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CHIA TAI ENTERPRISES INTERNATIONAL LIMITED

正大企業國際有限公司

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 3839)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024, PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

CONSOLIDATED RESULTS

The board of directors (the “Board”) of Chia Tai Enterprises International 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 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
REVENUE	4	307,748	173,979
Cost of sales		(258,814)	(143,794)
Gross profit		48,934	30,185
Other income, net	5	4,362	2,525
Selling and distribution costs		(13,348)	(12,532)
General and administrative expenses		(24,409)	(22,188)
Finance costs		(2,218)	(1,954)
Share of profits and losses of:			
Joint venture		548	4,816
Associate		2,181	2,091
PROFIT BEFORE TAX	6	16,050	2,943
Income tax	7	(2,134)	(1,057)
PROFIT FOR THE YEAR		13,916	1,886

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (*Continued*)

		Year ended 31 December	
		2024	2023
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
Profit attributable to:			
Shareholders of the Company		11,168	2,553
Non-controlling interests		2,748	(667)
		<u>13,916</u>	<u>1,886</u>
		<i>US cents</i>	<i>US cents</i>
 EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	9	<u>4.41</u>	<u>1.01</u>
		<i>US\$'000</i>	<i>US\$'000</i>
PROFIT FOR THE YEAR		13,916	1,886
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences related to translation of foreign operations		(1,993)	(2,044)
Share of other comprehensive income of:			
Joint venture		(2,905)	(3,071)
Associate		(524)	(505)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(5,422)</u>	<u>(5,620)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,494</u>	<u>(3,734)</u>
Total comprehensive income attributable to:			
Shareholders of the Company		6,343	(2,420)
Non-controlling interests		2,151	(1,314)
		<u>8,494</u>	<u>(3,734)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
		2024	2023
		<i>US\$'000</i>	<i>US\$'000</i>
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		99,639	95,951
Land lease prepayments		4,423	4,878
Investments in joint venture		98,717	101,074
Investments in associate		21,383	19,726
Other non-current assets		20	712
		<u>224,182</u>	<u>222,341</u>
Total non-current assets		<u>224,182</u>	<u>222,341</u>
CURRENT ASSETS			
Inventories		33,053	39,690
Trade and bills receivables	10	115,829	63,284
Prepayments, deposits and other receivables		16,769	14,453
Cash and cash equivalents		32,381	37,606
		<u>198,032</u>	<u>155,033</u>
Total current assets		<u>198,032</u>	<u>155,033</u>
CURRENT LIABILITIES			
Trade and bills payables	11	67,521	24,952
Other payables and accruals		15,601	13,714
Bank borrowings		57,292	58,118
Income tax payables		3,794	3,304
		<u>144,208</u>	<u>100,088</u>
Total current liabilities		<u>144,208</u>	<u>100,088</u>
NET CURRENT ASSETS		<u>53,824</u>	<u>54,945</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>278,006</u>	<u>277,286</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

		At 31 December	
		2024	2023
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
NON-CURRENT LIABILITIES			
Bank borrowings		11,877	20,050
Other non-current liabilities		1,253	1,648
Deferred tax liabilities		4,364	3,570
		<hr/>	<hr/>
Total non-current liabilities		17,494	25,268
		<hr/>	<hr/>
NET ASSETS		260,512	252,018
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	12	25,333	25,333
Reserves		209,440	203,097
		<hr/>	<hr/>
		234,773	228,430
Non-controlling interests		25,739	23,588
		<hr/>	<hr/>
TOTAL EQUITY		260,512	252,018
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1. BASIS OF PREPARATION

The financial information set out in this announcement does not constitute the Group's annual consolidated financial statements for the year ended 31 December 2024, but is derived from those financial statements. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"). This financial information is presented in United States dollars ("US\$") and all values are rounded to the nearest thousand ("US\$'000") except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Adoption of new or amended IFRSs effective on or after 1 January 2024:

Amendments to IAS 1	Presentation of Financial Statements: Classification of liabilities as current or non-current ("2020 amendments")
Amendments to IAS 1	Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Statement of cash flows and Financial Instruments: Disclosures: Supplier finance arrangements

None of the new or amended IFRSs has a material effect on the reported results or financial position of the Group for both current and prior reporting periods. The Group has not early applied any new or amended IFRSs or interpretations that are not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments:

- the biochemical segment is principally engaged in the manufacture and/or sale of animal health products and chlortetracycline; and
- the industrial segment is principally engaged in the trading of machinery and the manufacture and sale of automotive parts, through the Group's joint venture and associate.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, finance costs and items not specifically attributed to individual segments, such as head office or corporate administration expenses are excluded from such measurements.

Segment assets exclude unallocated corporate assets. Unallocated corporate assets include cash and cash equivalents, income tax receivable and other assets that are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(Continued)*

Segment liabilities exclude unallocated corporate liabilities. Unallocated corporate liabilities include bank borrowings, income tax payables, deferred tax liabilities and other liabilities that are managed on a group basis.

All revenue from contracts with customers is recognised at the point in time when our customer obtains control of the promised goods, i.e. when products are delivered to the customers' premises for domestic sales or in accordance with the terms and conditions of sale for export sales. The major product line of the Group is the manufacture and/or sale of animal health products and chlortetracycline in the biochemical segment as disclosed in note 3(a).

Disaggregation of revenue from contracts with customers by geographical location of customers is disclosed in note 3(b)(i).

(a) Reportable operating segments

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group's reportable operating segments for the years ended 31 December 2024 and 2023.

Year ended 31 December 2024

	Biochemical operations	Industrial operations	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Segment revenue			
Sales to external customers	<u>307,748</u>	<u>–</u>	<u>307,748</u>
Segment results			
The Group	18,222	(1,904)	16,318
Share of profits and losses of:			
Joint venture	–	548	548
Associate	–	2,181	2,181
	<u>18,222</u>	<u>825</u>	<u>19,047</u>
Reconciliation:			
Bank interest income			1,389
Finance costs			(2,218)
Unallocated head office and corporate expenses			<u>(2,168)</u>
Profit before tax			<u>16,050</u>
Other segment information			
Depreciation and amortisation	8,113	–	8,113
Capital expenditure*	<u>13,843</u>	<u>–</u>	<u>13,843</u>

* Including additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments *(Continued)*

At 31 December 2024

	Biochemical operations US\$'000	Industrial operations US\$'000	Total US\$'000
Segment assets	266,009	123,783	389,792
Reconciliation:			
Unallocated corporate assets			32,422
Total assets			422,214
Segment liabilities	83,044	60	83,104
Reconciliation:			
Unallocated corporate liabilities			78,598
Total liabilities			161,702
Other segment information			
Investments in joint venture	–	98,717	98,717
Investments in associate	–	21,383	21,383

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments *(Continued)*

Year ended 31 December 2023

	Biochemical operations <i>US\$'000</i>	Industrial operations <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue			
Sales to external customers	173,979	–	173,979
	<u>173,979</u>	<u>–</u>	<u>173,979</u>
Segment results			
The Group	123	(1,367)	(1,244)
Share of profits and losses of:			
Joint venture	–	4,816	4,816
Associate	–	2,091	2,091
	<u>123</u>	<u>5,540</u>	<u>5,663</u>
Reconciliation:			
Bank interest income			1,149
Finance costs			(1,954)
Unallocated head office and corporate expenses			<u>(1,915)</u>
Profit before tax			<u>2,943</u>
Other segment information			
Depreciation and amortisation	6,391	–	6,391
Capital expenditure*	11,112	–	11,112
	<u>11,112</u>	<u>–</u>	<u>11,112</u>

* Including additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable operating segments *(Continued)*

At 31 December 2023

	Biochemical operations <i>US\$'000</i>	Industrial operations <i>US\$'000</i>	Total <i>US\$'000</i>
Segment assets	<u>215,163</u>	<u>124,578</u>	339,741
Reconciliation:			
Unallocated corporate assets			<u>37,633</u>
Total assets			<u>377,374</u>
Segment liabilities	<u>39,118</u>	<u>22</u>	39,140
Reconciliation:			
Unallocated corporate liabilities			<u>86,216</u>
Total liabilities			<u>125,356</u>
Other segment information			
Investments in joint venture	–	101,074	101,074
Investments in associate	<u>–</u>	<u>19,726</u>	<u>19,726</u>

(b) Geographical information

(i) Revenue from external customers

	Year ended 31 December	
	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Mainland China	233,230	107,950
Americas	32,116	24,647
Asia Pacific (excluding mainland China)	27,375	28,725
Europe	12,387	5,157
Elsewhere	<u>2,640</u>	<u>7,500</u>
	<u>307,748</u>	<u>173,979</u>

The revenue information shown above is based on the location of customers.

(ii) Non-current assets

At 31 December 2024, 99% (2023: 99%) of the Group's non-current assets are located in mainland China.

4. REVENUE

Revenue represents the aggregate of the invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for goods returned and trade discounts recognised within the scope of IFRS 15. All of the Group's revenue is from the biochemical segment.

5. OTHER INCOME, NET

An analysis of other income, net is as follows:

	Year ended 31 December	
	2024	2023
	US\$'000	US\$'000
Bank interest income	1,389	1,149
Government grants	1,828	1,143
Gain on disposal of property, plant and equipment, net	1,135	29
Loss on disposal of land lease prepayments, net	(206)	–
Foreign exchange differences, net	(236)	(303)
Others	452	507
	<u>4,362</u>	<u>2,525</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Year ended 31 December	
	2024	2023
	US\$'000	US\$'000
Cost of inventories sold	258,814	143,794
Depreciation of property, plant and equipment	7,992	6,336
Amortisation of land lease prepayments	121	55
Impairment of trade receivables, net	138	(3)
	<u>267,065</u>	<u>150,282</u>

7. INCOME TAX

No provision for Hong Kong profits tax has been made for the year as the Group did not generate any assessable profits in Hong Kong during the year (2023: nil).

Subsidiaries operating in the People's Republic of China ("PRC") are subject to income tax at the rate of 25% (2023: 25%) on their taxable income according to the PRC corporate income tax laws. In accordance with the relevant tax rules and regulations in the PRC, certain subsidiaries of the Group in the PRC enjoy income tax exemptions or reductions.

	Year ended 31 December	
	2024	2023
	US\$'000	US\$'000
Current – the PRC		
Charge for the year	1,511	512
(Over)/under-provision in prior years	(98)	18
Deferred	721	527
	<u>2,134</u>	<u>1,057</u>
Total tax expense for the year	<u>2,134</u>	<u>1,057</u>

8. DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2024 (2023: nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares and convertible preference shares in issue during the year.

The calculation of basic earnings per share is based on the following data:

	Year ended 31 December	
	2024	2023
	US\$'000	US\$'000
Earnings		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	11,168	2,553

	Year ended 31 December	
	2024	2023
Shares		
Weighted average number of ordinary shares and convertible preference shares in issue during the year, used in the basic earnings per share calculation	253,329,087	253,329,087

As there were no potential dilutive ordinary shares during the years ended 31 December 2024 and 2023, the amount of diluted earnings per share is equal to basic earnings per share.

10. TRADE AND BILLS RECEIVABLES

Depending on the requirements of the market and business, the Group may extend credit to its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management and interest may be charged by the Group for overdue trade receivable balances at rates determined by the Group with reference to market practice. In the opinion of the directors, there is no significant concentration of credit risk. An aging analysis of the Group's trade receivables (based on the date of delivery of goods) and the Group's bills receivables (based on issue date) are as follows:

	At 31 December	
	2024	2023
	US\$'000	US\$'000
Trade receivables:		
60 days or below	79,002	33,849
61 to 180 days	30,755	19,033
Over 180 days	5,064	8,928
	<u>114,821</u>	<u>61,810</u>
Bills receivables:		
60 days or below	353	1,105
61 to 180 days	655	369
	<u>1,008</u>	<u>1,474</u>
	<u>115,829</u>	<u>63,284</u>

11. TRADE AND BILLS PAYABLES

An aging analysis of the Group's trade payables (based on the date of receipt of goods) and the Group's bills payables (based on issue date) as at the end of the reporting period are as follows:

	31 December	
	2024	2023
	US\$'000	US\$'000
Trade payables:		
60 days or below	48,908	16,895
61 to 180 days	13,481	2,113
Over 180 days	5,132	592
	<u>67,521</u>	<u>19,600</u>
Bills payables:		
60 days or below	–	5,352
	<u>–</u>	<u>5,352</u>
	<u>67,521</u>	<u>24,952</u>

12. SHARE CAPITAL

	At 31 December	
	2024	2023
	US\$'000	US\$'000
Authorised		
<i>Ordinary shares:</i>		
787,389,223 shares (2023: 787,389,223 shares) of US\$0.1 each	78,739	78,739
<i>Convertible preference shares:</i>		
12,610,777 shares (2023: 12,610,777 shares) of US\$0.1 each	1,261	1,261
	<u>80,000</u>	<u>80,000</u>
Issued and fully paid		
<i>Ordinary shares:</i>		
240,718,310 shares (2023: 240,718,310 shares) of US\$0.1 each	24,072	24,072
<i>Convertible preference shares:</i>		
12,610,777 shares (2023: 12,610,777 shares) of US\$0.1 each	1,261	1,261
	<u>25,333</u>	<u>25,333</u>

There were no movements in the Company's issued ordinary shares and convertible preference shares during the years ended 31 December 2024 and 2023.

Notes:

The convertible preference shares are convertible into ordinary shares of the Company and are entitled to the same dividends that are declared for the ordinary shares. Convertible preference shares do not carry the right to vote in shareholders' meetings. Upon winding up, the Company's residual assets and funds are distributed to the members of the Company in the following priority:

- (i) in paying to the holders of the convertible preference shares, pari passu as between themselves by reference to the aggregate nominal amounts of the convertible preference shares held by them respectively, an amount equal to the aggregate of the distribution value (as defined in the bye-laws of the Company) of all the convertible preference shares held by them respectively;
- (ii) the balance of such assets shall be distributed on a pari passu basis among the holders of any class of shares in the capital of the Company other than the convertible preference shares and other than any shares which are not entitled to participate in such assets, by reference to the aggregate nominal amounts paid up on the shares held by them respectively; and
- (iii) the remaining balance of such assets shall belong to and be distributed on a pari passu basis among the holders of any class of shares including the convertible preference shares, other than any shares not entitled to participate in such assets, by reference to the aggregate nominal amounts of shares held by them respectively.

The convertible preference shares shall be non-redeemable by the Company or the holders thereof.

13. COMPARATIVE AMOUNTS

Comparative amounts of transportation expenses for distributing products included in selling and distribution costs have been reclassified to cost of sales to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP RESULTS

The Group has two lines of business: biochemical business and industrial business. The biochemical business focuses on animal health products and chlortetracycline (“CTC”), and is carried on by Group subsidiaries. This business segment accounts for all of the Group’s consolidated revenue. The industrial business comprises the Group’s interests in its joint venture ECI Metro Investment Co., Ltd. (together with its subsidiaries, “ECI Metro”) and its associate Zhanjiang Deni Vehicle Parts Co., Ltd. (together with its subsidiaries, “Zhanjiang Deni”). The results of the Group’s industrial business are incorporated in the consolidated statement of comprehensive income as share of profits and losses of joint venture and associate.

For the year ended 31 December 2024, the Group’s revenue increased 76.9% to US\$307.7 million (2023: US\$174.0 million). As mentioned above, the Group’s revenue came from its consolidated biochemical business. The significant increase in revenue reflected the successful implementation of a crucial strategy to increase sales to key customers. Overall gross profit margin reduced from 17.3% in 2023 to 15.9% in 2024 mainly due to an increase in animal health product business which has a lower profit margin.

Profit attributable to shareholders of the Company was US\$11.2 million in 2024, an increase of over 3 times as compared to US\$2.6 million in 2023. The increase in profit was again primarily due to stronger performance of the Group’s biochemical business. However, share of profits of the Group’s industrial business declined due to intense competition.

Basic and diluted earnings per share were both 4.4 US cents (2023: 1.0 US cents). The Board of Directors of the Company resolved not to declare a dividend for the year ended 31 December 2024 (2023: Nil).

BUSINESS REVIEW

Biochemical

We generate our revenue primarily from the manufacture and/or sale of animal health products and CTC products. Our animal health products are mainly preventive drugs for livestock diseases. CTC products, on the other hand, are antibiotics, used to prevent or cure animal diseases. In the past few years, we have been strategically broadening our product portfolio to cover related veterinary products. Of these new offerings, some we manufacture and sale, and some we source and trade. The Group’s major customers include farms, pharmaceutical companies, trading companies and feed mills.

In 2024, the Group's revenue from the biochemical business increased 76.9% to US\$307.7 million (2023: US\$174.0 million). Our sales mix changed in-line with our strategic business direction. Revenue contribution from animal health products increased from 59% in 2023 to 72% in 2024, while revenue contribution from CTC products decreased from 41% in 2023 to 28% in 2024.

Our animal health products consist of a wide variety of veterinary products. When compared to our CTC products, animal health product, on average, have a lower profit margin. As a result, overall gross profit margin reduced from 17.3% in 2023 to 15.9% in 2024. Nevertheless, due to the substantial increase in business, contribution from our biochemical business grew significantly in 2024.

Industrial

The Group's industrial business is conducted through ECI Metro and Zhanjiang Deni.

ECI Metro is principally engaged in the sale, leasing and servicing of Caterpillar machinery equipment in western China. According to the China Construction Machinery Association, excavator sales, in unit terms, across the entire market recorded a 11.7% increase in 2024 compared to that in 2023. Although our excavator sales, in unit terms, recorded a 5.3% increase in 2024 compared to that in 2023, our revenue from sales of excavators decreased due to a drop in sales of large-sized excavators and an increase in sales of small-and-medium-sized excavators. As a result, for the year ended 31 December 2024, our share of profit of joint venture reduced from US\$4.8 million in 2023 to US\$0.5 million in 2024.

Zhanjiang Deni is principally engaged in the manufacture and sale of automotive parts, which are mainly sold to automobile and motorcycle manufacturers. According to the China Association of Automobile Manufacturers, China automobile sales in 2024 increased by 4.5% when compared to that in 2023; and according to China Chamber of Commerce for Motorcycle, China motorcycle sales in 2024 was 2.8% higher than that in 2023. For the year ended 31 December 2024, our share of profit of associate remained stable at US\$2.2 million (2023: US\$2.1 million).

OUTLOOK

Looking forward, while the macro environment remains complex, increase in animal disease prevention awareness is expected to drive our biochemical business. Overall, we remain cautiously optimistic for our performance in 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had total assets of US\$422.2 million, an increase of 11.9% as compared to US\$377.4 million as at 31 December 2023.

Net debt (31 December 2024: US\$36.8 million, 31 December 2023: US\$40.6 million) to equity ratio (defined as total bank borrowings minus cash divided by total equity) was 0.14 as compared to 0.16 as at 31 December 2023.

All the borrowings of the Group are denominated in Renminbi (“RMB”) as at 31 December 2024 and 2023.

As at 31 December 2024, the Group’s fixed interest rate bank borrowings amounted to US\$34.3 million (31 December 2023: US\$41.1 million).

All domestic sales in mainland China are transacted in RMB and export sales are transacted in foreign currencies. The Group monitors exchange rate movements and determines appropriate hedging activities when necessary.

CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations and borrowings. The Group had cash and cash equivalents of US\$32.4 million as at 31 December 2024, a decrease of US\$5.2 million compared to US\$37.6 million as at 31 December 2023.

CHARGES ON GROUP ASSETS

As at 31 December 2024, out of the total borrowings of US\$69.2 million (31 December 2023: US\$78.2 million) obtained by the Group, US\$18.8 million (31 December 2023: US\$21.7 million) was secured, which accounted for 27.1% (31 December 2023: 27.7%) of the total borrowings. Certain of the Group’s property, plant and equipment and land lease prepayments with an aggregate net book value of US\$24.0 million (31 December 2023: US\$33.8 million) were pledged as security.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed around 900 employees in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market conditions while performance bonuses are granted on a discretionary basis. Other employee benefits include, for example, medical insurance and training.

DIVIDEND

The Board resolved not to declare a dividend for the year ended 31 December 2024 (2023: nil).

CLOSURE OF REGISTER OF MEMBERS

Shareholders of the Company whose names appear on the register of members holding ordinary shares of the Company on 10 June 2025 will be eligible to attend and vote at the forthcoming annual general meeting of the Company to be held on 10 June 2025 (the “AGM”). The register of members holding ordinary shares of the Company will be closed from 5 June 2025 to 10 June 2025, both days inclusive, during which period no transfer of ordinary shares of the Company will be registered. In order to ascertain shareholders’ eligibility to attend and vote at the AGM, all transfer forms for ordinary shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 4 June 2025.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining strict corporate governance standards. The principles of these standards are to uphold a high standard of ethics, transparency, accountability and integrity in all aspects of business and to ensure that affairs are conducted in accordance with applicable laws and regulations.

In the opinion of the Board, the Company has applied the principles and complied with the code provisions prescribed in the Corporate Governance Code and the disclosure requirements as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Code of Conduct for Securities Transactions, which is based on the required standard set out in Appendix C3 to the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers, as the code of conduct for dealings in the Company's securities by its directors. In response to a specific enquiry made by the Company, all directors of the Company confirmed that they had complied with the required standard set out in the Code of Conduct for Securities Transactions during 2024.

REVIEW OF ANNUAL RESULTS

The annual results have been reviewed by the audit committee of the Company. The financial figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024, as set out in this announcement, have been compared by KPMG, Certified Public Accountants, to the amounts set out in the draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on the results announcement.

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

During 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

The Board is pleased to propose the adoption of a new share option scheme of the Company (the "2025 Share Option Scheme"). The purpose of the 2025 Share Option Scheme is to (i) recognise and acknowledge the contributions that eligible participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the eligible participants, and attract, retain and motivate the eligible participants to continue to contribute to the growth and development of the Group; (ii) provide eligible participants with direct economic benefits in order to maintain a long term relationship between the Group and the eligible participants; and (iii) to align the interest of the eligible participants with those of the shareholders of the Company to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

The adoption of the 2025 Share Option Scheme is conditional upon the passing of an ordinary resolution by the shareholders of the Company at the AGM and the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any shares of the Company on the Stock Exchange which may be allotted and issued by the Company pursuant to the exercise of the share options in accordance with the terms and conditions of the 2025 Share Option Scheme. It is proposed that the existing share option scheme of the Company adopted on 18 March 2015 shall be terminated upon adoption of the 2025 Share Option Scheme. Further details about the 2025 Share Option Scheme, including its principal terms, will be set out in the circular of the Company to be despatched to the shareholders of the Company in due course.

By Order of the Board
Thanakorn Seriburi
Director

Hong Kong, 24 February 2025

As at the date of this announcement, the Board comprises Mr. Soopakij Chearavanont (Chairman and Non-executive Director), Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont, Mr. Chawalit Na Muangtoun (each an Executive Director), Mr. Yoichi Ikezoe (Non-executive Director), Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo, Mr. Edward Ko Ming Tung and Ms. Cheung Marn Kay (each an Independent Non-executive Director).