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Shinlong Automotive Lightweight Application Limited

勳龍汽車輕量化應用有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1930)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL SUMMARY

	For the year ended 31 December		
	2025	2024	Change
Revenue (<i>RMB'000</i>)	300,669	237,646	26.5%
Gross profit (<i>RMB'000</i>)	52,829	47,410	11.4%
Gross profit margin	17.6%	19.9%	-2.3 percentage points
Net profit attributable to owners of the Company (<i>RMB'000</i>)	15,107	16,035	-5.8%
Net profit margin	5.0%	6.7%	-1.7 percentage points
Basic earnings per share (<i>RMB cents</i>)	2.3	2.4	-4.2%
Diluted earnings per share (<i>RMB cents</i>)	2.3	2.4	-4.2%
Proposed final dividend per share (<i>HK cents</i>)	0.688^{Note}	0.719	
Proposed total dividend (<i>HKD million</i>)	4.5^{Note}	4.7	

Note:

On 24 March 2026, the board (the “**Board**”) of directors (the “**Directors**”) of the Company proposed a final dividend (the “**Final Dividend**”) of HK0.688 cents (equivalent to RMB0.611 cents) per ordinary share totalling approximately HKD4.5 million (equivalent to approximately RMB4.0 million) for the year ended 31 December 2025 (the “**FY2025**”), which is subject to the approval of the Company’s shareholders at 2025 annual general meeting (the “**2025 AGM**”) to be held on Thursday, 11 June 2026 and is expected to be paid by cash on Friday, 24 July 2026.

RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	3	300,669	237,646
Cost of sales		<u>(247,840)</u>	<u>(190,236)</u>
Gross profit		52,829	47,410
Other income and gains, net	4	2,831	8,523
Selling and distribution expenses		(5,616)	(6,483)
General and administrative expenses		(30,853)	(29,261)
Finance costs		<u>(767)</u>	<u>(975)</u>
PROFIT BEFORE TAX	5	18,424	19,214
Income tax expense	6	<u>(3,474)</u>	<u>(3,317)</u>
PROFIT FOR THE YEAR		<u>14,950</u>	<u>15,897</u>
Attributable to:			
Owners of the Company		15,107	16,035
Non-controlling interests		<u>(157)</u>	<u>(138)</u>
		<u>14,950</u>	<u>15,897</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

		Year ended 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent years:			
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax		<u>19</u>	<u>118</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years:			
Currency translation differences of the Company		<u>303</u>	<u>(280)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>322</u>	<u>(162)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>15,272</u>	<u>15,735</u>
Attributable to:			
Owners of the Company		<u>15,429</u>	15,873
Non-controlling interests		<u>(157)</u>	<u>(138)</u>
		<u>15,272</u>	<u>15,735</u>
EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
(in Renminbi (“RMB”) cents per share)			
Basic	7	<u>2.3</u>	2.4
Diluted	7	<u>2.3</u>	<u>2.4</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	8	167,454	184,732
Right-of-use assets		7,272	8,838
Intangible assets		1,542	1,347
Prepayments, other receivables and other assets		656	–
Deferred tax assets		8,153	3,947
Net investments in subleases		217	714
Restricted bank deposits	11	1,390	1,390
		<u>186,684</u>	<u>200,968</u>
TOTAL non-current assets			
CURRENT ASSETS			
Inventories	9	381,267	329,761
Trade and notes receivables	10	139,268	111,453
Prepayments, other receivables and other assets		8,075	9,605
Net investments in subleases		497	467
Restricted bank deposits	11	1,107	–
Cash and cash equivalents	11	28,001	31,034
		<u>558,215</u>	<u>482,320</u>
TOTAL current assets			
CURRENT LIABILITIES			
Trade payables	12	125,458	84,002
Other payables and accruals		24,655	36,060
Government grants		997	964
Contract liabilities		199,034	173,934
Interest-bearing bank and other borrowings		16,159	14,395
Income tax payable		5,221	2,571
Lease liabilities		966	1,548
		<u>372,490</u>	<u>313,474</u>
TOTAL current liabilities			
NET CURRENT ASSETS		<u>185,725</u>	<u>168,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u><u>372,409</u></u>	<u><u>369,814</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES			
Government grants		4,073	4,009
Interest-bearing bank borrowings		–	7,362
Deferred tax liabilities		449	487
Lease liabilities		501	1,467
		<hr/>	<hr/>
Total non-current liabilities		5,023	13,325
		<hr/>	<hr/>
Net assets		367,386	356,489
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	13	5,806	5,806
Treasury shares		(43)	(43)
Reserves		360,366	349,312
		<hr/>	<hr/>
		366,129	355,075
Non-controlling interests		1,257	1,414
		<hr/>	<hr/>
Total equity		367,386	356,489
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Shinelong Automotive Lightweight Application Limited (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands on 2 October 2018. The registered address of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are involved in the provision of comprehensive moulding services and solutions, covering product analysis, mould design and development, mould fabrication, assembling, testing and adjustment, trial production and after-sales services.

The Company and its subsidiaries now comprising the Group underwent a reorganisation (the “**Reorganisation**”) in preparation for an initial public offering (“**IPO**”) through the incorporation of the Company, the acquisition of Shinelong Intellectual Manufacture Precision Applied Materials (Suzhou) Company Limited (“**Shinelong (Suzhou)**”) and Kunshan Longjun Management Consulting Company Limited (“**Kunshan Longjun**”) by the Company, further allotment of ordinary shares and capitalisation issue. The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**” or “**HKEX**”) since 28 June 2019 (the “**Listing**”).

In the opinion of the directors of the Company (the “**Directors**”), the holding company of the Company is Shine Art International Limited (“**Shine Art**”), a company incorporated in the British Virgin Islands, and the ultimate controlling shareholder of the Company is Mr. Lin Wan-Yi.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for notes receivable measured at fair value through other comprehensive income. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 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 IAS 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 currency of overseas subsidiaries is the same as that for translation into the Group's presentation currency, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

While the adoption of some of the new and amended IFRS Accounting Standards may result in changes in accounting policies, none of these IFRS Accounting Standards other than IFRS 18 as described below is expected to have any significant impact on the Group's financial statements.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

3. REVENUE

3.1 Disaggregated revenue information

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of moulds		
Automotive moulds	203,860	182,452
Electrical appliance moulds	77,211	38,005
Other moulds	7,424	2,199
	<u> </u>	<u> </u>
Subtotal	288,495	222,656
	<u> </u>	<u> </u>
Parts processing services	9,742	13,082
Others	2,432	1,908
	<u> </u>	<u> </u>
Total	300,669	237,646
	<u> </u>	<u> </u>
Represented by:		
Goods and services transferred at a point in time	300,669	237,646
	<u> </u>	<u> </u>
Represented by:		
Geographic markets		
Mainland China	270,463	215,447
Overseas	30,206	22,199
	<u> </u>	<u> </u>
Total	300,669	237,646
	<u> </u>	<u> </u>

Set out below are the amounts of revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of moulds		
Automotive moulds	90,042	84,423
Electrical appliance moulds	12,950	7,311
Other moulds	2,404	205
Parts processing services	101	162
Others	17	–
	<hr/>	<hr/>
Total	105,514	92,101
	<hr/> <hr/>	<hr/> <hr/>

Revenue from major customers which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer 1	69,187	31,222
Customer 2	42,069	40,582
	<hr/>	<hr/>
Total	111,256	71,804
	<hr/> <hr/>	<hr/> <hr/>

3.2 Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of moulds

The performance obligation is satisfied upon the customers' issue of the final acceptance report. Generally, customers are required to pay approximately 30% of the total fee as a deposit upon the signing of the agreements and approximately 40% to 50% of the total fee when the moulds have been fabricated and are ready for delivery to the customers. The remaining balance is generally due within 20 to 180 days from the issue of the final acceptance report.

Parts processing services

The performance obligation is satisfied at the point in time when the processed parts are accepted by the customers and payment is generally due within 20 to 180 days from the acceptance of processed parts, except for certain customers, where payment in advance is required.

There was only one performance obligation in each of the Group's contracts and all revenues were recognised at a point in time during the reporting period. The transaction prices related to the performance obligations in the existing contracts that were unsatisfied as at the end of the reporting period are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	298,399	301,327
After one year	268,284	268,439
Total	<u>566,683</u>	<u>569,766</u>

The amounts of transaction prices related to the performance obligations which are expected to be recognised after one year mainly relate to the sales of automotive moulds due to the long inspection and examination period before the customers' final acceptance. All other amounts of transaction prices related to the performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

4. OTHER INCOME AND GAINS, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Other income, net		
Government grants (<i>Note</i>)	3,028	7,023
Interest income	680	499
Others	(705)	(224)
	<hr/>	<hr/>
Total other income, net	3,003	7,298
	<hr/>	<hr/>
(Losses)/gains, net		
Foreign exchange differences, net	(59)	145
(Loss)/Gain on disposal of items of property, plant and equipment	(113)	877
Gain on subleases classified as finance leases, net	–	203
	<hr/>	<hr/>
Total (losses)/gains, net	(172)	1,225
	<hr/>	<hr/>
Total other income and gains, net	<u>2,831</u>	<u>8,523</u>

Note: Government grants consist of: (a) unconditional grants received from the local government from time to time at the discretion of relevant government authorities. Such grants mainly represent cash subsidies granted by the local government to encourage the development of certain enterprises that are established in local special economic regions or to support general operations of those entities; and (b) government grants received for purchases of certain items of property, plant and equipment, which are recognised initially as a liability in the consolidated statement of financial position and subsequently recognised as other income when the associated costs, for which the grants are intended to compensate, are incurred. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials consumed	93,207	75,779
Direct labour cost	39,122	30,689
Subcontracting expenses	73,332	46,462
Depreciation of property, plant and equipment	17,660	17,539
Depreciation of right-of-use assets	1,566	2,996
Amortisation of intangible assets	523	580
Research and development costs	10,587	8,378
Lease payments not included in the measurement of lease liabilities	223	114
Interest on lease liabilities	75	59
Auditor's remuneration	1,361	1,512
Employee benefit expenses (including directors' and chief executive's remuneration):		
Salaries and bonuses	17,984	18,038
Pension scheme contributions	2,329	2,325
	<u>20,313</u>	<u>20,363</u>
Accrual of impairment losses on trade and notes receivables, net	1,793	893
Provision for warranty	1,053	2,020
Write-down/(Reversal of write-down) of inventories to net realisable value	1,362	(2,006)
Foreign exchange differences, net	<u>59</u>	<u>(145)</u>

6. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Tax on profits assessable in the PRC has been calculated at the applicable PRC corporate income tax (“CIT”) rate of 25%. Shinelong (Suzhou) was qualified as a high and new technology enterprise and enjoyed a preferential income tax rate of 15%. Xunzhan, Xunhou and Kunshan Longjun were qualified as small and micro-sized enterprises (“SME”) and enjoyed a 75% reduction in taxable income and the preferential income tax rate of 20% as their taxable incomes are below RMB3 million individually.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current — PRC	6,637	5,176
Deferred — PRC	(3,757)	(1,859)
Land Appreciation Tax (“LAT”) — PRC	594	—
	<u>3,474</u>	<u>3,317</u>
Total tax charge for the year	<u>3,474</u>	<u>3,317</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdictions in which the Company and its major operating subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	<u>18,424</u>	<u>19,214</u>
Statutory tax rate	25%	25%
Tax at the statutory tax rate	4,606	4,804
Lower tax rates enacted by local authority	(2,089)	(2,189)
Provision for LAT for the year	594	—
Expenses not deductible for income tax purposes	222	122
Adjustments in respect of current tax of previous periods	6	(358)
Additional deductible allowance for research and development expenses	(922)	(691)
Withholding tax on earnings distributed and anticipated to be remitted by the Group’s PRC subsidiaries	449	996
Tax losses not recognised	608	633
	<u>3,474</u>	<u>3,317</u>
Total tax charge for the year	<u>3,474</u>	<u>3,317</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
At 1 January 2024	83,060	148,941	7,200	1,843	2,445	20,663	264,152
Additions	–	1,071	995	–	345	16,722	19,133
Transfers	10,842	24,324	2,219	–	–	(37,385)	–
Disposals	–	(9,420)	(379)	(292)	–	–	(10,091)
At 31 December 2024	<u>93,902</u>	<u>164,916</u>	<u>10,035</u>	<u>1,551</u>	<u>2,790</u>	<u>–</u>	<u>273,194</u>
Additions	–	670	490	–	133	–	1,293
Disposals	–	(4,056)	(348)	–	(274)	–	(4,678)
At 31 December 2025	<u>93,902</u>	<u>161,530</u>	<u>10,177</u>	<u>1,551</u>	<u>2,649</u>	<u>–</u>	<u>269,809</u>
Accumulated depreciation							
At 1 January 2024	675	70,712	4,173	1,307	1,561	–	78,428
Depreciation charge for the year	3,641	12,530	877	263	228	–	17,539
Disposals	–	(6,876)	(338)	(291)	–	–	(7,505)
At 31 December 2024	<u>4,316</u>	<u>76,366</u>	<u>4,712</u>	<u>1,279</u>	<u>1,789</u>	<u>–</u>	<u>88,462</u>
Depreciation charge for the year	4,170	11,925	1,044	263	258	–	17,660
Disposals	–	(3,212)	(308)	–	(247)	–	(3,767)
At 31 December 2025	<u>8,486</u>	<u>85,079</u>	<u>5,448</u>	<u>1,542</u>	<u>1,800</u>	<u>–</u>	<u>102,355</u>
Net carrying amount							
As at 31 December 2024	<u>89,586</u>	<u>88,550</u>	<u>5,323</u>	<u>272</u>	<u>1,001</u>	<u>–</u>	<u>184,732</u>
As at 31 December 2025	<u>85,416</u>	<u>76,451</u>	<u>4,729</u>	<u>9</u>	<u>849</u>	<u>–</u>	<u>167,454</u>

As at 31 December 2025, the gross carrying amount of the fully depreciated property, plant and equipment of the Group that were still in use was approximately RMB38,077,000 (2024: RMB34,802,000).

As at 31 December 2025, the Group's buildings with a net carrying amount of approximately RMB72,731,000 (2024: RMB75,358,000) were mortgaged to secure the general bank facility granted to the Group.

9. INVENTORIES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	265,165	210,123
Work in progress	114,767	118,602
Raw materials and low value consumables	1,335	1,036
	<u>381,267</u>	<u>329,761</u>
Total	<u><u>381,267</u></u>	<u><u>329,761</u></u>

10. TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	89,237	72,145
Notes receivable	54,444	41,928
Impairment	(4,413)	(2,620)
	<u>139,268</u>	<u>111,453</u>
Net carrying amount	<u><u>139,268</u></u>	<u><u>111,453</u></u>

The Group generally grants a credit period of 20 to 180 days to customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and notes receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of the final acceptance report and net of loss allowance for impairment, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	18,377	18,994
31–60 days	12,709	8,477
61–90 days	8,526	4,062
91–180 days	13,683	11,453
181–365 days	22,512	20,735
Over 365 days	9,017	5,804
	<u>84,824</u>	<u>69,525</u>
Total	<u><u>84,824</u></u>	<u><u>69,525</u></u>

Set out below are the movements in loss allowance for impairment of trade and notes receivables:

	2025	2024
	RMB'000	RMB'000
At the beginning of year	2,620	1,727
Accrual of impairment losses, net	1,793	893
	<hr/>	<hr/>
At the end of year	4,413	2,620
	<hr/> <hr/>	<hr/> <hr/>

The Group has applied the simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days of ageing. If there is objective evidence of impairment existing individually for financial assets that are individually significant, an impairment loss is recognised in profit or loss. The Group performs a collective assessment for all other trade receivables that are not individually significant or for which impairment has not yet been identified by including the asset in a group of financial assets with similar credit risk characteristics for impairment. The collective provision calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has taken its expectations of economic impacts into consideration when making the forward-looking assumption underpinning the collective provision calculation.

Generally, trade receivables are written off when there is no reasonable expectation of recovering additional cash. Indicators include, among others, the bankruptcy of the customer and a failure to make contractual payments for a period of greater than 36 months.

The gross carrying amount of trade receivables individually measured is RMB204,000 (2024: RMB204,000) and the loss allowance for these trade receivables is RMB204,000 (2024: RMB204,000). Set out below is the information about the credit risk exposure on the Group's trade receivables using the collective provision calculation matrix:

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025					
Gross carrying amount	76,896	9,632	809	1,696	89,033
Expected credit loss rate	0.30%–1.42%	3.00%–11.77%	3.00%–35.82%	100.00%	4.73%
Expected credit losses	1,089	1,134	290	1,696	4,209
31 December 2024					
Gross carrying amount	64,407	3,981	2,827	726	71,941
Expected credit loss rate	0.30%–1.04%	3.00%–8.76%	3.00%–23.82%	100.00%	3.36%
Expected credit losses	668	349	673	726	2,416

The Group's notes receivables are recognised as debt investments at fair value through other comprehensive income and the Group applies the low credit risk simplification for the assessment of ECLs of notes receivable. At the end of the reporting period, the Group evaluated that the notes receivables are considered to have low credit risk.

11. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and bank balances	<u>30,498</u>	<u>32,424</u>
Less:		
Restricted bank deposits (<i>Note</i>)	<u>(2,497)</u>	<u>(1,390)</u>
Cash and cash equivalents	<u><u>28,001</u></u>	<u><u>31,034</u></u>

Note:

As at 31 December 2025, the Group has placed two restricted deposits in a bank with an aggregate amount of approximately RMB2,497,000 (31 December 2024: RMB1,390,000), one relating to certain performance guarantee issued by the bank to Zhangpu Town People's Government of Kunshan Municipality of approximately RMB1,390,000 for the acquisition of a piece of leasehold land, and the other of approximately RMB1,107,000, relating to a short-term performance bond provided for the fulfilment of a procurement contract.

As at 31 December 2025 and 31 December 2024, the Group's cash and bank balances denominated in RMB were held in Mainland China amounting to RMB27,094,000 and RMB28,409,000, respectively. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchanges business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

12. TRADE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	<u><u>125,458</u></u>	<u><u>84,002</u></u>

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 30 days	34,978	34,808
31–60 days	28,120	18,173
61–90 days	24,529	14,736
91–120 days	22,862	8,920
Over 120 days	14,969	7,365
	<hr/>	<hr/>
Total	125,458	84,002
	<hr/> <hr/>	<hr/> <hr/>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days.

13. SHARE CAPITAL

	31 December 2024 and 2025	
	<i>HKD'000</i>	<i>RMB'000</i>
Issued and fully paid/credited as fully paid: 660,000,000 ordinary shares of HKD0.01 each	<hr/> <hr/>	<hr/> <hr/>
	6,600	5,806

There was no change to the share capital of the Company for the year ended 31 December 2025.

14. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Proposed final dividend — RMB0.611 cents (2024: RMB0.663 cents) per ordinary share	<hr/> <hr/>	<hr/> <hr/>
	4,033	4,375

On 24 March 2026, the directors proposed a final dividend of HK0.688 cents (equivalent to RMB0.611 cents) per ordinary share totalling approximately HKD4,540,800 (equivalent to RMB4,032,600) for the year ended 31 December 2025, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed final dividend for the year ended 31 December 2024 was paid by the Company to its shareholders on 25 July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a developer and major supplier of customised moulds in the People's Republic of China (the "PRC"), with a focus on moulds for the production of automotive parts which cater for the growing trend of automotive lightweight application, as well as electrical appliance parts and other parts. The Group seeks to offer comprehensive moulding services and solutions to the customers, covering product analysis, mould design and development; mould fabrication, assembling, testing and adjustment; trial production and aftersales services.

In 2025, with escalating global tariff friction and intensifying geopolitical conflicts, trade tensions and severe political uncertainties have posed challenges to economic development, leading to a slowdown in global economic growth. Facing multiple pressures including a complex and severe external environment as well as prominent domestic structural imbalances between strong supply and weak demand, the Chinese government has actively implemented a series of macro-policies aimed at expanding domestic demand, boosting consumption and promoting innovation. As a result, the domestic economy has maintained a steady progress.

In 2025, driven by the continuous promotion of vehicle trade-in program and the preferential purchase tax policies for new energy vehicles, as well as accelerated innovation by automakers, intensive launches of new models and multi-dimensional promotional strategies, the production and sales of China's automobile increased by 10.4% and 9.4% year-on-year, respectively. The share of new energy vehicles in domestic new car sales exceeded 50%. However, issues such as global trade protectionism and intensifying industry competition also posed challenges to the automotive industry. The condition of the automobile market directly affects the automotive mould industry in which the Group operates, where competition is becoming increasingly fierce. In response to continuously squeezed profit margins, the Group implemented a series of cost-reduction and efficiency-enhancement measures during the reporting period.

Against the backdrop of a complex and ever-changing global economic landscape and insufficient domestic effective demand, the household appliance industry is also facing dual pressures from both internal and external environments. Domestic consumer product trade-in policies have, to some extent, facilitated the continuous release of consumption potential. Meanwhile, technological innovation by household electrical appliance enterprises and the industry's shift toward smart and high-end development have driven consumption upgrades, bringing new growth opportunities to both the household electrical appliance industry and household electrical appliance mould industry.

The revenue of the Group for FY2025 amounted to approximately RMB300.7 million, representing an increase of approximately RMB63.1 million or 26.5% as compared with that of RMB237.6 million for the year ended 31 December 2024 (the “FY2024”). Such increase was mainly due to the increase in revenue generated from the sales of electrical appliance moulds and automotive moulds in FY2025. The profit attributable to owners of the Company for FY2025 amounted to approximately RMB15.1 million, representing a decrease of 5.8% as compared with that of approximately RMB16.0 million for FY2024, such decrease was mainly due to the combined effects of (i) the decrease in government grants and the loss on asset disposal during the reporting period, which together resulted in a reduction in other income and gains, net; and (ii) the increase in general and administrative expenses.

OUTLOOK

Looking ahead, geopolitical and policy uncertainties may continue to dampen investment sentiment, keeping investment activities sluggish, and the global economy could face the risk of prolonged low growth. In response to a complex and evolving international environment as well as challenges such as intensifying industrial competition, the Chinese government will continue to implement more proactive macroeconomic policies to boost domestic demand and foster technological innovation, thereby providing solid support for stable economic development.

In 2026, policy measures such as the vehicle trade-in program and adjustment of the preferential purchase tax for new energy vehicles, along with advancements in vehicle intelligence and technological innovation, will contribute to the upgrade of automotive consumption and further tap into the consumption potential of the automobile market. Meanwhile, to alleviate the pressure of insufficient domestic demand, automakers are also accelerating their expansion into overseas markets. However, international trade barriers and policy risks, as well as intensifying domestic competition and cost pressures, will continue to pose significant challenges to both automotive and automotive mould enterprises.

Driven by sustained policy dividends and AI-enabled technological innovation, the household electrical appliance industry is moving toward a high-end, smart, and green future, which will continue to stimulate consumption in the household electrical appliance market and help household electrical appliance and household electrical appliance mould enterprises tap into the potential of the domestic market. On the other hand, sharply rising raw material costs have placed severe cost pressures on the industry. Against a backdrop of increasing complexity and unpredictability in the global trade environment, household electrical appliance and household electrical appliance mould enterprises are also confronted with multiple challenges.

In 2026, the Group will proactively respond to the challenges and opportunities arising from market dynamics and industrial restructuring. We will continue to identify opportunities for improvement across all aspects of production and operations to enhance efficiency, achieve cost reduction and efficiency gains, improve profit margins, and strengthen the Group's competitive advantages. We will deepen cooperation with existing high-quality clients and enhance customer loyalty. While further penetrating the domestic market, we will actively explore international markets.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately RMB300.7 million for FY2025, representing an increase of approximately RMB63.1 million or 26.5% as compared with that of approximately RMB237.6 million for FY2024.

The following table sets forth a breakdown of the revenue of the Group by business segment:

	For the year ended 31 December		
	2025 RMB'000	2024 RMB'000	Change %
Sales of moulds			
Automotive moulds	203,860	182,452	11.7
Electrical appliance moulds	77,211	38,005	103.2
Other moulds	7,424	2,199	237.6
Subtotal	288,495	222,656	29.6
Parts processing services	9,742	13,082	-25.5
Other	2,432	1,908	27.5
Total	<u>300,669</u>	<u>237,646</u>	<u>26.5</u>

(i) Sales of moulds

The Group principally engages in the design, development, manufacture and sales of customised hot-pressing moulds, hydroforming moulds and injection moulds which are used in auto manufacturing. Apart from automotive moulds, the Group also engages in the design, development, manufacture and sales of customised plastic moulds for the production of electrical appliance and other parts. Sales of moulds accounted for 96.0% of the Group's revenue for FY2025.

The revenue generated from sales of automotive moulds for FY2025 amounted to approximately RMB203.9 million, representing an increase of approximately RMB21.4 million or 11.7% as compared with that of approximately RMB182.5 million for FY2024. Such increase was mainly due to the net effects of (i) the large increase in amounts of the final acceptance reports received from two of the Group's major customers as compared with that for the previous year; and (ii) the decrease in revenue generated from one of the Group's major customers.

The revenue generated from sales of electrical appliance moulds for FY2025 amounted to approximately RMB77.2 million, representing an increase of approximately RMB39.2 million or 103.2% as compared with that of approximately RMB38.0 million for FY2024. Such increase was mainly due to the significant increase in amounts of the final acceptance reports received from one of the Group's major customers as compared with that for the previous year.

(ii) Parts processing services

Parts processing services principally include services provided to the customers for (i) modification of moulds the Group manufactured and sold; and (ii) processing machine parts that are used in automotive moulds and electrical appliance moulds. The revenue generated from parts processing services for FY2025 amounted to approximately RMB9.7 million, representing a decrease of approximately RMB3.4 million or 25.5% as compared with that of approximately RMB13.1 million for FY2024. Such decrease was due to the decrease in revenue generated from parts processing services for automotive moulds and electrical appliance moulds.

Cost of sales

The Group's cost of sales primarily consists of direct materials, direct labour, manufacturing overhead and subcontracting expenses. The major raw materials used by the Group in the production of moulds include, among others, mould steel, mould parts, casting parts, hot runner and mould base.

The cost of sales of the Group for FY2025 amounted to approximately RMB247.8 million, representing an increase of approximately RMB57.6 million or 30.3% as compared with that of approximately RMB190.2 million for FY2024. Such increase was mainly due to the increase in revenue generated from sales of electrical appliance moulds and automotive moulds during the reporting period.

Gross profit and gross profit margin

The gross profit of the Group for FY2025 amounted to approximately RMB52.8 million, representing an increase of approximately RMB5.4 million or 11.4% as compared with that of approximately RMB47.4 million for FY2024. The gross profit margin decreased from 19.9% for FY2024 to 17.6% for FY2025, which was mainly due to the decrease of approximately 4.3% in gross profit margin from sales of automotive moulds during the reporting period. Due to fierce market competition, order prices for certain automotive mould projects that the Group received final acceptance reports during the reporting period were lower.

Other income and gains

The other income and gains of the Group mainly consisted of government grants, interest income, gain on lease modification, gains on disposal of assets and foreign exchange differences. The amount decreased from approximately RMB8.5 million for FY2024 to approximately RMB2.8 million for FY2025, which was mainly due to (i) a decrease of approximately RMB4.0 million in government grants in FY2025 as compared with that of the previous year; and (ii) losses of approximately RMB0.1 million on disposal of assets recorded during the reporting period as compared to gains of approximately RMB0.9 million on disposal of assets recorded in the previous year.

Selling and distribution expenses

The selling and distribution expenses of the Group mainly consisted of staff costs for sales staff and provision for warranty. The selling and distribution expenses of the Group for FY2024 and FY2025 were approximately RMB6.5 million and approximately RMB5.6 million, respectively. Such decrease was mainly due to the decrease in provision for warranty of approximately RMB0.9 million in FY2025 as compared with that for FY2024.

General and administrative expenses

The general and administrative expenses of the Group for FY2025 amounted to approximately RMB30.9 million, representing an increase of approximately RMB1.6 million or 5.4% as compared with that of approximately RMB29.3 million for FY2024. Such increase was mainly due to net effects of (i) an increase of approximately RMB2.2 million in research and development costs; and (ii) a decrease of approximately RMB1.1 million in depreciation charge resulting from reduction on lease during the reporting period.

Finance costs

The finance costs of the Group mainly consisted of interest expenses on lease liabilities, bank borrowings and discounted notes receivable. The amount decreased from approximately RMB1.0 million for FY2024 to approximately RMB0.8 million for FY2025. Such decrease was mainly due to the decrease of approximately RMB0.3 million in interest on bank borrowings as compared to the corresponding period of the previous year.

Income tax expenses and effective tax rate

The income tax expenses of the Group increased from approximately RMB3.3 million for FY2024 to approximately RMB3.5 million for FY2025. The effective tax rate, representing income tax expense divided by profit before taxation, were 17.3% and 18.9% for FY2024 and FY2025, respectively.

Net profit and net profit margin

The Group recorded net profit attributable to owners of the Company of approximately RMB16.0 million and RMB15.1 million for FY2024 and FY2025, with a net profit margin of 6.7% and 5.0%, respectively. The decrease in net profit and net profit margin was mainly due to the combined effects of (i) the decrease of approximately 2.3% in gross profit margin as compared to that of the previous financial year, among which the gross profit margin generated from sales of automotive moulds decreased by 4.3% resulting from lower order prices for certain automotive mould projects that the Group received final acceptance report during the reporting period due to fierce market competition; (ii) the decrease of approximately RMB5.7 million in other income and gains; and (iii) the increase of approximately RMB1.6 million in general and administrative expenses.

Capital expenditure and commitments

The Group's capital expenditure in FY2025 primarily comprised expenditure on acquisition of plant and equipment, intangible assets and right-of-use assets and amounted to a total of approximately RMB15.0 million (FY2024: approximately RMB35.1 million).

As at 31 December 2025, the Group had capital commitments of approximately RMB0.5 million (31 December 2024: approximately RMB1.0 million).

Liquidity and financial resources

The Group's operations were primarily financed through cash generated from its operating activities for FY2025. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the sales of moulds and parts processing services. The Group's cash outflows from operating activities primarily comprised payments for purchases of raw materials, direct labour costs, subcontracting fees to third-party contractors and operating expenses such as staff costs.

As at 31 December 2025, the Group's total current assets and current liabilities were approximately RMB558.2 million (31 December 2024: approximately RMB482.3 million) and approximately RMB372.5 million (31 December 2024: approximately RMB313.5 million), respectively, while the current ratio was approximately 1.5 times (31 December 2024: approximately 1.5 times). The increase in total current assets as at 31 December 2025 was mainly due to (i) the increase in inventory of finished goods which comprised moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports; and (ii) the increase in trade and notes receivables. The increase in total current liabilities as at 31 December 2025 was mainly due to the combined effects of (i) the increase in trade payables and contract liabilities; and (ii) the decrease in other payables and accruals.

As at 31 December 2025, the Group had cash and bank balances of approximately RMB30.5 million (31 December 2024: approximately RMB32.4 million), among which restricted bank deposits were approximately RMB2.5 million (31 December 2024: approximately RMB1.4 million).

As at 31 December 2025, the Group's balance of interest-bearing bank and other borrowings were approximately RMB16.2 million (31 December 2024: approximately RMB21.8 million). As a result of the adjustment of the loan prime rate during the reporting period, the Group's borrowings interest rate was adjusted once during the reporting period. On 1 April 2025, the Group entered into a supplementary agreement for preferential loan interest rates, according to which the interest rate was lowered prospectively for outstanding borrowings from 3.3% to 3.0%. As at 31 December 2025, the Group's gearing ratio was 4.8% (31 December 2024: 6.9%), which was calculated based on interest bearing liabilities (including the lease liabilities) divided by total equity.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from operations and borrowings.

Reserves and capital structure

As at 31 December 2025, the Group's total equity was approximately RMB367.4 million (31 December 2024: approximately RMB356.5 million), which represented share capital of approximately RMB5.8 million (31 December 2024: approximately RMB5.8 million), reserves of approximately RMB360.4 million (31 December 2024: approximately RMB349.3 million), treasury shares of approximately RMB0.1 million (31 December 2024: approximately RMB0.1 million) and non-controlling interests of approximately RMB1.3 million (31 December 2024: approximately RMB1.4 million). The increase in total equity was primarily due to the net profit recorded for FY2025.

Property, plant and equipment

The Group's property, plant and equipment mainly comprised of buildings, machinery, furniture, fixtures and equipment, leasehold improvements and motor vehicles. As at 31 December 2025, the Group's property, plant and equipment amounted to approximately RMB167.5 million (31 December 2024: approximately RMB184.7 million).

Inventories

The Group's inventories comprised (i) raw materials and low-value consumables used in production, (ii) work-in progress for products being manufactured in the production plants, and (iii) finished goods which comprised moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports. As at 31 December 2025, the Group's inventories amounted to approximately RMB381.3 million (31 December 2024: approximately RMB329.8 million). Such increase was mainly due to the increase in orders received for automotive moulds, which resulted in an increase in finished goods of moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports.

Trade and notes receivables

The Group's trade and notes receivables represented amounts receivable from the customers in relation to the sales of moulds and provision of parts processing services. The Group's notes receivable were issued by the customers with which the Group could receive the amount at a fixed future date, or could readily be discounted into cash at an expense of finance charge. As at 31 December 2025, the Group's trade and notes receivables amounted to approximately RMB139.3 million (31 December 2024: approximately RMB111.5 million). Such increase was mainly due to an increase in quality guarantee deposits resulting from final acceptance of moulds during the reporting period, and an increase in the balance of notes receivables on hand.

The Group has stringent internal control measures in place to assess expected credit losses on trade receivables, reviewed the trade receivables ageing regularly and assessed the customers individually for provision for expected credit loss allowance which take into account the historical settlement pattern, communications with customers, and evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers.

Trade payables

The Group's trade payables primarily consisted of payable to the suppliers in relation to the purchase of the raw materials for the manufacture of moulds, and subcontracting fees payable to third-party contractors. As at 31 December 2025, the Group's trade payables amounted to approximately RMB125.5 million (31 December 2024: approximately RMB84.0 million). Such increase was primarily due to adjustments to payment cycles and methods with raw material suppliers during this reporting period, resulting in an increase in the amount of undiscounted notes receivable endorsed to suppliers.

Contract liabilities

The Group's contract liabilities consisted of the advances received to deliver moulds. Pursuant to the contract, the Group generally requires the customers to pay around 30% of the total fee when they place a purchase order and around 30% to 50% of the total fee when the moulds have been fabricated and are ready for delivery to the customers. Such payments from the customers were recorded as contract liabilities and the moulds related to these contract liabilities were recorded as work-in-progress for products being manufactured in production plants and finished goods in the Group's inventories.

After the moulds have passed the customers' final inspection and examination, the customers would issue final acceptance reports to the Group, at which time, the Group would recognise the sales and reverse the related contract liabilities and record the remaining balance of around 20% to 40% of the total fee as trade receivables.

As at 31 December 2025, the Group's contract liabilities amounted to approximately RMB199.0 million (31 December 2024: approximately RMB173.9 million), most of which represented payments from the customers for moulds that had passed their initial inspection but for which the Group had not received their final acceptance reports.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 379 employees (31 December 2024: 362 employees). To promote employees' knowledge and technical expertise, the Group offers training programmes to employees from time to time according to their job duties. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. In addition to basic remuneration, the Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement insurance, medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing funds. The Company also maintains a share option scheme and a share award scheme, which aims to providing incentives to employees to contribute to the Group's development.

The total staff cost including remuneration, other employee benefits and contributions to retirement schemes for the Directors and other staff of the Group for FY2025 amounted to approximately RMB59.4 million (FY2024: approximately RMB51.1 million). The increase in staff cost was mainly due to the increase in direct labor cost.

MATERIAL ACQUISITIONS AND DISPOSALS

During FY2025, the Group had no material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities (as at 31 December 2024: Nil).

PLEDGES OVER GROUP'S ASSETS

In October 2022, the Group entered into a ten-year general facility agreement with a maximum credit limit of RMB80.0 million with Jiangsu Kunshan Rural Commercial Bank Co., Ltd. Zhangpu Sub-branch, which was raised to approximately RMB89.6 million in January 2024. The general facility was secured by the mortgages over the Group's leasehold land with a net carrying value of approximately RMB6.2 million at the end of the reporting period (31 December 2024: approximately RMB6.5 million), together with the new plant on the leasehold land with a net carrying value of approximately RMB72.7 million at the end of the reporting period (31 December 2024: approximately RMB75.4 million). As at 31 December 2025, the Group had borrowings of approximately RMB9.4 million in aggregate under the general facility agreement, comprising one short-term borrowing of approximately RMB2.0 million which bore interest at a rate of 2.5% per annum and was repaid in January 2026, and two long-term borrowings of approximately RMB7.4 million which bore interest at a rate of 3.0% per annum (2024: 3.3% per annum), which are repayable in June 2026.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 December 2025.

FOREIGN CURRENCY EXPOSURE

Since the Group generated most of the revenue and incurred most of the costs in Renminbi for FY2025, there was no significant exposure to foreign exchange rate and the Group did not maintain any hedging policy against foreign exchange risk. The management will consider hedging significant currency exposure should the need arise.

USE OF PROCEEDS

The net proceeds (the “**Net Proceeds**”) from the global offering and the listing of the Company shares (the “**Listing**”), after deducting the underwriting fees and other related expenses in connection with the Listing, was approximately HKD95.6 million. The business objectives, future and planned use of proceeds as stated in the prospectus of the Company dated 17 June 2019 (the “**Prospectus**”) were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the Net Proceeds were applied based on the actual development of the Group's business and the industry. The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group.

The Board has resolved to change the intended use of the unutilised Net Proceeds. For further details, please refer to the announcement of the Company dated 27 August 2024.

The following table sets out the utilisation of the Net Proceeds as at 31 December 2025:

	Percentage of Net Proceeds	Net Proceeds from the Global offering <i>HKD' million</i>	Revised allocation <i>HKD' million</i>	Utilised up to 31 December 2025 <i>HKD' million</i>	Unutilised as at 31 December 2025 <i>HKD' million</i>
Lease the premises for new factory	4.0%	3.8	–	3.8	–
General set up costs of the factory	3.2%	3.1	–	3.1	–
Purchase new production equipment	76.3%	72.9	0.9	73.8	–
Purchase softwares	6.5%	6.2	(0.9)	5.3	–
Supplement working capital	10.0%	9.6	–	9.6	–
	<u>100.0%</u>	<u>95.6</u>	<u>–</u>	<u>95.6</u>	<u>–</u>

As at 31 December 2025, the Net Proceeds have been fully utilised.

COMPARISON OF EXPANSION PLANS WITH ACTUAL PROGRESS

The Group has fully implemented the expansion plans as described in the Prospectus. An analysis comparing the expansion plans of the Group as set out in the Prospectus with the Group's actual business progress as at 31 December 2025 is set out below:

Expansion plans	Implementation plans	Actual business progress
Setting up a new factory	— Lease and set up a new factory	<p>— The Group has leased a factory with a gross floor area of approximately 1,800 sq.m. in Kunshan in September 2019.</p> <p>— The Group has leased a factory and office premises with a gross floor area of approximately 1,407 sq.m. in Kunshan in August and October 2020.</p>
	— General set up costs of the factory	— The Group has utilised an aggregate of HKD3.1 million on the construction of the foundation for the automatic thermoforming press line and the electrical distribution works.
Expanding the production facilities and capabilities	— Purchase new production equipment	— The Group has utilised an aggregate of HKD73.8 million to acquire one coordinate measuring machine, eleven computerised numerical control machines, a set of automatic thermoforming press lines, a set of hydraulic press used for hot forming, die spotting and testing and a set of heating furnace, a set of hydraulic press (including automatic handling system, heating furnace and heating control system) used for mould production and debugging, a set of hydraulic press used for mould die spotting.
	— Purchase softwares	— The Group has utilised an aggregate of HKD5.3 million to acquire computer softwares for product analysis and mould design.

EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of these financial statements, apart from the events mentioned elsewhere in these financial statements, there was no other significant event subsequent to 31 December 2025.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 11 June 2026. Notice of the 2025 AGM will be published on the Company's website (www.shinlone.com.cn) and the Hong Kong Stock Exchange's website (www.hkexnews.hk) and will be dispatched to the Shareholders of the Company (the "**Shareholders**") who requested the printed copy within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

FINAL DIVIDEND

As compared with that for FY2024, the Group's revenue increased by approximately 26.5% and its net profit attributable to owners of the Company decreased by approximately 5.8% for FY2025. Given the uncertainty of the world economic conditions, as well as considering the capital requirements for the outstanding payment related to the plant construction, in order to maintain a stable financial condition and reserve working capital to tackle any unpredicted events, the Board recommends the payment of Final Dividend of HK0.688 cents (equivalent to RMB0.611 cents) per Share totalling approximately HKD4.5 million (equivalent to approximately RMB4.0 million) for the year ended 31 December 2025. The proposed Final Dividend is subject to the approval of the Shareholders at the 2025 AGM to be held on Thursday, 11 June 2026 and is expected to be paid by cash on Friday, 24 July 2026.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2025 AGM

The 2025 AGM will be held on Thursday, 11 June 2026 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026, both days inclusive, during which period no transfer of the Shares will be registered. To qualify for attending and voting at the 2025 AGM, all properly completed share transfer forms accompanied by 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 no later than 4:30 p.m. on Friday, 5 June 2026. Shareholders whose names appear on the register of members of the Company on Thursday, 11 June 2026 will be entitled to attend and vote at the 2025 AGM.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF FINAL DIVIDEND

Upon obtaining approval of the Shareholders at the forthcoming 2025 AGM, for the purpose of determining the Shareholders' entitlement to the Final Dividend, the register of members of the Company will be closed from Wednesday, 17 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of the Shares will be registered. To qualify for the proposed Final Dividend, all properly completed share transfer forms together 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 no later than 4:30 p.m. on Tuesday, 16 June 2026. Shareholders whose names appear on the register of members of the Company on Thursday, 18 June 2026 will be entitled to receive the Final Dividend (subject to the approval by the Shareholders at the 2025 AGM).

REVIEW OF ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

The members of the Audit Committee comprises Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu who are independent non-executive Directors.

REVIEW OF PRELIMINARY ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for FY2025. The work performed by Ernst & Young 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 Ernst & Young on this annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code for the year ended 31 December 2025 and up to the date of this announcement.

The Company has also adopted the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Model Code by the employees was noted by the Company for the year ended 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules as the basis of the Company’s corporate governance practices.

The Board is of the view that throughout the year ended 31 December 2025 and up to the date of this announcement, the Company has complied with all the code provisions as set out in the CG Code, except for code provision C.2.1 as set out below.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Group does not have a separate chairman and chief executive officer and Mr. Lin Wan-Yi currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Given that (i) all material decisions are approved by the Board, which currently comprises four executive Directors (including Mr. Lin Wan-Yi), one non-executive Director and three independent non-executive Directors; and (ii) the Directors proactively participate in all the board meetings and the relevant board committee meetings, and the chairman cum chief executive officer ensures all the Directors are

duly informed of all the matters to be approved at the meetings, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

The Company has also put in place certain recommended best practices as set out in the CG Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during FY2025 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, as at the date of this announcement, the Directors confirm that the Company maintained sufficient public float as required under the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.shinlone.com.cn) and the Hong Kong Stock Exchange's website (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required under the Listing Rules will be dispatched to the Shareholders who requested the printed copy and made available on the above websites in due course.

By Order of the Board
Shinlong Automotive Lightweight Application Limited
Lin wan-Yi
Chairman and Executive Director

Hong Kong, 24 March 2026

As at the date of this announcement, the Board comprises Mr. Lin Wan-Yi as Chairman and executive director; Mr. Yung Chia-Pu, Mr. Cheng Ching-Long and Mr. Lu Jen-Chieh as executive directors; Ms. Hsieh Pei-Chen as a non-executive director; and Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu as independent non-executive directors.