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carote

CAROTE LTD

卡羅特(商業)有限公司

(an exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2549)

PROFIT WARNING

This announcement is made by Carote Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the “**Current Year**”) and information currently available, the Group is expected to record an increase in revenue of approximately 3% to 5% for the Current Year, while the profit for the Current Year is expected to decrease by approximately 25% to 35%, as compared with the year ended 31 December 2024 (the “**Previous Year**”).

The expected decrease in profit for the Current Year was primarily attributable to the following factors:

- (1) **Impact of U.S. Tariffs:** The imposition of additional tariffs by the United States in 2025 on steel and aluminum products imported from China led to a significant increase in the cost of goods sold for the Group’s primary product lines exported to the U.S. Consequently, the gross profit margin for business in that region declined compared to the Previous Year. The Group has initiated measures to mitigate this impact, including selective price increases and adjustments to its operational strategies.

- (2) Depreciation of the U.S. Dollar: The depreciation of U.S. dollar (“USD”) against Renminbi (“RMB”) during 2025 resulted in foreign exchange losses upon the exchange of the Group’s USD-denominated revenue and accounts receivable into RMB. While this further compressed the Group’s profit margins, the Group still achieved positive revenue growth during the Current Year.

The Company is still in the process of finalizing the annual results of the Group for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Current Year and information currently available, which have not been audited or reviewed by the Company’s auditors or the audit committee of the Board, and may be subject to adjustments. Details of the Group’s annual results for the Current Year will be disclosed in the annual results announcement of the Group for the Current Year, which is expected to be published by the end of March 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CAROTE LTD
卡羅特(商業)有限公司
Mr. ZHANG Guodong
Chairman of the Board

Hangzhou, the PRC, 9 February 2026

As at the date of this announcement, the directors are: Mr. ZHANG Guodong, Ms. LYU Yili and Mr. XIA Chenhao as executive directors and Ms. YEUNG Shuet Fan Pamela, Dr. CHAN Tin Wai David and Mr. SHI Zhoufeng as independent non-executive directors.