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Continental Aerospace Technologies Holding Limited 大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Continental Aerospace Technologies Holding Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	4	1,999,261	1,805,382
Cost of sales		(1,497,046)	(1,328,679)
Gross profit		502,215	476,703
Other income and gains, net	4	75,600	26,683
Reversal of impairment losses/(impairment losses) under expected credit loss model, net		454	(2,731)
Selling and distribution expenses		(78,112)	(69,557)
Administrative expenses		(319,274)	(296,300)
Research and development costs		(45,254)	(51,317)
Other operating income		5,210	2,185
Finance costs		(13,174)	(13,200)
Share of loss of an associate		(2,008)	(4,370)
Impairment loss on investment in an associate		(13,805)	–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (*cont'd*)

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT BEFORE TAX	5	111,852	68,096
Income tax expense	6	<u>(17,786)</u>	<u>(12,086)</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>94,066</u>	<u>56,010</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	7	<u>HK1.01 cents</u>	<u>HK0.60 cent</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT FOR THE YEAR	94,066	56,010
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	55,857	(32,672)
Reclassification adjustment for a deregistration of a subsidiary	2,384	–
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gains on defined benefit plans, net of tax	4,405	6,855
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	62,646	(25,817)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	156,712	30,193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		618,723	612,643
Right-of-use assets		233,711	245,426
Goodwill	<i>8</i>	14,611	13,080
Other intangible assets		1,265,597	1,270,538
Investment in an associate		–	15,501
Equity investments designated at fair value through other comprehensive income		2,336	2,331
Defined benefit plan assets		14,522	8,966
		<hr/>	<hr/>
Total non-current assets		2,149,500	2,168,485
CURRENT ASSETS			
Inventories		785,029	786,250
Trade receivables	<i>9</i>	165,174	123,776
Contract assets		7,937	8,853
Prepayments, deposits and other receivables		41,137	51,643
Amount due from a fellow subsidiary	<i>11</i>	11,505	15,830
Time deposits		344,416	555,940
Cash and cash equivalents		606,914	243,518
		<hr/>	<hr/>
Total current assets		1,962,112	1,785,810
CURRENT LIABILITIES			
Trade payables	<i>10</i>	109,043	131,868
Other payables, accruals and provisions		274,427	249,119
Amount due to a fellow subsidiary		25,237	–
Amount due to an intermediate holding company		–	24,639
Lease liabilities		9,178	7,930
Contract liabilities		36,163	24,247
Tax payable		40,573	40,857
		<hr/>	<hr/>
Total current liabilities		494,621	478,660
NET CURRENT ASSETS			
		1,467,491	1,307,150
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,616,991	3,475,635

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*cont'd*)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	274,149	280,661
Defined benefit plan obligations	1,132	4,525
Contract liabilities	112,547	86,790
Provisions	42,687	40,920
Pillar Two tax liabilities	4,454	–
Deferred tax liabilities	92,690	83,602
	<u>527,659</u>	<u>496,498</u>
Total non-current liabilities		
	<u>527,659</u>	496,498
Net assets	<u>3,089,332</u>	<u>2,979,137</u>
EQUITY		
Share capital	930,337	930,337
Reserves	2,158,995	2,048,800
	<u>3,089,332</u>	<u>2,979,137</u>
Total equity		
	<u>3,089,332</u>	<u>2,979,137</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

3. OPERATING SEGMENT

For management purposes, the Group has only one reportable operating segment, of which the Group engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines. Accordingly, no segment information is presented.

Geographical information

(a) Revenue from external customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
USA	1,572,896	1,400,337
Europe	250,797	279,685
Others	175,568	125,360
	<u>1,999,261</u>	<u>1,805,382</u>

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
USA	1,503,599	1,558,021
Europe	535,864	480,253
Hong Kong	107,701	112,379
Chinese mainland	–	15,501
	<u>2,147,164</u>	<u>2,166,154</u>

The non-current assets information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue from each of the major customers, which individually amounted to 10% or more of the Group's revenue, is set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	587,859	450,650
Customer B	360,734	371,248
Customer C	303,217	278,758
	<u>1,251,810</u>	<u>1,100,656</u>

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Sales of aircraft engines and spare parts transferred at a point in time	1,906,911	1,710,658
Rendering of services transferred over time	<u>92,350</u>	<u>94,724</u>
	<u>1,999,261</u>	<u>1,805,382</u>

An analysis of other income and gains, net is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	22,082	24,557
Insurance compensation	23,115	–
Distributorship fee income	780	780
Interest income on loan to an associate	–	8
Management fee income	1,543	1,676
Royalty income	6,326	6,361
Others	<u>391</u>	<u>1,515</u>
Total other income	<u>54,237</u>	<u>34,897</u>
Other gains/(losses), net		
Gain on deemed disposal of an associate	94	10,097
Foreign exchange differences, net	23,709	(18,322)
Loss on deregistration of a subsidiary	(2,444)	–
Others	<u>4</u>	<u>11</u>
Total other gains/(losses), net	<u>21,363</u>	<u>(8,214)</u>
Total	<u>75,600</u>	<u>26,683</u>

5. PROFIT BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold*	1,443,803	1,274,542
Cost of services provided*	53,243	54,137
Write-down/(reversal of write-down) of inventories**	(8,248)	20,478
Depreciation of property, plant and equipment	46,775	42,229
Depreciation of right-of-use assets	14,647	14,157
Amortisation of other intangible assets***	85,286	85,869
Employee benefit expense (including directors' remuneration)		
Wages and salaries	401,664	355,131
Retirement benefits and contributions	22,322	19,069
Defined benefit schemes	1,025	2,120
	<u>425,011</u>	<u>376,320</u>
Reversal of provision for product service bulletin****	(5,122)	(2,180)
Gain on disposal of property, plant and equipment*****	(88)	(5)
Impairment loss on investment in an associate	13,805	–
Impairment losses/(reversal of impairment losses) under expected credit loss model, net:		
– Trade receivables	116	150
– Amount due from a fellow subsidiary	(570)	2,581
	<u>(454)</u>	<u>2,731</u>

* Included in “cost of sales” in the consolidated statement of profit or loss.

** Included in “cost of inventories sold” above.

*** Included in “cost of sales”, “selling and distribution expenses”, “administrative expenses” and “research and development costs” in the consolidated statement of profit or loss.

**** During the current year, the Group has reassessed the provision and a reversal of HK\$5,122,000 (2024: HK\$2,180,000) was credited to “other operating income” in the consolidated statement of profit or loss.

***** Included in “other operating income” in the consolidated statement of profit or loss.

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The Group is within the scope of the Organisation for Economic Co-operation Development ("OECD") Pillar Two model rules. These rules have been implemented through domestic legislation in various jurisdictions where the Group operates, including Hong Kong and Germany.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Elsewhere – income taxes (excluding Pillar Two income taxes)		
Charge for the year	16,254	12,281
Under/(over)provision in prior years	426	(664)
Pillar Two income taxes – current tax*	4,454	–
Deferred tax	(3,348)	469
	<u>17,786</u>	<u>12,086</u>
Income tax expense	<u>17,786</u>	<u>12,086</u>

* The current tax expense mainly relates to Hong Kong, Chinese mainland, United States and Germany.

For the year ended 31 December 2025, the Group has performed an independent assessment of its potential exposure to Pillar Two top-up taxes. This assessment is based on locally available financial and tax information for each of its constituent entities, evaluated on a entity-by-entity basis. Based on the internal assessment, the effective tax rates for the Group's operations in Hong Kong, Chinese mainland, United States and Germany were determined to be below the 15% minimum rate. Consequently, the Group has recognised a current tax charge of HK\$4.5 million in respect of the top-up tax for the year ended 31 December 2025 (2024: Nil).

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, as required by the amendments to HKAS 12.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company and the number of ordinary shares of 9,303,374,783 (2024: 9,303,374,783) in issue during the year.

The calculation of basic and diluted earnings per share is based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable to ordinary equity holders of the Company	<u>94,066</u>	<u>56,010</u>
	Number of shares	
	2025	2024
Number of ordinary shares in issue during the year	<u>9,303,374,783</u>	<u>9,303,374,783</u>

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025 (2024: Nil).

8. GOODWILL

The Group's goodwill acquired through a business combination has been allocated to the following cash-generating units ("CGU") for impairment testing:

- General aviation aircraft piston engine business in USA CGU ("USA CGU"); and
- General aviation aircraft piston engine business in Germany CGU ("Germany CGU")

As at 31 December 2025 and 2024, the entire amount of goodwill was related to the Germany CGU. The goodwill related to USA CGU has been fully impaired in prior years.

9. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	171,145	130,540
Impairment losses	<u>(5,971)</u>	<u>(6,764)</u>
	<u>165,174</u>	<u>123,776</u>

The Group's trading terms with its customers are mainly on credit, where partial advanced payment is required for certain customers. The credit period is generally 30 days and each customer has been assigned a specified credit limit by the Group.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As at 31 December 2025, the Group had certain concentrations of credit risk as 44% (2024: 26%) of the Group's trade receivables were due from one of the Group's key customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	121,766	89,398
1 to 2 months	24,714	20,916
2 to 3 months	13,426	8,993
Over 3 months	<u>5,268</u>	<u>4,469</u>
	<u>165,174</u>	<u>123,776</u>

10. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	60,285	79,362
1 to 2 months	46,867	47,442
2 to 3 months	1,658	4,434
Over 3 months	233	630
	<u>109,043</u>	<u>131,868</u>

The trade payables are non-interest bearing and normally settled on 45-day terms.

11. AMOUNT DUE FROM A FELLOW SUBSIDIARY

An aging analysis of the amount due from a fellow subsidiary for trade receivables balance as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	<u>11,505</u>	<u>15,830</u>

12. DIVIDEND

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed final – HK0.5 cent per ordinary share (2024: HK0.5 cent)	<u>46,517</u>	<u>46,517</u>

The proposed final dividend for the year ended 31 December 2025 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

DIVIDEND

For the year ended 31 December 2025, the Board has resolved to recommend the payment of a final dividend of HK0.5 cent (year ended 31 December 2024: HK0.5 cent) per ordinary share to the shareholders (which will be subject to approval by the shareholders at the forthcoming annual general meeting for the year ended 31 December 2025).

OVERALL REVIEW

In 2025, the Group recorded a revenue of HK\$1,999,261,000 (2024: HK\$1,805,382,000) and a gross profit of HK\$502,215,000 (2024: HK\$476,703,000). The Group recorded a profit for the year of HK\$94,066,000 (2024: HK\$56,010,000), primarily attributable to enhanced production capacity and increased deliveries across business units, as well as exchange gains arising from the appreciation of the Euro.

Basic and diluted earnings per share for the year ended 31 December 2025 amounted to HK1.01 cents (2024: HK0.60 cent). The return on equity for the year ended 31 December 2025, calculated on the basis of profit attributable to owners of the Company as a percentage of equity attributable to owners of the Company, was 3.0% (2024: 1.9%).

INDUSTRY OBSERVATION

The general aviation industry closed 2025 on a strong note, achieving record billings as business jet shipments climbed to new highs. The General Aviation Manufacturers Association (GAMA) released its 2025 Aircraft Shipment and Billing Report, reporting preliminary aircraft deliveries totaling \$35.7 billion, a 14.6% increase over 2024. Total airplane shipments rose 2.2% year over year, increasing from 3,162 aircraft in 2024 to 3,230 in 2025. Among them, piston airplane deliveries edged up modestly, rising by 10 units to 1,782, representing a 0.6% gain. In contrast, turboprop deliveries declined by 5.1% to 594 units. Regionally, the North American market continued to lead, accounting for 72.6% of piston deliveries, 57.6% of turboprops, and 64.9% of business jets. Europe represented 8.3% of piston deliveries and 14% of turboprops, while Asia-Pacific accounted for 6.9% of piston aircraft and 5.4% of turboprops. Latin America, along with the Middle East and Africa, comprised the remaining share across categories.

“The state of the general aviation manufacturing industry remains steadfast,” said GAMA President and CEO James Viola, highlighting annual billings as “the highest it has ever been.” He further noted that even in segments where deliveries softened, volumes remained above 2019 levels, underscoring the industry’s sustained resilience and growth trajectory.

BUSINESS REVIEW

During the year ended 31 December 2025, the Group has only one reportable operating segment, being the general aviation aircraft piston engine business, which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

Benefiting from the steady development in the general aviation industry, the Group has made significant progress towards its long-term strategic objectives, with the general aviation aircraft piston engine business achieving robust growth:

- The general aviation aircraft piston engine business recognised a revenue for the year ended 31 December 2025 of HK\$1,999 million, representing an increase of HK\$194 million or 10.7% over the year ended 31 December 2024;
- The general aviation aircraft piston engine business recognised a profit for the year ended 31 December 2025 of HK\$114 million, representing an increase of HK\$61 million or 113% over the year ended 31 December 2024.

The Group showed the following key operational highlights in the year 2025:

Improved production efficiency

The Group advanced its World Class Manufacturing system across North America and Europe. With the gradually stabilised operations of the new enterprise resource planning (ERP) system and the comprehensive upgrade of manufacturing facilities at the USA subsidiary, the Group's production and delivery capabilities have been significantly enhanced. In respect of the product line in the U.S., lead times for primary engine specifications improved due to the enhanced production efficiency and shortened equipment downtime. Besides, programs for new-built and rebuilt engines, and factory overhaul exchange engines have been implemented. In respect of the product line in Germany, prior investments in automation, digital tooling, and process optimisation yielded expanded throughput and enhanced quality, improving the customer experience.

Product innovation and expansion

- The Group's Jet-A engine fleet surpassed 12 million flight hours, which highlights not only its performance and reliability, but also the long-lasting trust of global customers on the Group's products.
- The Group's new CD-170R FADEC-controlled engine for rotorcraft was certified by EASA and received Flying Magazine's Editors' Choice Award. This engine includes advanced diagnostic and remote fleet monitoring capabilities to boost uptime and convenience.

Services enhancements

- Website Re-Launch with Enhancements: The Group launched three fully-redesigned and mobile-responsive websites for its U.S. and German operations. New features include Avgas and Jet-A engine management simulators, a Titan experimental engine configurator, and a comprehensive Illustrated Parts Catalog (IPC) for gasoline engines, all of which enhance the user experience of the website.
- A round-the-clock global support model: The Group began phasing in a round-the-clock global support model, which aims to improve responsiveness for both Avgas and Jet-A engine users.

- **First Authorised Service Center Launched:** The Group announced a partnership with Chuck's Aircraft to establish a Continental Authorised Service Center, which expands the Group's reach and enhancing its customer support capabilities.
- **Continental Academy:** The training academy expanded global outreach, which includes a class in South Africa to deliver in-person and remote maintenance training to enhance aftermarket support and education.

Enhanced supply chain resilience

Diversified sourcing and supplier partnerships reduced tariff exposure, stabilised inventory, and supported efficient working capital management.

OEM business order demand growth

Demand from Cirrus, Tecnam, Piper and others continued to drive market share expansion.

Successful celebration of the 120th anniversary of the subsidiary in the United States

The Group joined hands with with partners, team members, and the general aviation industry to commemorate the 120th anniversary of its engine business in the United States, reaffirming the Group's commitment of "Powering Legacies Forward."

FINANCIAL REVIEW

Goodwill

The Group's goodwill acquired through a business combination in prior years has been allocated to a cash-generating unit in USA ("USA CGU") and a cash-generating unit in Germany ("Germany CGU"). As at 31 December 2025, the entire amount of the goodwill related to the Germany CGU was HK\$14,611,000 (2024: HK\$13,080,000). The impairment assessment of Germany CGU was performed with the support of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer.

During the years ended 31 December 2025 and 2024, no impairment loss is recognised.

Other intangible assets

Other intangible assets mainly consist of development programs in progress, trademarks, product technology, licence and completed programs, and customer relationships. As at 31 December 2025, the Group's other intangible assets amounted to HK\$1,265,597,000 (2024: HK\$1,270,538,000).

During the years ended 31 December 2025 and 2024, no impairment loss is recognised.

Investment in an associate

Due to non-satisfactory performance of the associate, the Group recognised impairment losses of HK\$13,805,000 and the investment in the associate was fully impaired at 31 December 2025.

Administrative expenses

Administrative expenses consist of salaries and wages, product liability expenses, legal and professional expenses and other general expenses. During the year ended 31 December 2025, the Group recorded administrative expenses of HK\$319,274,000 (2024: HK\$296,300,000).

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group has consistently maintained sufficient working capital. As at 31 December 2025, the Group had current assets of HK\$1,962,112,000 (2024: HK\$1,785,810,000), including cash and cash equivalents and time deposits with original maturity over three months in an aggregate of HK\$951,330,000 (2024: HK\$799,458,000). The Group's current liabilities as at 31 December 2025 were HK\$494,621,000 (2024: HK\$478,660,000).

As at 31 December 2025, the Group's total equity amounted to HK\$3,089,332,000 (2024: HK\$2,979,137,000), comprising issued capital of HK\$930,337,000 (2024: HK\$930,337,000) and reserves of HK\$2,158,995,000 (2024: HK\$2,048,800,000). The Group's interest-bearing debts included lease liabilities of HK\$283,327,000 (2024: HK\$288,591,000). The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of total equity plus the interest-bearing debts, was 8.4% (2024: 8.8%).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025 and 2024, there are no assets pledged to secure the Group's bank facilities.

EXPOSURE TO FOREIGN CURRENCY RISK

As most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's exposure to foreign currency risk is minimal.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals during the year ended 31 December 2025.

CONTINGENT LIABILITIES

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

ENVIRONMENTAL AND REGULATORY COMPLIANCE

Environmental protection and the effective use of natural resources have gradually become an important concern in modern economic growth. The Group has been keeping track of the major trends in environmental protection around the world and has been making an effort to integrate the concept of environmental protection in its operations. Based on new technology and management approach, the Group strictly controls its environmental impact and resource usage, such that cleaner production featuring lower pollution and lower emissions thus sustainable development can be achieved.

The Group strictly complies with all applicable laws and regulations released by the relevant authorities which are material to its business and operations. Throughout the year 2025, there was no non-compliance with the relevant laws and regulations that had a significant impact on the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, there were 612 (2024: 604) employees in the Group. The employees' wages and salaries amounted to HK\$401,664,000 (2024: HK\$355,131,000) for the year ended 31 December 2025. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants performance-related bonuses to eligible staff based on their contributions to the Group.

OUTLOOK

The general aviation industry in 2026 is positioned for steady, healthy growth, driven by business aviation demand, new aircraft technologies, and expansion of access across global markets. Nevertheless, the industry remains beset by numerous challenges, including rising costs and a decline in aircraft utilisation.

The Group remains vigilant in combatting supply chain instabilities driven by tariffs, increased costs, and embargos. Furthermore, the Group will continue to increase investment in research and development, optimise its after-sales service system, and steadfastly improve its world-class manufacturing infrastructure to secure sustained business growth and excellent performance:

- The Plant Renovation and Extension Program in Germany was about to kick off, which includes a new Enterprise Resource Planning (ERP) rollout, equipment upgrades, and plant expansion planned in recent years.
- The Group remains committed to the testing of sustainable and unleaded fuels to help ensure the viability of General Aviation in commercial operation and environmental protection now and into the future.
- In 2026, the Group will commemorate the 25th anniversary of its Jet-A program—a milestone that reflects a quarter-century of innovation, reliability, and leadership in Jet-A engine technology. This achievement underscores the Group's long-standing steadfast commitment to advancing aviation through engineering excellence and customer-focused solutions.

CORPORATE GOVERNANCE

The Company is committed to maintaining good standards of corporate governance practices by emphasising transparency, accountability and responsibility to its shareholders.

For the year ended 31 December 2025, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year ended 31 December 2025.

CHANGES OF DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

The changes in Directors’ information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below.

Mr. Li Ka Fai, David has resigned as an independent non-executive director of China Merchants Port Holdings Company Limited (stock code: 00144) on 1 July 2025, the shares of which are listed on the Stock Exchange.

Mr. Zhang Ping has resigned as an independent non-executive director of Guangdong Shunkong Development Co., Ltd. (stock code: 003039.SZ) on 27 December 2025, the shares of which are listed on the Shenzhen Stock Exchange.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the Company’s code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2025.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the draft consolidated financial statements of the Group for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

REVIEW BY AUDIT COMMITTEE

The annual results for the year ended 31 December 2025 of the Group have been reviewed by the audit committee of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, there were no other significant events after 31 December 2025 and up to the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares will be registered, in order to determine the shareholder’s entitlement to vote and attend at the forthcoming annual general meeting of the Company to be held on 28 May 2026 (“**AGM**”). The record date for determining the shareholder’s entitlement to vote and attend at the AGM is Friday, 22 May 2026. In order to be entitled to vote and attend at the AGM, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 21 May 2026.

PUBLICATION OF THE 2025 RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.cath.com.hk. The annual report will be published on the websites of the Company and the Stock Exchange in due course.

APPRECIATION

The Board would like to take this opportunity to express its appreciation to all the staff for their support, hard work and dedication.

By order of the Board of
Continental Aerospace Technologies Holding Limited
Huang Yongfeng
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Huang Yongfeng, Mr. Zhang Zhibiao, Mr. Yu Xiaodong, Ms. Hu Min and Mr. Li Peiyin as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors.