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KANGLI INTERNATIONAL HOLDINGS LIMITED 康利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 06890)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Year ended 31 December	
	2025	2024
FINANCIAL PERFORMANCE HIGHLIGHTS		
Key financial information and performance ratios for continuing operations		
– Revenue (<i>RMB'000</i>)	1,617,713	1,938,246
– Gross profit (<i>RMB'000</i>)	147,188	211,827
– Gross profit margin	9.1%	10.9%
– Profit for the year (<i>RMB'000</i>)	40,248	92,445
– Net profit margin	2.5%	4.8%
– Earnings per share (<i>RMB cents</i>)	6.64	15.25
At 31 December		
	2025	2024
Key performance ratios		
– Current ratio	1.9	1.9
– Gearing ratio	0.5	0.4

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Renminbi (“RMB”))

	<i>Note</i>	2025 RMB’000	2024 <i>RMB’000</i> (Restated*)
Continuing operations			
Revenue	<i>5</i>	1,617,713	1,938,246
Cost of sales	<i>7(c)</i>	<u>(1,470,525)</u>	<u>(1,726,419)</u>
Gross profit	<i>5(b)</i>	147,188	211,827
Other income	<i>6</i>	2,869	11,747
Selling expenses		(65,738)	(69,834)
Administrative expenses		(25,729)	(28,249)
Impairment losses (provided)/reversed on trade receivables		<u>(420)</u>	<u>702</u>
Profit from operations		58,170	126,193
Finance costs	<i>7(a)</i>	<u>(13,601)</u>	<u>(18,244)</u>
Profit before taxation	<i>7</i>	44,569	107,949
Income tax	<i>8</i>	<u>(4,321)</u>	<u>(15,504)</u>
Profit for the year from continuing operations		40,248	92,445
Discontinued operation			
(Loss)/profit for the year from discontinued operation, net of tax	<i>4</i>	<u>(194)</u>	<u>258</u>
Profit for the year attributable to equity shareholders of the Company		<u>40,054</u>	<u>92,703</u>
Earnings per share			
Basic and diluted (<i>RMB cents</i>)	<i>9</i>	<u>6.61</u>	<u>15.29</u>
Earnings per share – Continuing operations			
Basic and diluted (<i>RMB cents</i>)	<i>9</i>	<u>6.64</u>	<u>15.25</u>

* Comparative information has been restated due to a discontinued operation (see Note 4 for details).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in RMB)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated*)
Profit for the year	40,054	92,703
Other comprehensive income for the year (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements denominated in foreign currencies	<u>(500)</u>	<u>72</u>
Total comprehensive income for the year	<u>39,554</u>	<u>92,775</u>
Attributable to equity shareholders of the Company:		
From continuing operations	39,748	92,569
From discontinued operation	<u>(194)</u>	<u>206</u>
Total comprehensive income for the year	<u>39,554</u>	<u>92,775</u>

* Comparative information has been restated due to a discontinued operation (see Note 4 for details).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

(Expressed in RMB)

		At 31 December 2025	At 31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		310,188	334,187
Loan to a related party	10	23,025	21,925
		<u>333,213</u>	<u>356,112</u>
Current assets			
Inventories		488,123	433,554
Trade and bills receivables	11	480,134	469,839
Prepayments, deposits and other receivables		172,668	198,545
Cash at bank and on hand		211,362	239,102
		<u>1,352,287</u>	<u>1,341,040</u>
Current liabilities			
Trade and bills payables	12	263,066	357,820
Accrued expenses and other payables		19,310	40,492
Bank loans	13	385,522	276,500
Lease liabilities		1,861	1,690
Current taxation		30,007	31,512
		<u>699,766</u>	<u>708,014</u>
Net current assets		<u>652,521</u>	<u>633,026</u>
Total assets less current liabilities		<u>985,734</u>	<u>989,138</u>
Non-current liabilities			
Bank loans	13	28,800	72,600
Lease liabilities		28,176	27,631
Other non-current liabilities		3,167	3,484
Deferred tax liabilities		10,978	10,364
		<u>71,121</u>	<u>114,079</u>
NET ASSETS		<u>914,613</u>	<u>875,059</u>
CAPITAL AND RESERVES			
Share capital	14	534	534
Reserves		914,079	874,525
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>914,613</u>	<u>875,059</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

KangLi International Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 21 December 2017 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 November 2018. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and sale of hard steel coil, unpainted galvanised steel products and painted galvanised steel products, and the provision of property management services.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments which are stated at their fair values.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty and accounting judgement made by the management are as follows:

(a) Impairment losses for non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the asset and could result in additional impairment charge or reversal of impairment in future periods.

(b) Expected credit loss for receivables

The credit loss allowances for trade and other receivables are based on assumptions about the expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past collection history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss.

(c) Depreciation

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account the estimated residual values, if any. The management of the Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment regularly in order to determine the amount of depreciation expenses to be recorded during any reporting period. The determination of the useful lives and residual values, if any, are based on historical experience with similar assets and taking into account anticipated changes on how such assets are to be deployed. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(d) **Determining the lease term**

The lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operations. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future periods.

4 DISCONTINUED OPERATION

In the first quarter of 2025, the Group sold its wholly-owned subsidiaries, Lucky Classic Limited and Lucky Star Property Management Corporation, which operated property management in the Philippines to a third party at a cash consideration of RMB1,638,000. Management made such strategic decision to place greater focus on the Group's key competencies i.e. manufacture and sale of steel products. Accordingly, the financial results of these subsidiaries before disposal were presented as "Discontinued operation" in the consolidated financial statements in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* and comparative information has been restated.

(a) **Results of discontinued operation**

	<i>Note</i>	For the period from 1 January 2025 to 28 February 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Revenue		1,029	6,165
Cost of sales		(640)	(4,267)
Other income		4	29
Administrative expenses		(250)	(1,602)
Finance costs		–	(3)
		<hr/>	<hr/>
Results from operating activities		143	322
Income tax		(29)	(64)
Net loss on disposal of subsidiaries		(308)	-
		<hr/>	<hr/>
(Loss)/profit for the period/year from discontinued operation, net of tax		(194)	258
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/earnings per share			
Basic and diluted (<i>RMB cents</i>)	9	(0.03)	0.04
		<hr/> <hr/>	<hr/> <hr/>

(b) **Cash flows generated from/(used in) discontinued operation**

	For the period from 1 January 2025 to 28 February 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Net cash used in operating activities	(138)	(373)
Net cash generated from/(used in) investing activities	337	(5)
Net cash used in financing activities	—	(118)
	<hr/>	<hr/>
Net cash inflows/(outflows) for the period/year	199	(496)

(c) **Effect of disposal on the financial position of the Group**

	As at 28 February 2025 RMB'000
Property, plant and equipment	38
Trade receivables	1,395
Other receivables	166
Cash and cash equivalents	1,301
Trade payables	(651)
Accrued expense and other payables	(303)
	<hr/>
Net assets	1,946
	<hr/>
Consideration received, satisfied in cash	1,638
Cash and cash equivalents disposed of	(1,301)
	<hr/>
Net cash inflows	337

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the manufacture and sale of hard steel coil, unpainted galvanised steel products and painted galvanised steel products, and the provision of property management services. Further details regarding the Group's principal activities are disclosed in Note 5(b).

Disaggregation of revenue from contracts with customers by major products and service lines is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Continuing operations		
Manufacture and sale of steel products:		
– Sales of hard steel coil	171,922	159,227
– Sales of unpainted galvanised steel products	846,348	1,025,588
– Sales of painted galvanised steel products	<u>599,443</u>	<u>753,431</u>
Total revenue from continuing operations	1,617,713	1,938,246
Discontinued operation		
Provision of property management services	<u>1,029</u>	<u>6,165</u>
	<u>1,618,742</u>	<u>1,944,411</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in Note 5(b) and Note 5(c) respectively.

The Group's customer with whom transactions have exceeded 10% of the Group's revenue is as below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	198,016	221,257
Customer B	<u>162,162</u>	<u>86,753*</u>

* Transactions with this customer did not exceed 10% of the Group's revenue in year 2024.

(b) Segment reporting

The Group manages its businesses by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Hard steel coil: this segment includes primarily the manufacture and sale of cold-rolled hard steel coil.
- Unpainted galvanised steel products: this segment includes primarily the manufacture and sale of hot-dipped galvanised/zinc coated steel coil and sheet.
- Painted galvanised steel products: this segment includes primarily the manufacture and sale of hot-dipped color coated galvanised steel coil and sheet.
- Property management services: this segment includes the provision of property management services.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the cost incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the years ended 31 December 2025 and 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and administrative expenses and impairment loss on financial instruments, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	2025					Total RMB'000
	Hard steel coil RMB'000	Unpainted galvanised steel products RMB'000	Painted galvanised steel products RMB'000	Sub-total (Continuing operations) RMB'000	Property management services (Discontinued operation) RMB'000	
Disaggregated by timing of revenue recognition						
– Point in time	171,922	846,348	599,443	1,617,713	–	1,617,713
– Over time	–	–	–	–	1,029	1,029
Revenue from external customers	<u>171,922</u>	<u>846,348</u>	<u>599,443</u>	<u>1,617,713</u>	<u>1,029</u>	<u>1,618,742</u>
Reportable segment gross profit	<u>14,184</u>	<u>76,970</u>	<u>56,034</u>	<u>147,188</u>	<u>389</u>	<u>147,577</u>
	2024					Total RMB'000
	Hard steel coil RMB'000	Unpainted galvanised steel products RMB'000	Painted galvanised steel products RMB'000	Sub-total (Continuing operations) RMB'000	Property management services (Discontinued operation) RMB'000	
Disaggregated by timing of revenue recognition						
– Point in time	159,227	1,025,588	753,431	1,938,246	–	1,938,246
– Over time	–	–	–	–	6,165	6,165
Revenue from external customers	<u>159,227</u>	<u>1,025,588</u>	<u>753,431</u>	<u>1,938,246</u>	<u>6,165</u>	<u>1,944,411</u>
Reportable segment gross profit	<u>12,185</u>	<u>113,948</u>	<u>85,694</u>	<u>211,827</u>	<u>1,898</u>	<u>213,725</u>

(ii) **Reconciliation of reportable segment profit or loss**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Reportable segment gross profit from continuing operations	147,188	211,827
Other income	2,869	11,747
Selling expenses	(65,738)	(69,834)
Administrative expenses	(25,729)	(28,249)
Impairment losses (provided)/reversed on trade receivables	(420)	702
Finance costs	(13,601)	(18,244)
	<u>44,569</u>	<u>107,949</u>
Consolidated profit before taxation from continuing operations	<u><u>44,569</u></u>	<u><u>107,949</u></u>

(c) **Geographic information**

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered or services were provided.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
The People's Republic of China (the "PRC")	1,487,778	1,756,293
Thailand	94,001	126,352
Indonesia	19,187	19,016
Korea	5,160	30,818
Other countries	11,587	5,767
	<u>1,617,713</u>	<u>1,938,246</u>
Total revenue from external customers from continuing operations	1,617,713	1,938,246
Discontinued operation		
The Philippines	1,029	6,165
	<u><u>1,618,742</u></u>	<u><u>1,944,411</u></u>

Substantially all of the Group's non-current assets are located in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is presented.

6 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
Interest income from banks and other financial institutions	1,263	1,997
Interest income from loan to a related party	<u>1,100</u>	<u>1,100</u>
	2,363	3,097
Net foreign exchange (loss)/gain	(230)	2,370
Government grants	639	6,027
Net loss on disposal of property, plant and equipment	(139)	(116)
Others	<u>236</u>	<u>369</u>
	<u><u>2,869</u></u>	<u><u>11,747</u></u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
Interest expenses on bank loans	12,150	16,776
Interest expenses on lease liabilities	<u>1,451</u>	<u>1,468</u>
	<u><u>13,601</u></u>	<u><u>18,244</u></u>

(b) Staff costs[#]

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
Salaries, wages and other benefits	63,513	64,459
Contributions to defined contribution retirement plans	<u>5,401</u>	<u>5,143</u>
	<u><u>68,914</u></u>	<u><u>69,602</u></u>

[#] The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit plans managed by the local government authorities. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement plans at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong Dollar (“HK\$”) 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	2025 RMB’000	2024 <i>RMB’000</i> (Restated)
Continuing operations		
Depreciation expenses:#		
– owned property, plant and equipment	21,497	25,549
– right-of-use assets	<u>2,960</u>	<u>2,977</u>
	<u>24,457</u>	<u>28,526</u>
Auditors’ remuneration:		
– audit services	1,600	1,600
– other services	<u>246</u>	<u>246</u>
	<u>1,846</u>	<u>1,846</u>
Cost of inventories#	<u>1,470,525</u>	<u>1,730,686</u>

Cost of inventories includes RMB67,373,000 (2024: RMB73,274,000) relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
Current taxation:		
PRC Corporate Income Tax:		
– Provision for the year	3,638	8,866
– Under-provision in respect of prior years	69	21
	<u>3,707</u>	<u>8,887</u>
Hong Kong Profits Tax:		
– Provision for the year	–	348
	<u>3,707</u>	<u>9,235</u>
Deferred taxation:		
Reversal and origination of temporary differences	614	6,269
	<u>4,321</u>	<u>15,504</u>

Notes:

- (i) The Company and subsidiaries of the Group incorporated in the Cayman Islands or the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective jurisdictions of incorporation.
- (ii) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax. The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% for the year ended 31 December 2025 (2024: 16.5%), except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.
- (iii) The subsidiary of the Group established in the PRC (excluding Hong Kong) is subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2025 (2024: 25%).

The PRC Corporate Income Tax Law allows enterprises to apply for certificate of “High and New Technology Enterprise” (“HNTE”), which entitles the qualified enterprises to a preferential income tax rate of 15%, subject to fulfillment of the recognition criteria. A subsidiary of the Group established in the PRC was qualified as a HNTE and is entitled to the preferential tax rate of 15% for the calendar years 2025 to 2028.

The PRC Corporate Income Tax Law allows small low-profit enterprises to count 25% of the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million as taxable income and apply preferential corporate income tax rate of 20%. A subsidiary of the Group established in the PRC was qualified and entitled the preferential tax rate for the calendar year 2025.

According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for calculating income tax purpose, i.e. an additional 100% of such costs could be utilised as additional deductible expenses for the year ended 31 December 2025 (2024: 100%).

- (iv) Pursuant to the Sino-Hong Kong Double Tax Arrangement, dividends paid by entities in Chinese Mainland to Hong Kong entities are subject to a PRC withholding Tax rate of 10%. Accordingly, deferred tax liabilities of RMB3,000,000 has been recognised for the year ended 31 December 2024 in respect of the withholding tax that would be payable on the distribution of retained profits from the subsidiary to KangLi (HK) Limited in the foreseeable future.

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2025 is calculated based on the profit attributable to the equity shareholders of the Company and the weighted average of 606,252,000 (2024: 606,252,000) ordinary shares in issue during the year.

	2025			2024		
	Continuing operations <i>RMB'000</i>	Discontinued operation <i>RMB'000</i>	Total <i>RMB'000</i>	Continuing operations <i>RMB'000</i>	Discontinued operation <i>RMB'000</i>	Total <i>RMB'000</i>
Profit/(loss) attributable to equity shareholders of the Company	<u>40,248</u>	<u>(194)</u>	<u>40,054</u>	<u>92,445</u>	<u>258</u>	<u>92,703</u>

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2025 and 2024.

10 LOAN TO A RELATED PARTY

On 28 February 2023, a loan agreement was entered into between a subsidiary of the Group, Jiangsu Jiangnan Precision Metal Material Co., Limited (“Jiangnan Precision”), as lender, Jiangsu Jiangnan Tiehejin Co., Ltd. (“Jiangnan Tiehejin”), a company controlled by the ultimate controlling parties of the Company, as borrower, and Mr. Mei Zefeng, as guarantor. Pursuant to the loan agreement, Jiangnan Precision agreed to grant a loan in the principal sum of RMB20,000,000 bearing interest at 5.5% per annum to Jiangnan Tiehejin for a term of 3 years. Accrued interest is receivable upon maturity of the loan.

Pursuant to the loan agreement, one of the conditions precedent to the drawdown of the loan includes Jiangnan Precision and Jiangnan Tiehejin having entered into an option agreement. The option agreement was entered into between Jiangnan Precision and Jiangnan Tiehejin on 28 February 2023, pursuant to which a property acquisition option is granted to Jiangnan Precision, at nil consideration, to acquire a property to be constructed in Changzhou Economic Development Zone, to increase the office capacity of the Group. It is in Jiangnan Precision’s sole discretion whether to exercise such option.

On 27 February 2026, Jiangnan Precision and Jiangnan Tiehejin extended the loan agreement for another term of 3 years with major contract terms remain the same except for interest rate was reduced to 4% per annum.

11 TRADE AND BILLS RECEIVABLES

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade receivables, net of loss allowance	345,849	196,169
Bills receivables (<i>Note 11(c)</i>)	<u>134,285</u>	<u>273,670</u>
Financial assets measured at amortised cost	<u><u>480,134</u></u>	<u><u>469,839</u></u>

All of the trade and bills receivables, net of loss allowance, are expected to be recovered within one year.

(a) Ageing analysis

The ageing analysis of trade receivables, based on the dates of revenue being recognised and net of loss allowance, is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 month	200,618	138,502
1 to 3 months	142,998	52,993
3 to 6 months	14	2,878
6 to 12 months	<u>2,219</u>	<u>1,796</u>
	<u><u>345,849</u></u>	<u><u>196,169</u></u>

The balance of bills receivables represents bank acceptance notes and other financial institution acceptance notes received from customers with maturity dates of less than six months.

- (b) At 31 December 2025, the Group has discounted certain of the bank acceptance notes it received from customers at banks, and endorsed certain of the bank acceptance notes it received from customers to its suppliers and other creditors for settlement of the Group's trade and other payables on a full recourse basis. Upon the above discounting or endorsement, the Group has derecognised the bills receivables in their entirety. These derecognised bank acceptance notes have maturity dates of less than six months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these notes and has discharged its obligation of the payables to its suppliers and other creditors. The Group considered the issuing banks of these notes are of high credit standings and non-settlement of these notes by the issuing banks on maturity is highly unlikely. At 31 December 2025, the Group's maximum exposure to loss and undiscounted cash outflow should the issuing banks fail to settle the notes on maturity dates amounted to RMB244,743,000 (2024: RMB309,322,000).

- (c) At 31 December 2025, bills receivables include bank acceptance notes endorsed to suppliers with recourse totalling RMB3,429,000 (2024: RMB8,669,000). These bills receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amount of the associated trade payables amounted to RMB3,429,000 (2024: RMB8,669,000).
- (d) At 31 December 2025, trade receivables of RMB3,572,000 (2024: RMB7,100,000) were discounted at banks. These trade receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amount of the associated bank loans amounted to RMB3,572,000 (2024: RMB7,100,000) (see Note 13).

12 TRADE AND BILLS PAYABLES

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade and bills payables:		
– Trade payables	54,269	65,130
– Bills payables	<u>201,027</u>	<u>262,082</u>
Financial liabilities measured at amortised cost	255,296	327,212
Contract liabilities:		
– Receipts in advance from customers	<u>7,770</u>	<u>30,608</u>
	<u>263,066</u>	<u>357,820</u>

All of the trade and bills payables are expected to be settled within one year or are repayable on demand. All of the contract liabilities are expected to be recognised as revenue within one year.

At the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice dates, is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 3 months	115,767	208,080
3 to 6 months	138,061	117,459
Over 6 months	<u>1,468</u>	<u>1,673</u>
	<u>255,296</u>	<u>327,212</u>

13 BANK LOANS

(a) The Group's short-term loans are analysed as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Bank loans:		
– Secured by the Group's property, plant and equipment (<i>Note 13(c)</i>)	45,000	10,000
– Secured by the Group's restricted bank deposits (<i>Note 13(c)</i>)	45,000	–
– Secured by the Group's trade and bills receivables (<i>Note 13(c)</i>)	3,572	7,100
– Guaranteed by third parties	45,000	45,000
– Unsecured and unguaranteed	193,150	130,000
	<u>331,722</u>	<u>192,100</u>
Add: current portion of long-term bank and other loans (<i>Note 13(b)</i>)	53,800	84,400
	<u>385,522</u>	<u>276,500</u>

(b) The Group's long-term bank loans are analysed as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Bank loans:		
– Secured by the Group's property, plant and equipment or restricted bank deposits (<i>Note 13(c)</i>)	52,600	138,000
– Unsecured and unguaranteed	30,000	19,000
	<u>82,600</u>	<u>157,000</u>
Less: current portion of long-term bank and other loans (<i>Note 13(a)</i>)	(53,800)	(84,400)
	<u>28,800</u>	<u>72,600</u>

The Group's long-term bank loans are repayable as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	53,800	84,400
After 1 year but within 2 years	28,800	72,600
	82,600	157,000

(c) The analysis of the Group's assets pledged for the Group's bank loans is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Secured by property, plant and equipment	96,474	100,665
Secured by trade receivables (<i>Note 11</i>)	3,572	7,100
Secured by restricted bank deposits	30,000	30,000
	130,046	137,765

(d) At 31 December 2025, the banking facilities of the Group amounted to RMB1,080,000,000 (2024: RMB1,070,000,000) were secured by the Group's property, plant and equipment, bank deposits and guaranteed by third parties, or unsecured and unguaranteed. These facilities were utilised to the extent of RMB549,969,000 at 31 December 2025 (2024: RMB535,360,000).

(e) Certain of the Group's bank loans are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. At 31 December 2025 and 2024, none of the covenants relating to the bank loans had been breached.

14 SHARE CAPITAL

	2025		2024	
	<i>No. of shares '000</i>	<i>HK\$'000</i>	<i>No. of shares '000</i>	<i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.001 each	<u>5,000,000</u>	<u>5,000</u>	<u>5,000,000</u>	<u>5,000</u>

	2025		2024	
	<i>No. of shares</i>	<i>RMB'000</i>	<i>No. of shares</i>	<i>RMB'000</i>
Ordinary shares, issued and fully paid:				
At 1 January and at 31 December	<u>606,252,000</u>	<u>534</u>	<u>606,252,000</u>	<u>534</u>

15 DIVIDENDS

No dividends have been paid or declared during the year ended 31 December 2025 and 2024.

16 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the consolidated financial statements were as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Commitments in respect of property, plant and equipment – Contracted for	<u>269</u>	<u>183</u>

17 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

As disclosed in note 10, on 27 February 2026, a loan agreement was renewed between Jiangnan Precision as lender, and Jiangnan Tiehejin, a company controlled by the ultimate controlling parties of the Company, as borrower, and Mr. Mei Zefeng, as guarantor. Pursuant to the loan agreement, Jiangnan Precision agreed to grant a loan in the principal sum of RMB20,000,000 bearing interest at 4% per annum to Jiangnan Tiehejin for a term of 3 years.

Pursuant to the loan agreement, an option agreement was renewed between Jiangnan Precision and Jiangnan Tiehejin on 27 February 2026, pursuant to which a property acquisition option is granted to Jiangnan Precision, at nil consideration, to acquire a property to be constructed in Changzhou Economic Development Zone, to increase the office capacity of the Group. It is in Jiangnan Precision's sole discretion whether to exercise such option.

The loan agreement and the transactions contemplated thereunder were approved at an extraordinary general meeting of the Company held on 23 March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading midstream galvanised steel products manufacturer in the home appliance sector in Jiangsu Province, the PRC. The Group is primarily engaged in the production and sales of hard steel coil, galvanised products and painted products to mainly midstream steel product processors for further processing and to home appliance manufacturers for production of home appliances such as refrigerators, washing machines and water heaters.

For the year ended 31 December 2025, the Group recorded a revenue from its principal business amounting to approximately RMB1,617,713,000, representing a decrease of RMB320,533,000 compared with that of the corresponding period of 2024.

For the year ended 31 December 2025, the sales volume of all categories of products totalled 304,822 tonnes, representing a decrease of 33,978 tonnes or 10.0% as compared with approximately 338,800 tonnes for the year ended 31 December 2024. During the review period, the sales volume of hard steel coil, galvanised products and painted products was approximately 42,148 tonnes, 165,954 tonnes and 96,720 tonnes, respectively, accounting for approximately 13.8%, 54.5% and 31.7% of the total sales volume. The sales volume of hard steel coil increased by approximately 17.4%. However, due to a decrease of approximately 8.0% in average unit selling price, total sales revenue from hard steel coil increased by only approximately 8.0%. The sales volume of the unpainted galvanised steel products decreased by approximately 23,846 tonnes and the average unit selling price decreased by approximately RMB304 per tonne, resulting in a decrease in revenue from sales of unpainted galvanised steel products to approximately RMB846,348,000. Similarly, due to decreases in both the unit selling price and sales volume, sales revenue from painted galvanised steel products also declined to approximately RMB599,443,000.

In 2025, the home appliance market benefited from the “trade-in of old goods for new ones” policy in the first half of the year, while the withdrawal of the policy led to weaker demand in the second half of the year. Due to weak market demand and the expansion of production capacity for hot-dipped unpainted galvanised and painted galvanised products used in home appliances, market competition intensified, resulting in a decline in sales volume of our products. The reduction in production volume also led to an increase in total production cost, which further reduced our gross profit margin.

As the Group’s property management business in the Philippines failed to meet expectations, and taking into account a number of uncertainties, the Group disposed of the relevant business in March 2025. As the revenue from this segment accounts for a very limited portion of the Group’s total revenue, there was no adverse impact on the Group’s business as a whole.

PROSPECTS

2026 marks the first year of the 15th Five-Year Plan. We are of the view that the home appliance market will exhibit core characteristics of “policy support, structural upgrade, accelerated overseas expansion, and modest recovery”. It will transition from scale expansion to value enhancement, with rapid emergence of new growth drivers. As for the macro policy, the iteration and upgrade of the trade-in of old goods for new ones policy will drive the widespread adoption of green and intelligent home appliances. Meanwhile, the in-depth implementation of standards governing the safe service life and recycling of appliances will improve the circular system and generate replacement demand within the market.

As a key player within the white goods industry chain, the Group will remain firmly anchored in the home appliance sector, positioning itself as a core supplier specialising in “high-end, green, and customised” solutions. We will continue to focus on the white goods (refrigerators/washing machines/air conditioners) sector. While maintaining a firm foothold in the main segment, we will actively expand into other segments such as kitchen and bathroom appliances, small home appliances, and smart home appliances. The Company will avoid low-quality, low-price competition, and focus on high-value-added, highly certified, and highly customised products. We will further optimise our core products, enhance surface quality, and improve physical properties to meet the increasingly stringent requirements of the home appliance market for stamping, bending, and forming. At the same time, we will also explore new opportunities for development, such as enhancing the functionality of sheets, including antibacterial and ease of cleaning properties; develop lightweight sheet materials to meet the cost-reduction requirements of home appliance manufacturers; develop more sophisticated surface treatment processes, such as matt finishes and brushed metal effects to better adapt to high-end appliances, thereby further boosting gross profit margins. We will continue to provide core customers with better services, and implement flexible production through agile and rational scheduling to further shorten delivery cycles. By establishing in-depth partnerships with leading enterprises within the industry, we will ensure our market share and brand influence.

At present, we have entered an era of rapid AI advancement and intelligent transformation. As a traditional manufacturing enterprise, we will actively pursue intelligent upgrades, such as introducing digital twin and AI-driven quality inspection. This will enhance research and development efficiency, improve product stability, and reduce scrap rates. We are confident that through the collective efforts of all employees of the Group, we will certainly achieve steady growth in business operations of the Group.

FINANCIAL REVIEW

Revenue

Revenue from continuing operations of the Group is primarily generated from the sale of hard steel coil and galvanised steel products. For the year ended 31 December 2025, the total revenue from continuing operations of the Group amounted to approximately RMB1,617,713,000, representing a decrease of approximately 16.5% from approximately RMB1,938,246,000 for the year ended 31 December 2024. The decrease in the Group's revenue was primarily attributable to the decrease in both the overall sales volume and average selling prices of our products. The overall sales volume for the year ended 31 December 2025 was approximately 304,822 tonnes, representing a year-on-year decrease of approximately 10.0%. The overall average selling price of our products for the current year recorded a year-on-year decrease of approximately 7.2%.

An analysis of the Group's revenue, sales volume and average selling price by products in 2025 and 2024 is as follows:

	Year ended 31 December						Change		
	2025			2024					
	Revenue <i>RMB'000</i>	Sales volume <i>tonnes</i>	Average selling price <i>RMB/tonne</i>	Revenue <i>RMB'000</i>	Sales volume <i>tonnes</i>	Average selling price <i>RMB/tonne</i>	Increase/(Decrease)		
						Revenue %	Sales volume %	Average selling price %	
Cold Rolled Steel Products									
(Continuing operations)									
Hard steel coil	171,922	42,148	4,079	159,227	35,900	4,435	8.0%	17.4%	(8.0)%
Galvanised steel products	1,445,791	262,674	5,504	1,779,019	302,900	5,873	(18.7)%	(13.3)%	(6.3)%
– unpainted galvanised steel products	846,348	165,954	5,100	1,025,588	189,800	5,404	(17.5)%	(12.6)%	(5.6)%
– painted galvanised steel products	599,443	96,720	6,198	753,431	113,100	6,662	(20.4)%	(14.5)%	(7.0)%
Sub-total (Continuing operations)	1,617,713	304,822	5,307	1,938,246	338,800	5,721	(16.5)%	(10.0)%	(7.2)%
Provision of property management services (Discontinued operation)	1,029			6,165			(83.3)%		
Total	1,618,742			1,944,411			(16.7)%		

Gross profit and gross profit margin

For the year ended 31 December 2025, gross profit from continuing operations of the Group amounted to approximately RMB147,188,000 (2024: approximately RMB211,827,000). Overall gross profit margin from continuing operations decreased from approximately 10.9% in 2024 to approximately 9.1% in 2025. An analysis of the Group's gross profit, proportion of total gross profit and gross profit margin by products in 2025 and 2024 is as follows:

	Year ended 31 December					
	2025			2024		
	Gross profit RMB'000	Proportion %	Gross profit margin %	Gross profit RMB'000	Proportion %	Gross profit margin %
Cold Rolled Steel Products (Continuing operations)						
Hard steel coil	14,184	9.6%	8.3%	12,185	5.7%	7.7%
Galvanised steel products	133,004	90.1%	9.2%	199,642	93.4%	11.2%
– unpainted galvanised steel products	76,970	52.1%	9.1%	113,948	53.3%	11.1%
– painted galvanised steel products	56,034	38.0%	9.3%	85,694	40.1%	11.4%
Sub-total (Continuing operations)	147,188	99.7%	9.1%	211,827	99.1%	10.9%
Provision of property management services (Discontinued operation)	389	0.3%	37.8%	1,898	0.9%	30.8%
Total	147,577	100.0%	9.1%	213,725	100.0%	11.0%

The decrease in gross profit during 2025 was mainly due to decrease in both the overall sales volume and the average selling price of our products. The decrease in sales volume reduced the utilization rate of our production facilities to generate revenue to cover the production related sunk costs which in turn reduced our gross profit margin.

Other income

Other income from continuing operations of the Group for the year ended 31 December 2025 amounted to approximately RMB2,869,000 (2024: RMB11,747,000). The balance comprises mainly interest income, government grants and foreign exchange gain or loss. The significant decrease in the current year is mainly due to decrease in both government grants and foreign exchange gain.

Selling expenses

Selling expenses of the Group decreased from approximately RMB69,834,000 in 2024 to approximately RMB65,738,000 in 2025. The decrease was mainly due to decrease in transportation expenses.

Administrative expenses

Administrative expenses from the continuing operations of the Group decreased from approximately RMB28,249,000 in 2024 to approximately RMB25,729,000 in 2025.

Finance costs

Finance costs from the continuing operations of the Group decreased from approximately RMB18,244,000 in 2024 to approximately RMB13,601,000 in 2025. The decrease was mainly due to decrease of interest expenses on bank loans as a result of decrease in bank loan interest rates during the year.

Profit before taxation

Profit before taxation from the continuing operations of the Group decreased from approximately RMB107,949,000 in 2024 to approximately RMB44,569,000 in 2025.

Income tax

Income tax from continuing operations of the Group decreased from approximately RMB15,504,000 for the year ended 31 December 2024 to approximately RMB4,321,000 for the current year. Such decrease was mainly due to the combined effect of: (1) decrease of profit before taxation for the current year; and (2) no withholding tax related to retained profits to be distributed from a PRC subsidiary was accrued in the deferred taxation for the current year.

Profit for the year from the continuing operations

As a result of the foregoing, profit for the year from the continuing operations of the Group decreased from approximately RMB92,445,000 in 2024 to approximately RMB40,248,000 in 2025. Net profit margin from continuing operations of the Group decreased from approximately 4.8% in 2024 to approximately 2.5% in 2025.

Discontinued operation

The management decided to focus on the Group's key competencies in the future and disposed of the property management services business in the Philippines in the first quarter of 2025. The property management services business was sold to an independent third party at a cash consideration of RMB1,638,000. For the year ended 31 December 2025, the property management services business recorded a net loss of RMB194,000 before the disposal. The disposal of the property management services business does not have any material impact on the Group's overall business and financial conditions.

Liquidity and financial resources

As at 31 December 2025, the Group had approximately RMB211,362,000 (2024: approximately RMB239,102,000) cash at bank and on hand. As at 31 December 2025, the restricted deposit placed at banks as collaterals for bills issued and bank loans by the Group amounted to approximately RMB87,070,000 (2024: approximately RMB96,716,000). The Board will ensure sufficient liquidity to meet its matured liabilities.

Net current assets

The Group recorded net current assets of approximately RMB652,521,000 as at 31 December 2025 (2024: RMB633,026,000). The current ratio, calculated by dividing the current assets by current liabilities, was approximately 1.9 as at 31 December 2025 (2024: approximately 1.9). The current ratio in 2025 and 2024 indicated that the Group's financial position is healthy.

Borrowings and pledge of assets

As at 31 December 2025, the Group had bank loans amounting to approximately RMB414,322,000 (2024: approximately RMB349,100,000), of which approximately RMB142,600,000 was secured by the Group's property, plant and equipment or restricted bank deposits and approximately RMB3,572,000 was secured by the Group's trade and bills receivables. Among the bank loans, RMB385,522,000 is repayable within one year or on demand and RMB28,800,000 is repayable after one year but within two years.

The Group's gearing ratio, calculated by dividing total bank and other loans by total equity of the Group, was approximately 0.5 and 0.4 as at 31 December 2025 and 2024 respectively.

Capital structure

The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations and bank facilities.

Contingent liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities.

Financial risks

The Group is exposed to various financial risks, including foreign currency risk, interest rate risk and credit risk in the normal course of its business.

– Foreign currency risks

Most of the Group's businesses are settled in RMB. However, the Group's sales to overseas customers are settled in foreign currencies. In 2025, approximately 91.9% of the Group's revenue was settled in RMB and approximately 8.1% was settled in foreign currencies.

Exchange rate fluctuations will affect sales revenue settled in foreign currencies, which in turn may have adverse effects on the Group. The Group does not hedge against foreign currency risk by using any derivative contracts. The management of the Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency risk should the need arise.

– Interest rate risks

The Group's interest rate risks primarily arise from fixed rate bank deposits and borrowings. The Group currently does not use any derivative contracts to hedge against its interest rate risks.

– Credit risks

The Group's credit risks primarily arise from trade and other receivables.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save for the disposal of the property management services business in the Philippines, details of which were disclosed in this announcement, the Group did not have material acquisitions and disposals of subsidiaries and associated companies for the year ended 31 December 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 564 employees, including executive Directors. The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical insurance, mandatory provident fund scheme, local municipal government retirement scheme and education subsidy to encourage continuous professional development of staff.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 code of conduct regarding directors’ dealing in the securities of the Company. The Company has made specific enquiry of all Directors and confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 December 2025.

The Model Code is also applicable to the Company’s relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealing in the Company’s securities. No incidents of non-compliance with the Model Code by the Directors and the relevant employees of the Company were noted by the Company during the year ended 31 December 2025.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SHARES

The Company has not redeemed any of its securities during the year ended 31 December 2025 and neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s securities during the year ended 31 December 2025.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholder value. The Company is committed to building and maintaining high standards of corporate governance to enhance its transparency and accountability. The Company’s corporate governance practices are based on the principles and the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix C1 of the Listing Rules.

Throughout the year, the Company has applied the principles in the CG Code which are applicable to the Company and, in the opinion of the Directors, the Company has complied with all applicable code provisions set out in the CG Code.

The Board will continually review and monitor its corporate governance practices to ensure compliance with the CG Code.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company comprised three independent non-executive Directors, namely, Mr. Lau Ying Kit (the chairman), Mr. Cao Cheng and Mr. Yang Guang. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2025 and discussed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group.

SCOPE OF WORK OF KPMG

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

EVENTS AFTER THE REPORT PERIOD

On 27 February 2026, a loan agreement was renewed between Jiangnan Precision as lender, and Jiangnan Tiehejin, a company controlled by the ultimate controlling parties of the Company, as borrower, and Mr. Mei Zefeng, as guarantor. Pursuant to the loan agreement, Jiangnan Precision agreed to grant a loan in the principal sum of RMB20,000,000 bearing interest at 4% per annum to Jiangnan Tiehejin for a term of 3 years. On the same date, an option agreement was renewed between Jiangnan Precision and Jiangnan Tiehejin, pursuant to which a property acquisition option is granted to Jiangnan Precision, at nil consideration, to acquire a property to be constructed in Changzhou Economic Development Zone, to increase the office capacity of the Group. It is in Jiangnan Precision's sole discretion whether to exercise such option.

The loan agreement and the transactions contemplated thereunder were approved by the shareholders of the Company at an extraordinary general meeting of the Company on 23 March 2026. For further details of the transactions, please refer to the circular of the Company dated 5 March 2026.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will be held on Friday, 12 June 2026. The notice of AGM will be sent to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Friday, 12 June 2026, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration 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 not later than 4:30 p.m. on Monday, 8 June 2026. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, 12 June 2026.

PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange at (www.hkexnews.hk) and the Company at (www.jnpmm.com). The 2025 annual report containing all information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

APPRECIATION

I herein would like to express sincere gratitude towards all of our Board members, the management and every employee for their hard work for our Group over the past year. I also would like to express my appreciation to all shareholders, partners and customers for their support and trust.

By Order of the Board
KangLi International Holdings Limited
Liu Ping
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Mei Zefeng, Ms. Liu Ping, Mr. Zhang Zhihong, Ms. Lu Xiaoyu and Mr. Xu Chao, and three independent non-executive Directors, being Mr. Lau Ying Kit, Mr. Cao Cheng and Mr. Yang Guang.