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## **Sling Group Holdings Limited**

### **森浩集團股份有限公司**

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

**(Stock Code: 8285)**

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

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

*GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.*

*Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.*

## HIGHLIGHTS OF ANNUAL RESULTS

- The total revenue of the Group from continuing operations for the year ended 31 December 2025 amounted to RMB65.6 million, a decrease of 1.5% or RMB1.0 million, as compared to RMB66.6 million for the year ended 31 December 2024.
- The Group incurred net loss of RMB0.4 million, from continuing operations for the year ended 31 December 2025 compared to that of RMB9.8 million net loss for the year ended 31 December 2024. The improvement of business performance was a result of improved profit margin, lower selling and distribution costs, and reduced administrative and other operating expenses.
- Online businesses, including both online retail sales and wholesale to online retailers, recorded a total revenue of RMB65.2 million, representing 0.9% decline compared to the year ended 31 December 2024. Of which, online retail sales amounted to RMB57.4 million, representing 6.5% decrease compared to the year ended 31 December 2024. These online businesses accounted for 99.3% of total revenue.
- Offline businesses, including both retail sales and wholesale to offline retailers, declined to RMB0.4 million, representing 50.9% drop compared to the year ended 31 December 2024.
- The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2025.

## RESULTS

The Board of Sling Group Holdings Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the preceding year as follows:

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

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i> (Re-presented)
<b><u>Continuing operations</u></b>			
<b>Revenue</b>	4	<b>65,603</b>	66,592
Cost of sales		<b>(28,279)</b>	(31,849)
<b>Gross profit</b>		<b>37,324</b>	34,743
Other revenue and other income	5	<b>7,969</b>	5,246
(Impairment losses on)/Reversal of trade and other receivables, net		<b>(205)</b>	94
Impairment loss on intangible assets		<b>(800)</b>	(852)
Selling and distribution costs		<b>(33,094)</b>	(34,800)
Administrative and other operating expenses		<b>(10,300)</b>	(12,733)
Finance costs	6	<b>(1,277)</b>	(1,375)
<b>Loss before income tax</b>	7	<b>(383)</b>	(9,677)
Income tax credit/(expenses)	8	<b>29</b>	(139)
<b>Loss for the year from continuing operations</b>		<b>(354)</b>	(9,816)
<b><u>Discontinued operations</u></b>			
Profit/(Loss) for the year from discontinued operations	9	<b>398</b>	(873)
<b>Profit/(Loss) for the year</b>		<b>44</b>	(10,689)
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to the profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>(60)</b>	138
<b>Total comprehensive loss for the year</b>		<b>(16)</b>	(10,551)

	<i>Notes</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i> (Re-presented)
<b>Profit/(Loss) for the year attributable to:</b>			
Owners of the Company			
—Continuing operations		<b>(354)</b>	(9,816)
—Discontinued operations		<b>398</b>	(197)
Non-controlling interests			
—Continuing operations		—	—
—Discontinued operations		—	(676)
		<u>44</u>	<u>(10,689)</u>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company			
—Continuing operations		<b>(414)</b>	(9,678)
—Discontinued operations		<b>398</b>	(197)
Non-controlling interests			
—Continuing operations		—	—
—Discontinued operations		—	(676)
		<u>(16)</u>	<u>(10,551)</u>
		<b><i>RMB cents</i></b>	<b><i>RMB cents</i></b> (Re-presented)
<b>Earnings/(Loss) per share attributable to owners of the Company</b>			
Basic and diluted	<i>11</i>		
—From continuing operations		<b>(0.06)</b>	(1.75)
—From discontinued operations		<b>0.07</b>	(0.04)
		<u>0.01</u>	<u>(1.79)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		364	425
Intangible assets		804	1,605
Financial asset at fair value through profit or loss ("FVTPL")		1,185	1,174
Deferred tax assets		1,273	1,244
Other receivables	<i>12</i>	1,748	583
		<u>5,374</u>	<u>5,031</u>
<b>Current assets</b>			
Inventories		9,085	11,081
Trade and other receivables	<i>12</i>	10,163	5,985
Amounts due from shareholders		9	9
Amounts due from a non-controlling shareholder		—	2,779
Income tax recoverable		372	372
Restricted cash	<i>13</i>	8	1
Cash and bank balances	<i>13</i>	8,262	8,168
		<u>27,899</u>	<u>28,395</u>
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	15,462	16,484
Contract liabilities		45	24
Bank borrowings	<i>15</i>	15,595	16,767
Lease liabilities		99	50
Income tax payable		207	217
		<u>31,408</u>	<u>33,542</u>
<b>Net current liabilities</b>		<u>(3,509)</u>	<u>(5,147)</u>
<b>Total assets less current liabilities</b>		<u>1,865</u>	<u>(116)</u>

		2025	2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current liabilities</b>			
Loans from shareholders		<b>10,037</b>	10,572
Loan from a director		<b>845</b>	900
		<u><b>10,882</b></u>	<u>11,472</u>
<b>Net liabilities</b>		<u><b>(9,017)</b></u>	<u>(11,588)</u>
<b>EQUITY</b>			
Share capital	<i>16</i>	<b>4,470</b>	4,470
Reserves	<i>17</i>	<b>(13,487)</b>	(14,315)
Capital deficiency to owners of the Company		<b>(9,017)</b>	(9,845)
Non-controlling interests		<u>—</u>	<u>(1,743)</u>
<b>Capital deficiency</b>		<u><b>(9,017)</b></u>	<u>(11,588)</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*For the year ended 31 December 2025*

### **1. GENERAL INFORMATION**

Sling Group Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 6 January 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit 1, 21st Floor, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the design and sale of women’s handbags, small leather goods, luggage and travel goods.

The Company’s immediate and ultimate holding company is Yen Sheng Investment Limited (“Yen Sheng BVI”), a company incorporated in the British Virgin Islands (“BVI”) and controlled by Mr. Yau Tai Leung Sammy (“Mr. Sammy Yau”), Mr. Yau Sonny Tai Nin (“Mr. Sonny Yau”), Mr. Yau Frederick Heng Chung (“Mr. Fred Yau”), Mr. Yau Nicholas Heng Wah (“Mr. Nicholas Yau”) and Ms. Hiang Siu Wei Cecilia (“Ms. Cecilia Hiang”).

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 January 2018.

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the board of directors on 25 March 2026.

### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

#### **2.1 Basis of preparation**

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“HKFRS Accounting Standards”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 3.

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at FVTPL which are stated at fair value.

***Going concern basis***

During the year ended 31 December 2025, the Group incurred a net loss of approximately RMB354,000 from continuing operations and cash generated from operations of approximately RMB1,324,000. The Group's operations are financed by bank borrowings, loans from related parties and internal resources. As at 31 December 2025, the Group had net current liabilities and capital deficiency of approximately RMB3,509,000 and approximately RMB9,017,000 respectively. The Group's cash and bank balances amounting to approximately RMB8,262,000 as at 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In the opinion of the directors of the Company, the Group could meet its financial obligations as and when they fall due within the next year from the end of the reporting period, after taking into consideration of the measures and arrangements that the Group has implemented or is in the process of implementing as detailed below:

- (i) During the year ended 31 December 2025, the Group's revenue decreased to approximately RMB65,603,000 due to the change of business strategy starting in April 2024. Instead of distributing luggage and accessories through its indirectly held subsidiary, Sencai Maoyi (Shanghai) Company Limited ("Sencai Maoyi"), the Group sub-licensed ELLE brand under their full control to Guangzhou Caige International Trading Company Limited ("Guangzhou Caige") and generated stable income flow. Also, in August 2025, the Group disposed of its entire 51% equity interests in Sencai Maoyi to Guangzhou Caige (Notes 9 and 18). Compared to last year, the Group's net loss from continuing operations has been reduced to approximately RMB354,000 for the year ended 31 December 2025, which was resulted from the decreasing cost of sales. As planned, the Group is able to preserve capital, and the management keep focused on the core business after the move to sub-licensing the brand for luggage and accessories.

Management has been continuously implementing measures to improve profitability, control operating costs and reduce capital expenditures in order to improve the Group's performance. These measures include (i) focusing on online marketing; (ii) collaborating with key e-commerce service providers; (iii) seeking suitable partners to explore licensing the brand to other merchandise; and (iv) continuing its measures to control capital and operating expenditures;

- (ii) As at 31 December 2025, the Group has bank borrowings classified as current liabilities of RMB15,595,000 of which RMB10,839,000 are revolving bank loans. The banks have the discretionary rights to demand for immediate repayment. Up to the date of approval of these consolidated financial statements, the Group has not received any demand notice from the banks for the repayment of the borrowing. The Group does not believe that it is probable that the banks will exercise their discretionary rights to demand for immediate repayment;
- (iii) The Group is in negotiation with the banks to renew its existing financing facilities upon maturity, or to refinance the financing facilities when necessary. As at 31 December 2025, the Group has unutilised banking facilities with aggregate amount of RMB34,324,000; and
- (iv) As at 31 December 2025, the Group has loans from shareholders amounting to RMB10,037,000 to support the operation of the Group. The loans were extended at the same terms by both parties and will be repayable in December 2027. The shareholders agreed to give the Group the right to further extend the maturity date of the loans for at least 12 months upon maturity.

The directors of the Company have reviewed the Group's cash flows forecast prepared by management which covers a period of eighteen months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient cash resources to satisfy its working capital and other financial obligations for the next eighteen months from the end of the reporting period after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the development of its business. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

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

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

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

#### 3.1 Amended HKFRS Accounting Standards that are effective for annual periods beginning on or after 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments do not have a material impact on the financial statements of the Group.

#### 3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>1</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective date not yet determined

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group’s consolidated financial statements.

***HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5***

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are currently working to identify all the impacts of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

## 4. REVENUE AND SEGMENT REPORTING

### 4.1 Revenue

The Group's principal activities are disclosed in Note 1 to the consolidated financial statements. Revenue represents the fair value of consideration received and receivable from the sale of women's handbags, small leather goods, luggage and travel goods by the Group to external customers.

#### *Disaggregation of revenue from contracts with customers*

The Group derives revenue from the transfer of goods at a point in time through different channels from continuing operations were analysed as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		(Re-presented)
Online retail sales	<b>57,435</b>	61,437
Wholesale to online retailers	<b>7,763</b>	4,330
Wholesale to offline retailers	<b>106</b>	51
Offline retail sales	<b>299</b>	774
	<hr/> <b>65,603</b> <hr/>	<hr/> 66,592 <hr/>

### 4.2 Segment information

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. This operating segment has been identified on the basis of internal management reports reviewed by the CODM, being the executive directors of the Company. The CODM mainly reviews revenue derived from the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

### ***Geographical information***

The following tables set out information about the geographical location of (i) the Group's revenue from continuing operations from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets) and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment (including right-of-use assets), and the location of the operations to which they are allocated, in the case of intangible assets.

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Revenue from external customers		
The PRC (excluding Hong Kong)	<u>65,603</u>	<u>66,592</u>
<b>Specified non-current assets</b>		
The PRC (excluding Hong Kong)	<b>1,163</b>	2,016
Hong Kong	<u>5</u>	<u>14</u>
	<u><b>1,168</b></u>	<u>2,030</u>

### ***Information about major customers***

During the year ended 31 December 2025, none of the Group's customers (2024: Nil) contributed more than 10% of the Group's revenue.

## 5. OTHER REVENUE AND OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
<b>Other revenue</b>		
Service income	6,823	4,330
Bank interest income	2	10
Dividend and interest income from financial asset at FVTPL	9	9
	<u>6,834</u>	<u>4,349</u>
<b>Other income</b>		
Fair value gain on financial asset at FVTPL	32	31
Foreign exchange gain, net	628	—
Government grants ( <i>note (i)</i> )	397	666
Sundry income	78	200
	<u>1,135</u>	<u>897</u>
	<u><u>7,969</u></u>	<u><u>5,246</u></u>

*Note:*

- (i) Government grants represented conditional subsidies received from local governmental authorities by several subsidiaries of the Group.

## 6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Interest charges on bank borrowings	643	864
Finance charges on lease liabilities	8	13
Interest expenses on loans from shareholders and a director	626	498
	<u>1,277</u>	<u>1,375</u>
	<u><u>1,277</u></u>	<u><u>1,375</u></u>

## 7. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Loss before income tax from continuing operations is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Auditor's remuneration	687	730
Cost of inventories recognised as an expense	28,032	31,544
Write-down of inventories to net realisable value, net	20	274
Fair value gain on financial asset at FVTPL	(32)	(31)
Foreign exchange (gains)/losses, net	(628)	630
Amortisation of intangible assets	50	12
Depreciation of property, plant and equipment		
— Owned assets	79	81
— Right-of-use assets	571	481
Total depreciation	<u>650</u>	<u>562</u>
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	5,760	7,300
— Contributions to retirement benefit schemes ( <i>note</i> )	1,344	1,506
Total staff costs	<u>7,104</u>	<u>8,806</u>
Operating lease charges on premises		
— Short-term leases	<u>100</u>	<u>144</u>

*Note:* During the years ended 31 December 2025 and 2024 and previous years, there are no forfeited contribution be used to reduce the level of employer's contributions. As at 31 December 2025 and 2024 and previous years, there was no forfeited contribution available to reduce the contributions payable in the future years.

## 8. INCOME TAX (CREDIT)/EXPENSES (RELATING TO CONTINUING OPERATIONS)

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax has not been provided in the consolidated financial statements as no assessable profits subject to Hong Kong Profits Tax.

PRC Enterprise Income Tax (the “PRC EIT”) in respect of the Group’s operations in the PRC has been calculated at the rate of 25% (2024: 25%) on the estimated assessable profits for the year arising from the PRC.

From 1 January 2023 to 31 December 2027, under relevant PRC EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB1 million will be subject to an effective rate of 5%.

	<b>2025</b> <b>RMB’000</b>	2024 <i>RMB’000</i> (Re-presented)
Current tax		
— PRC EIT	—	—
Deferred tax	<u>(29)</u>	<u>139</u>
Income tax (credit)/expenses	<u><u>(29)</u></u>	<u><u>139</u></u>

Reconciliation between income tax (credit)/expenses and accounting loss at applicable tax rates:

	<b>2025</b> <b>RMB’000</b>	2024 <i>RMB’000</i> (Re-presented)
Loss before income tax	<u>(383)</u>	<u>(9,677)</u>
Tax on profit/(loss) before income tax, calculated at the rates applicable in the tax jurisdiction concerned	229	(1,797)
Tax effects on:		
— Non-deductible expenses	138	947
— Non-taxable income	(70)	(76)
— Recognition of deductible temporary differences previously not recognised	(38)	134
— Tax losses not recognised	480	931
— Tax losses utilised	<u>(768)</u>	<u>—</u>
Income tax (credit)/expenses	<u><u>(29)</u></u>	<u><u>139</u></u>

## 9. DISCONTINUED OPERATIONS

On 17 June 2025, the Group's indirectly wholly-owned subsidiary, Senxuan Shangmao (Shanghai) Company Limited ("Senxuan Shangmao") (as the vendor) entered into an equity transfer agreement with Guangzhou Caige (as the purchaser) to dispose of its entire 51% equity interests in Sencai Maoyi to Guangzhou Caige. Immediately prior to the disposal, the equity interests of Sencai Maoyi were owned as to 51% by Senxuan Shangmao and 49% by Guangzhou Caige.

The disposal was completed on 6 August 2025. The disposal of the luggage and accessories business under ELLE brand operated by Sencai Maoyi represented a separate major line of business and is classified as discontinued operations. Details of the assets and liabilities disposed of, and the gain on disposal were disclosed in Note 18.

The results of the discontinued operations for the period from 1 January 2025 to 6 August 2025, which have been included in the consolidated statement of profit or loss and comprehensive income, were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue</b>	—	17,996
Cost of sales	—	(13,088)
<b>Gross profit</b>	—	4,908
Other revenue and other income	—	401
Selling and distribution costs	—	(5,590)
Administrative and other operating expenses	—	(494)
Finance costs	—	(98)
<b>Loss before income tax</b>	—	(873)
Income tax expenses	—	—
<b>Loss for the year from discontinued operations</b>	—	(873)
Gain on disposal of a subsidiary ( <i>Note 18</i> )	398	—
<b>Profit/(Loss) from discontinued operations</b>	<b>398</b>	<b>(873)</b>

Cash flows from discontinued operations are analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net cash inflows from operating activities	562	2,152
Net cash outflows from financing activities	(566)	(2,189)
Net cash outflows	<b>(4)</b>	<b>(37)</b>

## 10. DIVIDENDS

No dividend was declared or paid by the Group during the year ended 31 December 2025 to its owners (2024: Nil).

## 11. EARNINGS/(LOSS) PER SHARE

### From continuing and discontinued operations

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Profit/(Loss)</b>		
Profit/(Loss) for the year attributable to owners of the Company <i>(in RMB'000)</i>		
— From continuing operations	(354)	(9,816)
— From discontinued operations	<u>398</u>	<u>(197)</u>
	<u><u>44</u></u>	<u><u>(10,013)</u></u>
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u><u>560,000,000</u></u>	<u><u>560,000,000</u></u>

The weighted average number of ordinary shares used to calculate the basic earnings/(loss) per share for the years ended 31 December 2025 and 2024 represents 560,000,000 ordinary shares in issue throughout the years.

There were no dilutive potential ordinary shares during both years and therefore, diluted earnings/(loss) per share equals to basic earnings/(loss) per share.

## 12. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade receivables</b>	7,438	4,431
Less: ECL allowance	<u>(3,168)</u>	<u>(2,963)</u>
	<u>4,270</u>	<u>1,468</u>
<b>Prepayments and other receivables</b>		
Prepaid expenses	2,135	2,313
Rental and other deposits	1,049	1,126
Deferred sales proceeds ( <i>Note 18</i> )	2,459	—
Other receivables	2,038	1,701
Less: ECL allowance	<u>(40)</u>	<u>(40)</u>
	<u>7,641</u>	<u>5,100</u>
	<u><u>11,911</u></u>	<u><u>6,568</u></u>
Classified as:		
— Current assets	10,163	5,985
— Non-current assets	<u>1,748</u>	<u>583</u>
	<u><u>11,911</u></u>	<u><u>6,568</u></u>

As at 31 December 2025 and 2024, prepaid expenses mainly comprised of marketing and advertising fee prepaid, online shop expenses prepaid and royalty fee prepaid.

As at 31 December 2025 and 2024, rental and other deposits mainly comprised of the deposits paid to online platforms for services deposits and rental deposits.

The ageing analysis of trade receivables, based on the revenue recognition dates and net of ECL allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	4,100	1,324
91 to 180 days	66	107
181 to 365 days	<u>104</u>	<u>37</u>
	<u><u>4,270</u></u>	<u><u>1,468</u></u>

The movement in ECL allowance of trade receivables is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
As at beginning of the year	2,963	3,135
ECL recognised during the year	205	8
ECL reversed during the year	—	(180)
<b>As at end of the year</b>	<b><u>3,168</u></b>	<b><u>2,963</u></b>

The movement in the gross amounts of other receivables is as follows:

	<b>Stage 1</b> <i>RMB'000</i>	<b>Stage 2</b> <i>RMB'000</i>	<b>Stage 3</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>As at 1 January 2024</b>	3,257	—	—	3,257
Net movement	(430)	—	—	(430)
Transfer	(1,000)	1,000	—	—
<b>As at 31 December 2024 and 1 January 2025</b>	<b>1,827</b>	<b>1,000</b>	<b>—</b>	<b>2,827</b>
Net movement	2,739	(20)	—	2,719
<b>As at 31 December 2025</b>	<b><u>4,566</u></b>	<b><u>980</u></b>	<b><u>—</u></b>	<b><u>5,546</u></b>

The movement in the ECL allowance of other receivables is as follows:

	<b>Stage 1</b> <i>RMB'000</i>	<b>Stage 2</b> <i>RMB'000</i>	<b>Stage 3</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>As at 1 January 2024</b>	—	—	—	—
ECL allowance during the year	—	40	—	40
<b>As at 31 December 2024 and 1 January 2025</b>	<b>—</b>	<b>40</b>	<b>—</b>	<b>40</b>
ECL allowance during the year	—	—	—	—
<b>As at 31 December 2025</b>	<b><u>—</u></b>	<b><u>40</u></b>	<b><u>—</u></b>	<b><u>40</u></b>

### 13. CASH AND CASH EQUIVALENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	8,270	8,169
Less: Restricted cash	<u>(8)</u>	<u>(1)</u>
Cash and cash equivalents as stated in the consolidated statements of financial position	<u><b>8,262</b></u>	<u><b>8,168</b></u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in cash and cash equivalents of the Group of approximately RMB6,921,000 (2024: RMB4,250,000) as at 31 December 2025 are the balances denominated in RMB placed with banks and financial institutions in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

### 14. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>8,838</u>	<u>9,432</u>
Accrued charges and other payables		
Accrued expenses	5,099	5,712
Deposits received	365	589
Other tax payables	1,137	728
Other payables	<u>23</u>	<u>23</u>
	<u><b>6,624</b></u>	<u><b>7,052</b></u>
	<u><b>15,462</b></u>	<u><b>16,484</b></u>

As at 31 December 2025 and 2024, accrued expenses mainly represents accrued commission, accrued management fee, accrued legal and professional fee and accrued courier fee.

The Group was granted by its suppliers credit periods ranging from 0 to 90 days (2024: 0 to 90 days). Based on the date of goods received, the ageing analysis of trade payables is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	<b>8,557</b>	8,967
91 to 180 days	—	—
181 to 365 days	—	—
Over 365 days	<b>281</b>	465
	<u><b>8,838</b></u>	<u>9,432</u>

## 15. BANK BORROWINGS

As 31 December 2025 and 2024, the Group's bank borrowings were repayable as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount repayable ( <i>note</i> )		
Within one year	<b>13,673</b>	13,940
In the second year	<b>858</b>	853
In the third to fifth year	<b>1,064</b>	1,974
	<u><b>15,595</b></u>	<u>16,767</u>
Total carrying amount		
Less:		
— Amount due within one year	<b>(13,673)</b>	(13,940)
— Amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>(1,922)</b>	(2,827)
	<u><b>—</b></u>	<u>—</u>
Carrying amount shown under non-current liabilities		

*Note:* The amounts are based on the scheduled repayment dates set out in the loan agreements.

As at 31 December 2025, unsecured bank borrowings of RMB12,839,000 (2024: RMB13,112,000) are repayable within one year or on demand. The bank borrowings bear variable interest rate at 1.75% over HIBOR and 3.1% (2024: 1.75% over HIBOR and 3.45%) per annum. The bank borrowings were guaranteed by the Company and it undertakes that Mr. Sammy Yau, Mr. Sonny Yau, both are the non-executive directors of the Company, their family members or their holding companies shall remain as the major shareholders of the Company.

As at 31 December 2025, unsecured bank borrowings of RMB2,756,000 (2024: RMB3,655,000) are repayable within 5 years (2024: 5 years) or on demand and bear variable interest rate at 2.75% to 2.875% (2024: 3% to 3.625%) per annum below the Hong Kong Dollars Prime Rate. The bank borrowings were guaranteed by the personal guarantees given by Mr. Sammy Yau and Mr. Sonny Yau, the non-executive directors of the Company and HKMC Insurance Limited.

## 16. SHARE CAPITAL

	2025		2024	
	<i>Number of shares</i>	<i>RMB'000</i>	<i>Number of shares</i>	<i>RMB'000</i>
Authorised:				
Ordinary shares of HK\$0.01 each as at beginning and end of the year	<u>1,110,000,000</u>	<u>9,243</u>	<u>1,110,000,000</u>	<u>9,243</u>
Issued and fully paid:				
Ordinary share of HK\$0.01 as at beginning and end of the year	<u>560,000,000</u>	<u>4,470</u>	<u>560,000,000</u>	<u>4,470</u>

## 17. RESERVES

The amounts of the Group's reserves and the movements during the years ended 31 December 2025 and 2024 are presented in the consolidated statement of changes in equity.

### Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

### Capital reserve

Capital reserve represents the difference between the nominal values of the share capital of a subsidiary acquired by the Group and the nominal value of the Company's shares issued for the acquisition under the reorganisation in connection with the listing of the Company's shares on the Stock Exchange.

## Statutory reserve

In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after income tax (after offsetting any prior years' losses), determined in accordance with relevant accounting principles and financial regulations applicable to the enterprises established in the PRC (the "PRC GAAP"), to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital.

## 18. DISPOSAL OF A SUBSIDIARY WITH A LOSS OF CONTROL

On 6 August 2025, the Group completed the disposal of Sencai Maoyi (Note 9) for a total consideration of RMB3,201,000. The net liabilities of Sencai Maoyi as at the date of disposal and the gain on disposal were as follows:

### Consideration received or receivable:

	<b>Year ended 31 December 2025 RMB'000</b>
Consideration received in cash and cash equivalents	742
Deferred sales proceeds ( <i>Note 12</i> )	<u>2,459</u>
Total consideration	<u><u>3,201</u></u>

### Analysis of assets/(liabilities) over which control was lost:

	<b>As at 6 August 2025 RMB'000</b>
Trade and other receivables	1,283
Amount due to related parties	(184)
Trade and other payables	(39)
Shareholder's loan	<u>(4,617)</u>
Net liabilities disposed of	<u><u>(3,557)</u></u>

**Gain on disposal of a subsidiary:**

	<b>As at 6 August 2025 RMB'000</b>
Total consideration	3,201
Net liabilities disposed of	3,557
Net liabilities attributable to non-controlling interests	<u>(1,743)</u>
	<b>5,015</b>
Shareholder's loan assigned to Guangzhou Caige	<u>(4,617)</u>
	<b>398</b>
Gain on disposal	<u><u>398</u></u>

**Net cash inflow on disposal of a subsidiary:**

	<b>Year ended 31 December 2025 RMB'000</b>
Consideration received	<u><u>742</u></u>

Sales proceeds of RMB2,459,000 had not been received and was recognised as “deferred sales proceeds” (Note 12) as at 31 December 2025.

## **BUSINESS REVIEW**

For the year of 2025, China's domestic consumption remains subdued amid structural challenges, including lingering property market pressures, cautious consumer sentiment, elevated household savings, and employment uncertainties. Chinese government priorities emphasize on boosting household consumption's GDP growth through stimulus, income and welfare enhancements, as well as services expansion in the areas of tourism, elderly care and sports. Yet persistent deflationary pressures and price sensitivity limit broad recovery.

Consumers exhibit “smarter spending,” prioritizing value, experiential categories (travel, wellness, entertainment), and selective upgrades in health, technology items, and premium goods, while downgrading non-essentials. Spending in services outpace spending in goods, highlighting a shift toward experiences over possessions. The spending growth in non-essential items were somewhat limited. The Group's revenue decreased slightly by RMB1.0 million to RMB65.6 million.

The management has implemented the business plans for sub-licensing ELLE through the Sales Framework Agreement in 2024 for distributing luggage and other accessories, and disposed the interest in Sencai Maoyi (Shanghai) Company Limited (the “JV”) in 2025. After executing these transactions, the Group focuses on improving the business performance and operating efficiency in the segment of women's handbags. While the arrangements secure a reliable and stable license fee income from distributing luggage and accessories, the Group avoids contributing additional capital to support the business development of the JV. The management put great effort in controlling marketing expenses and enhancing profit margin.

In terms of revenue among the brands which are ELLE and Jessie & Jane, the sale distribution was approximately 99.5% and 0.5% in 2025, compared to 99.0% and 1.0% in 2024 respectively.

### **Principal Risks and Uncertainties**

Our Group faces several risk and uncertainty factors that may affect the operating results and business prospects. There may have other risks and uncertainties in addition to those listed below which are not known to the Group or which may not be material now but could turn out to be material in the future. The followings are the key risks and uncertainties identified by the Group.

## **Market and Operational Risk**

If the Group fails to renew license agreement to the use of ELLE brand or maintain proper operation of the e-commerce platforms which are operated by third parties, it may result in monetary penalties and would have a material adverse effect on the Group.

Our products are sold in highly competitive markets that we compete in products development, product quality, competitive pricing; and adapt to fast changing consumer behavior. The markets we serve are seasonal and sensitive to domestic economic conditions and events which may cause our operating results to fluctuate.

Our future success depends to a significant degree upon the continued contributions of our management team and key personnel.

## **Financial Risk**

The Group's business operations are exposed to risks from liquidity, interest rates, credit and exchange rates.

## **Relationship with Key Stakeholders**

Business relationships with customers and suppliers are crucial for business success. The Company is dedicated to creating fair manners while balancing the interests of various stakeholders of our Group. We engage our employees, customers, business partners and community through a variety of stakeholder engagement channels. The Group provides quality service and products to our customers. The Group also views our suppliers as strategic partners. Lastly, the Group values its employees as one of its greatest strengths and assets and strives to provide equal opportunities to employees.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's total revenue decreased by RMB1.0 million to RMB65.6 million (2024: RMB66.6 million).

In terms of revenue by sales channels, the Group achieved RMB57.4 million sales from online retail sales (2024: RMB61.4 million), representing 87.5% of total sales (2024: 92.2%). Wholesale to online retailers rose to RMB7.8 million (2024: RMB4.3 million). Total sales related to these online businesses amounted to RMB65.2 million (2024: RMB65.7 million), representing an decrease of 0.9% compared to 2024. Online businesses amounted to 99.3% of total sales (2024: 98.7%).

Offline retail sales decreased to RMB0.3 million (2024: RMB0.8 million). Wholesale to offline retailers was kept at minimal to RMB106,000 (2024: RMB51,000). These offline businesses recorded total sales of RMB0.4 million (2024: RMB0.8 million). The offline businesses decreased by 50.9%. Offline businesses amounted to 0.7% of total sales (2024: 1.3%).

Among the distribution channels, the revenue of online retail sales and offline retail sales dropped by approximately RMB4.5 million, wholesale to online retailers and wholesale to offline retailers rose by approximately RMB3.5 million to compensate the decline in the retail sales.

	2025		2024		Increase/ (Decrease)	Raise/ (Drop)
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	rate
Online Sales						
Online retail sales	57,435	87.5%	61,437	92.2%	(4,002)	(6.5%)
Wholesale to online retailers	7,763	11.8%	4,330	6.5%	3,433	79.3%
Offline Sales						
Offline retail sales	299	0.5%	774	1.2%	(475)	(61.4%)
Wholesale to offline retailers	106	0.2%	51	0.1%	55	107.8%
	<u>65,603</u>	<u>100.0%</u>	<u>66,592</u>	<u>100.0%</u>	<u>(989)</u>	<u>(1.5%)</u>

Revenue generated from ELLE products decreased to RMB65.3 million (2024: RMB65.9 million) with the revenue principally from women handbags. Jessie & Jane products continued to witness minimal sales given limited resources to support. The revenue derived from Jessie & Jane products decreased to RMB0.3 million (2024: RMB0.7 million).

	2025		2024		Increase/ (Decrease)	Raise/ (Drop)
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	rate
ELLE	65,279	99.5%	65,897	99.0%	(618)	(0.9%)
Jessie & Jane	324	0.5%	695	1.0%	(371)	(53.4%)
	<u>65,603</u>	<u>100.0%</u>	<u>66,592</u>	<u>100.0%</u>	<u>(989)</u>	<u>(1.5%)</u>

After the new business arrangement of sub-license ELLE brand and disposal of equity interest in the JV, the Group's core business in women's handbags remain steady, with revenue difference in RMB1 million.

For further detailed discussion on the Group's business performance, please refer to the paragraph headed "Business Review" above.

### **Gross Profit and Gross Profit Margin**

The Group's gross profit increased by approximately RMB2.6 million, or 7.5%, from approximately RMB34.7 million to approximately RMB37.3 million. The increase was mainly attributable to the improvement in gross profit margin. Our gross profit margin for 2025 and 2024 were approximately 56.9% and 52.2% respectively, which represents 4.7 percentage points gross profit margin rise.

### **Selling and Distribution Costs**

The Group's selling and distribution costs decreased by approximately RMB1.7 million, or 4.9%, from approximately RMB34.8 million to approximately RMB33.1 million. The decrease was mainly attributable to lower expenses in (i) marketing shop expenses, (ii) delivery costs, and (iii) advertising expenses.

### **Administrative and Other Operating Expenses**

The Group's administrative and other operating expenses were reduced by approximately RMB2.4 million, or 18.9%, from approximately RMB12.7 million to approximately RMB10.3 million. The decline was mainly attributable to lower staff costs, no provision on inventories, and no foreign exchange loss incurred.

## **FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO**

As at 31 December 2025,

- (a) the Group's total assets decreased to approximately RMB33.3 million (2024: approximately RMB33.4 million) while the total capital deficiency improved to a deficit of approximately RMB9.0 million (2024: approximately a deficit of RMB11.6 million);
- (b) the Group's current assets decreased to approximately RMB27.9 million (2024: approximately RMB28.4 million) while the current liabilities decreased to approximately RMB31.4 million (2024: approximately RMB33.5 million);
- (c) the Group had approximately RMB8.3 million in cash and cash equivalents (2024: approximately RMB8.2 million), and the current ratio of the Group was approximately 0.89 times (2024: approximately 0.85 times);

- (d) the Group had bank borrowings of approximately RMB15.6 million (2024: approximately RMB16.8 million), leaving RMB34.3 million uncommitted banking facilities available for future utilization;
- (e) the gearing ratio (calculated based on total debt divided by total equity as at the end of the year and multiplied 100%) of the Group was not applicable (2024: not applicable).

The share capital of the Group only comprises ordinary shares. The Group actively and regularly reviews the capital structure and make adjustments in light of changes in economic conditions. The Group monitors the capital structure on the basis of net debt to equity ratio, profile of bank borrowings, and free cash on hand. In 2022, the principal shareholders and a director in total provided a RMB4.2 million (equivalent to HK\$5.0 million) loan to the Group to strengthen working capital. For the year 2023, a shareholder has further provided a RMB4.2 million (equivalent to HK\$5.0 million) loan to the Group. For the year 2024, the principal shareholders again provided a RMB2.5 million (equivalent to HK\$3.0 million) loan for the same purpose.

The Group is of the opinion that, after taking into consideration the internal financial resources available, the current banking facilities and the additional support from the shareholders and the director, it has sufficient funds to finance internal operations and meet the financial obligations.

#### **CAPITAL EXPENDITURE**

During the year ended 31 December 2025, the Group invested approximately RMB Nil (2024: RMB16,000) and RMB49,000 (2024: RMB195,000) on the acquisition of property, plant and equipment (including right-of-use assets) and intangible assets respectively. Capital expenditure was principally funded by internal resources.

#### **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

Save as disclosed in note 18 to the consolidated financial statements, the Group had no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2025 (2024: Nil).

#### **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group had no material contingent liabilities or off-balance sheet obligation (2024: Nil).

## **INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS**

Save as disclosed in note 15 to the consolidated financial statements, as at 31 December 2025, the Group did not have any assets pledged to secure general banking facilities (2024: Nil).

## **PROSPECT**

Amid China's handbag market projected to grow at a 7.3% CAGR toward \$7 billion by 2030, the Group will continue to leverage surging livestreaming to drive visibility and conversions. Investing time and resources in recruiting and training livestream presenters on Douyin and other key online platforms remains our highest priority. Through interactive sessions showcasing sustainable, personalized bags, our hosts aim to appeal to both existing and new customers through real-time engagement and impulse purchases.

Simultaneously, incorporating artificial intelligence "AI" for trend forecasting and supply chain optimization would enhance efficiency in a cautious consumer environment. This aligns with the recovering consumer sector's emphasis on innovation, value, and experiential retail, targeting middle-class buyers shifting toward brands and products like ours.

The Group is cautiously optimistic in 2026 given continuous strong export growth, low interest rate environment, the central government's incentive effort in stimulating consumption, steady rise in stock markets, and technological advancement in AI and humanoid robotics industry. All these will motivate consumers to spend more.

## **FOREIGN CURRENCY EXPOSURE**

The Group's businesses are solely operated in China. The sales and purchases are mainly denominated in Renminbi ("RMB") and customers rarely request to settle our billing by other foreign currencies such as United States dollar and Hong Kong dollar ("HK\$").

The Directors are of the view that the Group's operations are not subject to significant foreign exchange rate risks. Therefore, no hedging arrangements are made. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

## **HUMAN RESOURCES**

As at 31 December 2025, the Group had 37 employees (2024: 38) in Hong Kong and the PRC. We believe that hiring, motivating and retaining qualified employees are crucial to our success as an online and offline distributor. Total staff costs (including Directors' emoluments) were RMB7.1 million for the year ended 31 December 2025 (2024: RMB8.8 million). The remuneration packages of the Group's employees include salaries, bonus, retirement benefit scheme contributions and other benefits. The remuneration policies of the Group, including promotion, bonuses, salary increment and other benefits, are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly. The dedication and hard work of the Group's staff during the year ended 31 December 2025 are generally appreciated and recognized.

## **FINAL DIVIDEND**

The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2025. (2024: Nil)

## **ANNUAL GENERAL MEETING**

The Annual General Meeting ("the AGM") of the Company will be held on 9 June 2026 (Tuesday). The notice of AGM, which constitutes part of the circular to shareholders, will be sent together with the 2025 Annual Report in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 4 June 2026 to 9 June 2026, both days inclusive during which period no share transfer will be registered. In order to be eligible for attending the AGM, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 3 June 2026.

## **CORPORATE GOVERNANCE CODE**

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the GEM Listing Rules. During the year ended 31 December 2025 period, the Company has complied with the applicable code provisions of the CG Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct ("Code of Conduct") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Code of Conduct throughout the year ended 31 December 2025 and up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

As at the date of this announcement, there were no material events after the year ended 31 December 2025.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 15 December 2017 with written terms of reference. The full terms of reference setting out details of duties of the Audit Committee is available on the websites of the Stock Exchange and the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Won Chik Kee, Mr. Wai Yau Hang and Ms. Sit Ting Fong. Mr. Won Chik Kee is the Chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the Company's internal control and risk management system, overseeing the balance, transparency and integrity of the Company's financial statements and the application of financial reporting principles, reviewing the relationship with the external auditor and its independence assessment and the adequacy of resources, qualifications and experience of the Company's accounting staff, their training programs and budget.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025.

## SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton 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 HKICPA and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on the preliminary announcement.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from the independent auditor of the Group on the consolidated financial statements of the Group for the year ended 31 December 2025.

### **Opinion**

*We have audited the consolidated financial statements of Sling Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages [•] to [•], which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.*

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

### **Basis for Opinion**

*We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.*

### ***Material Uncertainty Related To Going Concern***

*We draw attention to note 2.1 to the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions 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.*

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

This results announcement is published on the website of the Stock Exchange at [www.hkgem.com](http://www.hkgem.com) and on the Company's website at [www.sling-inc.com.hk](http://www.sling-inc.com.hk). The 2025 Annual Report of the Company will be dispatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Sling Group Holdings Limited**  
**Mr. Yau Frederick Heng Chung**  
*Chairman*

Hong Kong, 25 March 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Mr. Wai Yau Hang and Ms. Sit Ting Fong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company website at [www.sling-inc.com.hk](http://www.sling-inc.com.hk).*