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PROSPEROUS INDUSTRIAL (HOLDINGS) LIMITED

其利工業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1731)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025,
AND
CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE**

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Prosperous Industrial (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 comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
REVENUE	4	238,751	243,612
Cost of sales		(180,640)	(182,858)
Gross profit		58,111	60,754
Other income and gains, net	5	5,174	5,635
Selling and distribution expenses		(13,415)	(13,173)
Administrative expenses		(18,814)	(18,310)
Impairment losses under expected credit loss model		(50)	(40)
Other expenses, net		(1,177)	(1,494)
Finance costs	6	(262)	(247)
PROFIT BEFORE TAX	7	29,567	33,125
Income tax expense	8	(5,022)	(3,283)
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		24,545	29,842
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
– Exchange differences on translation of foreign operations		1,120	(868)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value gains of right-of-use assets upon transfer to investment properties		4,554	–
Income tax effect		(1,139)	–
Defined benefit plan			
– Actuarial gain		4	49
– Income tax effect		(1)	(10)
Change in fair value of equity investment at fair value through other comprehensive income		–	115
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		3,418	154
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		4,538	(714)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		29,083	29,128
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (<i>US cent</i>)	10	2.19	2.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		10,739	12,239
Investment properties		20,230	8,615
Right-of-use assets		16,143	12,678
Intangible assets		96	149
Equity investments at fair value through other comprehensive income		1,572	1,572
Prepayments, deposits and other receivables		3,271	4,581
Financial assets at fair value through profit or loss		219	195
Deferred tax assets		509	379
		<hr/>	<hr/>
Total non-current assets		52,779	40,408
CURRENT ASSETS			
Inventories		37,897	41,600
Trade receivables	11	61,518	55,828
Prepayments, deposits and other receivables		5,382	5,501
Financial assets at fair value through profit or loss		327	508
Income tax recoverable		42	97
Time deposits		8,557	5,696
Cash and cash equivalents		77,187	70,918
		<hr/>	<hr/>
Total current assets		190,910	180,148
CURRENT LIABILITIES			
Trade and bills payables	12	21,803	23,710
Other payables and accruals		16,609	15,577
Lease liabilities		1,735	1,117
Income tax payables		5,480	6,541
		<hr/>	<hr/>
Total current liabilities		45,627	46,945
		<hr/>	<hr/>
NET CURRENT ASSETS		145,283	133,203
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		198,062	173,611
		<hr/>	<hr/>

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
NON-CURRENT LIABILITIES		
Other payables and accruals	73	28
Defined benefit obligations	33	50
Lease liabilities	5,481	1,383
Deferred tax liabilities	2,472	1,242
	<hr/>	<hr/>
Total non-current liabilities	8,059	2,703
	<hr/>	<hr/>
Net assets	190,003	170,908
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	1,436	1,436
Reserves	188,567	169,472
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Total equity	190,003	170,908
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NOTES

1. CORPORATE AND GROUP INFORMATION

Prosperous Industrial (Holdings) Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the principal place of business of the Company is located at Unit 1–2, 1/F, Join-In Hang Sing Centre, 71–75 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively, the “**Group**”) were principally involved in the manufacture and sale of sport bags, handbags and luggage bags.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Prosperous Holdings (Overseas) Limited, which was incorporated in the British Virgin Islands (the “**BVI**”).

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for (i) equity investments at fair value through other comprehensive income; (ii) defined benefit obligations; (iii) investment properties; and (iv) financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in United States dollar (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The amendments did not have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group only operates in one single operating segment, i.e., the manufacturing and sale of sport bags, handbags and luggage bags.

Geographical information

(a) Revenue from external customers

	2025 US\$'000	2024 US\$'000
The United States of America (the "USA")	66,461	65,103
Chinese mainland	37,002	30,977
Belgium	32,478	34,381
Netherlands	20,362	18,358
Japan	17,672	16,225
Italy	11,539	16,336
Others	53,237	62,232
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Total revenue	238,751	243,612

The revenue information above is based on the destination of goods delivered, irrespective of the origin of the goods.

(b) Non-current assets

	2025 US\$'000	2024 US\$'000
Chinese mainland	26,042	16,401
Vietnam	13,276	11,176
Taiwan	5,296	4,703
Cambodia	3,609	4,146
Others	375	365
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Total non-current assets	48,598	36,791

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets, certain other receivables and deposits.

Information about major customers

During the year, the Group had transactions with three (2024: three) external customers, the sales to which individually contributed over 10% of the Group's total revenue. The revenue generated from sales to each of these customers is set out below:

	2025 US\$'000	2024 US\$'000
Customer A	88,504	91,162
Customer B	74,510	62,808
Customer C	41,390	58,415
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4. REVENUE

Revenue represents sales of sport bags, handbags and luggage bags.

(a) Disaggregation of revenue

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
By geographical markets		
The USA	66,461	65,103
Chinese mainland	37,002	30,977
Belgium	32,478	34,381
Netherlands	20,362	18,358
Japan	17,672	16,225
Italy	11,539	16,336
Others*	53,237	62,232
	<u>238,751</u>	<u>243,612</u>
Total revenue from contracts with customers	<u>238,751</u>	<u>243,612</u>

* Including countries with sales less than 5% of total balance for the year, e.g. United Kingdom, Canada, Korea, etc.

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
By product category		
Sales of outdoor and sporting bags	201,947	206,846
Sales of fashion and casual bags	24,979	24,692
Sales of functional bags	11,797	11,203
Sales of other products	28	871
	<u>238,751</u>	<u>243,612</u>
Total revenue from contracts with customers	<u>238,751</u>	<u>243,612</u>
By timing of revenue recognition		
Goods transferred at a point of time	<u>238,751</u>	<u>243,612</u>

The revenue recognised during the year ended 31 December 2024 that was included in contract liabilities as at 1 January 2024 amounted to US\$130,000. No revenue recognised during the years ended 31 December 2025 and 2024 related to performance obligations satisfied or partially satisfied in previous years.

(b) Performance obligation

Sale of sport bags, handbags and luggage bags

The performance obligation is satisfied upon delivery of the sport bags, handbags and luggage bags and payment is generally due within 15 to 105 days from delivery.

5. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Other income		
Bank interest income	2,840	2,557
Gross rental income from investment property operating leases, fixed payment	456	951
Charges levied on customers	769	463
Government grants*	12	7
Others	655	354
	<hr/>	<hr/>
Total other income	4,732	4,332
	<hr/>	<hr/>
Gains, net		
Foreign exchange gains, net	49	1,029
Fair value gains on investment properties	361	–
Gain on disposal of financial assets at fair value through profit or loss	7	187
Gain on sale of scrap materials	25	87
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Total gains, net	442	1,303
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Total other income and gains, net	5,174	5,635
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* There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Interest on lease liabilities	262	247
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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Cost of inventories sold	177,418	179,637
Depreciation of property, plant and equipment	3,188	3,457
Less: Amount included in cost of sales	<u>(1,832)</u>	<u>(1,957)</u>
	<u>1,356</u>	<u>1,500</u>
Depreciation of right-of-use assets	2,133	2,182
Less: Amount included in cost of sales	<u>(1,479)</u>	<u>(1,521)</u>
	<u>654</u>	<u>661</u>
Amortisation of intangible assets*	110	158
Less: Amount included in cost of sales	<u>(6)</u>	<u>(1)</u>
	<u>104</u>	<u>157</u>
Lease payments not included in the measurement of lease liabilities	1,037	435
Auditor's remuneration	325	324
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	61,072	60,387
Defined contribution scheme contributions [#]	1,864	1,991
Net benefit expense of a defined benefit plan	<u>1</u>	<u>2</u>
	<u>62,937</u>	<u>62,380</u>
Less: Amount included in cost of sales	<u>(45,749)</u>	<u>(46,290)</u>
Total	<u>17,188</u>	<u>16,090</u>
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	44	69
Changes in fair value of investment properties	(361)	98
Research and development costs	2,759	2,429
Write-back of impairment of obsolete inventories***	(95)	(258)
Loss on disposal/write-off of items of property, plant and equipment, net**	10	444
Write-off of investment properties**	–	544
Changes in fair value of financial assets at fair value through profit or loss**	<u>152</u>	<u>(97)</u>

* The amortisation of intangible assets are included in the following line items on the face of the consolidated statement of profit or loss and other comprehensive income:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Cost of sales	6	1
Selling and distribution expenses	7	6
Administrative expenses	<u>97</u>	<u>151</u>
Total	<u><u>110</u></u>	<u><u>158</u></u>

** These amounts are included in “Other expenses, net” on the face of the consolidated statement of profit or loss and other comprehensive income.

*** This amount is included in “Cost of sales” on the face of the consolidated statement of profit or loss and other comprehensive income.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. INCOME TAX

An analysis of the Group’s income tax is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Current:		
Charge for the year	5,657	6,032
Overprovision in prior years	<u>(575)</u>	<u>(2,442)</u>
	5,082	3,590
Deferred tax	<u>(60)</u>	<u>(307)</u>
Total tax expense for the year	<u><u>5,022</u></u>	<u><u>3,283</u></u>

9. DIVIDENDS

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Dividends paid during the year:		
Final dividend for 2024 – HK7.0 cents (equivalent to approximately US0.90 cents) (2023: HK5.0 cents (equivalent to approximately US0.64 cents)) per ordinary share	<u><u>9,988</u></u>	<u><u>7,171</u></u>
Proposed final dividend – HK8.5 cents (equivalent to approximately US1.09 cents) (2024: HK7.0 cents (equivalent to approximately US0.90 cents)) per ordinary share	<u><u>12,234</u></u>	<u><u>10,100</u></u>

The proposed final dividend for the year is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to shareholders of the Company of US\$24,545,000 (2024: US\$29,842,000), and the number of ordinary shares outstanding of 1,120,000,000 (2024: 1,120,000,000) during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during each of these years.

11. TRADE RECEIVABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade receivables	61,808	56,068
Impairment	(290)	(240)
Net carrying amount	<u>61,518</u>	<u>55,828</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within 1 month	25,020	22,948
1 to 2 months	21,462	20,311
2 to 3 months	13,905	11,661
Over 3 months	1,131	908
Total	<u>61,518</u>	<u>55,828</u>

12. TRADE AND BILLS PAYABLES

Trade and bills payables are unsecured, interest-free, and are normally settled on terms of 45 to 60 days.

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within 1 month	14,389	17,255
1 to 2 months	7,256	4,781
2 to 3 months	106	174
Over 3 months	52	1,500
Total	<u>21,803</u>	<u>23,710</u>

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW AND BUSINESS REVIEW

The Group is a leading global manufacturer specialising in the design, development and production of high quality recreational bags and packs, with a core focus on backpacks. We also provide premium supply chain management services to renowned multinational sports and lifestyle brands. Our established multi-regional manufacturing platform – spanning the People’s Republic of China (PRC), Vietnam and Cambodia – enables the Group to benefit from preferential import tariffs and favourable international trade policies, while offering customers flexible and efficient shipping solutions.

Throughout the year ended 31 December 2025 (the “**Year**”), heightened geopolitical tensions, renewed trade frictions and escalating tariff measures in certain jurisdictions continued to complicate global trade and supply chain planning, while inflationary pressures and regional conflicts weighed on order visibility. Against this backdrop, the Group delivered a stable operational performance, supported by its diversified manufacturing locations and long standing customer relationships. Our multi-regional manufacturing platform – comprising facilities in the PRC, Vietnam and Cambodia – remained central to our ability to serve customers reliably. Despite tariff pressures, shipments to the USA were roughly on par with last year, while our PRC production base, which primarily serves the China-to-China market, continued to show signs of improvement, with deliveries to the PRC recorded steady growth. At the same time, our Vietnam and Cambodia bases continued to serve as the primary manufacturing hubs for overseas orders and together accounted for around 85% of total production capacity for the Year, preserving flexibility to meet international customer requirements while capturing the rebound in domestic shipments.

OUTLOOK AND PROSPECTS

Looking ahead, tariff related challenges, inflationary pressures and regional conflicts may continue to weaken consumer momentum and disrupt supply chains. The Group remains committed to pursuing growth opportunities that deliver long-term value and promote sustainable development. In the near term, our priorities are to maximise utilisation of existing capacity, streamline production processes and drive efficiency and margin improvement.

As part of our long-term commitment to creating lasting value for the shareholders of the Company, the Group has advanced the proposed further development of its land parcel in Panyu, Guangdong, the PRC into the Glorieux Intelligent Manufacturing Industrial Park 澤榮智造產業園 (the “**Industrial Park Project**”), after careful planning. The Industrial Park Project is being implemented in phases. Phase 1 construction (the “**Phase 1 Construction**”) covers a site area of 21,128 square metres and comprises three main buildings (including a dormitory) with a total gross floor area of 91,901.31 square metres. This phased approach enables the Group to align construction and capital deployment with market demand while progressively enhancing the Group’s asset base. Nevertheless, the Group will continue to adopt prudent and responsible measures to preserve a healthy financial position and sustain operations throughout the development period.

FINANCIAL REVIEW

During the Year, the Group’s revenue was generated from sales of bags and packs manufactured for brand-owner customers. Total revenue for the Year remained broadly in line with the 2024 and amounted to approximately US\$238.8 million, representing a slight decrease of approximately US\$4.9 million or 2.0% from approximately US\$243.6 million for 2024. Total sales quantity also decreased slightly from approximately 23.5 million pieces for 2024 to approximately 22.9 million pieces for the Year, representing a decrease of approximately 0.6 million pieces or 2.7%. The sales mix across product categories remained largely stable, with outdoor and sporting bags category continued to contribute more than 80% of the total revenue. The average selling price per piece was US\$10.4, largely unchanged from last year. The breakdown of the revenue, sales quantity and average selling price by product category is set out below:

Product category	2025				2024			
	Revenue <i>US\$'000</i>	%	Sales quantity <i>Pc'000</i>	Average selling price <i>US\$/pc</i>	Revenue <i>US\$'000</i>	%	Sales quantity <i>Pc'000</i>	Average selling price <i>US\$/pc</i>
Outdoor & sporting	201,947	84.6	18,538	10.9	206,846	84.9	19,388	10.7
Fashion & casual	24,979	10.5	3,727	6.7	24,692	10.1	3,354	7.4
Functional	11,797	4.9	618	19.1	11,203	4.6	643	17.4
Others	28	0.0	5	5.6	871	0.4	134	6.5
Total	<u>238,751</u>	<u>100</u>	<u>22,888</u>	<u>10.4</u>	<u>243,612</u>	<u>100</u>	<u>23,519</u>	<u>10.4</u>

The Group's cost of sales for the Year amounted to approximately US\$180.7 million, representing a decrease of approximately US\$2.2 million or 1.2% from approximately US\$182.9 million for 2024. The decrease in cost of sales was generally in line with the decrease in sales. Gross profit for the Year amounted to approximately US\$58.1 million, representing a decline of approximately US\$2.6 million from approximately US\$60.8 million for 2024, while the gross profit margin for the Year decreased from 24.9% to 24.3%.

Administrative expenses for the Year were approximately US\$18.8 million, increased by approximately US\$0.5 million or 2.8% as compared to 2024. Selling and distribution expenses amounted to approximately US\$13.4 million, an increase of approximately US\$0.2 million or 1.8%. The slight increase in administrative, selling and distribution expenses was mainly attributable to increase in staff cost.

Profit attributable to shareholders for the Year decreased to US\$24.5 million, a decline of approximately US\$5.3 million or 17.8% compared with US\$29.8 million in 2024. Earnings per share decreased by 0.47 US cents to 2.19 US cents (2024: 2.66 US cents).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL EXPENDITURE

The Group's financial position remained solid throughout the Year. As at 31 December 2025 the Group had time deposits, cash and cash equivalents of approximately US\$85.7 million and no external borrowings. As a result, the gearing ratio of the Group was zero (31 December 2024: zero) as at 31 December 2025, calculated as total debt, excluding lease liabilities, divided by total equity. As at 31 December 2025, the Group also has unutilised banking facilities of approximately RMB193 million, designated solely to finance the Phase 1 Construction of the Industrial Park Project. During the year ended 31 December 2025, the Group incurred capital expenditure of US\$7.7 million, mainly attributable to the acquisition of property, plant and equipment intangible assets and the construction of the Industrial Park Project.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisition or disposals of subsidiaries or associates during the year ended 31 December 2025.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 7,800 employees (2024: approximately 8,400 employees). Salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance-related basis. Remuneration is reviewed annually. Staff benefits include contribution to mandatory contribution fund, discretionary bonus and share options. During the year ended 31 December 2025, no share options were granted to employees of the Group.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2025, there were no significant investments held by the Group (31 December 2024: Nil).

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2025, the existing buildings on the Group's land parcel in Panyu, Guangdong, the PRC, were pledged to secure the banking facilities granted to the Group for financing the Phase 1 Construction of the Industrial Park Project (31 December 2024: Nil).

FOREIGN CURRENCY EXPOSURE

The Group's purchases and operating costs are mainly denominated in Renminbi, Vietnamese Dong and US\$, while most of the Group's sales proceeds are received in US\$. As such, the Group is exposed to foreign currency risk. Any appreciation of Renminbi or Vietnamese Dong against US\$ may adversely affect the profitability. The Group currently does not have a foreign currency hedging policy. The Group will continue to monitor its foreign currency exposure closely and consider hedging significant foreign currency exposure should the need arises.

DIVIDENDS

The Directors have resolved to recommend the payment of a final dividend of HK8.5 cents per share (the "**Final Dividend**") to the Shareholders whose names appear on the register of members of the Company (the "**Register of Members**") on Monday, 29 June 2026.

The proposed Final Dividend is subject to the approval by the Shareholders at the annual general meeting to be held on Wednesday, 17 June 2026 (the "**2026 AGM**"). It is expected that the Final Dividend would be paid to the Shareholders on Friday, 17 July 2026.

CLOSURE OF REGISTER OF MEMBERS

To determine the eligibility of the Shareholders to attend the 2026 AGM, the Register of Members will be closed from Friday, 12 June 2026 to Wednesday, 17 June 2026, both days inclusive, during which no transfer of shares will be effected. In order to be entitled to attend and vote at the 2026 AGM, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, 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, 11 June 2026.

For the purpose of ascertaining Shareholder's entitlement for the Final Dividend, the Register of Members will be closed from Thursday, 25 June 2026 to Monday, 29 June 2026, both days inclusive. To qualify for the Final Dividend, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's Hong Kong branch share register, 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 Wednesday, 24 June 2026.

SHARE CAPITAL

As at 31 December 2025, the total amount of the issued share capital of the Company was HK\$11,200,000, divided into 1,120,000,000 shares of HK\$0.01 per share. There were no movements in the Company's share capital during the Year.

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix C1 to the Listing Rules for the year ended 31 December 2025. The Board and the management of the Group consider that maintaining a well-established corporate governance practices and procedures is the key to success, and firmly believe that the principles of transparency, accountability and independence are essential for upholding the interests of the stakeholders and maximizing Shareholders' value.

The Board is committed to excellence in corporate governance. It is responsible for developing and reviewing the Company's policies and practices on corporate governance as well as compliance with legal and regulatory requirements.

MODEL CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

The Audit Committee has discussed with the management and the external auditor of the Group and reviewed the annual results of the Group for the Year, including the accounting principles and practices adopted by the Group, and financial related matters.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures set out in the preliminary announcement in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the Year have been agreed by the Company's auditor, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by the Company's auditor 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 the Company's auditor on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement is published on the website of HKEXnews at www.hkexnews.hk and on the website of the Company at www.pihl.hk, respectively. The 2025 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders requiring a printed copy and published on the same websites in due course.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE AND COMPLIANCE WITH RULE 3.27A OF THE LISTING RULES

The Board also announces that with effect from 20 March 2026, (i) Ms. Sze Tak On has been appointed as a member of the nomination committee of the Company (the “**Nomination Committee**”); and (ii) Mr. Yeung Shu Kin has been re-designated as the chairman of the Nomination Committee. Following these change, the Nomination Committee comprises Mr. Yeung Shu Kin, as chairman, Mr. Chiu Che Chung Alan and Ms. Sze Tak On, as members, and the Company has re-complied with Rule 3.27A of the Listing Rules.

By order of the Board
Prosperous Industrial (Holdings) Limited
Yeung Shu Kin
Chairman

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises Mr. Yeung Shu Kin, Mr. Yeung Shu Kai and Mr. Yeung Wang Tony as executive Directors, Mr. Chau Chi Ming and Mr. Shih Chih-Hung as non-executive Directors and Mr. Chiu Che Chung Alan and Ms. Sze Tak On as independent non-executive Directors.