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Sinomax Group Limited

盛諾集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1418)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

PERFORMANCE HIGHLIGHTS

- Revenue for the Reporting Period increased by approximately HK\$605.6 million or 14.8% to approximately HK\$4,696.7 million, as compared to approximately HK\$4,091.1 million for FY2024.
- Gross profit for the Reporting Period increased by approximately HK\$55.3 million or 5.3% to approximately HK\$1,102.3 million, as compared to approximately HK\$1,047.0 million for FY2024.
- Profit for the Reporting Period decreased by approximately HK\$77.8 million or 47.8% to a profit of approximately HK\$84.8 million, as compared to approximately HK\$162.6 million for FY2024.
- The Board resolved to propose a final dividend of HK0.5 cents (2024 final dividend: HK1.3 cents) per share.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sinomax Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the audited comparative figures for the previous financial year ended 31 December 2024 (“**FY2024**”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	4,696,685	4,091,144
Cost of sales	7	(3,594,429)	(3,044,162)
Gross profit		1,102,256	1,046,982
Selling and distribution expenses	7	(589,743)	(494,324)
Administrative expenses	7	(310,798)	(267,354)
Research and development costs	7	(89,698)	(87,966)
Net (provision for)/reversal of impairment losses of financial assets		(6,486)	4,158
Other income	4	45,666	54,936
Other gains/(losses), net	5	15,960	(11,877)
Operating profit		167,157	244,555
Finance costs	6	(59,087)	(50,085)
Share of (loss)/profit of an associate	8	(206)	5,025
Profit before income tax		107,864	199,495
Income tax expense	9	(23,018)	(36,846)
Profit for the year		84,846	162,649

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

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences arising on translation of foreign operations		<u>38,003</u>	<u>(38,465)</u>
Other comprehensive income/(loss) for the year		<u>38,003</u>	<u>(38,465)</u>
Total comprehensive income for the year		<u>122,849</u>	<u>124,184</u>
Profit for the year attributable to:			
Owners of the Company		<u>60,300</u>	138,068
Non-controlling interests		<u>24,546</u>	<u>24,581</u>
		<u>84,846</u>	<u>162,649</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		<u>94,124</u>	88,197
Non-controlling interests		<u>28,725</u>	<u>35,987</u>
		<u>122,849</u>	<u>124,184</u>
Earnings per share			
– Basic and diluted (<i>HK cents</i>)	<i>11</i>	<u>3.45</u>	<u>7.89</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		401,429	415,760
Right-of-use assets		307,670	299,327
Investment properties		22,986	28,026
Goodwill		177,286	5,170
Intangible assets		49,760	7,621
Interests in an associate	<i>8</i>	–	54,654
Deposits	<i>12</i>	33,765	29,822
Deferred tax assets		48,441	51,512
		<u>1,041,337</u>	<u>891,892</u>
		----- 1,041,337	----- 891,892
Current assets			
Inventories		660,125	476,548
Trade and other receivables	<i>12</i>	1,006,788	777,273
Bill receivables	<i>13</i>	148,923	112,365
Trade receivables at fair value through other comprehensive income	<i>14</i>	16,442	36,472
Restricted bank deposits		2,588	–
Cash and cash equivalents		367,825	262,436
		<u>2,202,691</u>	<u>1,665,094</u>
		----- 2,202,691	----- 1,665,094
Total assets		<u>3,244,028</u>	<u>2,556,986</u>
		----- 3,244,028	----- 2,556,986
Equity			
Equity attributable to the Company's equity holders			
Share capital		175,000	175,000
Reserves		856,957	798,705
		<u>1,031,957</u>	<u>973,705</u>
Equity attributable to owners of the Company		1,031,957	973,705
Non-controlling interests		47,283	26,051
		<u>1,079,240</u>	<u>999,756</u>
		----- 1,079,240	----- 999,756
Total equity		<u>1,079,240</u>	<u>999,756</u>

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

AT 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		240,438	250,763
Deferred government grant	<i>15</i>	124	494
Deferred tax liabilities		12,159	11,077
		<u>252,721</u>	<u>262,334</u>
Current liabilities			
Trade and other payables	<i>15</i>	988,970	743,366
Bill payables	<i>16</i>	71,166	29,690
Contract liabilities		7,198	12,701
Unsecured bank borrowings		695,611	401,102
Lease liabilities		124,042	91,926
Taxation payable		25,080	16,111
		<u>1,912,067</u>	<u>1,294,896</u>
Total liabilities		<u>2,164,788</u>	<u>1,557,230</u>
Total equity and liabilities		<u>3,244,028</u>	<u>2,556,986</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL

The Group manufactures and sells health and household products. The Company acts as an investment holding company and the principal activities of the Group are conducted by its principal subsidiaries.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, KY1-1104, Cayman Islands.

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is a subsidiary of Sinomax Enterprises Limited (“**Sinomax Enterprises**”), a company incorporated in the British Virgin Islands.

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated, and have been approved for issue by the Board of Directors (the “**Board**”) on 24 March 2026.

2. BASIS OF PREPARATION

(i) **Compliance with HKFRS Accounting Standards and the disclosure requirements of Hong Kong Companies Ordinance**

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

(ii) **Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for certain trade receivables at fair value through other comprehensive income which were stated at fair value.

(iii) Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the first time for its annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The amendments to standards listed above did not have any material impact on the amounts recognised in prior and are not expected to significantly affect the current or future periods of the Group.

(iv) New standards and amendments to standards and an interpretation not yet adopted

Certain new standards and amendments to standards and an interpretation have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 August 2025
HKFRS S2	Climate-related Disclosures	1 August 2025
Amendments to HKAS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 January 2026
Amendments to HKAS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	To be confirmed by the HKICPA

The directors of the Group are of the opinion that the adoption of the above new standards and amendments to standards and an interpretation would not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standards and amendments to standards and an interpretation when they become effective.

3. REVENUE AND SEGMENT INFORMATION

Executive Directors have been identified as the chief operating decision maker (“**CODM**”). The Executive Directors review the Group’s internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is currently organised into the following three geographical markets:

China market	Manufacture and sale of health and household products and polyurethane foam for customers located in the People’s Republic of China (the “ PRC ”), Hong Kong and Macau.
North American market	Manufacture and sale of health and household products for customers located in the United States (the “ U.S. ”), Canada and other North American countries.
Europe and other overseas markets	Manufacture and sale of health and household products and foam for customers located in overseas except for those customers located in the China market and North American market.

(i) **Segment revenue**

The following is an analysis of the Group's revenue by operating and reportable segments:

For the year ended 31 December 2025

	China market <i>HK\$'000</i>	North American market <i>HK\$'000</i>	Europe and other overseas markets <i>HK\$'000</i>	Total <i>HK\$'000</i>
External sales	1,857,677	1,773,633	1,065,375	4,696,685
Cost of sales				(3,594,429)
Selling and distribution expenses				(589,743)
Administrative expenses				(310,798)
Research and development costs				(89,698)
Net provision for impairment losses of financial assets				(6,486)
Other income				45,666
Other gains, net				15,960
Finance costs				(59,087)
Share of loss of an associate				(206)
Profit before income tax				<u><u>107,864</u></u>

For the year ended 31 December 2024

	China market <i>HK\$'000</i>	North American market <i>HK\$'000</i>	Europe and other overseas markets <i>HK\$'000</i>	Total <i>HK\$'000</i>
External sales	1,748,790	1,624,615	717,739	4,091,144
Cost of sales				(3,044,162)
Selling and distribution expenses				(494,324)
Administrative expenses				(267,354)
Research and development costs				(87,966)
Net reversal of impairment losses of financial assets				4,158
Other income				54,936
Other losses, net				(11,877)
Finance costs				(50,085)
Share of profit of an associate				<u>5,025</u>
Profit before income tax				<u><u>199,495</u></u>

(ii) **Disaggregation of revenue from contracts with customers**

(a) ***Type of major products***

Revenue recognised at a point in time during the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of health and household products	3,326,738	2,728,901
Sales of polyurethane foam	<u>1,369,947</u>	<u>1,362,243</u>
Total	<u><u>4,696,685</u></u>	<u><u>4,091,144</u></u>

(b) Geographical markets

Information about the Group's revenue from external customers is presented based on the location of the retail shops, concession counters and online platforms or location of customers for wholesales.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
China market		
– The PRC	1,521,556	1,481,634
– Hong Kong, Macau and others	336,121	267,156
North American market		
– The U.S.	1,550,717	1,379,371
– Others	222,916	245,244
Europe and other overseas markets	<u>1,065,375</u>	<u>717,739</u>
Total	<u><u>4,696,685</u></u>	<u><u>4,091,144</u></u>

The Company is domiciled in the Cayman Islands while the Group operates its business primarily in China, North American, Europe and other overseas markets. For the years ended 31 December 2025 and 2024, no revenue was generated from the Cayman Islands and no non-current assets were located in the Cayman Islands.

(iii) Other segment information

Geographical information

Information about the Group's non-current assets (excluding deposits and other receivables and deferred tax assets) is presented based on the geographic location of the assets:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The U.S.	437,976	386,711
The PRC	247,845	253,569
Europe	162,717	54,654
Hong Kong	23,901	24,641
Vietnam	<u>86,692</u>	<u>90,983</u>
	<u><u>959,131</u></u>	<u><u>810,558</u></u>

Impairment losses by operating segments

The following impairment losses are included in the consolidated statement of profit or loss for the year and are attributable to the following operating segments:

For the year ended 31 December 2025

	China market <i>HK\$'000</i>	North American market <i>HK\$'000</i>	Europe and other overseas markets <i>HK\$'000</i>	Total <i>HK\$'000</i>
Impairment losses on property, plant and equipment	–	(27,353)	–	(27,353)
Impairment losses on right-of-use assets	–	(17,727)	–	(17,727)
Total impairment losses	<u>–</u>	<u>(45,080)</u>	<u>–</u>	<u>(45,080)</u>

For the year ended 31 December 2024

No impairment losses on property, plant and equipment or right-of-use assets were recognised during the year ended 31 December 2024.

(iv) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receipt in advance from customers for the sales of health and household products	<u>7,198</u>	<u>12,701</u>

The following table shows how much of the revenue recognised in the year was related to carried forward contract liabilities.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of health and household products	<u>12,701</u>	<u>15,629</u>

(v) Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold or services performed, stated net of discounts, returns and value-added taxes. The Group recognises revenue when the specific criteria have been met for each of the Group's activities, as described below.

Revenue is recognised at a point in time when or as the control of goods is transferred to a customer.

When determining the transaction price to be allocated to different performance obligations, the Group first determines the service fees that the Group is entitled to in the contract period and adjusts the transaction price for variable considerations and significant financing component, if any. The Group includes in the transaction price some of all of an amount of variable considerations only to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract related asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract related asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer or cost to obtain a contract. A receivable is recorded when the Group has an unconditional right to a consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) Revenue from sales of health and household products – Retail

For sales of health and household products through the Group's retail network, which comprises self-operated stand-alone retail shops, concession counters in department stores: and online platforms, revenue is recognised when control of the goods has been transferred, being at the point the customer purchases and receives the goods at the retail shops and concession counters in department stores or when the goods are delivered.

Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store or makes an order online. Under the Group's standard contract term, the end customer has no right to refund or exchange for most of the household products, including pillows and bedding products.

For sales of health and household products on internet, revenue is recognised when control of the goods has been transferred to the customers, being at the point the goods are delivered to and received by the customers. Delivery occurs when the goods have been delivered to the customer's specific location. When the customers initially purchase the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers.

Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store or makes an order online. Under the Group's standard contract term, the end customer has no right to exchange or refund.

(b) Revenue from sales of polyurethane foam and health and household products – Wholesale

For sales of health and household products to the wholesalers, revenue is recognised when control of the products has been transferred, being when the goods have been delivered to and received by the wholesalers' specific location, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products.

Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Under the Group's standard contract term, the customer has no rights to return once the goods are accepted by the buyers. The Group generally allows a credit period ranging from 7 days to 120 days upon delivery.

4. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from bank deposits	2,768	5,209
Interest income from cash consideration receivables	–	223
Imputed interest income from rental deposits	1,412	1,347
Interest income from investment in subleases	13	88
Government subsidies (<i>note</i>)	7,898	6,788
Rental income	9,642	11,425
Others	23,933	29,856
	<u>45,666</u>	<u>54,936</u>

Note:

The amount mainly represents government grants provided by PRC government related to foreign capital injection, and new material technology development projects which is in cooperation with the local PRC government.

5. OTHER GAINS/(LOSSES), NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Losses on disposal of property, plant and equipment	(2,325)	(12,158)
Net exchange differences	(22,083)	281
Remeasurement gain on previously held interests in a then associate, net	84,954	–
Gain on early termination of right-of-use assets	494	–
Impairment losses on property, plant and equipment	(27,353)	–
Impairment losses on right-of-use assets	(17,727)	–
	<u>15,960</u>	<u>(11,877)</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	31,276	23,271
Interest on lease liabilities	20,710	17,893
Interest and charges on factoring of trade receivables	7,101	8,921
	<u>59,087</u>	<u>50,085</u>

7. EXPENSES BY NATURE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories recognised as expenses	2,831,833	2,372,585
Employee benefits expenses	753,885	639,098
Amortisation of intangible assets	3,398	1,778
Auditor's remuneration		
– Audit service	4,020	3,210
– Non-audit service	880	1,180
Bank charges	13,750	12,469
Concessionaire commission for department store counters (<i>note</i>)	32,148	33,973
Expenses relating to short-term or low value leases	16,821	8,576
Depreciation of investment properties	2,165	2,469
Depreciation of property, plant and equipment	81,469	71,296
Depreciation of right-of-use assets	105,844	84,138
Provision/(reversal of provision) for inventories	17,524	(15,425)
Legal and professional fees	28,564	19,904
Marketing expenses	196,670	138,759
Transportation expenses	136,383	117,036
Others	359,314	402,760
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses, administrative expenses, and research and development costs	<u>4,584,668</u>	<u>3,893,806</u>

Note:

Concessionaire commission for department store counters is generally calculated by applying pre-determined percentages to actual sales made through respective counters.

8. INTERESTS IN AN ASSOCIATE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	54,654	–
Acquisition of an associate (<i>note i</i>)	–	51,170
Share of (loss)/profit from an associate	(206)	5,025
Remeasurement upon step acquisition (<i>notes ii and 18</i>)	84,954	–
Transfer to subsidiaries upon step acquisition (<i>note ii</i>)	(145,315)	–
Exchange difference	5,913	(1,541)
	<u>–</u>	<u>54,654</u>
As at 31 December	<u>–</u>	<u>54,654</u>

Particular of the then associate of the Group as at 31 December 2025 and 2024 is as follows:

Name of associate	Place of incorporation/ operations/ establishment	% of		Measurement method	Carrying amount	
		2025	2024		2025	2024
					<i>HK\$'000</i>	<i>HK\$'000</i>
MDKH	Denmark	N/A (<i>note ii</i>)	45%	Equity method	N/A (<i>note ii</i>)	54,654

Note i:

On 14 October 2024, a wholly-owned subsidiary of the Company (the “**Subsidiary**”) and, among others, MDKH entered into a subscription agreement (the “**Subscription Agreement**”) pursuant to which the Subsidiary agreed to subscribe for 45% equity interests of MDKH upon closing at a consideration of EUR 6,000,000 (equivalent to approximately HK\$51,170,000).

Note ii:

On 4 August 2025, the Subsidiary subscribed for additional shares at a consideration of EUR5,000,000 (equivalent to approximately HK\$45,392,000) for MDKH, the then associate of the Group. Following the subscription, the Group held a 55% equity interests of MDKH and obtained control of MDKH. See note 18 for details of the business combination of MDKH.

9. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong profits tax (<i>note i</i>)	3,313	506
PRC enterprise income tax (“EIT”) (<i>note ii</i>)	12,629	21,212
Overseas taxation	1,727	4,987
PRC withholding tax on distributed profits from PRC subsidiaries	<u>2,182</u>	<u>5,038</u>
	<u>19,851</u>	<u>31,743</u>
Over provision in prior years:		
Hong Kong Profits Tax	<u>–</u>	<u>(21)</u>
	<u>–</u>	<u>(21)</u>
Deferred taxation	<u>3,167</u>	<u>5,124</u>
	<u>23,018</u>	<u>36,846</u>

Notes:

- (i) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%, while only one entity nominated by a group of “connected entities” will be entitled to select the lower tax rate. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

- (ii) Under the Law of the People’s Republic of China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, PRC EIT is calculated based on the statutory rate of 25% of the assessable profit of those subsidiaries established in the PRC for both years, except for certain PRC subsidiaries being approved as High and New Technology Enterprise by the relevant government authorities which are subject to a preferential tax rate of 15% for a 3-year period which will expire in 2026.

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Profit before income tax	107,864	199,495
<i>Add/less:</i> Share of loss/(profit) from an associate	<u>206</u>	<u>(5,025)</u>
	<u>108,070</u>	<u>194,470</u>
Tax at the Hong Kong profits tax rate at 16.5% (2024: 16.5%)	17,832	32,088
Effect on different tax rates of subsidiaries operating in other jurisdictions	(31,112)	11,190
Tax effect of expenses not deductible for tax purposes	4,346	3,475
Tax effect of income not taxable for tax purposes	(8,239)	(9,243)
Over-provision in prior years	–	(21)
Tax effect of tax loss not recognised	45,456	1,864
Utilisation of tax loss previously not recognised	(6,921)	(7,289)
Withholding tax on undistributed earnings of PRC subsidiaries	1,821	4,947
Income tax on concessionary rate	<u>(165)</u>	<u>(165)</u>
Income tax expense	<u>23,018</u>	<u>36,846</u>

10. DIVIDENDS

An interim dividend of HK0.5 cents per share, amounting to HK\$8,750,000 in total, was paid on 8 October 2025. Subsequent to the end of the reporting period, a final dividend of HK0.5 cents (2024: HK1.3 cents) per share in respect of the year ended 31 December 2025, amounting to HK\$8,750,000 has been proposed by the board of directors and is subject to approval of shareholders in the forthcoming annual general meeting. The proposed final dividend is not recognised as a liability as at 31 December 2025.

During the year ended 31 December 2025, a subsidiary of the Company paid dividend amounting to HK\$21,805,000 (2024: HK\$2,668,000) to non-controlling interests.

11. EARNINGS PER SHARE

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

	2025	2024
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company (<i>HK\$'000</i>)	<u>60,300</u>	<u>138,068</u>
Number of shares for the purpose of basic and diluted loss per share: (<i>'000</i>)		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,750,002</u>	<u>1,750,002</u>
Basic and diluted earnings per share (<i>HK cents</i>)	<u>3.45</u>	<u>7.89</u>

The diluted earnings per share is the same as the basic earnings per share for the year ended 31 December 2025 as there were no potential dilutive ordinary shares outstanding during the year.

For the year ended 31 December 2024, all share options lapsed during the year. Prior to their lapse, the exercise prices of the share options were higher than the average market price of the shares, and therefore those share options had an anti-dilutive effect and were excluded from the computation of diluted earnings per share. Following the lapse of all share options, there were no outstanding potential dilutive ordinary shares as at 31 December 2024.

12. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	862,385	649,369
<i>Less: allowance for credit losses</i>	<u>(25,036)</u>	<u>(23,362)</u>
Trade receivables, net	----- 837,349	----- 626,007
Deposits, prepayments and other receivables		
Prepayments for purchasing raw materials and operating expenses	108,194	93,499
Rental and other deposits	38,983	45,406
Other taxes recoverable	52,289	32,066
Net investment in sublease	-	858
Others	<u>3,738</u>	<u>9,259</u>
	----- 203,204	----- 181,088
Total trade and other receivables	<u><u>1,040,553</u></u>	<u><u>807,095</u></u>
<i>Less:</i>		
Non-current portion of deposits	<u>(33,765)</u>	<u>(29,822)</u>
Current portion	<u><u>1,006,788</u></u>	<u><u>777,273</u></u>

The Group's retail sales are made through both its retail network comprising stand-alone retail shops and concession counters in department stores, and internet sales. The Group also sells health and household products directly to overseas wholesalers and retailers, and the polyurethane foam to furniture manufacturers in the PRC. Sales at self-operated retail shops and sales through retailers in the PRC and internet sales are transacted either by cash or credit cards. For sales made at concession counters, the department stores collect cash from the end customers and then repay the balance after deducting the concessionaire commission to the Group. The credit period granted to the department stores ranges from 30 days to 120 days. For sales to wholesalers, retailers and furniture manufacturers, the Group generally allows a credit period ranging from 7 days to 90 days.

The following is the aging analysis of trade receivables, net of allowance for credit losses, presented based on invoice date.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	437,903	299,538
31 to 60 days	163,911	182,853
61 to 90 days	108,865	96,867
91 to 180 days	88,196	32,678
181 to 365 days	38,474	14,071
	<u>837,349</u>	<u>626,007</u>

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

They are generally due for settlement within one year and therefore are all classified as current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables from certain customers of the Group, whose contractual cash flows represent solely payments of principal and interest, were factored to reputable financial institutions under non-recourse factoring arrangement according to the Group's daily fund management needs. These trade receivable's business model is therefore achieved both by collecting contractual cash flows and selling of these assets. Such trade receivables were therefore classified as financial assets carried at fair value through other comprehensive income.

(ii) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) **Impairment and risk exposure**

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate net carrying amount of HK\$94,782,000 (2024: HK\$122,599,000) which are past due as at 31 December 2025. Out of the past due balances, HK\$2,871,000 (2024: HK\$7,615,000) has been past due 90 days or more and is not considered as in default by considering the background of the trade receivables and historical payment arrangement of these trade receivables. The Group does not hold any collateral over the balances.

13. BILL RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bill receivables	154,157	117,599
Less: allowance for credit losses	<u>(5,234)</u>	<u>(5,234)</u>
	<u>148,923</u>	<u>112,365</u>

The amount represents bill receivables which are not yet due at the end of the reporting periods. The following is the aging analysis of bill receivables, net of allowance for credit losses, based on their time to maturities as at the end of reporting periods:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	19,624	23,374
31 to 60 days	31,501	18,956
61 to 90 days	16,831	23,810
91 to 180 days	79,800	43,704
181 to 365 days	<u>1,167</u>	<u>2,521</u>
	<u>148,923</u>	<u>112,365</u>

Included in the bill receivables above amounting to approximately HK\$136,986,000 (31 December 2024: HK\$94,968,000) had been endorsed for settling the trade payables for which the maturity dates of the bill receivables have not yet fallen due as at the end of the reporting period. All bill receivables of the Group are with a maturity period of less than one year.

14. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Trade receivables from certain customers of the Group, whose contractual cash flows represent solely payments of principal and interest, were factored to reputable financial institutions under non-recourse factoring arrangement. The Group's business model is therefore achieved both by collecting contractual cash flows and selling of these assets. Such trade receivables were therefore classified as financial assets carried at fair value through other comprehensive income ("FVOCI").

As at 31 December 2025, the effective interest rates of the factored trade receivables at FVOCI ranged from 4.87% to 6.37% per annum (2024: 5.49% to 6.99% per annum). As at 31 December 2025 and 2024, the fair value changes on trade receivables at FVOCI are insignificant and accordingly, no fair value changes are recognised in equity as FVOCI reserve.

15. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<u>705,051</u>	<u>487,035</u>
Accrued operating expenses	112,063	90,303
Accrued salaries	98,673	89,572
Other taxes payable	33,331	27,700
Accrued royalties	18,806	33,226
Refundable deposits received	14,405	9,794
Deferred government grant	516	869
Others	<u>6,249</u>	<u>5,361</u>
	<u>284,043</u>	<u>256,825</u>
Total trade and other payables	989,094	743,860
<i>Less:</i>		
Non-current portion of deferred government grant	<u>(124)</u>	<u>(494)</u>
Current portion	<u><u>988,970</u></u>	<u><u>743,366</u></u>

Included in trade and other payables above amounting to HK\$136,986,000 (2024: HK\$94,968,000) had been settled by endorsed bills for which the maturity dates of the bills receivables are not yet fallen due as at the end of the reporting period (note 13).

The credit period of trade payables ranged from 30 to 60 days. The following is the aging analysis of trade payables based on invoice date.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	435,405	302,254
31 to 60 days	143,809	96,598
61 to 90 days	38,882	38,806
91 to 180 days	77,634	39,894
Over 180 days	9,321	9,483
	<u>705,051</u>	<u>487,035</u>

16. BILL PAYABLES

The following is the aging analysis of bill payables at the end of the reporting periods presented based on bills issue dates:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	11,864	3,305
31 to 60 days	10,960	2,151
61 to 90 days	11,242	–
91 to 180 days	37,100	24,234
	<u>71,166</u>	<u>29,690</u>

17. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting periods but not recognised as liabilities is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<u>10,789</u>	<u>19,610</u>

18. BUSINESS COMBINATION

On 4 August 2025 (the “**Step Acquisition Date**”), pursuant to a subscription agreement (the “**Subscription Agreement**”) entered into among Treasure Range Holdings Limited, a wholly owned subsidiary of the Group, and MDKH, MDKH agreed to issue, and the Group agreed to subscribe for 20,200 A-Shares at the cash consideration of EUR5,000,000 (equivalent to HK\$45,392,000) (the “**Step Acquisition**”).

Prior to the Step Acquisition, the Group held 45% equity interests in MDKH through Treasure Range Holdings Limited. Such investment was accounted for as an associate by equity accounting. After the completion of the Step Acquisition, the Group held in aggregate of 55% of the total issued shares of MDKH and obtained control over MDKH.

MDKH is principally engaged in trading of household products in Denmark and the US, which is in line with the Group’s principal business. After the initial acquisition, the Group penetrated into the markets of Denmark and the European Union with the existing customers of MDKH. The acquisition could provide synergy to the Group and benefit its market position in the household product market, as well as broaden its customer base and revenue. The directors are of the view that the Step Acquisition is in line with the Group’s business strategy.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<i>Note</i>	2025 HK\$'000
Consideration		
Cash consideration		45,392
Fair value of previously held equity interests in MDKH	<i>a</i>	<u>140,943</u>
		<u>186,335</u>
Recognised amounts of identifiable assets acquired and liabilities assumed:		
Property, plant and equipment		2,278
Intangible assets: Customer relationship	<i>b</i>	9,511
Right-of-use assets		119,150
Deferred tax assets		1,067
Inventories		93,980
Financial assets		6,110
Trade and other receivables		273,602
Cash and cash equivalents		6,553
Trade and other payables		(302,046)
Lease liabilities		(119,150)
Bank loans		(57,160)
Deferred tax liabilities	<i>e</i>	<u>(2,092)</u>
Total net identifiable assets acquired		31,803
Less: non-controlling interests	<i>c</i>	(14,312)
Add: goodwill	<i>d</i>	<u>168,844</u>
Net assets acquired		<u>186,335</u>

An analysis of the cash flows in respect of the Step Acquisition is as follows:

	2025
	<i>HK\$'000</i>
Consideration paid	45,392
<i>Less:</i> cash and cash equivalents acquired	<u>(6,553)</u>
Net cash outflows	<u><u>38,839</u></u>

Notes:

- (a) As at the completion date of the Step Acquisition, the Group remeasured its previously held equity interests in MDKH to its fair value and recognised a resulting gain of HK\$84,954,000, which has been recognised to the profit or loss in the consolidated statement of profit or loss and other comprehensive income.

Details of the carrying value and fair value of the Group's previously held equity interests in MDKH at the completion date of the Step Acquisition were summarised as follows:

	2025
	<i>HK\$'000</i>
Fair value of previously held equity interests in MDKH	140,943
Carrying value of previously held equity interests in MDKH	(60,361)
Accumulated gain in exchange difference attributable to MDKH	<u>4,372</u>
Remeasurement gain on previously held interests in a prior associate, net	<u><u>84,954</u></u>

(b) **Customer relationship**

Customer relationship were recognised in intangible assets with definite useful life of 3 years and assessed with a fair value of HK\$9,511,000, using multi-period excess earnings method based on financial budgets covering over 3-year period approved by senior management of MDKH.

(c) Accounting policy choice for non-controlling interests

The Group recognised non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision was made on an acquisition-by-acquisition basis. For the non-controlling interests in the Group, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable liabilities.

(d) Goodwill

The goodwill of HK\$168,844,000 arising from the Step Acquisition included amounts in relation to the benefits of expected synergies, market presence to the European and the U.S. markets, revenue growth, and the assembled workforce of MDKH. These benefits are not separately recognisable from goodwill as they do not meet the recognition criteria for identifiable intangible assets under HKAS 38 Intangible Assets.

The goodwill has been allocated to MDKH's cash-generating units for the purpose of annual impairment testing in accordance with HKAS 36. The goodwill denominated in respective functional currencies of the foreign operations of MDKH to which it has been allocated, and is translated at the closing rate at each reporting date, with exchange differences recognised in other comprehensive income.

The goodwill is not expected to be deductible for tax purposes.

(e) Deferred income tax liability

The deferred income tax liability relating to the fair value of customer relationship amounted to HK\$2,092,000, calculated at the Danish corporate income tax rate.

(f) Revenue and profit contribution

The acquired business contributed revenues of HK\$603,752,000 and net loss of HK\$11,562,000 to the Group for the period from 5 August to 31 December 2025.

If the acquisition had occurred on 1 January 2025, consolidated pro-forma revenue and loss for the year ended 31 December 2025 would have been HK\$1,544,892,000 and HK\$8,763,000 respectively.

(g) Acquisition-related costs

Acquisition-related costs of HK\$956,000 that were not directly attributable to the Step Acquisition are included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

BUSINESS REVIEW

Revenue by operating segments

During the Reporting Period, revenue of the Group increased by approximately HK\$605.6 million or approximately 14.8% to approximately HK\$4,696.7 million (FY2024: approximately HK\$4,091.1 million).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
China market	1,857,677	1,748,790	6.2%
North American market	1,773,633	1,624,615	9.2%
Europe and other overseas markets	1,065,375	717,739	48.4%
Total	<u>4,696,685</u>	<u>4,091,144</u>	<u>14.8%</u>

The sales in the China market increased by approximately 6.2% was mainly due to the increase in the sales in PRC retail markets.

In the North American market, we expanded our customer base as a result of which sales for the Reporting Period in this region increased by approximately 9.2%, as compared to sales in FY2024.

In Europe and other overseas markets, we recorded an increase of sales for the Reporting Period in this region of approximately 48.4%, as compared to sales in FY2024. The increase was mainly due to the increase in our sales to customers in Europe.

Gross profit

With an increase of approximately 14.8% in the Group's revenue, gross profit (the "GP") increased by approximately HK\$55.3 million or approximately 5.3% to approximately HK\$1,102.3 million during the Reporting Period as compared to approximately HK\$1,047.0 million for FY2024. Meanwhile, the GP margin decreased by approximately 2.1% from approximately 25.6% to approximately 23.5% as compared with FY2024.

The decrease in GP margin was mainly due to the fact that the Group entered into several new factories lease contracts in 2024 in Vietnam and the U.S. as disclosed in the announcements of the Company dated 12 June 2024 and 17 June 2024, with the view to expanding the Group's business operations in Vietnam and the U.S. These expansions have facilitated and expanded the Group's operations and enabled the Group to meet its customers' growing demands in Vietnam and the U.S., which, at the same time, increased the overhead costs for the Reporting Period as compared to the corresponding period last year.

Costs and expenses

Selling and distribution costs for the Reporting Period increased by approximately HK\$95.4 million or approximately 19.3% to approximately HK\$589.7 million, as compared to approximately HK\$494.3 million for FY2024. The increase in selling and distribution costs was in line with the increase in revenue for the Reporting Period. The increase was mainly due to the increase in marketing expenses of approximately HK\$57.9 million and transportation costs of approximately HK\$19.3 million.

Administrative expenses for the Reporting Period increased by approximately HK\$43.4 million or approximately 16.2% to approximately HK\$310.8 million, as compared to approximately HK\$267.4 million for FY2024. The increase was mainly due to increase in staff cost and directors emolument of approximately HK\$48.0 million as we expanded our workforce to meet the increasing demand for future expansion. Apart from the increase in staff costs, office expenses decreased of approximately HK\$6.0 million during the year as the Group continued to implement various cost control measures.

Profit for the Reporting Period

As a result of the above factors, profit for the Reporting Period decreased by approximately HK\$77.8 million or approximately 47.8% to a profit of approximately HK\$84.8 million, as compared to approximately HK\$162.6 million for FY2024.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 December 2025, the Group had net current assets of approximately HK\$290.6 million, as compared to approximately HK\$370.2 million as at 31 December 2024. Net cash from operating activities amounted to approximately HK\$207.0 million for the Reporting Period as compared to approximately HK\$249.9 million for FY2024. Bank balance and cash as at 31 December 2025 increased by approximately HK\$105.4 million or approximately 40.2% to approximately HK\$367.8 million as compared to approximately HK\$262.4 million as at 31 December 2024.

Borrowings and pledge of assets

As at 31 December 2025, the Group had banking facilities amounting to approximately HK\$1,478.1 million of which approximately HK\$766.8 million was utilised (FY2024: banking facilities amounting to approximately HK\$1,251.9 million of which approximately HK\$430.8 million was utilised) (which included unsecured bank borrowings and bills payables).

Capital expenditure

The Group's capital expenditure for the Reporting Period amounted to approximately HK\$92.8 million (FY2024: HK\$65.8 million) which was mainly for the purchase of the Group's plant and machinery.

Financial ratios

	As at 31 December 2025	As at 31 December 2024
Current ratio ⁽¹⁾	115.2%	128.6%
Quick ratio ⁽²⁾	80.7%	91.8%
Gearing ratio ⁽³⁾	64.5%	40.1%
Debt to equity ratio ⁽⁴⁾	30.4%	13.9%

- (1) Current ratio is equal to current assets divided by current liabilities.
- (2) Quick ratio is equal to current assets less inventories and divided by current liabilities.
- (3) Gearing ratio is derived by dividing interest-bearing debt incurred in the ordinary course of business by total equity.
- (4) Debt to equity ratio is calculated by dividing net debt by total equity. Net debt is defined to include all borrowings net of cash and cash equivalents.

FOREIGN CURRENCY EXPOSURE

The Group carries on business mainly in Hong Kong, the PRC, the U.S., Vietnam and Denmark. The Group is exposed to foreign exchange risk principally in Renminbi, Vietnamese Dong and Danish Krone which can be largely offset by its revenue and expenditure in the PRC, Vietnam and Denmark. The Group does not expect any appreciation or depreciation of Hong Kong Dollar against Renminbi, Vietnamese Dong and Danish Krone which could materially affect the Group's results of operations, and therefore no hedging instrument has been employed. The Group will closely monitor the trends of Renminbi, Vietnamese Dong and Danish Krone and take appropriate measures to deal with the foreign exchange exposure if necessary.

TREASURY POLICY AND MARKET RISKS

The Group has a treasury policy that aims at better controlling its treasury operations and lowering borrowing cost. Such treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and sufficient available banking facilities to finance the Group's daily operations and to address short term funding needs. The Group reviews and evaluates its treasury policy from time to time to ensure its adequacy and effectiveness.

PROSPECTS

Despite the challenging operating environment during the year, the Group continued to strengthen its international presence and recorded double-digit growth in sales, supported in part by its investment in subsidiaries in Europe and the U.S. As disclosed in the announcement of the Company dated 5 August 2025, the investment in MDKH not only further increased the Group's business volume and revenue in Europe and the U.S., but also leveraged operational synergies, solidified a long-term strategic collaboration and broadened the Group's customer base.

These investments have enabled the Group to broaden its market coverage in the European and the U.S. markets, while creating operational synergies, improving the operational efficiency by streamlining its business operations and enhancing overall cost efficiency, thereby further strengthening the Group's development in overseas markets. Moreover, the strategic investment is anticipated to unlock new avenues for innovation, facilitate the exchange of industry knowledge and insights, and support the Group's long-term growth objectives.

Looking ahead, the Group will continue to focus on expanding its presence in overseas markets, particularly in Europe and the U.S. In FY2026, the Group intends to continue to advance its ongoing projects in these regions, while further streamlining its operations, strengthening its market development efforts and expanding its customer base, with a view to increasing its market share in these markets. In addition, the Group expects that its sales of mattress-in-a-box products will continue to grow and generate more sales and profit.

The Board remains cautiously optimistic that the Group's continued investment in international markets will support its sustainable development and strengthen its competitive position in the global market.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the paragraph headed "Prospects" in this announcement, the Group does not have other plans for material investments or capital assets.

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

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

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the employee headcount of the Group was 3,867 (FY2024: 3,333) and the total staff costs, including Directors' remuneration amounted to approximately HK\$753.9 million for the Reporting Period (FY2024: approximately HK\$639.1 million). The increase in staff costs was primarily due to increase in headcount.

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including housing and travel allowances depending on their grade and ranking within the Group. The Group also maintains medical insurance for the benefit of its employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation. The Group also operates an employee incentive scheme pursuant to which rewards take the form of promotions, salary raises and monetary bonuses.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code of corporate governance. The Company met the applicable code provisions set out in Part 2 of the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standards set out in the Model Code during the Reporting Period.

REVIEW OF ANNUAL RESULTS

The audit committee of the Board has reviewed, with the management of the Company, the accounting principles and policies adopted by the Group, and discussed and reviewed the audited consolidated financial statements of the Group for the Reporting Period and recommended the adoption of the same by the Board.

REVIEW OF ANNUAL RESULTS 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 the Reporting Period as set out in this announcement have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PricewaterhouseCoopers 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 opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this announcement.

PROPOSED FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK0.5 cents per ordinary share amounting to approximately HK\$8,750,000 for the Reporting Period (FY2024: HK1.3 cents). The financial statements do not reflect the dividend payable. The proposed final dividend is subject to approval by the Company's shareholders at the forthcoming annual general meeting (the "AGM") to be held on 29 May 2026. If the resolution for the proposed final dividend is passed at the AGM, the proposed final dividend will be paid on 10 July 2026 to shareholders whose names appear in the Company's register of members on 18 June 2026.

CLOSURE OF REGISTER OF MEMBERS FOR THE AGM

The register of members of the Company will be closed from 26 May 2026 to 29 May 2026, both days inclusive, during which period, no transfer of shares will be registered and the AGM record date will be 29 May 2026. In order to be qualified to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 22 May 2026.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

Subject to the approval of the proposed final dividend at the AGM, the register of members of the Company will be closed from 16 June 2026 to 18 June 2026, both days inclusive, during which period, no transfer of shares will be registered and the record date will be 18 June 2026. In order to qualify for the entitlement to the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 15 June 2026.

PUBLICATION OF THE ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinomax.com/group). The annual report for the Reporting Period containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course and despatched to the shareholders of the Company upon request.

On behalf of the Board
Sinomax Group Limited
Lam Chi Fan
Chairman

Hong Kong, 24 March 2026

As at the date of this announcement, the non-executive Director is Mr. Lam Chi Fan (Chairman of the Board); the executive Directors are Mr. Cheung Tung (President), Mr. Chen Feng, Mr. Lam Kam Cheung (Chief Financial Officer and Company Secretary) and Ms. Lam Fei Man; and the independent non-executive Directors are Mr. Wong Chi Keung, Mr. Zhang Hwo Jie and Dr. Cheung Wah Keung.