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CSTG

China Strategic Technology Group Limited
中國技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the "**Board**") of directors ("**Director(s)**") of China Strategic Technology Group Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the Reporting Period was approximately RMB642.5 million, representing an increase of approximately 103.4% as compared with RMB315.8 million for 2024.

- Gross profit from continuing operations of the Group for the Reporting Period was approximately RMB38.2 million, representing a decrease of approximately 20.6% as compared with RMB48.1 million for 2024.

- Loss for the year of the Company arising from continuing and discontinued operations for the Reporting Period increased to approximately RMB463.4 million from approximately RMB265.3 million for 2024.

- Basic and diluted loss per share attributable to equity holders of the Company arises from continuing and discontinued operations was approximately RMB60.5 cents for the Reporting Period (2024: RMB51.9 cents).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Continuing operations			
Revenue	3	**642,456**	315,803
Cost of sales		**(604,241)**	(267,681)
Gross profit		**38,215**	48,122
Other income	5	**6,698**	7,143
Other gains/(losses), net	6	**3,591**	(3,535)
Selling and distribution expenses		**(12,724)**	(15,634)
General and administrative expenses		**(150,035)**	(187,182)
Impairment losses on properties, plant and equipment and right-of-use assets	4, 10	**(262,945)**	(87,934)
Impairment losses on prepayments, deposits and other receivables	4	**(48,245)**	–
(Impairment losses)/reversal of impairment on trade and bills receivables	4	**(16,607)**	903
Impairment losses on assets of disposal group classified as held for sale		**–**	(12,347)
Operating loss		**(442,052)**	(250,464)
Finance income		**258**	185
Finance costs		**(19,820)**	(17,490)
Finance costs, net	7	**(19,562)**	(17,305)
Loss before income tax		**(461,614)**	(267,769)
Income tax expense	8	**(1,787)**	(824)
Loss from continuing operations		**(463,401)**	(268,593)
Profit from discontinued operations		**–**	3,260
Loss for the year		**(463,401)**	(265,333)
Loss for the year attributable to:			
Equity holders of the Company		**(325,257)**	(198,005)
Non-controlling interest		**(138,144)**	(67,328)
		(463,401)	(265,333)
Loss for the year attributable to equity holders of the Company arises from:			
Continuing operations		**(325,257)**	(201,265)
Discontinued operations		**–**	3,260
		(325,257)	(198,005)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2025

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Loss for the year		**(463,401)**	(265,333)
Other comprehensive loss:			
Item that will not be reclassified to profit or loss			
Currency translation differences		**(90)**	7,959
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**4,378**	(5,069)
Total comprehensive loss for the year		**(459,113)**	(262,443)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(324,834)**	(194,764)
Non-controlling interest		**(134,279)**	(67,679)
		(459,113)	(262,443)
Total comprehensive loss for the year attributable to equity holders of the Company arises from:			
Continuing operations		**(324,834)**	(198,024)
Discontinued operations		**–**	3,260
		(324,834)	(194,764)
Loss per share attributable to equity holders of the Company arises from continuing operations:			
Basic and diluted	*9*	**(RMB60.50 cents)**	(RMB52.80 cents)
Loss per share attributable to equity holders of the Company arises from continuing and discontinued operations			
Basic and diluted	*9*	**(RMB60.50 cents)**	(RMB51.94 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Properties, plant and equipment	10	**48,131**	316,744
Right-of-use assets	10	**2,059**	113,590
Investment property		**–**	–
Intangible assets		**2,443**	4,143
Prepayments and deposits		**1,090**	48,350
Deferred tax assets		**1,238**	2,849
		54,961	485,676
Current assets			
Inventories	11	**18,903**	31,191
Trade and bills receivables	12	**170,692**	91,272
Financial asset at fair value through profit or loss		**2,171**	–
Prepayments, deposits and other receivables		**69,304**	77,223
Amount due from a related company		**–**	18
Current income tax recoverable		**–**	105
Cash and cash equivalents		**33,688**	28,719
		294,758	228,528
Assets of disposal group classified as held for sale	17	**–**	130,965
		294,758	359,493
Total assets		**349,719**	845,169
Equity			
Equity attributable to equity holders of the Company			
Share capital		**5,405**	4,488
Share premium		**592,136**	533,376
Accumulated losses		**(826,574)**	(501,317)
Reserves		**138,723**	138,300
		(90,310)	174,847
Non-controlling interest		**(172,944)**	(38,631)
Total (deficit)/equity		**(263,254)**	136,216

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
Liabilities			
Non-current liabilities			
Deferred government grants		**3,346**	6,496
Lease liabilities		**55,962**	95,226
Provision for reinstatement cost	*14*	**22,189**	23,022
Bank and other borrowings		**42,747**	62,208
Deferred tax liabilities		**817**	818
		125,061	187,770
Current liabilities			
Trade and bills payables	*13*	**84,541**	61,763
Other payables and accruals	*14*	**108,946**	108,065
Contract liabilities	*14*	**22,941**	20,473
Lease liabilities		**109,121**	70,829
Bank and other borrowings		**45,277**	60,825
Bonds payable		**17,208**	16,274
Loans from related companies		**93,854**	127,582
Current income tax liabilities		**6,024**	6,912
		487,912	472,723
Liabilities of disposal group classified as held for sale	*17*	**–**	48,460
		487,912	521,183
Total liabilities		**612,973**	708,953
Total equity and liabilities		**349,719**	845,169

NOTES

1. GENERAL INFORMATION

China Strategic Technology Group Limited (formerly known as USPACE Technology Group Limited) (the "Company") was incorporated in the Cayman Islands on 15 March 2017 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (the "Group") are principally engaged in (A) aerospace business (the "Aerospace Business") comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) electronics manufacturing services ("EMS") business (the "EMS Business"), including assembling and production of printed circuit board assemblies (the "PCBAs") and fully-assembled electronic products. The operation of the Productive Group was discontinued during the year ended 31 December 2024.

Following the passing of a special resolution in relation to the change of company name by the Company's shareholders at the Annual General Meeting on 7 November 2025, the name of the Company was changed from USPACE Technology Group Limited to China Strategic Technology Group Limited and the dual foreign name of the Company in Chinese from "洲際航天科技集團有限公司" to "中國技術集團有限公司". The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies of the Cayman Islands on 7 November 2025. The certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Registrar of Companies in Hong Kong on 20 November 2025 certifying that the new English and Chinese names of the Company have been registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 August 2018.

These consolidated financial statements are presented in unit of Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000"), unless otherwise stated. These consolidated financial statements were approved for issue by the board of directors ("Directors") on 30 March 2026.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The consolidated financial statements have been prepared on a historical cost convention as modified by the revaluation of financial asset at fair value through profit or loss which is carried at fair value and assets of disposal group classified as held for sale which is measured at the lower of carrying amount and fair value less costs to sell.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) **Basis of preparation — use of going concern basis**

The Group recorded a net loss of RMB463,401,000 and a net cash outflow from operating activities from continuing operations of RMB26,487,000 for the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by RMB193,154,000 while the Group's cash and cash equivalents amounted to RMB33,688,000. As at 31 December 2025, the Group's capital expenditures commitment expected to be payable within the next twelve months amounted to approximately RMB1,950,000.

As the Group is unable to access to the aerospace related premises and is unable to inspect, manage or operate certain aerospace assets located in Hong Kong due to ongoing litigation. In the circumstances, the management decided to relocate aerospace operations outside Hong Kong, resulted in recognising impairment losses during the year of RMB184,804,000 on property, plant and equipment (primarily plant and machinery and leasehold improvements incurred during the Hong Kong setup) and RMB78,141,000 on right-of-use assets.

In addition, the litigation case in relation to the allegation of breaches of tenancy agreements for premises in Hong Kong totalling approximately HK$113,143,000 (approximately RMB102,586,000) (2024: HK$47,354,000 (approximately RMB44,498,000)) still remains unresolved as at 31 December 2025.

In view of these circumstances, the Directors have given careful consideration of the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient resources to continue as a going concern.

For this purpose, the management had prepared a forecast covering a period of not less than twelve months from the end of the year taking into account of the followings:

(i) The Group entered into legally binding agreements with an independent third-party lender (the "Lender") for loans in the aggregate sum of approximately HK$108,000,000 (equivalent to RMB98,200,000) (the "Loans") in July and October 2021. The Group had entered into supplemental agreements dated 8 March 2026 with the Lender to extend the repayment date of the Loans to 7 April 2027. As at 31 December 2025, the Loans amounted to approximately HK$47,200,000 (equivalent to RMB42,747,000);

(ii) On 5 December 2025, the Company entered into subscription agreements (the "Subscription Agreements") with 2 subscribers, both are independent third-parties (the "Subscribers") pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 160,926,000 subscription shares at the subscription price of HK$0.560 per subscription share (the "Subscription Shares"). The completion of the subscription took place on 23 March 2026. Upon the completion of the issuance of the Subscription Shares approximately HK$90,119,000 (equivalent to RMB79,715,000), net of all transaction fees has been raised to support the Group in meeting its financial obligations and daily operations;

(iii) On 5 December 2025, the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 90,000,000 placing shares at the Placing Price of HK$0.560 per placing Share (the "Placing Shares") to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties. As at the date of this report, the placing is still in progress. The management expects upon the completion of the issuance of the Placing Shares, approximately HK$30,000,000 (equivalent to RMB26,537,000), net of all transaction fees will be raised to support the Group in meeting its financial obligations and daily operations;

(iv) On 9 March 2026, the Company and an independent third-party (the "Purchaser") entered into a share purchase agreement ("Disposal"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase the paid-up capital of the 2 wholly owned subsidiaries of the Company and a non wholly-owned subsidiary of the Company (collectively, the "Disposal Companies") including its respective subsidiaries, referred as the "Disposal Group", at a consideration of USD2,000,000 (approximately RMB13,827,000). The transaction completed on 9 March 2026, the Company received 10% of the consideration amounting to USD200,000 (approximately RMB1,383,000) on 6 February 2026. And the remaining balances are excepted to inject to the Group in May and July 2026. After the Disposal, each member of the Disposal Group ceased to be a subsidiary of the Company. The Company has obtained legal opinion that the obligation to pay the liabilities arising from the dispute over tenancy agreements for premises in Hong Kong will not attach to the Group thereafter.

(v) On 16 March 2026, the Company entered into a facility letter with an independent third-party (the "Revolving Loan Lender") pursuant to which the Revolving Loan Lender has irrevocably undertaken to provide the Company with an interest-bearing revolving loan facility in the aggregate sum of approximately HKD30,000,000 (equivalent to RMB26,537,000) (the "Revolving Loan Facility");

(vi) On 24 March 2026, the Group obtained a letter of undertaking (the "Undertaking Letter") from Mr. Sun Fengquan ("Mr. Sun", a substantial shareholder of the Company), pursuant to which Mr. Sun has irrevocably undertaken to provide the Group with an unsecured and interest-free revolving loan when necessary to meet the Group's future financial obligation. The Undertaking Letter is valid and subsisting up to 31 March 2027 and any loan drawn thereunder shall be repayable on 31 March 2027;

(vii) In March, June, July, September and October 2025, the Group obtained banking facilities totaling RMB84,000,000 from three banks in Mainland China to support the general working capital of the EMS Business. As at 31 December 2025, the amount undrawn under these facilities totalled approximately RMB17,440,000;

(viii) The Group is in negotiation with existing lenders in respect of renewal of existing borrowings as well as certain potential lenders in respect of new borrowings; and

(ix) The Group is in negotiation with certain potential investors for raising new capital by the way of issuing new equity and/or debt securities.

The directors of the Company reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 December 2025. In the opinion of the directors, assuming the successful and timely implementation of the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to successfully implement its plans and measures as described above. Whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate net cash inflows through:

a) Successfully obtaining adequate funding from the consideration paid by the Purchaser as mentioned in Note (iv) above;

b) Successfully obtaining adequate funding from the placees as mentioned in Note (iii) above;

c) Successfully obtaining adequate funding, as and when needed, from the Revolving Loan Lender as mentioned in Note (v) above;

d) Successfully obtaining adequate funding, as and when needed, from Mr. Sun as mentioned in Note (vi) above; and

e) Successfully obtaining adequate funding through existing financing arrangements or new borrowings, renewing existing borrowings, and the issuance of new equity and/or debt securities as mentioned in Notes (vii), (viii) and (ix) above.

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which 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 these consolidated financial statements.

(b) Amendments to an HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The directors of the Company considered the adoption of this new and amended standards did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, 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.

3. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in (A) Aerospace Business comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) EMS Business, including assembling and PCBAs and fully-assembled electronic products.

The chief operating decision-maker has been identified as the Directors. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segments based on these reports.

The Group had two reportable operating segments for both years being:

(i) EMS Business — Banking and finance and other devices*; and
(ii) Aerospace Business.

* Included the assets of disposal group classified as held for sale during the year ended 31 December 2024.

For the EMS Business — Smart home devices, it was classified as discontinued operations in the year ended 31 December 2024. The segment information reported does not include any amounts for the discontinued operations.

(a) Segment revenue and gross profit

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Total *RMB'000*
For the year ended 31 December 2025			
Continuing operations			
Segment revenue	**642,456**	**–**	**642,456**
Revenue from external customers	**642,456**	**–**	**642,456**
Segment cost of sales	**(604,241)**	**–**	**(604,241)**
Segment gross profit	**38,215**	**–**	**38,215**
Other segment information:			
Depreciation of properties, plant and equipment	**15,958**	**35,953**	**51,911**
Depreciation of right-of-use assets	**784**	**32,461**	**33,245**
Amortisation of intangible assets	**640**	**995**	**1,635**
Impairment losses on properties, plant and equipment and right-of-use assets	**–**	**262,945**	**262,945**
Impairment losses on trade and bills receivables	**16,607**	**–**	**16,607**
Impairment losses on prepayments, deposits and other receivables	**170**	**48,075**	**48,245**
Provision for inventories	**6,430**	**–**	**6,430**
Additions to non-current segment assets*	**13,748**	**3,502**	**17,250**

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Total *RMB'000*
For the year ended 31 December 2024			
Continuing operations			
Segment revenue	316,554	–	316,554
Inter-segment revenue	(751)	–	(751)
Revenue from external customers	315,803	–	315,803
Segment cost of sales	(267,681)	–	(267,681)
Segment gross profit	48,122	–	48,122
Other segment information:			
Depreciation of properties, plant and equipment	13,139	27,640	40,779
Depreciation of right-of-use assets	1,714	31,858	33,572
Depreciation of investment properties	302	–	302
Amortisation of intangible assets	929	–	929
Impairment losses on properties, plant and equipment	–	87,934	87,934
Impairment losses on assets of disposal group classified as held for sale	12,347	–	12,347
Reversal of impairment on trade and bills receivables	(903)	–	(903)
Provision for inventories	4,534	–	4,534
Additions to non-current segment assets*	1,986	7,511	9,497

* For the year ended 31 December 2025, the additions to non-current segment assets include additions to properties, plant and equipment, right-of-use assets and intangible assets (2024: included additions to properties, plant and equipment and right-of-use assets).

(b) Segment assets and liabilities

	EMS Business ***RMB'000***	**Aerospace Business** ***RMB'000***	**Total** ***RMB'000***
As at 31 December 2025			
Continuing operations			
Segment assets*	**300,357**	**48,124**	**348,481**
Segment liabilities#	**222,616**	**383,516**	**606,132**

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Total *RMB'000*
As at 31 December 2024			
Continuing operations			
Segment assets*	387,331	454,884	842,215
Segment liabilities#	240,067	461,156	701,223

Reportable segment assets are reconciled to total assets as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Segment assets*	**348,481**	842,215
Current income tax recoverable	**–**	105
Deferred tax assets	**1,238**	2,849
Total assets	**349,719**	845,169

Reportable segment liabilities are reconciled to total liabilities as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Segment liabilities#	**606,132**	701,223
Current income tax liabilities	**6,024**	6,912
Deferred tax liabilities	**817**	818
Total liabilities	**612,973**	708,953

* Included in segment assets, there are assets of disposal group classified as held for sales of RMB130,965,000 for the EMS Business as at 31 December 2024.

\# Included in segment liabilities, there are liabilities of disposal group classified as held for sales of RMB48,460,000 for the EMS business as at 31 December 2024.

(c) Disaggregation of revenue from contracts with customers

The Group derives revenue from the sales of goods at a point in time as follow:

	2025 ***RMB'000***	2024 *RMB'000*
Continuing operations		
Timing of revenue recognition		
At a point in time — sales of goods	**642,456**	315,803

(d) Segment revenue by customers' geographical location

The Group's revenue from continuing operations by geographical location, which is determined by the location of customers, is as follows (excluding those related to discontinued operations):

	2025	2024
	RMB'000	*RMB'000*
Hong Kong	**308,205**	26,488
Mainland China	**178,385**	177,715
South Korea	**75,730**	17,823
India	**37,693**	30,038
Australia	**17,699**	13,008
Germany	**14,853**	10,137
Vietnam	**5,290**	30,568
The United States of America (the "**USA**")	**1,003**	6,165
Others	**3,598**	3,861
	642,456	315,803

(e) Details of contract liabilities

	2025	2024
	RMB'000	*RMB'000*
Contract liabilities	**22,941**	20,473

Notes:

(i) Contract liabilities represent advanced payments received from the customers for goods that have not been transferred to the customers. The balances of contract liabilities fluctuated during the years ended 31 December 2025 and 2024 with sales order with advanced payments.

(ii) The following table shows the amount of revenue recognised in the current year relating to carried-forward contract liabilities:

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**12,202**	7,609

(f) Major customers

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

	2025
	RMB'000
Customer A	**266,141**

The five largest customers accounted for approximately 71% (2024: nil) of revenue for the year ended 31 December 2025.

(g) Non-current assets by geographical location

The total amounts of non-current assets, other than those related to discontinued operations and financial instruments and deferred tax assets of the Group as at 31 December 2025 and 2024 are located in the following regions:

	2025	2024
	RMB'000	*RMB'000*
Hong Kong	**27,257**	393,693
Mainland China	**26,462**	63,987
Germany	**4**	8
	53,723	457,688

4. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging (crediting):

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Cost of raw material used	**469,758**	187,673
Employee benefit expenses and manpower services expenses, including Directors' emoluments	**88,118**	123,756
Rental expenses of short-term leases in respect of machinery and properties	**3,434**	4,117
Amortisation of intangible assets	**1,635**	929
Depreciation for properties, plant and equipment and right-of-use assets *(Note 10)*	**85,156**	74,351
Depreciation for investment properties	**–**	302
Provision for inventories	**6,430**	4,534
Auditor's remuneration		
— Audit services	**2,000**	2,000
— Non-audit services	**351**	234
Impairment losses on properties, plant and equipment and right-of-use assets *(Note 10)*	**262,945**	87,934
Impairment losses on prepayments, deposits and other receivables	**48,245**	–
Impairment losses/(reversal of impairment) on trade and bills receivables	**16,607**	(903)
Impairment losses on assets of disposal group classified as held for sale	**–**	12,347
Exchange loss	**384**	1,792
(Gain)/loss on disposal of properties, plant and equipment	**(3,756)**	55
Fair value changes from financial asset at fair value through profit or loss	**(28)**	917

5. OTHER INCOME

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Government grants	**3,624**	2,890
Service income	**2,964**	2,191
Rental income	**–**	661
Sundry income	**110**	1,401
	6,698	7,143

6. OTHER GAINS/(LOSSES), NET

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Loss on disposals of a subsidiary	**(673)**	–
Exchange loss	**(384)**	(1,792)
Fair value changes from financial asset at fair value through profit or loss	**28**	(917)
Gain/(loss) on disposal of properties, plant and equipment	**3,756**	(55)
Others	**864**	(771)
	3,591	(3,535)

7. FINANCE COSTS, NET

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Finance income		
Interest income on cash at banks	**258**	185
Finance costs		
Interest expense on bank and other borrowings	**(6,194)**	(7,406)
Interest expense on lease liabilities	**(4,499)**	(5,826)
Interest expense on bonds payable	**(3,303)**	(2,726)
Late interest on rental charges	**(5,824)**	(1,532)
	(19,820)	(17,490)
Finance costs, net	**(19,562)**	(17,305)

8. INCOME TAX EXPENSE

During the years ended 31 December 2025 and 2024, no provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profits in Hong Kong.

During the year ended 31 December 2025, Shenzhen Hengchang Sheng Technology Company Limited* ("Shenzhen Hengchang Sheng"), the Group's major operating subsidiary in Mainland China has qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15% (2024: 15%).

Gang Hang Ke (Shenzhen) Space Technology Co., Limited* ("SZ Gang Hang Ke"), the Group's subsidiary in Mainland China, has been qualified for small-scale enterprises with minimal profits status and is subject to an applicable tax rate of 20% (2024: 20%).

Eternity Electronic Manufacturing Service GmbH, the Group's subsidiary in Germany were subject to German corporate income tax at the tax rate of 15.825% during the year ended 31 December 2025 (2024: 15.825%).

Other Group's entities in Mainland China were subject to the corporate income tax ("CIT") in the PRC at the tax rate of 25% during the year ended 31 December 2025 (2024: 25%).

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Current income tax		
— German Enterprise Income Tax	**160**	64
	160	64
Under provision in prior year:		
— PRC Enterprise Income Tax	**17**	123
Deferred income tax	**1,610**	637
Income tax expense	**1,787**	824

* *For identification purpose only*

9. LOSS PER SHARE

For continuing operations

The calculation of the basic loss per share attributable to equity holders of the Company is based on the following data:

	2025	2024
	RMB'000	*RMB'000*
Loss:		
Loss for the year attributable to equity holders of the Company	**(325,257)**	(198,005)
Less: Profit for the year from discontinued operations	**–**	3,260
Loss for the purposes of basic loss per share from continuing operations	**(325,257)**	(201,265)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic loss per share (thousand of shares)	**537,487**	381,195

For continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to equity holders of the Company is based on the following data:

	2025	2024
	RMB'000	*RMB'000*
Loss:		
Loss for the purpose of basic loss per share		
Loss for the year attributable to equity holders of the Company	**(325,257)**	(198,005)

The denominator used are the same as those detailed above for basic loss per share.

For continuing operations

During the year ended 31 December 2025, basis loss per share for the continuing operations is RMB60.50 cents per share, based on loss for the year from continuing operations of approximately RMB325,257,000 and the denominator detailed above for basis loss per share.

For discontinued operations

During the year ended 31 December 2024, basic profit per share for the discontinued operations is RMB0.86 cents per share, based on profit for the period/year from discontinued operations of RMB3,260,000 and the denominator detailed above for basic loss per share.

No diluted loss per share is presented as there is no potential ordinary share outstanding for both years.

10. PROPERTIES, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

		Properties, plant and equipment									
	Right-of-use assets	Buildings	Furniture and fixtures	Office equipment	Plant and machinery	Motor vehicles	Satellites	Leasehold improvements	Construction in progress	Subtotal	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024											
Opening net book amount	173,477	81,958	617	423	37,394	832	4,734	24,756	369,745	520,459	693,936
Additions	2,375	–	123	27	334	–	–	179	6,500	7,163	9,538
Depreciation	(36,387)	(3,802)	(203)	(258)	(15,972)	(293)	(1,386)	(20,991)	–	(42,905)	(79,292)
Disposals	(227)	–	–	–	(734)	–	–	–	–	(734)	(961)
Transfer to assets of disposal group classified as held for sale	(24,689)	(70,821)	(36)	(9)	–	–	–	(11,864)	–	(82,730)	(107,419)
Written-off	–	–	–	–	–	–	–	–	(6,175)	(6,175)	(6,175)
Impairment losses	–	–	(5)	(7)	(57,405)	–	(3,348)	(4,304)	(22,865)	(87,934)	(87,934)
Disposal of subsidiaries	(5,067)	–	–	(5)	(3,018)	(75)	–	–	–	(3,098)	(8,165)
Transfer	–	–	–	–	174,220	–	–	99,191	(273,411)	–	–
Exchange difference	4,108	–	–	21	31	5	–	155	12,486	12,698	16,806
	113,590	7,335	496	192	134,850	469	–	87,122	86,280	316,744	430,334
At 31 December 2024											
Cost	200,926	11,448	837	2,698	217,587	4,017	6,817	110,348	109,235	462,987	663,913
Accumulated depreciation and impairment	(87,336)	(4,113)	(341)	(2,506)	(82,737)	(3,548)	(6,817)	(23,226)	(22,955)	(146,243)	(233,579)
Net carrying amount	113,590	7,335	496	192	134,850	469	–	87,122	86,280	316,744	430,334
Year ended 31 December 2025											
Opening net book amount	**113,590**	**7,335**	**496**	**192**	**134,850**	**469**	**-**	**87,122**	**86,280**	**316,744**	**430,334**
Additions	**2,503**	**-**	**129**	**998**	**1,122**	**-**	**-**	**12,471**	**-**	**14,720**	**17,223**
Depreciation	**(33,245)**	**(270)**	**(223)**	**(258)**	**(27,083)**	**(219)**	**-**	**(23,858)**	**-**	**(51,911)**	**(85,156)**
Disposal	**-**	**(690)**	**-**	**-**	**-**	**(18)**	**-**	**-**	**-**	**(708)**	**(708)**
Transfer to a lender *(Note)*	**-**	**-**	**-**	**-**	**(40,168)**	**-**	**-**	**-**	**-**	**(40,168)**	**(40,168)**
Lease termination	**(511)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(511)**
Impairment losses	**(78,141)**	**(4,709)**	**(77)**	**(92)**	**(54,631)**	**-**	**-**	**(47,897)**	**(77,398)**	**(184,804)**	**(262,945)**
Exchange difference	**(2,137)**	**-**	**(12)**	**(3)**	**(2,207)**	**(3)**	**-**	**(1,880)**	**(1,637)**	**(5,742)**	**(7,879)**
	2,059	**1,666**	**313**	**837**	**11,883**	**229**	**-**	**25,958**	**7,245**	**48,131**	**50,190**
At 31 December 2025											
Cost	**195,636**	**9,728**	**956**	**3,688**	**174,301**	**3,461**	**6,817**	**118,918**	**105,566**	**423,435**	**619,071**
Accumulated depreciation and impairment	**(193,577)**	**(8,062)**	**(643)**	**(2,851)**	**(162,418)**	**(3,232)**	**(6,817)**	**(92,960)**	**(98,321)**	**(375,304)**	**(568,881)**
Net carrying amount	**2,059**	**1,666**	**313**	**837**	**11,883**	**229**	**-**	**25,958**	**7,245**	**48,131**	**50,190**

Note: During the year, the Group obtained a borrowing of HK$42,100,000 (approximately RMB38,820,000) from an independent third party, which was secured by pledged assets with carrying amounts of HK$43,562,000 (approximately RMB40,168,000). Consequently, the borrowing, together with accrued interest, with a net carrying amount of HK$43,562,000 (approximately RMB40,168,000), was defaulted during the year, and those pledged assets were transferred to the lender to offset the defaulted borrowing.

During the year ended 31 December 2025, the Group was unable to access the premises and is unable to inspect, manage or operate certain aerospace assets located in Hong Kong due to ongoing litigation. In the circumstances, the management decided to relocate aerospace operations outside Hong Kong. For the purpose of the impairment assessment, these related assets were assessed together as a cash-generating unit of the Aerospace business in Hong Kong. The recoverable amount of this CGU was determined based on its value-in-use. Consequently, management has determined that these assets are no longer expected to generate future economic benefits, its value in use was assessed to be nil. As a result, an impairment loss totalling approximately RMB262,945,000 was recognised during the year on the related property, plant, equipment, and right-of-use assets.

11. INVENTORIES

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**13,269**	24,177
Work in progress	**831**	1,994
Finished goods	**4,803**	5,020
	18,903	31,191

The cost of inventories recognised as expense and included in cost of sales during the year ended 31 December 2025 amounted to approximately RMB592,283,000 (2024: RMB266,338,000).

12. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**194,446**	98,635
Bills receivables	**228**	12
Less: provision for impairment on trade and bills receivables	**(23,982)**	(7,375)
Trade and bills receivables	**170,692**	91,272

The Group's sales were made on credit terms primarily from 30 to 120 days.

As at 31 December 2025 and 2024, the aging analysis of trade and bills receivables, net of impairment, based on invoice date, was as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**119,067**	87,800
Over 3 months	**75,607**	10,847
	194,674	98,647
Less: provision for impairment on trade and bills receivables	**(23,982)**	(7,375)
	170,692	91,272

Movements of the provision for impairment on trade and bills receivables were as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**7,375**	13,439
Provision for impairment/(reversal of impairment) on trade and bills receivables on individual basis	**4,679**	(755)
Provision for impairment/(reversal of impairment) on trade and bills receivables on collective basis	**11,928**	(148)
Written-off of provision for impairment	**–**	(5,443)
Exchange difference	**–**	282
At end of the year	**23,982**	7,375

The maximum exposure to credit risk as at 31 December 2025 and 2024 was the carrying value of the trade and bills receivables mentioned above. The Group does not hold any collateral as security.

13. TRADE AND BILLS PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**60,541**	61,763
Bills payables *(Note)*	**24,000**	–
	84,541	61,763

As at 31 December 2025 and 2024, the aging analysis of trade payables, based on invoice date, was as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**80,514**	57,936
Over 3 months	**4,027**	3,827
	84,541	61,763

Note: As at 31 December 2025, certain bank facilities granted to the Group for the issuance of bills payable were secured by (i) properties of the group entity with carrying value of approximately RMB1,647,000, (ii) properties owned by a private company held by a director of the Company, Mr. Ma Fujun and (iii) property which is commonly held by a director of the Company, Mr. Ma Fujun and his wife, who is also a director of the Company's subsidiary. These bank facilities are further personal guaranteed by Mr. Ma Fujun and his wife.

14. PROVISION FOR REINSTATEMENT COST, CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	2025	2024
	RMB'000	*RMB'000*
Current portion		
Payables for construction works	**24,964**	25,902
Interest payable	**3,596**	5,969
Other tax payables	**5,364**	4,895
Other payables	**15,387**	20,867
Payable on litigation case *(Note)*	**31,150**	11,188
Accrued salaries and bonus	**22,361**	32,368
Accrued expenses	**6,124**	6,876
Contract liabilities	**22,941**	20,473
	131,887	128,538
Non-current portion		
Provision for reinstatement cost	**22,189**	23,022
	154,076	151,560

Note: During the year ended 31 December 2025 and 2024, the Group has been served writs for alleged breaches of tenancy agreements for an amount of approximately RMB102,586,000 (2024: RMB44,498,000) in relation to the legal proceedings commenced by Hong Kong Science and Technology Parks Corporation. In which, the Group made provision on litigation case of approximately RMB31,150,000 (2024: RMB11,188,000) and the remaining outstanding rent of approximately RMB71,436,000 (2024: RMB33,310,000) was recognised as lease liabilities.

15. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2025 and 2024.

BUSINESS REVIEW

Aerospace and Space Information

During 2025, the external conditions for the aerospace and space information business of the Group continued to be under the impacts such as geopolitical tensions and related sanctions and export controls, adversely affecting certain cross-border collaborations and supply chain arrangements. On 14 January, 2026, the Company issued an announcement of business updates in relation to the memorandum of understanding and agreements previously entered into with various overseas partners in areas including satellite manufacturing and launching services, ground station networks, and development of constellation and disclosed that certain term sheet and contracts have lapsed, while multiple proposed cooperations have become difficult to advance under the original terms due to the tension in the Sino-US relations, and various sanctions and restrictions imposed by Government of the United States of America. The Company is discussing with the counter parties in relation to the termination of the relevant agreement/contract/memorandum of understanding.

Against this backdrop, the Board has prudently reviewed the Group's positioning of its aerospace business and risk exposure. As disclosed in the same announcement, on one hand, the Group currently has no intention to sell, reduce, or terminate its existing aerospace business and will continue its operation while seeking new opportunities in collaborations and development, on the other hand, given the on-going dispute with and the progress of the settlement with Hong Kong Science and Technology Parks Corporation ("**HKSTP**") and the lender of Aspace Satellite Technology Limited, a non-wholly owned subsidiary under the Group, the Group has decided to shift its business focus from satellite manufacturing, satellite telemetry, tracking, and controlling (TT&C), and satellite launch to segments such as satellite structure manufacturing, satellite component manufacturing, satellite power and energy system manufacturing and satellite data applications. Additionally, the Group will gradually relocate its operation outside Hong Kong including but not limited to Mainland China.

During and after the reporting period, the Group transited and will continue to transit toward a business centered on high-value-added manufacturing and data applications. The shift not only mitigates the execution risks associated with major overseas projects amid international political uncertainties, but also promotes the technological and market synergies with the Group's existing presence in segments of precision manufacturing and energy industry. Looking ahead, the Group will principally focus on high-end aerospace materials, design of satellite and key components, aerospace-grade power and energy systems, and satellite data applications. It will put emphasis on aligning with the domestic market demands for new industrialization, innovative power systems, and space information services, while continuously exploring aerospace-related opportunities with sustainable business models and controllable risks.

Precision Manufacturing

During the year under review, the Group's precision manufacturing business continued to deliver mid-to-high-end electronic manufacturing services(EMS)to customers in communication equipment, industrial control, and smart terminals primarily through its EMS, PCBA, and complete equipment assembly businesses. In line with its comprehensive positioning of "serving aerospace and empowering energy storage," the Group optimized its product portfolio and customer base. It is progressively expanding into high-reliability niche segments such as energy and signal transmission cables and electronic control systems, thereby consolidating the foundation for the precision manufacturing capabilities in terms of the mass supply of aerospace and energy storage equipment in the future.

Energy Storage and Energy Industry

During the year under review, the Group adhered to the direction of national development in terms of "New Energy System," "New Energy Storage," and "New Power System," defining its positioning of the energy industry business based on "aerospace-grade energy management + energy storage systems engineering.". Following the relocation of the Group's headquarters and principal place of business in China from Hong Kong to Guangzhou, Guangdong Province in October 2025, the Group has based in South China region as its operational and decision-making hub. Additionally. it has carried out the building of project pipeline and selection of working partners for grid-side independent energy storage power stations, zero-carbon energy systems for industrial parks, and new energy storage equipment.

By the end of 2025, tasks related to the energy storage and energy industry primarily remained in the preliminary stage of technology route planning, business model design, and project development. The relevant operations did not yet contribute significantly to the Group's financial performance during the year under review, but the strategic direction was clearly defined and the initial screening of the first batch of project objectives was completed.

During the Reporting Period, the Group recorded a turnover from continuing operations of approximately RMB642.5 million, representing a significant increase of approximately 103.4% as compared to that of 2024; while the loss for the Reporting Period from continuing and discontinued operations was approximately RMB463.4 million as compared to that of approximately RMB265.3 million for 2024. The increase of approximately 74.6% in net loss recorded by the Group during the Reporting Period was mainly due to the impairment losses of property, plant, equipment and right-of-use assets.

BUSINESS STRATEGIES AND OUTLOOK

Furthermore, the unaudited net assets of the Group as at the date of this announcement is approximately RMB89.9 million, representing a positive sign of the strategic restructuring of the Group. The Group is now using its best endeavour to improve its financial flexibility and capacity to seize opportunity. The Group will continue to make relentless efforts to actively explore new markets and embrace challenges with innovative thinking to bring about new breakthroughs for our business.

Synergy between Energy Storage and Energy Industry and Aerospace Materials

Looking ahead to 2026, the Group anticipates its energy and energy storage business will transit from the “confirming project direction” to the “project implementation” phase. At the beginning of the year, the Group entered into Engineering, Procurement, and Construction (EPC) cooperation agreements with China Construction Third Engineering Bureau (South China) Co., Ltd. (中建三局集團華南有限公司) and Hebei Second Construction Engineering Co., Ltd. (河北省第二建築工程有限公司) in relation to the independent energy storage power station projects in Dezhou, Shandong and Cangzhou, Hebei. The planned capacities of Phase I of these projects are approximately 200MW/400MWh and 200MW/800MWh, respectively. Phase I construction is expected to be ready for grid connection during 2026, positioning themselves as potential demonstration projects of the Group in the grid-side energy storage sector.

Concurrently, the Group is at the preliminary stage of construction of an energy storage equipment project, intending to develop an integrated equipment manufacturing base, encompassing energy storage battery system integration, energy storage cabinet and system integration, energy storage EMS/BMS and testing/validation. The base is expected to form integrated synergy of “equipment manufacturing + power station operation” with power station projects in Dezhou, Cangzhou, and other locations, thereby enhancing the overall competitiveness and bargaining power of the Group within the energy storage industry chain. The Group will continue to proactively optimise the supply chain process, improve production efficiency, and adjust procurement strategies to maintain the competitiveness and operational efficiency of the EMS business.

In expanding its aerospace business, the Group will newly establish its industrial presence in the sector of aerospace-grade high-purity titanium materials. The expansion will cover aspects such as high-purity titanium material smelting and processing technologies, R&D of titanium-based modified new materials, and the application of aerospace satellite data and space information technology in areas such as precise positioning, remote monitoring, intelligent decision-making, and data services, so as to align with the development of industrial ecosystems and trading platforms, and the establishment of production bases.

Expansion into the New Energy Vessel Industry

At the same time, the Group intends to actively expand its new energy vessel business and promote technological and industrial synergies between this business and its operations of aerospace, precision manufacturing and energy industry. The related business operations will primarily focus on the R&D, manufacturing, and sales of new energy vessels; the development and deployment of charging infrastructure compatible with both vehicles and vessels; and the roll-out of a nationwide sales and service network. Leveraging the Group's long-term expertise in aerospace materials, energy management, thermal management, electronic control systems, and precision manufacturing, the Group intends to gradually drive the integrated application of, among others, artificial intelligence, new aerospace materials, new energy power systems, satellite data applications, and robotics technology in new energy vessel scenarios. On this basis, the Group will develop a range of new energy vessel industries showcasing intelligence, green development and high value-added features. Additionally, this will serve as a key extended business expansion of the Group into comprehensive energy equipment and advanced manufacturing application scenarios.

The Group believes that, with the progressive advancement of the investments in and construction of grid-side energy storage power station, R&D and production of energy storage systems and key equipment, and the industrialization of aerospace titanium materials and satellite data application projects, as well as the gradual promotion of the new energy vessel industry, the technological and industrial synergies among the four major segments, namely, aerospace, precision manufacturing, energy industry, and new energy vessels will be further strengthened. This will provide new drivers for optimizing the revenue structure and boosting profit growth of the Group starting from 2026.

OPERATING RESULTS

Revenue by Customers' Geographical Location

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

	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Hong Kong	**308,205**	26,488
Mainland China	**178,385**	177,715
South Korea	**75,730**	17,823
India	**37,693**	30,038
Australia	**17,699**	13,008
Germany	**14,853**	10,137
Vietnam	**5,290**	30,568
USA	**1,003**	6,165
Others	**3,598**	3,861
	642,456	315,803

Revenue by Product Type

During the Reporting Period, revenue from continuing operations of the EMS Business was generated by two principal product types. The table below summarises the amount of revenue generated and as a percentage of total revenue from each product category for the Reporting Period and for the year ended 31 December 2024, respectively:

	Revenue for the year ended 31 December			**% of total revenue for the year ended 31 December**		
	2025	2024	Change	**2025**	2024	Change
	RMB'000	*RMB'000*	*%*			
Continuing operations						
PCBAs	**339,427**	230,667	47.2	**52.8**	73.0	-20.2
Fully-assembled electronic products	**303,029**	85,136	255.9	**47.2**	27.0	20.2
Total	**642,456**	315,803	103.4	**100**	100	–

PCBAs

Based on the usage of the final electronic products which embedded with PCBAs, PCBAs can be broadly applied to electronic end products for three principal industries, namely banking and finance, telecommunications and smart device. The revenue generated from the sales of PCBAs increased by approximately 47.2% from approximately RMB230.7 million for the year ended 31 December 2024 to approximately RMB339.4 million for the Reporting Period. The increase in revenue is primarily attributable to a notable increase in demand from banking and finance sector during the Reporting Period.

Fully-assembled electronic products

The fully-assembled electronic products that are embedded with PCBAs primarily manufactured by the Company in-house mainly include mobile phones, mPOS, photovoltaic inverters, tablets and street lamp controller, which are sold under the respective brands of the customers or the brands of their ultimate customers. The revenue generated from sales of fully-assembled electronic products increased by approximately 255.9% from approximately RMB85.1 million for the year ended 31 December 2024 to approximately RMB303.0 million for the Reporting Period. The increase in revenue is primarily due to the launch of new products which contributed to additional sales during the Reporting Period.

Gross Profit and Gross Profit Margin by Product Type

Gross profit from continuing operations of the Group for the Reporting Period was approximately RMB38.2 million, representing a decrease of approximately RMB9.9 million or 20.6% as compared with approximately RMB48.1 million for the year ended 31 December 2024. Overall gross profit margin decreased from 15.2% for the year ended 31 December 2024 to 5.9% for the Reporting Period.

	Gross profit for the year ended 31 December			**Gross profit margin for the year ended 31 December**		
	2025	2024	Change	**2025**	2024	Change
	RMB'000	*RMB'000*	%	**%**	%	%
Continuing operations						
PCBAs	**30,384**	34,575	-12.1	**9.0**	15.0	-6.0
Fully-assembled electronic products	**7,831**	13,547	-42.2	**2.6**	15.9	-13.3
Total	**38,215**	48,122	-20.6	**5.9**	15.2	-9.3

PCBAs

The gross profit derived from the sales of PCBAs decreased by approximately 12.1% to approximately RMB30.4 million for the Reporting Period (2024: RMB34.6 million). The gross profit margin decreased to approximately 9.0% for the Reporting Period (2024: 15.0%). The decrease in gross profit mainly attributable to the increase in cost of sales which outpaced the growth in revenue. The Group adopted a stable pricing strategy to retain customers and preserve its market position during the Reporting Period.

Fully-assembled electronic products

The gross profit derived from the sales of fully-assembled electronic products decreased by approximately 42.2% to approximately RMB7.8 million for the Reporting Period (2024: RMB13.5 million). The gross profit margin decreased to approximately 2.6% for the Reporting Period (2024: 15.9%), which was mainly due to the Group adopted a competitive pricing strategy to promote market penetration and expand its customer base, which led to the lower-margin sales for the new products.

Other Income

Other income from continuing operations of the Group for the Reporting Period was approximately RMB6.7 million comprises discretionary government grants, service income and sundry income. The decrease of other income was mainly due to decrease in rental income contributed by the disposed subsidiary during the Reporting Period.

Other Gains/(Losses), Net

Other gains, net of the Group from continuing operations for the Reporting Period of approximately RMB3.6 million mainly represented gain on disposal of properties, plant and equipment and others.

Selling and Distribution Expenses

Selling and distribution expenses from continuing operations mainly comprised (i) employee benefit expenses, which included salaries and allowance, social insurance contributions and staff welfare expenses for sales staff; (ii) transportation charges; (iii) sales commission paid to the sales agents in respect of customer introduction; and (iv) other expenses. For the Reporting Period, selling and distribution expenses amounted to approximately RMB12.7 million (2024: RMB15.6 million). Selling and distribution expense against revenue ratio from continuing operations remained at a very similar level, with approximately 2.0% for the Reporting Period and approximately 5.0% for the year ended 31 December 2024.

General and Administrative Expenses

General and administrative expenses from continuing operations mainly represented (i) employee benefit expenses, which included salaries and allowance, social insurance contributions and staff welfare expenses of administrative staff; (ii) depreciation expenses on right-of-use assets and properties, plant and equipment; (iii) legal and professional fees; and (iv) other expenses. For the Reporting Period, general and administrative expenses from continuing operations amounted to approximately RMB150.0 million (2024: RMB187.2 million), representing a decrease of approximately 19.8% as compared to the year ended 31 December 2024. The decrease in general and administrative expenses was mainly due to the decrease in employee benefit expenses resulting from reduced headcount of the Aerospace Business.

Impairment Losses on Properties, Plant and Equipment and Right-of-Use Assets

Impairment losses from continuing operations on properties, plant and equipment represented the impairment of properties, plant and equipment of the Aerospace Business. The Group had made an impairment on the relevant assets of the Aerospace Business according to the fair value less cost to sell amounted to RMB184.8 million during the Reporting Period.

During the year ended 31 December 2025, the Group lost control over certain aerospace assets in Hong Kong due to ongoing litigation and contractual disputes, to discontinue its Hong Kong aerospace operations. Consequently, management was determined that these assets are no longer expected to generated future economic benefits. As a result, an impairment loss totalling approximately RMB262.9 million was recognised during the year on the related property, plant, equipment, and right-of-use assets.

Impairment Losses on Financial Assets

Impairment losses from continuing operations on financial assets represented the provision of impairment of trade and bills receivables. For the Reporting Period, impairment of approximately RMB16.6 million was made against the trade and bills receivables were difficult to be recovered (2024: a reversal of impairment of approximately RMB0.9 million was made due to the impairment loss on trade and bills receivables recognised in prior years which has been collected).

Finance Costs, Net

The finance costs from continuing operations mainly comprised interest expenses on bank and other borrowings, bonds payable, lease liabilities and late interest on rental charges, while the finance income mainly represented interest income on cash and cash equivalents. For the Reporting Period, finance costs, net of the Group from continuing operations were approximately RMB19.6 million (2024: RMB17.3 million) representing an increase of approximately 13.0% as compared to the year ended 31 December 2024. The increase in finance costs, net was primarily due to the increased late interest on rental charges for the Reporting Period.

Income Tax Expense

Income tax expense from continuing operations amounted to approximately RMB1.8 million for the Reporting Period (2024: approximately RMB0.8 million). The increase in income tax expense is primarily attributable to the increase in deferred income tax during the Reporting Period.

Loss Attributable to Equity Holders of the Company

As a result of the factors discussed above, loss attributable to equity holders of the Company amounted to approximately RMB325.3 million for the Reporting Period as compared with that for the year ended 31 December 2024 of approximately RMB198.0 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group funds its capital expenditure and working capital requirement for the conduct of its normal course of business by using a mix of internal resources and bank and other borrowings. The management of the Group closely monitors the Group's liquidity position to ensure the Group has a sufficient level of cash and banking facilities to meet its funding needs.

Net Current Liabilities

The Group had net current liabilities of approximately RMB193.2 million as at 31 December 2025 (2024: RMB161.7 million). The current ratio of the Group decreased from approximately 0.7 as at 31 December 2024 to approximately 0.6 as at 31 December 2025.

Bank and Other Borrowings

The bank and other borrowings of the Group amounted to approximately RMB88.0 million as at 31 December 2025 (2024: RMB123.0 million). The weighted average interest rate per annum of the Group's bank and other borrowings as at 31 December 2025 was 3.35% (2024: 3.48%). As at 31 December 2025, the bank and other borrowings were secured by shares of the Company's subsidiary, corporate guarantees provided by the Company's subsidiaries and a personal guarantee provided by one of the Directors, Mr. Ma Fujun and his wife, who is also a director of the Company's subsidiary (2024: secured by properties, equipment, shares of the Company's subsidiary, corporate guarantees provided by the Company and the Company's subsidiaries and a personal guarantee provided by one of the Directors, Mr. Ma Fujun). As at 31 December 2025, no bank deposit was pledged.

As at 31 December 2025 and 2024, the cash and cash equivalents, pledged bank deposits and restricted cash and bank and other borrowings were mainly denominated in RMB, HK$, USD and Euro ("**EUR**"). The Group had unutilised banking facilities of approximately RMB17.4 million as at 31 December 2025 (2024: RMB20.0 million).

Capital Structure

As at 31 December 2024, the Company's issued share capital was HK$5,040,740 and the number of issued shares of the Company was 504,074,000 ordinary shares of HK$0.01 each.

On 25 July 2025, the Company entered into a subscription agreement (the "**May 2025 Subscription Agreement**") with Ms. Ren Yue ("**Ms. Ren**"), an individual investor, pursuant to which the Company has conditionally agreed to allot and issue, and Ms. Ren has conditionally agreed to subscribe for 100,000,000 new Shares (the "**May 2025 Subscription Shares**") under the general mandate at the subscription price of HK$0.65 per Share (the "**May 2025 Subscription**"). The subscription price of HK$0.65 per May 2025 Subscription Share represents: (i) a discount of approximately 18.75% to the closing price of HK$0.80 per Share as quoted on the Stock Exchange on the date of the May 2025 Subscription Agreement; and (ii) a discount of approximately 17.51% to the average of the closing prices per Share of HK$0.788 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the May 2025 Subscription Agreement. The aggregate nominal value of the May 2025 Subscription Shares was HK$1,000,000. Completion of the May 2025 Subscription took place on 27 August 2025 in accordance with the May 2025 Subscription Agreement. The net proceeds from the May 2025 Subscription (after deduction of expenses of the May 2025 Subscription) are approximately HK$64.5 million. The Company has applied the net proceeds of the May 2025 Subscription as follows: (i) approximately HK$60.9 million or 94.4% for general working capital, including but not limited to payment of salaries (approximately HK$35.3 million or 54.7%), rental expenses (approximately HK$3.0 million or 4.7%), utilities (approximately HK$3.0 million or 4.7%), legal and professional fees (approximately HK$12.4 million or 19.2%), office overheads (approximately HK$3.6 million or 5.6%) and other administrative expenses (approximately HK$3.6 million or 5.6%); and (ii) approximately HK$3.6 million or 5.6% for operating expenses of the Group's aerospace business. Details of the May 2025 Subscription are set out in the announcements of the Company dated 25 July 2025, 1 August 2025, 15 August 2025 and 27 August 2025 respectively.

The May 2025 Subscription Shares were allotted and issued under the general mandate. The Directors consider that the May 2025 Subscription provided opportunities for the Company to raise capital and applied the net proceeds from the May 2025 Subscription for the general working capital of the Group including, but not limited to the ongoing administrative expenses of the Company and operating expenses of the Aerospace Business. Set out below is a summary of the allocation of the net proceeds of the May 2025 Subscription and the utilisation as at 31 December 2025:

Fund raising activities	**Use of proceeds**	**Approximate net proceeds** *(HK$'000)*	**Actual use of approximate net proceeds during the Reporting Period** *(HK$'000)*	**Unutilised approximate net proceeds as at the end of the Reporting Period** *(HK$'000)*	**Expected timetable for utilisation of unutilised net proceeds**
Subscription	General working capital	64,500	64,500	–	N/A

As at 31 December 2025, the Company's issued share capital was HK$6,040,740 and the number of issued shares of the Company was 604,074,000 ordinary shares of HK$0.01 each.

Gearing Ratio

The gearing ratio, which is calculated by total bank and other borrowings, bond payable and loans from related companies divided by total equity, was approximately 75.6% and 195.9% as at 31 December 2025 and 31 December 2024, respectively. The decrease in gearing ratio was due to repayment of bank and other borrowings and loan from related companies during the Reporting Period.

Foreign Exchange Exposure and Exchange Rate Risk

The Group's assets, liabilities and transactions are mainly denominated in RMB, HK$, USD and EUR, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than the respective functional currencies of the Group's entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. During the Reporting Period, the Group did not engage in any hedging transactions or enter into any financial instrument for hedging purpose. The management closely monitors the foreign currency exposure from time to time.

Capital Expenditure

For the Reporting Period, the Group had capital expenditure of approximately RMB17.2 million (2024: RMB9.5 million). The capital expenditure was mainly related to the construction of the Hong Kong satellite operation control and application centre.

DIVIDEND

The Board did not recommend the payment of an interim or a final dividend for the Reporting Period (2024: Nil).

The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

EMPLOYEES AND EMOLUMENTS POLICY

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, commission, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme.

As at 31 December 2025, the Group had 306 employees from continuing operations with a total remuneration of approximately RMB88.1 million during the Reporting Period (2024: RMB123.8 million). The remuneration packages of the employees, which were reviewed regular by the Group, were determined with reference to individual performance, work experience, qualification and current industry practices. The Group also arranged induction and regular trainings for the staff.

CAPITAL COMMITMENT

As at 31 December 2025, the Group's capital commitment amounted to approximately RMB2.2 million (2024: RMB185.3 million). The capital commitment was mainly related to the equipment of EMS business. The Group's capital commitments were principally financed by the internal resources of the Group.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have any material contingent liabilities as at 31 December 2025 (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2025.

LITIGATION

Tenancy Agreement

On 9 December 2024, the Group's three subsidiaries, namely (i) Aspace Satellite Technology Limited ("**ASTL**"), (ii) Hong Kong Aerospace Satellite Tracking and Control Limited ("**HKASTCL**") and (iii) Hong Kong Aerospace Satellite Data Limited ("**HKASDL**"), were respectively served as the defendant a writ of summons together with an indorsement of claim (the "**Writs**") dated 6 December 2024 issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by Hong Kong Science and Technology Parks Corporation as the plaintiff (the "**Plaintiff**") under three separate actions (the "**Actions**").

As stated in the respective Writs, the Plaintiff purportedly claimed against ASTL, HKASTCL and HKASDL for, among other things, vacant possession of certain premises of Data Technology Hub in Tseung Kwan O Industrial Estate, No. 5 Chun Cheong Street, Tseung Kwan O, New Territories, Hong Kong and Advanced Manufacturing Centre in Tseung Kwan O Industrial Estate, No. 18 Chun Cheong Street, Tseung Kwan O, New Territories, Hong Kong rented respectively by ASTL, HKASTCL and HKASDL under the tenancy agreements (the "**Tenancy Agreements**") and the outstanding rent, management charges and outgoings in the total sum of approximately HK$105.2 million, the interest accrued thereon and other damages for the alleged breach of the Tenancy Agreements.

As at the date of this announcement, the Company has disposed of all the equity interest in ASTL, HKASTCL and HKASDL and the Actions are no longer related to the Group and the Company does not expect the Actions to have any material adverse impact on the ordinary operation and financial positions of the Group. Details of the Writs and the Actions are set out in the announcement of the Company dated 13 December 2024. The Company has sought legal advice on defending the Actions against the Company.

Loan Agreement

On 13 August 2025, ASTL entered into a loan agreement (the "**Loan Agreement**") in relation to the term loan facility of HK$42.1 million (the "**Loan**") and the equipment charge (the "**Equipment Charge**"), with Prime Bridge Capital Ltd. (the "**Lender**"). The maturity date of the Loan shall be a date falling one (1) month after the relevant drawdown date, or such other days as both the Lender and ASTL may agree. Pursuant to the Equipment Charge, the Equipment Charge shall be enforceable on the occurrence of an event of default under the Loan Agreement. The equipment charged under the Equipment Charge includes not limited to vacuum thermal testing system, vibration testing system, magnetic testing system, scanning testing system, electromagnetic compatibility (EMC) testing system and other satellite assembly process supporting equipment and has a book value of approximately HK$105.5 million as at 13 August 2025.

Pursuant to the Loan Agreement and the Equipment Charge, the taking possession of the equipment is one of the conditions precedent for the provision of the Loan. The Lender subsequently took possession of the equipment by removing the equipment from the premises occupied by ASTL on 13 October 2025.

On 23 October 2025, ASTL received a notice from the Lender that all its rights, title, interest, benefit and advantage in the Loan and the Equipment Charge were assigned and transferred to Wood Trading FZCO. On the same date, ASTL received a further notice from Wood Trading FZCO that (i) there was an event of default of the Loan Agreement and the Loan was due and payable and demanded for repayment; and (ii) the Equipment Charge was enforceable and was thereby enforced.

Given that the Lender and/or Wood Trading FZCO has provided the full amount of the Loan of HK$42.1 million, the Company has sought legal advice from legal counsel and is advised that having failed to repay the Loan, Aspace is in breach of the Loan Agreement. The Company considers that the Loan has been settled after the enforcement of the Equipment Charge and transferred the charged equipment of approximately HK$42.1 million to the Lender during the year.

Details of which are set out in the announcements of the Company dated 31 October 2025.

As at the date of this announcement, the Company has disposed of all the equity interest in ASTL, HKASTCL and HKASDL. After the disposal, ASTL ceased to be a subsidiary of the Company. The aforementioned contractual dispute are no longer related to the Company. Details of the "Disposal Agreement" are set out in the section "Events after the Reporting Period" of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Subscription of New Shares and Placing of New Shares

On 5 December 2025, the Company entered into subscription agreements (the "**Subscription Agreements**") with the subscribers, pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have conditionally agreed to subscribe for, an aggregate of 160,926,000 subscription shares at the subscription price of HK$0.560 per subscription share (the "**Subscription**"); and the Company entered into the placing agreement (the "**Placing Agreement**") with the placing agent pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 90,000,000 placing shares at the placing price of HK$0.560 per placing share to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties (the "**Placing**"), respectively. Completion of the Subscription and the Placing is subject to the fulfilment of the conditions precedent in the Subscription Agreements and the Placing Agreement respectively.

The Subscription and the Placing were duly approved by the Shareholders by way of poll at the EGM held on 11 February 2026. The completion of the Subscription took place on 23 March 2026 and as at the date of this announcement, the Placing is still in progress. Details of which are set out in the announcements of the Company dated 5 December 2025, 27 January 2026, 11 February 2026, 4 March 2026 and 23 March 2026, and the circular of the Company dated 27 January 2026.

Disposal Agreement

On 9 March 2026, the Company as the seller entered into a share purchase agreement (the "**Disposal Agreement**") with Van Minh Technology Service Trading Company Limited as the buyer in relation to the sale and purchase of the entire issued shares of Aspace Holdings Limited (being the holding company of ASTL), Prestige Dragon Holdings Limited (being the holding company of HKASDL and Supreme Class International Limited (being the holding company of HKASTCL) (collectively, the "**Disposal Companies**", and together with their respective subsidiaries, the "**Disposal Group**") at the consideration of US$2 million. Completion of the disposal took place on 9 March 2026. After the disposal, each member of the Disposal Group ceased to be a subsidiary of the Company.

MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENTS

On 22 November 2024, Huizhou City Eternity Company Limited* (惠州市弘盛昌科技有限公司) (the "**Vendor**") (a wholly-owned subsidiary of the Company), Huizhou City Long Ming Technology Company* (惠州市隆明科技有限公司) (the "**Purchaser**") and Huizhou City Eternity Technology Company* (惠州市恒昌盛科技有限公司) (the "**Target Company**") entered into an agreement (the "**Agreement**"), pursuant to which the Vendor conditionally

* *For identification purposes only*

agreed to sell, and the Purchaser conditionally agreed to purchase the entire paid-up capital of the Target Company at a consideration of RMB27,100,000 (the "**Eternity Technology Disposal**"). As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Eternity Technology Disposal exceeds 5% but is less than 25%, the Eternity Technology Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. All conditions precedent under the Agreement have been fulfilled and the completion took place on 18 July 2025 in accordance with the terms and conditions of the Agreement. Details of the Eternity Technology Disposal are set out in the announcements of the Company dated 22 November 2024 and 18 July 2025.

Save as disclosed in this announcement, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures and significant investments during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

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

The Company has complied throughout the Reporting Period with all applicable code provisions the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules. The Company is in full compliance with the code provisions of the CG Code.

AUDIT COMMITTEE

The audit committee of the Board ("**Audit Committee**") was established on 25 July 2018 with terms of reference (as revised on 8 January 2019) in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide independent advice in respect of the financial reporting process, and to oversee the risk management and internal control systems of the Group. As at 31 December 2025, the Audit Committee comprises three independent non-executive Directors, namely, Ms. Chow Yin Kwan Yvonne (chairman), Mr. Yao Xinguo and Mr. Boris Tadić. The Group's accounting principles and policies, financial statements and related materials for the Reporting Period had been reviewed by the Audit Committee.

During the Reporting Period, the Audit Committee held two meetings to discuss and review with the external auditor and senior management for, inter alia, the interim and annual results of the Group and approve the appointment of internal audit and its scope of services. The work performed by the Audit Committee during the Reporting Period included: (i) discuss of the accounting principles and practices being adopted together with auditing and financial reporting matters; (ii) discuss of the nature and scope of the audit and determined the scope and extent of the interim review with the external auditor; (iii) review of the interim and annual financial statements of the Group, including true and fairness, integrity and significant financial reporting judgements contained therein; (iv) review the risk management and internal control review report; and (v) review of and recommendations to the Board on the re-appointment of the external auditor after considering on the terms of engagement of the external auditor. Full minutes of the Audit Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Audit Committee meetings are circulated to all members of the Audit Committee for comments and approval and all decisions of the Audit Committee are reported to the Board subject to applicable restriction. Full minutes of the Audit Committee meetings are kept by the Company Secretary.

The external auditor was invited to attend the Audit Committee meetings held during the Reporting Period to discuss with the Audit Committee members on the audit and financial reporting related matters. The chairman of the Audit Committee provided the Board with a briefing on the significant issues after Audit Committee meetings.

The annual results of the Group for the Reporting Period had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this announcement, and confirmed that this announcement is completed and accurate, and has complied with the Listing Rules. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

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

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiry with all Directors by the Company, each of them confirmed his/her compliance with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares within the meaning of the Listing Rules). As of 31 December 2025, the Company did not hold any of these treasury shares.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's draft consolidated financial statements for the Reporting Period. The work performed by Baker Tilly 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 HKICPA and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to Note 2.1(a) to the consolidated financial statements, which states the Group recorded a net loss of RMB463,401,000 and a net cash outflow from operating activities of RMB26,487,000 for the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by RMB193,154,000 while the Group's cash and cash equivalents amounted to RMB33,688,000.

These conditions, along with other events and conditions as set forth in Note 2.1(a) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.cncstg.com). The annual report of the Company for the Reporting Period will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Group is deeply grateful for the continued support of the Shareholders customers and business partners. On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to the management and all our employees for the contributions they have made towards the Group's continued progress. The Board will continue to create greater value for both Company and the Shareholders alike with the joint efforts with the management and all the employees.

By order of the Board
China Strategic Technology Group Limited
Gu Lin
Chairman and Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises Mr. Gu Lin (Chairman), Mr. Chen Youan (Deputy Chairman), Mr. Lu Huasheng, Mr. Zhang Yuanqi and Mr. Ma Fujun as executive Directors; and Mr. Yao Xinguo, Mr. Boris Tadić and Ms. Chow Yin Kwan Yvonne as independent non-executive Directors.