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LITU HOLDINGS LIMITED

力圖控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1008)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Litu Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	2025 HK\$’000	2024 HK\$’000 (Re-presented)
<i>Continuing operations</i>			
Revenue	3	556,529	725,453
Cost of sales		<u>(455,220)</u>	<u>(548,672)</u>
Gross profit		101,309	176,781
Other income	4	16,520	18,825
Other net gains and losses	5	(26,181)	(3,872)
Provision for loss allowance on trade and other receivables, contract assets and loans receivables, net		(6,889)	(2,489)
Selling and distribution expenses		(9,736)	(13,657)
Administrative expenses		(68,364)	(75,748)
Finance costs	6	<u>(4,852)</u>	<u>(4,050)</u>
Profit before taxation	8	1,807	95,790
Taxation	7	<u>(331)</u>	<u>(17,319)</u>
Profit for the year from continuing operations		<u>1,476</u>	<u>78,471</u>

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i> (Re-presented)
<i>Discontinued operations</i>			
Profit for the year from discontinued operations		—	886
Profit for the year		1,476	79,357
Profit for the year attributable to:			
Owners of the Company			
— Continuing operations		1,476	78,471
— Discontinued operations		—	2,118
		1,476	80,589
Non-controlling interests			
— Discontinued operations		—	(1,232)
Profit for the year		1,476	79,357
Other comprehensive income (loss)			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
— Exchange differences arising on translation to presentation currency		68,097	(43,264)
Total comprehensive income for the year		69,573	36,093
Total comprehensive income (loss) attributable to:			
— Owners of the Company		69,573	37,868
— Non-controlling interests		—	(1,775)
		69,573	36,093
		<i>HK\$</i>	<i>HK\$</i>
Basic and diluted earnings per share	9		
— Continuing operations		0.001	0.050
— Discontinued operations		—	0.001
Total continuing operations and discontinued operations		0.001	0.051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		427,568	634,802
Right-of-use assets		48,310	46,612
Investment properties		794,488	231,607
Goodwill		625,939	595,585
Intangible assets		407	419
Financial assets at fair value through profit or loss (“ FVPL ”)		–	–
Deferred tax assets		18,440	6,180
Prepayments and rental and other deposits paid		4,421	16,317
		1,919,573	1,531,522
Current assets			
Inventories		41,083	53,785
Trade receivables	<i>11</i>	194,656	211,236
Contract assets		6,435	13,430
Loans receivables		105,743	–
Other receivables, prepayments and refundable deposits		67,998	66,676
Tax recoverable		87	83
Pledged bank deposits		14,468	60,484
Bank balances and cash		199,475	570,949
		629,945	976,643
Assets classified as held for sale	<i>13</i>	–	175,360
		629,945	1,152,003

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Current liabilities			
Trade payables	12	87,431	189,097
Other payables and accruals		85,751	85,473
Lease liabilities		149	138
Bank borrowings		150,475	207,213
Income tax payable		7,488	14,653
		<u>331,294</u>	<u>496,574</u>
Net current assets		<u>298,651</u>	<u>655,429</u>
Total assets less current liabilities		<u>2,218,224</u>	<u>2,186,951</u>
Non-current liabilities			
Government grants		16,357	17,282
Lease liabilities		73	211
Deferred tax liabilities		25,514	31,393
		<u>41,944</u>	<u>48,886</u>
NET ASSETS		<u>2,176,280</u>	<u>2,138,065</u>
Capital and reserves			
Share capital		7,839	7,839
Reserves		2,168,441	2,153,500
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale		<u>–</u>	<u>(23,274)</u>
TOTAL EQUITY		<u>2,176,280</u>	<u>2,138,065</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Litu Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its ultimate controlling party is Mr. Cai Xiao Ming, David (the “**Controlling Shareholder**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2025 annual report of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are engaged in provision of the printing of cigarette packages, manufacturing of paper packaging materials, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services and leasing of investment properties.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is different from the Company’s functional currency of Renminbi (“**RMB**”). The directors of the Company adopted HK\$ as presentation currency. For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in HK\$, as the Company’s shares are listed on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standard that is relevant to the Group and effective from the current year.

Adoption of revised HKFRS Accounting Standard

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21 *Lack of Exchangeability*

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. REVENUE

An analysis of revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Continuing operations</i>		
<i>Revenue from contracts with customers within HKFRS 15</i>		
Sales of goods	501,484	675,700
<i>Revenue from other sources</i>		
Leasing income from investment properties	<u>55,045</u>	<u>49,753</u>
	556,529	725,453
<i>Discontinued operations</i>		
<i>Revenue from contracts with customers within HKFRS 15</i>		
Sales of goods	<u>–</u>	<u>23,504</u>
Total revenue	<u><u>556,529</u></u>	<u><u>748,957</u></u>

(i) **Disaggregation of revenue from contracts with customers within HKFRS 15**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Types of goods or services		
<i>Continuing operations</i>		
Printing and manufacturing of paper packages and related materials		
— Printing of cigarette packages	470,475	644,724
— Manufacturing of paper packaging materials	31,009	30,740
Other related products	—	236
	<u>501,484</u>	<u>675,700</u>
<i>Discontinued operations</i>		
Sales of radio frequency identification (“RFID”) products	—	23,504
	<u>501,484</u>	<u>699,204</u>

Timing of revenue recognition

	Printing of cigarette packages <i>HK\$'000</i>	Manufacturing of paper packaging materials <i>HK\$'000</i>	Other related products <i>HK\$'000</i>	Sales of RFID products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2025					
<i>Continuing operations</i>					
At a point in time	—	31,009	—	—	31,009
Over time	470,475	—	—	—	470,475
Total	<u>470,475</u>	<u>31,009</u>	<u>—</u>	<u>—</u>	<u>501,484</u>
Year ended 31 December 2024					
<i>Continuing operations</i>					
At a point in time	—	30,740	236	—	30,976
Over time	644,724	—	—	—	644,724
	644,724	30,740	236	—	675,700
<i>Discontinued operations</i>					
At a point in time	—	—	—	23,504	23,504
Total	<u>644,724</u>	<u>30,740</u>	<u>236</u>	<u>23,504</u>	<u>699,204</u>

Geographical market

Information about the Group's revenue from external customers is presented based on the location of customers irrespective of the origin of goods/services.

	Printing of cigarette packages <i>HK\$'000</i>	Manufacturing of paper packaging materials <i>HK\$'000</i>	Other related products <i>HK\$'000</i>	Sales of RFID products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2025					
<i>Continuing operations</i>					
The PRC	<u>470,475</u>	<u>31,009</u>	<u>-</u>	<u>-</u>	<u>501,484</u>
Year ended 31 December 2024					
<i>Continuing operations</i>					
The People's Republic of China (the "PRC")	<u>644,724</u>	<u>30,740</u>	<u>236</u>	<u>-</u>	<u>675,700</u>
<i>Discontinued operations</i>					
The PRC	-	-	-	18,258	18,258
Others (<i>note</i>)	-	-	-	5,246	5,246
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,504</u>	<u>23,504</u>
Total	<u>644,724</u>	<u>30,740</u>	<u>236</u>	<u>23,504</u>	<u>699,204</u>

Note: Others mainly included Federative Republic of Brazil, India, the Republic of Türkiye, the Portuguese Republic and the Republic of Korea.

4. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Continuing operations</i>		
Interest income on bank deposits	7,480	6,521
Sales of scrap materials	4,154	4,339
Processing fee income	89	86
Rental income from plant and machineries, net of direct expenses	293	250
Government grants (<i>note</i>)	2,423	2,833
Commission income	–	1,828
Sundry income	2,081	2,968
	<u>16,520</u>	<u>18,825</u>
<i>Discontinued operations</i>		
Sales of scrap materials	–	205
	<u>16,520</u>	<u>19,030</u>

Note: Government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development and innovation except for an amount of approximately HK\$1,767,000 (2024: HK\$1,759,000) which was granted for the acquisition of property, plant and equipment. These grants are accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

5. OTHER NET GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
<i>Continuing operations</i>		
Foreign exchange gains, net	2,145	280
Gain on disposal of property, plant and equipment	5,137	814
Gain on disposal of leasehold land included right-of-use assets	–	860
Loss from changes in fair value of financial assets at FVPL	–	(5,301)
Loss on disposal on interest in an associate (<i>note 13(b)</i>)	(32,521)	–
Others	(942)	(525)
	<u>(26,181)</u>	<u>(3,872)</u>
<i>Discontinued operations</i>		
Foreign exchange losses, net	–	(188)
Gain on disposal of a subsidiary	–	4,994
	<u>–</u>	<u>4,806</u>
	<u>(26,181)</u>	<u>934</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Continuing operations</i>		
Interest expenses on bank borrowings and overdrafts	4,849	4,043
Imputed interest expenses on lease liabilities	3	7
	<u>4,852</u>	<u>4,050</u>
<i>Discontinued operations</i>		
Interest expenses on bank borrowings and overdrafts	–	302
	<u>4,852</u>	<u>4,352</u>

7. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Continuing operations</i>		
Current tax		
The PRC		
Enterprise Income Tax (“EIT”)	13,051	19,201
Underprovision of EIT in prior years	<u>6,031</u>	<u>6,821</u>
	<u>19,082</u>	<u>26,022</u>
Deferred tax		
Origination and reversal of temporary differences	(6,915)	(8,499)
Benefit of tax loss recognised	<u>(11,836)</u>	<u>(204)</u>
	<u>(18,751)</u>	<u>(8,703)</u>
Income tax expenses from continuing operations	<u>331</u>	<u>17,319</u>
<i>Discontinued operations</i>		
Deferred tax		
Origination and reversal of temporary differences	–	(80)
Income tax credit from discontinued operations	<u>–</u>	<u>(80)</u>
Total tax charge for the year	<u><u>331</u></u>	<u><u>17,239</u></u>

Hong Kong Profits Tax has not been provided as the Group’s profits neither arose in, nor derived from, Hong Kong.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2024: 15% to 25%) in the PRC. Pursuant to the “Enterprise Income Tax Law For Foreign Investment Enterprises And Foreign Enterprises”, some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced EIT rate of 15% for three years from the date of approval.

Upon the New Tax Law and Implementation Regulations coming into effect, the PRC withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries.

8. PROFIT BEFORE TAXATION

This is stated after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Continuing operations</i>		
Staff costs, including directors' remuneration		
Salaries and other benefits	42,859	60,873
Contributions to retirement benefits schemes	1,782	4,042
Contractual termination benefit	1,697	3,312
	<u>46,338</u>	<u>68,227</u>
Total staff costs		
	<u>46,338</u>	<u>68,227</u>
Auditor's remuneration	1,500	1,600
Cost of inventories	304,571	388,869
Amortisation of intangible assets (included in cost of sales)	34	33
Depreciation		
— property, plant and equipment	59,868	66,805
— right-of-use assets	1,670	1,986
— investment properties	25,777	15,024
	<u>87,349</u>	<u>83,848</u>
Total depreciation and amortisation		
	<u>87,349</u>	<u>83,848</u>
Lease payments on short-term leases	674	1,661
Research expenses		
(included in cost of sales)	17,565	24,424
Direct operating expenses arising from investment properties that generated rental income (included in cost of sales)	31,524	20,304
	<u>31,524</u>	<u>20,304</u>
<i>Discontinued operations</i>		
Staff costs, including directors' remuneration		
Salaries and other benefits	–	1,411
Contributions to retirement benefits schemes	–	143
	<u>–</u>	<u>1,554</u>
Total staff costs		
	<u>–</u>	<u>1,554</u>
Cost of inventories	–	19,876
	<u>–</u>	<u>19,876</u>

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (<i>HK\$'000</i>)		
— Continuing operations	1,476	78,471
— Discontinued operations	—	2,118
	<u>1,476</u>	<u>80,589</u>
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share (<i>'000</i>)	<u>1,567,885</u>	<u>1,567,885</u>

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the years ended 31 December 2025 and 2024.

10. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final dividend, paid at HK2.00 cents per share	31,358	—
2024 interim dividend, paid at HK2.00 cents per share	—	31,358
	<u>31,358</u>	<u>31,358</u>

The directors of the Company had resolved to pay an interim dividend of HK2 cents per share in respect of the six months ended 30 June 2024 amounting to approximately HK\$31,358,000, which was paid during the year ended 31 December 2024.

The final dividend of HK2 cents per share in respect of the year ended 31 December 2024, amounting to approximately HK\$31,358,000, was declared and paid during the year ended 31 December 2025.

The final dividend of HK2.60 cents per share in respect of the year ended 31 December 2025, amounting to approximately HK\$40,765,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the annual general meeting.

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables from		
— third parties	180,593	194,696
— a former subsidiary	21,967	20,896
	<hr/>	<hr/>
	202,560	215,592
Less: allowance for credit losses	(7,904)	(4,356)
	<hr/>	<hr/>
	194,656	211,236
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The Group allows a credit period of 60 days to 90 days to its trade customers.

The following is an ageing analysis of trade receivables presented based on the date of goods delivery/invoice at the end of the reporting period, which approximated revenue recognition dates except for receivables arising from printing of cigarette packages which are recognised over time upon application of HKFRS 15.

At the end of the reporting period, the ageing analysis of trade receivables (before allowance for credit losses) by invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	142,813	185,119
91 to 180 days	19,821	3,451
181 to 365 days	12,554	416
Over 365 days	27,372	26,606
	<hr/>	<hr/>
	202,560	215,592
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade and bills payables — third parties	<u>87,431</u>	<u>189,097</u>

The following is an ageing analysis of trade payables presented based on the date of goods receipt/invoice at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	44,130	50,814
31 to 90 days	34,068	71,522
91 to 180 days	9,058	61,711
181 to 365 days	2	4,912
Over 365 days	<u>173</u>	<u>138</u>
	<u>87,431</u>	<u>189,097</u>

The credit period on purchases of goods ranges from 30 days to 180 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit time frame.

As at 31 December 2025, included in trade payables were bills payables amounting to HK\$14,329,000 (2024: HK\$70,954,000) which transferred to suppliers.

13. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

13(a) Disposal of a subsidiary

On 29 May 2023, Right Tech (China) Limited, being a wholly-owned subsidiary of the Company, entered into an agreement with a third party to dispose of 70% equity interest in Jiangsu HY Link Science & Technology Co., Ltd. (江蘇聯恒物宇科技有限公司) (“**Jiangsu HY Link**”) at a consideration of RMB51,100,000 (equivalent to approximately HK\$56,018,000). Details of the disposal have been disclosed in the Company’s announcement and circular dated 29 May 2023 and 26 July 2023 respectively. Upon completion of the disposal, the Group ceased to have any interest in Jiangsu HY Link. The disposal was completed on 1 July 2024. Upon completion of the disposal, the Group ceased to have any interest in Jiangsu HY Link.

13(b) Disposal of interest in an associate

Litu Investment & Development Limited (“**Litu Investment & Development**”), being a wholly-owned subsidiary of the Company, entered into a framework agreement with a third party (the “**First Purchaser**”), being the major shareholder of Changde Gold Roc Printing Co., Ltd. 常德金鵬印務有限公司 (“**Changde Gold Roc**”), effective on 28 December 2023 to dispose of its 31% equity interest in Changde Gold Roc. Details of the disposal have been disclosed in the Company’s announcement dated 28 December 2023. On 4 December 2024, the First Purchaser and Litu Investment & Development entered into an agreement to terminate the Framework Agreement (the “**Termination Agreement**”), pursuant to which Litu Investment & Development and the First Purchaser agreed that Litu Investment & Development can continue the sales of its equity interests in Changde Gold Roc to other third parties.

On 22 April 2025, Litu Investment & Development entered into a new framework agreement with another third party (the “**Second Purchaser**”). On 20 May 2025, Litu Investment & Development and the Second Purchaser entered into a conditional sale and purchase agreement (the “**Disposal Agreement**”) to dispose of the Group’s 31% equity interest in Changde Gold Roc at a consideration of RMB142,500,000 (equivalent to approximately HK\$155,058,000) (the “**Disposal**”). Details of the Disposal have been disclosed in the Company’s announcements dated 22 April 2025 and 20 May 2025, and circular dated 10 June 2025 respectively. The Disposal was completed on 15 August 2025.

Loss on disposal on interest in an associate of HK\$32,521,000 (2024: HK\$nil) have been included in “Other net gains and losses” in the consolidated statement of comprehensive income for the year ended 31 December 2025.

BUSINESS REVIEW

In 2025, the gross domestic product (GDP) of the People's Republic of China (the "PRC") increased by 5.0% compared to the previous year, matching both the 5.0% growth rate in 2024 and the growth target of around 5.0% set at the beginning of the year. In 2025, the GDP per capita of the PRC reached RMB99,665.

Meanwhile, PRC cigarette production increased by 0.2% year-on-year in 2025. However, given the decrease in tendering prices under the mandatory tendering policy in effect for the cigarette industry and the increase in raw material prices, the Group faced considerable operating pressure amid intensifying industry competition. Since December 2020, the unsuccessful bid in the tender of some customers for orders in the coming years has had, and is expected in the coming years to continue to have, an adverse financial impact on the overall revenue and profitability of the Group. Total revenue from continuing operations of the Group decreased by 23.3% from approximately HK\$725.5 million in 2024 to approximately HK\$556.5 million in 2025.

In response to the pressure of the fall of tender prices, the Group has implemented a series of measures in order to cope with the challenges to the profitability of the Group. These measures included simplifying the management structure in order to increase the efficiency of decision making to match with the fast changing market demand, enhancing the inventory management to maintain the inventory at an appropriate level and implementing a tendering system for the purchase of raw materials to increase the bargaining power on the purchase price in order to reduce and control the purchase cost.

In addition, in order to meet the increasingly stringent environmental protection requirements and to improve production efficiency, the Group focused its resources and productions on Bengbu Jinhuangshan Rotogravure Printing Co., Ltd., an indirect wholly-owned subsidiary of the Company established in the PRC, to achieve centralised management and production. The Board believes that the centralisation of production lines of the Group would allow improved cost control and production efficiency, as well as reduced administrative burden on the Group to comply with the environmental protection requirements across different production subsidiaries, thereby improving returns for the shareholders of the Company.

During the year, the Company also strengthened its asset base and operational capacity through strategic property acquisitions. In May 2025, the Company acquired a portfolio of properties representing about 86.67% of undivided shares of the 17-storey commercial building named "Kam Chung Building" in the prime location of Wan Chai, Hong Kong, for a consideration of HK\$388 million, details of which are disclosed in the circular of the Company dated 26 May 2025. This strategic acquisition was intended to generate recurring rental income and expand the Group's investment property portfolio. In September 2025, the Company further acquired a factory unit in the Wong Chuk Hang industrial area for a cash consideration of HK\$21.5 million to be used as a go-down, details of which are disclosed in the announcement of the Company dated 9 September 2025. This acquisition enhanced operational efficiency by securing company-owned premises to support future business growth and reduce long-term rental expenses.

FINANCIAL REVIEW

REVENUE

The Group recorded revenue from continuing operations of approximately HK\$556.5 million in 2025, representing a decrease of 23.3% as compared to approximately HK\$725.5 million in 2024. The revenue from continuing operations was generated from two business segments: (i) the printing and manufacturing of paper packages and related materials of approximately HK\$501.5 million (2024: HK\$675.7 million) and (ii) the leasing of investment properties of approximately HK\$55.0 million (2024: HK\$49.8 million). The revenue from the printing and manufacturing of paper packages and related materials segment accounted for approximately 90.1% of the total revenue for 2025 (2024: 93.1%). The decrease in total revenue from continuing operations was mainly attributable to the decrease in business volume in the printing and manufacturing of paper packages and related materials, partially net off by an increase in leasing income from investment properties as a result of an increase in the area of investment properties leased. This decline resulted from a decrease in successful tender bids for orders from some of its major customers. In addition, the appreciation of the average exchange rate of RMB against HKD of roughly 0.42% comparing with the corresponding period of 2024 has slightly mitigated the overall revenue decline.

GROSS PROFIT

Gross profit from continuing operation decreased by 42.7% from approximately HK\$176.8 million for the year ended 31 December 2024 to approximately HK\$101.3 million for the year ended 31 December 2025. The decrease in gross profit was mainly due to the decrease in revenue.

OTHER INCOME

Other income from continuing operations decreased by 12.2% from approximately HK\$18.8 million for the year ended 31 December 2024 to approximately HK\$16.5 million for the year ended 31 December 2025, which was mainly attributable to a decrease in commission income of HK\$1.8 million.

OTHER NET GAINS AND LOSSES

Other net gains and losses from continuing operations for the year ended 31 December 2025 was other net losses of HK\$26.2 million when compared with other net losses of HK\$3.9 million for the corresponding year in 2024. The other net losses in 2025 were mainly attributable to the recognition of a loss on disposal of interest in an associate of approximately HK\$32.5 million in relation to the disposal of 31% equity interest in Changde Gold Roc.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses from continuing operations decreased by 28.7% from approximately HK\$13.7 million for the year ended 31 December 2024 to approximately HK\$9.7 million for the year ended 31 December 2025 which was primarily attributable to reductions in transportation expenses, business entertainment expenses and staff cost.

ADMINISTRATIVE EXPENSES

The administrative expenses from continuing operations decreased by 9.7% from approximately HK\$75.7 million for the year ended 31 December 2024 to approximately HK\$68.4 million for the year ended 31 December 2025.

The decrease was mainly attributable to the decrease in salaries and other benefits and contractual termination benefit.

FINANCE COSTS

The finance costs from continuing operations increased by 19.8% from approximately HK\$4.1 million for the year ended 31 December 2024 to approximately HK\$4.9 million for the year ended 31 December 2025.

TAXATION

The taxation from continuing operations decreased by 98.1% from approximately HK\$17.3 million for the year ended 31 December 2024 to approximately HK\$0.3 million for the year ended 31 December 2025.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company was approximately HK\$1.5 million for the year ended 31 December 2025, as compared to the profit attributable to owners of the Company of approximately HK\$80.6 million for the year ended 31 December 2024.

The decrease in profit attributable to owners of the Company was primarily attributable to: (i) a decrease in revenue mainly due to a decline in cigarette package sales volume and (ii) a loss on disposal of interest in an associate of approximately HK\$32.5 million in relation to the disposal of 31% equity interest in Changde Gold Roc.

OTHER PERFORMANCE INDICATORS

The following table sets forth other performance indicators of the Group as at the dates or for the years indicated:

	As at or for the year ended 31 December	
	2025	2024
Current Ratio (<i>Note 1</i>)	1.9 times	2.3 times
Quick Ratio (<i>Note 2</i>)	1.8 times	2.2 times
Return on equity (<i>Note 3</i>)	0.1%	3.8%
Return on total assets (<i>Note 4</i>)	0.1%	3.0%

Notes:

- (1) Current ratio is calculated based on total current assets of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (2) Quick ratio is calculated based on total current assets of the Group less inventories of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (3) Return on equity is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total equity attributable to owners of the Company.
- (4) Return on total assets is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total assets of the Group.

Current ratio and quick ratio

The Group's current ratio and quick ratio as at 31 December 2025 were at 1.9 times (2024: 2.3 times) and 1.8 times (2024: 2.2 times), respectively.

Return on equity and return on total assets

The Group's return on equity decreased from 3.8% in 2024 to 0.1% in 2025. The Group's return on total assets decreased from 3.0% in 2024 to 0.1% in 2025. The decrease of the Group's return on equity was primarily due to the decrease in profit attributable to owners of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Group's financial position remains solid and the Group possessed sufficient cash to meet its commitments and working capital requirements. As at 31 December 2025, the Group had net current assets of approximately HK\$298.7 million (2024: approximately HK\$655.4 million) of which bank balances and cash were approximately HK\$199.5 million (2024: approximately HK\$570.9 million) and were denominated in RMB, US\$, CAD and HK\$ as at 31 December 2025.

As at 31 December 2025, the Group had outstanding bank borrowings of approximately HK\$150.5 million (2024: approximately HK\$207.2 million). The Group is with net cash of approximately HK\$63.5 million (2024: approximately HK\$424.2 million). The gearing ratio as at 31 December 2025 was -2.9% (2024: -19.8%), which is calculated by dividing the net cash by the total equity. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments during the year.

CHARGES ON ASSETS

As at 31 December 2025, bank deposits with gross carrying amounts of approximately HK\$14.5 million (31 December 2024: HK\$60.5 million) were pledged to banks for bank facilities of bills payables granted to the Group.

As at 31 December 2025, the bank loan facilities granted to the Group were secured by the Group's investment properties with carrying value of approximately HK\$190.1 million and corporate guarantee issued by the Company and certain subsidiaries (2024: property, plant and equipment with carrying value of approximately HK\$163.5 million, investment properties with carrying value of approximately HK\$36.2 million and corporate guarantee issued by the Company and certain subsidiaries).

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2025 and 2024.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had capital commitments amounting to approximately HK\$4.4 million (31 December 2024: approximately HK\$9.6 million) in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements and was mainly related to the development of industrial park.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2025. The Group strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its existing customers from time to time. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

An associate classified as assets held for sale

Litu Investment & Development Limited ("**Litu Investment & Development**"), a wholly-owned subsidiary of the Company, entered into a framework agreement with a third party (the "**First Purchaser**"), being the major shareholder of Changde Gold Roc, a company principally engaged in the provision of cigarette printing package services, effective on 28 December 2023, to dispose of its 31% equity interest in Changde Gold Roc. The Group beneficially owned RMB50,546,120 of its paid up capital, representing 31% of the total paid up capital of RMB163,052,000. Details of the disposal were disclosed in the Company's announcement dated 28 December 2023. On 4 December 2024, the First Purchaser and Litu Investment & Development entered into an agreement to terminate the Framework Agreement (the "**Termination Agreement**"), pursuant to which Litu Investment & Development and the First Purchaser agreed that Litu Investment & Development could continue the sales of its equity interests in Changde Gold Roc to other third parties.

Subsequently, on 22 April 2025, Litu Investment & Development entered into a new framework agreement with another third party (the "**Second Purchaser**"). This was followed by a conditional sale and purchase agreement (the "**Disposal Agreement**") entered into on 20 May 2025 between Litu Investment & Development and the Second Purchaser to dispose of the Group's 31% equity interest in Changde Gold Roc at a consideration of RMB142,500,000 (equivalent to approximately HK\$152,800,000) (the "**Disposal**"). The decision to proceed with the Disposal was primarily driven by the unsatisfactory performance of Changde Gold Roc during the period under review. Details of the Disposal were disclosed in the Company's announcements dated 22 April 2025 and 20 May 2025, and circular dated 10 June 2025 respectively. The Disposal was completed on 15 August 2025.

As at 31 December 2024, the Group's interest in Changde Gold Roc was classified as assets held for sale with carrying amount of approximately HK\$175,360,000 which was measured at the lower of its carrying amount and fair value less costs to sell. The fair value less costs to sell has been determined by market approach using direct comparison method based on the consideration of the Disposal Agreement.

An loss on disposal of interest in an associate of HK\$32,521,000 (31 December 2024: HK\$nil) have been included in “Other net gains and losses” in the condensed consolidated statement of comprehensive income.

Save as disclosed in this announcement, there was no material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the period under review.

SIGNIFICANT INVESTMENTS

Save for Changde Gold Roc, which has been disposed of by the Group, the particulars of which are disclosed in the above section headed “Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures”, and as disclosed above, there were no significant investments held by the Group with a value of 5% or more of the Company’s total assets as at 31 December 2025 and 2024. Save as disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

HUMAN RESOURCES

As at 31 December 2025, the Group had 357 employees (2024: 454). The total remuneration cost incurred by the Group for the year ended 31 December 2025 was approximately HK\$46.3 million (2024: approximately HK\$68.2 million). The Group’s remuneration packages are generally structured with reference to market terms and individual merits. The Group participates in a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with the applicable laws and regulations in the PRC.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE REPORTING PERIOD

There are no important events affecting the Group that have taken place since 31 December 2025 and up to the date of this announcement.

PROSPECTS

Despite the further relaxation of COVID-19 control policies all over the world and the subsequent introduction of various policies and measures aimed at stabilizing and recovering the PRC's economy in 2025, the global economy and the PRC's economic outlook remain uncertain due to global inflation, escalating competition between the United States and the PRC on various fronts, the ongoing war between Russia and Ukraine, and in the Middle East, as well as the unpredictable impact of the monetary policies of the U.S. Federal Reserve. All of these factors may adversely affect global oil prices, inflation rates and the PRC's economy. In light of the above, the Group's operating environment in 2026 is expected to remain challenging.

Looking ahead, the Group will continue to rely on paper packaging as a solid foundation for the Group's development and seek to maximise income from investment properties. The Group will continue to increase its participation in tenders, while actively expanding into other packaging markets, and will continue to mitigate the pressure of decreasing gross profit through measures such as cost control, efficiency boosting and resource consolidation.

The Group's corporate mission is to continue to develop ways to improve financial performance, provide growth drivers for the Group and broaden revenue streams within acceptable risk levels.

The Group will continue to optimise its asset portfolio and focus on developing core businesses through disposal of non-core assets and businesses. It will also continue to explore the possibility of acquiring new investments, disposing of subsidiaries or associates, or diversifying into other profitable businesses in the interests of the Group and its shareholders as a whole, with a view to achieving sustainable growth, improving profitability and ultimately maximising returns for shareholders.

FINAL DIVIDEND

The Board recommended a final dividend for the year ended 31 December 2025 of HK2.6 cents (2024: HK2.0 cents) per share. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the proposed final dividend will be payable on or about 30 June 2026 to shareholders whose names appear on the register of members of the Company on 8 June 2026.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions for the year ended 31 December 2025.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company, the register of members of the Company will be closed from Friday, 22 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be 29 May 2026. In order to be eligible to attend and vote at the annual general meeting, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

For determining the entitlement to receive the proposed final dividend (subject to the approval by the shareholders at the annual general meeting), the register of members will be closed from Friday, 5 June 2026 to Monday, 8 June 2026 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 4 June 2026 for registration. The record date for determining the entitlement to receive the proposed Final Dividend will be Monday, 8 June 2026.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to high standards of corporate governance and recognises that good corporate governance is important for the long-term success of the Company's business. The Company has adopted the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 of the Listing Rules. During the year ended 31 December 2025, the Company has complied in general with the Code, except code provisions C.2.1 and B.2.4(b) of the Code.

Under code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Huang Wanru is the chairman of the Company but the Company has not appointed an individual to take up the vacancy of the chief executive officer. The roles and functions of the chief executive officer have been performed by all the executive Directors collectively. The Board will continue to review its current structure from time to time and will appoint a chief executive officer if the Board considers it appropriate and necessary.

Under code provision B.2.4(b) of the Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. Between 1 January 2025 and 9 March 2025, all of the independent non-executive Directors had exceeded the nine-year service limit. During this period, the Company was actively identifying suitable candidates. Accordingly, Dr. Wan Xiaoxia was appointed as an additional independent non-executive Director with effect from 10 March 2025.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining high standards of corporate governance.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises one non-executive Director, namely Ms. Li Li and three independent non-executive Directors, namely Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and Dr. Wan Xiaoxia. Mr. Lam Ying Hung, Andy is the chairman of the Audit Committee, who possesses suitable professional qualifications. The Audit Committee has reviewed the financial statements for the year ended 31 December 2025 in conjunction with the Company's auditors and management and has also discussed auditing, risk management, internal control and financial reporting matters including accounting practices and principles adopted by the Group.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF 2025 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.lituholdings.com) and the Stock Exchange's website (www.hkexnews.hk). The Company's annual report for the year ended 31 December 2025 and notice of the annual general meeting will be made available on the websites of the Company and the Stock Exchange and will be despatched to the shareholders of the Company in due course.

By Order of the Board
Litu Holdings Limited
Mr. Huang Wanru
Chairman

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Huang Wanru (Chairman) and Ms. Chen Lin Lin Caddie, one non-executive Director, namely, Ms. Li Li, and three independent non-executive Directors, namely, Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and Dr. Wan Xiaoxia.