objectives of the Group's investments are to enhance returns on surplus cash and support long term growth and strategic initiatives while effectively managing risk exposure, safeguarding the Group's assets, enhancing portfolio diversification, and optimising returns on investments.

Under the Group's investment policy, permissible investments include listed equity securities on recognised stock exchanges in the United States, Hong Kong and China, which meet specific criteria on liquidity, corporate governance, product evolution, business strategy, market size, financial data, business fundamental standards and overall risk profile. The listed equity securities portfolio of the Company is diversified across various business sectors including semiconductors, cloud computing, AI Infrastructure, and digital entertainment subsectors. Investments in unlisted companies, including start ups and other private entities are generally prohibited. The Group also sets limits on exposure to a single issuer, sector, geography to avoid concentration and to manage downside risk.

Risk management

The Group has established risk management and internal control procedures to identify, measure, monitor and control the risks arising from its investment activities.

The Group monitors compliance with these risk limits on a regular basis and reports the investment working group of the Group (the "IWG") and the Board for review and approval. The Group also exercises strict control over the duration and holding period of its trading portfolio to keep market risk at a controllable level.

The Group has implemented extensive internal control measures to manage risks associated with its securities investments, including but not limited to:

- (i) **Multi-level approval:** Investment decisions are subject to a multi-level approval process. The process is initiated by traders and subsequently reviewed by reviewers, financial and investment personnel, and authorised personnel in sequence. This layered approval mechanism ensures that every investment decision is thoroughly vetted and aligns with the Group's risk tolerance and investment objectives;
- (ii) **Market monitoring:** The Group monitors market conditions post-investment. In the event of unfavourable changes in asset prices or benchmark interest rates, investment strategy will be adjusted to mitigate risks and optimise returns;

- (iii) Investment decision procedures: Securities investments are made based on factors such as investment orientation and preferences, market conditions, and other factors, including specific investment categories, scale of selected entities, geographical dimensions, and profitability to ensure a balanced and risk-mitigated investment approach; and
- (iv) Post-investment management: Strict post-investment management policies are adopted to control risks associated with securities investments, to ensure that the investments undergo holistic assessment and continuous monitoring.

The Group manages counterparty risk through an extensive framework of institutional due diligence and exposure diversification. The Group executes trades and holds assets exclusively with ‘Tier-1’ financial institutions and prime brokers that maintain high credit ratings and robust regulatory standing in the United States, Hong Kong and China. The Group also conducts periodic review of each counterparty’s financial health, focusing on capital adequacy ratios and any significant regulatory disclosures.

Board and committee oversight of investments

The Board has overall responsibility for overseeing the Group’s securities investment activities and risk management. The Board mainly carries out the following duties: (i) establishing and promoting a robust risk culture; (ii) formulating overall risk management strategy, policies and procedures; (iii) determining risk appetite; and (iv) overseeing senior management (including the IWG) to take necessary measures to identify, measure and monitor various risks. The Board has delegated certain responsibilities to the IWG, which comprises executive Directors and senior management members with relevant expertise.

The IWG is responsible for, among others: (i) formulating and recommending the Group’s investment policy and risk limits to the Board; (ii) approving individual investment transactions or mandates; (iii) monitoring the performance and risk profile of the Group’s investment portfolio; (iv) proposing appropriate strategic adjustment suggestions based on changes in the business environment; and (v) providing suggestions and proposals for investment decisions to the Board.

The Board and the IWG will hold meetings from time to time to review risk assessments, make decisions on significant risk issues according to regulations and supervise implementation.

The Group will closely monitor and assess the performance of these listed equity securities and make timely and appropriate adjustments on the investment portfolio to enhance the returns for the Group and realise the investments as and when appropriate.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$82.5 million during the Period, as compared to the revenue of approximately HK\$120.0 million for the year ended 31 December 2024. The decrease in revenue was approximately HK\$37.5 million or 31.3% when compared to the previous financial year. It was primarily attributable to the decrease in the revenue of semiconductor business.

During the Period, the revenue of broadband infrastructure and smart domain segment contributed by Guangzhou Weaving Group amounted to approximately HK\$81.7 million during the Period, compared to the revenue of approximately HK\$34.6 million for the year ended 31 December 2024. The increase of approximately HK\$47.1 million or 136.1% was mainly because there were more projects for broadband infrastructure construction and smart domain solution during the Period.

In 2025, the challenges facing the semiconductor business intensified significantly. Due to the rapid technological iteration and generational upgrades of semiconductor, the Group's existing products struggled to keep pace with the evolving market standards. This technological gap led to a continuous and substantial loss of key customers, who migrated toward more advanced and competitive solutions. As a result, the total revenue from the semiconductor business for the Period amounted to approximately HK\$0.7 million, representing a decrease of approximately HK\$84.7 million or 99.2%, as compared to the total revenue of approximately HK\$85.4 million for the year ended 31 December 2024.

On the other hand, the Group recorded no revenue from sales of its self-manufactured semiconductors, representing a decrease of approximately HK\$55.0 million or 100% as compared to that of approximately HK\$55.0 million for the year ended 31 December 2024. Such decrease was primarily attributable to the cessation of customer orders of such self-manufactured semiconductors.

The Group's trading of semiconductors primarily complements sales of self-manufactured semiconductors when it provides solution kits services to its customers. During the Period, the Group's revenue derived from its trading of semiconductors amounted to approximately HK\$0.7 million, representing a decrease of approximately HK\$29.7 million or 97.7% as compared to that of approximately HK\$30.4 million for the year ended 31 December 2024.

Gross profit and gross profit margin

The Group's gross profit (before provision for inventory) amounted to approximately HK\$13.1 million for the Period, representing a increase of approximately HK\$6.4 million or 95.5% from approximately HK\$6.7 million for the year ended 31 December 2024. It was mainly attributable to the increase in revenue and gross profit of broadband infrastructure and smart domain business.

The Group's overall gross profit margin (before provision for inventory) for the Period was approximately 15.9%, representing a increase of approximately 10.3 percentage points, as compared with gross profit margin (before provision for inventory) of approximately 5.6% for the year ended 31 December 2024, primarily attributable to the optimization of the business portfolio, particularly the significant reduction in the revenue weighting of the semiconductor segment, which previously recorded a gross loss, thereby driving a substantial improvement in the overall gross profit margin.

Moreover, along with the decrease in the revenue of broadband infrastructure and smart domain business during the Period, the gross profit (before provision for inventory) contributed by Guangzhou Weaving Group amounted to approximately HK\$13.0 million for the Period, representing an increase of approximately HK\$3.0 million or 30.0% from approximately HK\$10.0 million for the year ended 31 December 2024. The gross profit margin of Guangzhou Weaving Group was approximately 15.9% and 28.9% respectively for the Period and for the year ended 31 December 2024. The decrease in gross profit margin (before provision for inventory) was mainly due to the increase of projects for the broadband infrastructure construction and smart domain solution in order to maintain sufficient business volume, which had a comparatively lower gross margin but a shorter collection cycle in the product mix of this segment.

For semiconductor business, the Group recorded gross profit (before provision for inventory) of approximately HK\$0.1 million during the Period, as compared to the gross loss (before provision for inventory) of approximately HK\$3.3 million for the year ended 31 December 2024. The increase in gross profit was approximately HK\$3.2 million or 97.0% when compared to the previous financial year. The Group's gross profit margin (before provision for inventory) of the semiconductor business also exhibited an increase of approximately 13.0 percentage point, from approximately -3.8% for the year ended 31 December 2024 to approximately 9.2% for the Period. Such increase in gross profit and gross profit margin (before provision for inventory) was primarily the result of better yielding of products requested by client while the selling price could not be adjusted accordingly at the same time.

The Group recorded a provision for inventory of HK\$0.1 million for the Period due to the unsatisfactory business performance of the semiconductor business.

Changes in fair value of financial assets at FVTPL

As discussed above, the Group recorded net realised gain of approximately HK\$10.1 million arising from the disposals of part of listed equity securities and fair value loss of approximately HK\$4.0 million on the listed equity securities held as at 31 December 2025. The aggregate amount of approximately HK\$6.1 million was recognised in other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

Selling and distribution costs

The Group's selling and distribution costs for the Period was approximately HK\$4.7 million, representing a decrease of approximately HK\$2.3 million or 32.9% from approximately HK\$7.0 million for the year ended 31 December 2024. The amount mainly represented the selling and distribution costs of semiconductors business and such decrease was primarily attributable to the decrease in commission expenses to third-party agents, which was in line with the decrease of commission cost ratio of the Group's sales to customers of semiconductors referred by its third-party agents.

Administrative expenses

Administrative expenses mainly included auditors' remuneration, staff costs, Directors' remuneration, legal and professional fees, depreciation, research and development expenditure, insurance expenses, office expenses, rental expenses, travelling expenses, entertainment expenses and other miscellaneous operating expenses.

The Group's administrative expenses for the Period was approximately HK\$40.2 million, decreased by approximately HK\$13.2 million or 24.7%, as compared to that of approximately HK\$53.4 million for the year ended 31 December 2024.

The decrease was primarily attributable to, among others, (i) the decrease of the professional fee for approximately HK\$2.1 million; (ii) the decrease of the staff cost of approximately HK\$2.0 million; (iii) the decrease of consultant fee for approximately HK\$1.8 million.

Impairment loss on trade receivables, contract assets and amounts due from related companies (trade-nature) for the Period

In accordance with the HKFRS 9 requirements, the management performed the impairment assessment and measured the expected credit loss ("ECL") on trade receivables, contract assets and amounts due from related companies (trade-nature) based on the simplified approach as at 31 December 2025. Consistent with the previous financial year, the loss allowance for ECL on trade receivables, contract assets and amounts due from related companies (trade-nature) are estimated by using a provision matrix to measure the ECL and with reference to a valuation on ECL performed by an independent qualified professional valuer, TIMES Appraisal Advisory Limited ("TIMES Appraisal"). TIMES Appraisal has appropriate qualifications and has recent experience on the assessment on ECL of similar financial instruments.

In assessing the loss allowance for ECL, the management has taken into consideration the period that the amounts were past due, the repayment history, the profile of debtors, the communication with the debtors about their financial conditions, the general economic conditions of the industry in which the debtors operate, as well as the results of any collection efforts.

During the Period, the Group has recorded impairment loss on trade receivables, contract assets and amounts due from related companies (trade-nature) in aggregate of approximately HK\$5.8 million (2024: impairment loss of HK\$8.3 million).

The difficulty of debt collection in relation to the impairment loss for the Period and previous financial year is mainly attributable to the continuous adverse effect on the liquidity of some customers of broadband infrastructure and smart domain segment, which are the property developers in the PRC, caused by the more stringent deleveraging policy in real estate industry implemented by the PRC government since the second half of 2021.

In view of the above, the management has conducted debt collection procedure to minimise the credit risk, which includes (i) closely monitoring the progress of repayment by following up on the overdue debts by way of telephone calls and other electronic means; (ii) staying in touch with the customers on a more frequent basis; (iii) sending collection statement to the customers to remind them of the outstanding balances status; (iv) delegating a team to determine credit limit and credit approval; and (v) discussing with legal advisor about the appropriateness of taking further legal actions.

Based on the above, the Directors are of the view that the amount of the impairment loss was fair and reasonable.

Impairment loss on plant and equipment and right-of-use assets for the Period

Given the adverse impact on the performance of the Group's manufacturing business of semiconductors as a result of weak demand on consumer electronic products and in accordance with the HKAS 36 requirements, the management performed impairment assessment for the relevant segment.

As a result of the impairment assessment, impairment loss of HK\$0.4 million (2024: HK\$1.3 million) has been made during the Period.

Income tax expense

The Group's income tax expenses for the Period was approximately HK\$0.1 million, as compared to income tax credit of approximately HK\$19.4 million for the year ended 31 December 2024. Such movement of income tax was primarily attributable to the derecognition of previously recognised deferred tax assets due to the changes in the estimation of future profitability.

Loss for the Period

As a result of the foregoing, the Group's net loss for the Period was approximately HK\$34.5 million, as compared to the net loss of approximately HK\$127.9 million for the year ended 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the operations of the Group were primarily funded by internally generated cash flows.

The Group's outstanding capital commitments as at 31 December 2025 amounted to Nil (2024: HK\$3.3 million).

As at 31 December 2025, the Group had no outstanding bank borrowing (2024: Nil).

Please refer to note 8 to the consolidated financial statements for the ageing analysis in respect of the trade payables of the Group as at 31 December 2025 and 2024.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised with all bank deposits denominated either in HK\$, US\$ or RMB. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a prudent capital structure when considering financing for new investments.

CHARGES ON GROUP ASSETS

As at 31 December 2025, the Group did not have any asset pledged (2024: Nil).

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed "Listed equity securities" in the section headed "Management Discussion and Analysis – Business Review – (iii) Strategic investments business" of this report, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries during the Period.

CONTINGENT LIABILITIES

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group is exposed to foreign currency risks as several of its subsidiaries have foreign currency sales and purchases. For the years ended 31 December 2025 and 2024, approximately 1% and 23%, respectively, of the Group's sales were denominated in currencies other than the functional currency of the relevant group entities making the sale, and approximately Nil and 3%, respectively, of purchases were not denominated in the relevant group entities' functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2025 and 2024 are as follows:

	Assets		Liabilities	
	As at 31 December 2025	2024	As at 31 December 2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
United States dollars	6,592	83,289	–	610
Renminbi	6	24	–	7
	<u>6,598</u>	<u>83,313</u>	<u>–</u>	<u>617</u>

The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 31 December 2025, the Group had a workforce of 58 full-time employees (including the Director but excluding the independent non-executive Directors) of whom approximately 91.0% were employed in the PRC and approximately 9.0% in Hong Kong. The Group's staff costs (including Directors' emoluments) for the years ended 31 December 2025 and 2024 amounted to approximately HK\$25.9 million and HK\$42.3 million, respectively. The Group's employees in Hong Kong are required to participate in the Mandatory Provident Fund scheme under which it is required to contribute a fixed percentage of the employees' payroll costs (up to a maximum of HK\$1,500 per month) to the scheme. For the Group's employees in the PRC, the Group makes contributions to various government sponsored employee benefit funds, including housing provident fund, basic pension insurance fund, basic medical insurance, unemployment insurance, maternity insurance and work related injury insurance funds in accordance with applicable PRC laws and regulations.

The Group generally recruits employees from the open market. It actively pursues a strategy to recruit, develop and retain talented employees by (i) providing them with training programs on a regular basis to keep them abreast of their knowledge in the products it distributes, technology development and market conditions of the electronics industry, broadband infrastructure industry and smart domain industry; (ii) aligning employees' compensation and incentives with their performance; and (iii) providing them with a clear career path with opportunities for additional responsibilities and promotions.

ENVIRONMENTAL MATTERS

While the Group is subject to the PRC environmental laws and regulations including the Environment Protection Law of the PRC, which govern a broad range of environmental matters, including air pollution, noise emissions, discharge of waste water and waste residues, the Directors believe that the Group's production process does not generate environmental hazards which would pose a significant adverse effect on the environment and that the environmental protection measures undertaken by the Group are adequate to comply with all applicable current local and national PRC regulations.

During the Period and to the best of the Directors' knowledge, the Group did not receive any complaints from its customers or any other parties in respect of any environmental protection issues, and did not experience any material environmental incidents arising from its manufacturing activities. During the Period, no administrative sanctions or penalties were imposed on the Group for the violation of environmental laws or regulations which had a material adverse impact on its operations.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Period (2024: Nil).

BUSINESS PROSPECT

In the coming year, the Group expects its semiconductor business to continue facing severe challenges as the rapid technological iteration and shortened product lifecycles in the industry intensify. The widening gap between the Group's existing technology and the prevailing market standards has led to a continuous migration of key customers toward more advanced and competitive solutions. As a result, customers remain extremely cautious about placing new orders for the Group's current product offerings. In light of this situation, the Group will continue to adopt a prudent approach to this business segment and may adjust or suspend operations in response to market conditions in order to minimise further losses, while reallocating resources to the smart product trading business and continuing to explore opportunities in technological innovation that align with future market trends.

At the same time, the PRC government continues to promote innovation and technological development as key drivers of economic growth. The Group believes that technologies such as 5G, artificial intelligence, the Internet of Things, cloud computing and big data processing will continue to create development opportunities in the smart living sector. As market conditions gradually stabilise, demand for smart venue applications, smart products and related technological solutions is expected to continue to emerge. The Group will continue to capture such opportunities and further strengthen the development of its broadband infrastructure and smart domain business.

Looking ahead, Guangzhou Weaving will continue to focus on expanding its smart product business and enhancing its role as an integrator of smart venue solutions. The Group will continue to optimise its project portfolio, strengthen cost control measures and adopt a prudent approach in selecting and investing in new projects, with a view to improving profitability and maintaining healthy cash flow. At the same time, the Group will continue to explore opportunities to expand into overseas markets through e-commerce channels and industry cooperation, with the aim of bringing new growth momentum to the Group.

The Group will also look for other acquisition targets, including high-potential growth companies with leading technologies. Overall, the Group will continue to maintain a prudent and disciplined approach in navigating a challenging operating environment, while remaining committed to identifying new business opportunities and enhancing its long-term competitiveness.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Period.

The Company did not hold any treasury shares (as defined under the Listing Rules) as of 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continued growth of the Group and for safeguarding and maximising Shareholders' interests.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Zhang Liang Johnson was the chairman of the Board ("Chairman") while the post of the chief executive officer of the Company (the "CEO") has been vacant since 1 February 2021.

The executive Director and the senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations, business strategies and management of the Group. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will continue to review the effectiveness of the Company's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of the CEO, is necessary.

Pursuant to code provision C.2.7 of the CG Code, the Chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the Period, the Chairman, did not hold any meeting with the independent non-executive Directors without the presence of other Directors due to business engagements. Since the independent non-executive Directors have communicated and discussed with the Chairman directly from time to time during the Period to express their concerns, to discuss pertinent issues and to ensure that there was access to adequate and complete information. The Company considers that there were sufficient channels and communication for discussion of the Company's affairs between the Chairman and the independent non-executive Directors. The independent non-executive Directors could have direct contacts with the Chairman after meetings if necessary.

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Although only 2 regular Board meetings were held during the Period, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Director. In addition, senior management of the Group provided to the Directors the information in respect of the Group's business development and activities from time to time and the significant matters had been either duly reported, discussed and resolved at the 2 Board meetings or dealt with by the Board by way of written resolutions for expeditious commercial decisions making purposes.

ANNUAL GENERAL MEETING

The AGM will be held in Hong Kong on Thursday, 21 May 2026. Notice of the AGM will be issued and disseminated to Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 15 May 2026 for registration.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference that comply with the requirements of the CG Code. The primary duties of the audit committee are mainly to (i) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) to review and monitor the integrity of the Company's financial statements, annual reports and accounts and interim reports, the significant financial reporting judgements contained therein, and (iii) to oversee financial reporting system, risk management and internal control systems of the Company. The audit committee currently comprises three independent non-executive Directors, namely Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo, and is chaired by Mr. Xu Liang. The audit committee has met the external auditors of the Company and reviewed the annual results of the Group in respect of the Period and confirmed that they were prepared in accordance with applicable accounting standards, Listing Rules and that adequate disclosures have been made.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR

The Group would like to provide an extract from the independent auditor's report prepared by Prism Hong Kong Limited (the independent auditor) on the Group's annual consolidated financial statements for the year ended 31 December 2025 as set out below:

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a loss for the year ended 31 December 2025 and recorded net cash outflows from operating activities during the year. As stated in note 1, these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held on Thursday, 21 May 2026
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company”	Brainhole Technology Limited 腦洞科技有限公司, a company incorporated as an exempted company with limited liability in the Cayman Islands
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Weaving”	Guangzhou Weaving Communications Telecommunications Technology Limited (廣州織網通訊科技有限公司*), a company established in the PRC with limited liability
“Guangzhou Weaving Group”	Guangzhou Weaving and its subsidiary
“HK\$” or “HK dollar(s)” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and/or otherwise modified from time to time as the context may require
“Main Board”	the Main Board of the Stock Exchange
“Mr. Zhang”	Mr. Zhang Liang Johnson
“NASDAQ”	National Association of Securities Dealers Automated Quotations Stock Market
“Period”	the year ended 31 December 2025
“PRC”	the People’s Republic of China, save that, for the purpose of this announcement and unless the context otherwise requires, references in this announcement do not include Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“%”	per cent.

* *The English translation of the company name is for reference only. The official name of this company is in Chinese.*

By order of the Board
Brainhole Technology Limited
Zhang Liang Johnson
Chairman and Executive Director

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises Mr. Zhang Liang Johnson as executive Director, and Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo as independent non-executive Directors.