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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 2025**

#### **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 2025.

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<b>Year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>REVENUE</b>	4	<b>535,914</b>	307,748
Cost of sales		<b>(458,477)</b>	(258,814)
Gross profit		<b>77,437</b>	48,934
Other income, net	5	<b>3,095</b>	4,362
Selling and distribution costs		<b>(15,061)</b>	(13,348)
General and administrative expenses		<b>(23,485)</b>	(24,409)
Finance costs		<b>(1,694)</b>	(2,218)
Share of profits and losses of:			
Joint venture		<b>2,283</b>	548
Associate		<b>1,695</b>	2,181
<b>PROFIT BEFORE TAX</b>	6	<b>44,270</b>	16,050
Income tax	7	<b>(7,336)</b>	(2,134)
<b>PROFIT FOR THE YEAR</b>		<b>36,934</b>	13,916

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** (*Continued*)

		<b>Year ended 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Profit attributable to:</b>			
Shareholders of the Company		<b>32,055</b>	11,168
Non-controlling interests		<b>4,879</b>	2,748
		<u><b>36,934</b></u>	<u>13,916</u>
		<i>US cents</i>	<i>US cents</i>
 <b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>			
Basic and diluted	9	<u><b>12.65</b></u>	<u>4.41</u>
		<i>US\$'000</i>	<i>US\$'000</i>
<b>PROFIT FOR THE YEAR</b>		<b>36,934</b>	13,916
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences related to translation of foreign operations		<b>4,896</b>	(1,993)
Share of other comprehensive income of:			
Joint venture		<b>4,558</b>	(2,905)
Associate		<b>981</b>	(524)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>10,435</b></u>	<u>(5,422)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>47,369</b></u>	<u>8,494</u>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		<b>42,372</b>	6,343
Non-controlling interests		<b>4,997</b>	2,151
		<u><b>47,369</b></u>	<u>8,494</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
		2025	2024
		US\$'000	US\$'000
	<i>Note</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		101,483	99,639
Right-of-use asset		155	–
Land lease prepayments		4,493	4,423
Investments in joint venture		105,558	98,717
Investments in associate		24,059	21,383
Financial asset at FVOCI		1,163	–
Goodwill		341	–
Other non-current assets		62	20
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>237,314</b>	<b>224,182</b>
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		32,912	33,053
Trade and bills receivables	10	131,352	115,829
Prepayments, deposits and other receivables		20,255	16,769
Cash and cash equivalents		39,831	32,381
		<hr/>	<hr/>
<b>Total current assets</b>		<b>224,350</b>	<b>198,032</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade payables	11	80,863	67,521
Other payables and accruals		15,655	15,601
Bank borrowings		38,266	57,292
Income tax payables		2,658	3,794
Lease liability		96	–
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>137,538</b>	<b>144,208</b>
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>86,812</b>	<b>53,824</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>324,126</b>	<b>278,006</b>
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*

		<b>At 31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		<b>8,884</b>	11,877
Other non-current liabilities		<b>1,193</b>	1,253
Deferred tax liabilities		<b>6,012</b>	4,364
Lease liability		<b>156</b>	–
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>16,245</b>	17,494
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>307,881</b>	260,512
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	12	<b>25,333</b>	25,333
Reserves		<b>251,812</b>	209,440
		<hr/>	<hr/>
		<b>277,145</b>	234,773
<b>Non-controlling interests</b>		<b>30,736</b>	25,739
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>307,881</b>	260,512
		<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 2025, 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

The Group has applied the amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is 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 biotech business is principally engaged in the manufacture and/or sale of animal health products and chlortetracycline; and
- the investment business 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.

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.

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

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 biotech business 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 2025 and 2024.

#### Year ended 31 December 2025

	<b>Biotech business US\$'000</b>	<b>Investment business US\$'000</b>	<b>Total US\$'000</b>
<b>Segment revenue</b>			
Sales to external customers	<u>535,914</u>	<u>–</u>	<u>535,914</u>
<b>Segment results</b>			
The Group	44,067	(427)	43,640
Share of profits and losses of:			
Joint venture	–	2,283	2,283
Associate	<u>–</u>	<u>1,695</u>	<u>1,695</u>
	<u>44,067</u>	<u>3,551</u>	47,618
Reconciliation:			
Bank interest income			925
Finance costs			(1,694)
Unallocated head office and corporate expenses			<u>(2,579)</u>
Profit before tax			<u>44,270</u>
<b>Other segment information</b>			
Depreciation and amortisation	9,435	–	9,435
Capital expenditure*	<u>6,296</u>	<u>–</u>	<u>6,296</u>

\* Including additions to property, plant and equipment.

**3. OPERATING SEGMENT INFORMATION** *(Continued)*

**(a) Reportable operating segments** *(Continued)*

**At 31 December 2025**

	<b>Biotech business US\$'000</b>	<b>Investment business US\$'000</b>	<b>Total US\$'000</b>
<b>Segment assets</b>	<b>292,147</b>	<b>129,648</b>	<b>421,795</b>
Reconciliation: Unallocated corporate assets			<u>39,869</u>
Total assets			<u><b>461,664</b></u>
<b>Segment liabilities</b>	<b>96,556</b>	<b>–</b>	<b>96,556</b>
Reconciliation: Unallocated corporate liabilities			<u>57,227</u>
Total liabilities			<u><b>153,783</b></u>
<b>Other segment information</b>			
Investments in joint venture	–	<b>105,558</b>	<b>105,558</b>
Investments in associate	–	<b>24,059</b>	<b>24,059</b>

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

#### (a) Reportable operating segments *(Continued)*

Year ended 31 December 2024

	Biotech business <i>US\$'000</i>	Investment business <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Segment revenue</b>			
Sales to external customers	307,748	–	307,748
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Segment results</b>			
The Group	18,222	(1,904)	16,318
Share of profits and losses of:			
Joint venture	–	548	548
Associate	–	2,181	2,181
	<u>          </u>	<u>          </u>	<u>          </u>
	18,222	825	19,047
	<u>          </u>	<u>          </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>
			<u>          </u>
<b>Other segment information</b>			
Depreciation and amortisation	8,113	–	8,113
Capital expenditure*	13,843	–	13,843
	<u>          </u>	<u>          </u>	<u>          </u>

\* Including additions to property, plant and equipment.

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

#### (a) Reportable operating segments *(Continued)*

At 31 December 2024

	Biotech business <i>US\$'000</i>	Investment business <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Segment assets</b>	<u>266,009</u>	<u>123,783</u>	389,792
Reconciliation:			
Unallocated corporate assets			<u>32,422</u>
Total assets			<u>422,214</u>
<b>Segment liabilities</b>	<u>83,044</u>	<u>60</u>	83,104
Reconciliation:			
Unallocated corporate liabilities			<u>78,598</u>
Total liabilities			<u>161,702</u>
<b>Other segment information</b>			
Investments in joint venture	–	98,717	98,717
Investments in associate	–	21,383	21,383

#### (b) Geographical information

##### (i) Revenue from external customers

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Mainland China	<b>421,307</b>	233,230
Americas	<b>44,162</b>	32,116
Asia Pacific (excluding mainland China)	<b>47,333</b>	27,375
Europe and elsewhere	<u><b>23,112</b></u>	<u>15,027</u>
	<u><b>535,914</b></u>	<u>307,748</u>

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

##### (ii) Non-current assets

At 31 December 2025, 99% (2024: 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 biotech business.

#### 5. OTHER INCOME, NET

An analysis of other income, net is as follows:

	Year ended 31 December	
	2025	2024
	US\$'000	US\$'000
Bank interest income	925	1,389
Government grants	1,788	1,828
(Loss)/gain on disposal of property, plant and equipment, net	(971)	1,135
Loss on disposal of land lease prepayments, net	–	(206)
Foreign exchange differences, net	688	(236)
Others	665	452
	<u>3,095</u>	<u>4,362</u>

#### 6. PROFIT BEFORE TAX

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

	Year ended 31 December	
	2025	2024
	US\$'000	US\$'000
Cost of inventories sold	458,477	258,814
Depreciation of property, plant and equipment	9,316	7,992
Amortisation of land lease prepayments	119	121
Impairment of trade receivables, net	22	138
	<u>477,934</u>	<u>276,065</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 (2024: nil).

Subsidiaries operating in the People's Republic of China ("PRC") are subject to income tax at the rate of 25% (2024: 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	
	2025	2024
	US\$'000	US\$'000
Current – the PRC		
Charge for the year	7,148	1,511
Over-provision in prior years	(1,453)	(98)
Deferred	1,641	721
	<u>7,336</u>	<u>2,134</u>
Total tax expense for the year	<u>7,336</u>	<u>2,134</u>

## 8. DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2025 (2024: 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	
	2025	2024
	US\$'000	US\$'000
<b>Earnings</b>		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	<u>32,055</u>	<u>11,168</u>
	<b>Year ended 31 December</b>	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares and convertible preference shares in issue during the year, used in the basic earnings per share calculation	<u>253,329,087</u>	<u>253,329,087</u>

As there were no potential dilutive ordinary shares during the years ended 31 December 2025 and 2024, 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:

	<b>At 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Trade receivables:		
60 days or below	<b>92,530</b>	79,002
61 to 180 days	<b>33,372</b>	30,755
Over 180 days	<b>4,437</b>	5,064
	<b>130,339</b>	114,821
Bills receivables:		
60 days or below	<b>547</b>	353
61 to 180 days	<b>466</b>	655
	<b>1,013</b>	1,008
	<b>131,352</b>	115,829

## 11. TRADE PAYABLES

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

	<b>At 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
60 days or below	<b>62,953</b>	48,908
61 to 180 days	<b>13,343</b>	13,481
Over 180 days	<b>4,567</b>	5,132
	<b>80,863</b>	67,521

## 12. SHARE CAPITAL

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Authorised</b>		
<i>Ordinary shares:</i>		
787,389,223 shares (2024: 787,389,223 shares) of US\$0.1 each	<b>78,739</b>	78,739
<i>Convertible preference shares:</i>		
12,610,777 shares (2024: 12,610,777 shares) of US\$0.1 each	<u><b>1,261</b></u>	<u>1,261</u>
	<u><b>80,000</b></u>	<u>80,000</u>
<b>Issued and fully paid</b>		
<i>Ordinary shares:</i>		
240,718,310 shares (2024: 240,718,310 shares) of US\$0.1 each	<b>24,072</b>	24,072
<i>Convertible preference shares:</i>		
12,610,777 shares (2024: 12,610,777 shares) of US\$0.1 each	<u><b>1,261</b></u>	<u>1,261</u>
	<u><b>25,333</b></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 2025 and 2024.

### *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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **GROUP RESULTS**

The Group has two lines of business: biotech business and investment business. The biotech 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 investment 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 investment 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 2025, the Group’s revenue increased by 74.1% to US\$535.9 million (2024: US\$307.7 million). As mentioned above, the Group’s revenue came from its consolidated biotech business. The significant increase in revenue reflected the successful implementation and continued execution of our current strategy to increase sales to key customers. A significant part of this increase in revenue came from growth in animal health products. Overall gross profit margin reduced from 15.9% in 2024 to 14.4% in 2025.

Profit attributable to shareholders of the Company was US\$32.1 million in 2025, compared to US\$11.2 million in 2024. The increase in profit was again primarily due to the significant growth of the Group’s biotech business.

Basic and diluted earnings per share were both 12.7 US cents (2024: 4.4 US cents). The Board of Directors of the Company resolved not to declare a dividend for the year ended 31 December 2025 (2024: Nil).

### **BUSINESS REVIEW**

#### **Biotech business**

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 2025, due to a slowdown in animal farming sector in China, demand for our animal health products also reduced since the third quarter of 2025. Nevertheless, on an annual basis, the Group's revenue from the biotech business increased 74.1% to US\$535.9 million (2024: US\$307.7 million). Our sales mix changed in-line with our strategic business direction. Revenue contribution from animal health products increased from 72% in 2024 to 82% in 2025, while revenue contribution from CTC products reduced from 28% in 2024 to 18% in 2025.

Our animal health products consist of a wide range of veterinary products. When compared to our CTC products, animal health products, on average, have lower profit margins. Furthermore, we manufacture a large portion of our CTC products – and earn corresponding manufacturing margins on them – while we only manufacture a small portion of our animal health products. As a result, overall gross profit margin reduced from 15.9% in 2024 to 14.4% in 2025. Nevertheless, due to the substantial increase in business, contribution from our biotech business grew significantly in 2025.

### **Investment business**

The Group's investment portfolio consists of 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 an approximately 18% increase in 2025 as compared to that in 2024. Our revenue in 2025 from sales of excavators, power system and spare parts increased by 23.4% as compared to that in 2024. However, overall profit margin in 2025 declined as small and medium-sized excavators were continuously challenged by domestic brands in China. For the year ended 31 December 2025, our share of profit of joint venture increased from US\$0.5 million in 2024 to US\$2.3 million in 2025.

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 2025 increased by approximately 9% when compared to that in 2024; and according to China Chamber of Commerce for Motorcycle, China motorcycle sales in 2025 was approximately 10% higher than that in 2024. Zhanjiang Deni's sales of motorcycle parts grew but offset by a drop in sale of automotive parts due to intense market competition. For the year ended 31 December 2025, our share of profit of associate reduced from US\$2.2 million in 2024 to US\$1.7 million in 2025.

## **OUTLOOK**

Looking forward, the pace of China animal farming sector recovery and intensified competition are expected to bring uncertainties to our biotech business. Nevertheless, we will continually implement our key successful strategy and utilize technology empowerment to improve operational efficiency to address price and cost pressures. Overall, we remain cautiously optimistic about our performance in 2026.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the Group had total assets of US\$461.7 million, an increase of 9.3% as compared to US\$422.2 million as at 31 December 2024.

Net debt (31 December 2025: US\$7.3 million, 31 December 2024: US\$36.8 million) to equity ratio (defined as total bank borrowings minus cash divided by total equity) was 0.02 as compared to 0.14 as at 31 December 2024.

All the borrowings of the Group are denominated in Renminbi (“RMB”) as at 31 December 2025 and 2024.

As at 31 December 2025, the Group’s fixed interest rate bank borrowings amounted to US\$22.2 million (31 December 2024: US\$34.3 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\$39.8 million as at 31 December 2025, an increase of US\$7.4 million compared to US\$32.4 million as at 31 December 2024.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2025, out of the total borrowings of US\$47.2 million (31 December 2024: US\$69.2 million) obtained by the Group, US\$6.0 million (31 December 2024: US\$18.8 million) was secured, which accounted for 12.8% (31 December 2024: 27.1%) 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\$23.3 million (31 December 2024: US\$24.0 million) were pledged as security.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liabilities.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2025, 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 2025 (2024: 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 9 June 2026 will be eligible to attend and vote at the forthcoming annual general meeting of the Company to be held on 9 June 2026 (the “AGM”). The register of members holding ordinary shares of the Company will be closed from 4 June 2026 to 9 June 2026, 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 3 June 2026.

## **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 all 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 2025, except that chairman of the Board did not attend the annual general meeting of the Company held on 10 June 2025 (the “2025 AGM”) due to other business engagement, which deviated from code provision F.2.2 (which has been renumbered as code provision F.1.3 with effect from 1 July 2025). Mr. Cheng Yuk Wo, an independent non-executive director of the Company, acted as the chairman of the 2025 AGM in accordance with the bye-laws of the Company, together with other members of the Board who attended the 2025 AGM, were of sufficient calibre for answering questions at the 2025 AGM.

## **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 2025.

## **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 2025, 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 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board  
**Thirayut Phityaisarakul**  
*Director*

Hong Kong, 24 February 2026

*As at the date of this announcement, the Board comprises Mr. Soopakij Chearavanont (Chairman and Executive Director), Mr. Thirayut Phityaisarakul, Mr. Nopadol Chiaravanont, Mr. Chawalit Na Muangtoun (each an Executive Director), Ms. Kobboon Srichai, Mr. Yoichi Ikezoe (each a 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).*