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CHINA LONGEVITY GROUP COMPANY LIMITED

中國龍天集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1863)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue increased by 3.4% to RMB1,205.0 million
- Gross profit increased by 3.2% to RMB209.3 million
- Profit for the year attributable to owners of the Company was RMB44.3 million
- Basic earnings per share were RMB5.20 cents

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of China Longevity Group Company Limited (the “**Company**”) is pleased to present the 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 year of 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	1,205,033	1,165,256
Cost of sales		<u>(995,715)</u>	<u>(962,512)</u>
GROSS PROFIT		209,318	202,744
Other income and gains	6	27,423	28,280
Selling and distribution costs		(46,443)	(47,512)
Administrative expenses		(116,958)	(104,397)
Share of profit of an associate		1,351	678
Other expenses		<u>(1,211)</u>	<u>(3,064)</u>
PROFIT FROM OPERATIONS		73,480	76,729
Fair value (loss)/gain on investment properties		(3,635)	160
Loss on revaluation of property, plant and equipment		(997)	(2,059)
Impairment of trade receivables, net		(2,155)	(4,100)
Impairment of inventories		(3,760)	(2,146)
Finance costs	7	<u>(19,147)</u>	<u>(9,625)</u>
PROFIT BEFORE TAX	8	43,786	58,959
Income tax expense	9	<u>(5,646)</u>	<u>(6,987)</u>
PROFIT FOR THE YEAR		38,140	51,972
Other comprehensive (expense)/income after tax:			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company		(4,640)	4,656
Gain on revaluation of property, plant and equipment		4,866	19,957
Deferred tax effect arising on revaluation of property, plant and equipment		(735)	(3,008)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of the foreign operations		<u>4,210</u>	<u>(4,300)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>41,841</u>	<u>69,277</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT/(LOSS) FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		44,342	55,552
Non-controlling interests		(6,202)	(3,580)
		<u>38,140</u>	<u>51,972</u>
TOTAL COMPREHENSIVE INCOME/ (EXPENSE)			
Owners of the Company		48,043	72,857
Non-controlling interests		(6,202)	(3,580)
		<u>41,841</u>	<u>69,277</u>
EARNINGS PER SHARE (RMB cents)			
	<i>11</i>		
– Basic		<u>5.20</u>	<u>6.52</u>
– Diluted		<u>5.20</u>	<u>6.52</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	12	928,233	909,006
Right-of-use assets		184,175	178,414
Investment properties		31,347	34,982
Intangible assets		1,249	1,377
Interest in an associate		16,889	14,558
Deposits paid for acquisition of property, plant and equipment		50,607	14,456
Equity investments at fair value through other comprehensive income		4,140	4,140
Deferred tax assets		2,890	2,622
Total non-current assets		<u>1,219,530</u>	<u>1,159,555</u>
Current assets			
Inventories	13	190,968	241,403
Trade and bills receivables	14	358,831	354,601
Prepayments, deposits and other receivables		34,438	53,422
Pledged bank deposits		57,914	48,143
Cash and cash equivalents		120,422	83,350
Total current assets		<u>762,573</u>	<u>780,919</u>
Current liabilities			
Trade and bills payables	15	257,158	303,613
Lease liabilities		817	841
Contract liabilities		4,167	6,543
Other payables and accruals		55,201	47,966
Interest-bearing borrowings		149,535	191,418
Deferred income		4,316	505
Due to a director		17	17
Tax payable		3,908	8,113
Total current liabilities		<u>475,119</u>	<u>559,016</u>
Net current assets		<u>287,454</u>	<u>221,903</u>
Total assets less current liabilities		<u>1,506,984</u>	<u>1,381,458</u>

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Interest-bearing borrowings		571,941	485,852
Lease liabilities		1,844	2,635
Deferred income		40,788	46,332
Deferred tax liabilities		20,137	19,206
		<hr/>	<hr/>
Total non-current liabilities		634,710	554,025
		<hr/>	<hr/>
NET ASSETS		872,274	827,433
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Issued capital	16	747	747
Reserves		796,577	748,534
		<hr/>	<hr/>
		797,324	749,281
Non-controlling interests		74,950	78,152
		<hr/>	<hr/>
TOTAL EQUITY		872,274	827,433
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 7 October 2009. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is located at Room 1307, 13/F., New East Ocean Centre, 9 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and have been suspended for trading since 14 February 2013.

The Company acts as an investment holding company. The Company, through its major subsidiaries, is principally engaged in the design, development, manufacture and sale of (i) polymer processed high strength polyester fabric composite materials and other reinforced composite and conventional materials ("**Material Products**") and (ii) PVC and Non-PVC composite materials of floorings and wall panels ("**Building Material Products**") during the year.

In the opinion of the Directors, as at the date of issue of these consolidated financial statements, Hopeland International Holdings Company Limited ("**Hopeland International**") is the ultimate holding company of the Company and Mr. Lin Shengxiong ("**Mr. Lin**") is the ultimate controlling party of the Company.

The consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The preparation of consolidated financial statements in conformity with HKFRS 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 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 assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates 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.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. SEGMENT INFORMATION

There is only one operating segment which is principally engaged in the design, development, manufacture and sale of Material Products and Building Material Products.

Geographical information

	Revenue from external customers		Non-current assets	
	Year ended 31 December		As at 31 December	
	2025	2024	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
PRC	807,751	783,720	1,212,500	1,152,793
Others	397,282	381,536	–	–
	<u>1,205,033</u>	<u>1,165,256</u>	<u>1,212,500</u>	<u>1,152,793</u>

In presenting the geographical information, the revenue information is based on the locations of the customers while the non-current assets information is based on the location of assets and excludes equity investments at fair value through other comprehensive income and deferred tax assets. No revenue from transactions with a single country other than the People’s Republic of China (“**PRC**”) amounted to 10% or more of the Group’s total sales for the year (2024: Nil).

Information about major customers

No revenue from transactions with a single customer amounted 10% or more of the Group's total sales for the year (2024: Nil).

5. REVENUE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of goods	<u>1,205,033</u>	<u>1,165,256</u>

There is only one operating segment which is principally engaged in the design, development, manufacture and sale of (i) Material Products and (ii) Building Material Products during the year. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, payment in advance is normally required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Disaggregation of revenue from contracts with customers:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Geographical markets		
PRC	807,751	783,720
United States	29,381	38,370
Russia	50,282	74,260
Others	<u>317,619</u>	<u>268,906</u>
Total	<u>1,205,033</u>	<u>1,165,256</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Major products		
Material products	1,106,372	1,060,093
Building Material Products	98,661	105,163
	<hr/>	<hr/>
Total	1,205,033	1,165,256
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The revenue was recognised at a point in time.

6. OTHER INCOME AND GAINS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	637	694
Government subsidies (<i>note</i>)	11,597	14,423
Gross rental income	4,324	4,242
Dividend income from equity investments at fair value through other comprehensive income	181	209
Sundry income	10,684	8,712
	<hr/>	<hr/>
	27,423	28,280
	<hr/> <hr/>	<hr/> <hr/>

Note: Government subsidies are received and used for development of new products, implementation of environmental protection development programmes and acquire long-term assets. During the years ended 31 December 2025 and 2024, the Group recognised the subsidies with no other specific conditions attached upon receipt, and the subsidies related to assets on a systematic basis over the useful life of the assets.

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Lease interest	114	155
Interest on bank loans	19,018	19,296
Interest on other loans	121	606
	<u>19,253</u>	<u>20,057</u>
Total borrowing cost	19,253	20,057
Less: interests capitalised	(106)	(10,432)
	<u>19,147</u>	<u>9,625</u>

8. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold*	995,715	962,512
Depreciation of property, plant and equipment	62,154	54,889
Depreciation on right-of-use assets	6,493	3,687
Amortisation of intangible assets	128	128
Net loss on disposals of property, plant and equipment	42	216
Written-off of property, plant and equipment	39	441
Staff costs (including directors' remuneration):		
Wages and salaries	82,932	67,976
Retirement benefit scheme contributions	7,017	4,121
Staff welfare expenses	9,595	7,841
	<u>99,544</u>	<u>79,938</u>
Research and development costs	53,537	47,703
Exchange loss/(gain), net	508	(3,830)
Fair value loss/(gain) on investment properties	3,635	(160)
Loss on revaluation of property, plant and equipment	997	2,059
Impairment of trade receivables, net	2,155	4,100
Impairment of inventories, net	3,760	2,146
Auditors' remuneration	1,401	1,392

* Cost of inventories sold includes RMB95,678,000 (2024: RMB93,101,000) relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

9. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – the PRC		
Charge for the year	5,595	4,677
Under-provision in prior years	123	2,367
Deferred tax	<u>(72)</u>	<u>(57)</u>
	<u>5,646</u>	<u>6,987</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has to be provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong for the years ended 31 December 2025 and 2024.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), Fujian Sijia Industrial Material Co., Ltd.# (福建思嘉環保材料科技有限公司) (“**Fujian Sijia**”), Sijia New Material (Shanghai) Co., Ltd.# (思嘉環保材料科技(上海)有限公司) (“**Shanghai Sijia**”) and Fujian Sijia New Materials Technology Co., Ltd.# (福建思嘉新材料科技有限公司) (“**Fujian Sijia New Materials**”) are subject to the tax rate of 15% for being a high-tech enterprise. Other subsidiaries are subject to a corporate income tax rate of 25% according to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法).

The English name is for identification only

The reconciliation between income tax expense and profit before tax is as follows:

	2025	2024
	RMB'000	RMB'000
Profit before tax	<u>43,786</u>	<u>58,959</u>
Tax at the applicable tax rate of 25% (2024: 25%)	10,947	14,740
Lower tax rate for specific province or enacted by local authority	(4,952)	(6,871)
Tax effect of income not taxable and expenses not deductible	(1,439)	(5,249)
Tax effect of tax losses not recognised	967	2,000
Under-provision in prior years	<u>123</u>	<u>2,367</u>
Income tax expense	<u>5,646</u>	<u>6,987</u>

10. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: Nil).

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB44,342,000 (2024: RMB55,552,000) and the weighted average number of approximately 852,612,470 (2024: 852,612,470) ordinary shares in issue during the year.

Diluted earning per share

Diluted earning per share for the years ended 31 December 2025 and 2024 is the same as the basic earning per share as the Company did not have any dilutive potential ordinary shares during the years.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost or valuation							
At 1 January 2024	342,907	145,982	23,440	4,261	8,581	397,303	922,474
Additions	–	10,864	3,675	2,220	1,003	122,340	140,102
Disposals	–	(1,718)	–	–	(107)	–	(1,825)
Written off	–	(131)	–	(6)	–	(310)	(447)
Transfer from ROU	–	–	–	–	–	(95,078)	(95,078)
Transfer from CIP	233,415	93,451	2,722	379	426	(330,393)	–
Revaluation	(22,214)	(7,968)	–	–	–	–	(30,182)
At 31 December 2024 and 1 January 2025	554,108	240,480	29,837	6,854	9,903	93,862	935,044
Additions	647	4,785	1,545	1,657	1,477	68,346	78,457
Disposals	–	(28)	–	(7)	(953)	–	(988)
Written off	–	(122)	–	–	–	–	(122)
Transfer to ROU	–	–	–	–	–	(743)	(743)
Transfer from CIP	52,819	10,911	2,258	–	136	(66,124)	–
Revaluation	(25,188)	(23,799)	–	–	–	–	(48,987)
At 31 December 2025	582,386	232,227	33,640	8,504	10,563	95,341	962,661
Accumulated depreciation and impairment							
At 1 January 2024	–	–	12,278	2,049	5,030	–	19,357
Charge for the year	25,299	22,804	4,636	1,140	1,010	–	54,889
Disposals	–	(23)	–	–	(99)	–	(122)
Written off	–	–	–	(4)	(2)	–	(6)
Write back on revaluation	(25,299)	(22,781)	–	–	–	–	(48,080)
At 31 December 2024 and 1 January 2025	–	–	16,914	3,185	5,939	–	26,038
Charge for the year	21,779	31,095	5,882	2,164	1,234	–	62,154
Disposals	–	(1)	–	(4)	(820)	–	(825)
Written off	–	(17)	–	–	–	–	(17)
Reversal of impairment	–	–	–	–	(66)	–	(66)
Write back on revaluation	(21,779)	31,077	–	–	–	–	(52,856)
At 31 December 2025	–	–	22,796	5,345	6,287	–	34,428
Carrying amount							
At 31 December 2025	582,386	232,227	10,844	3,159	4,276	95,341	928,233
At 31 December 2024	554,108	240,480	12,923	3,669	3,964	93,862	909,006

At 31 December 2025, certain buildings, plant and machinery and construction in progress with an aggregate carrying amount of approximately RMB535,093,000 (2024: RMB503,882,000) were pledged to secure bank loan facilities granted to the Group.

The Group's buildings, plant and machinery were revalued at 31 December 2025 on the open market value basis by reference to market evidence of recent transactions for similar assets and net replacement cost by Fujian Zhongxing Assets and Real Estate Appraisal Co., Ltd.# (福建中興資產評估房地產土地估價有限責任公司), an independent professional valuer.

The English name is for identification only

13. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	69,100	100,135
Work in progress	28,757	41,195
Finished goods	93,111	100,073
	<u>190,968</u>	<u>241,403</u>

14. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	363,636	359,741
Provision for loss allowance	(4,805)	(8,872)
	<u>358,831</u>	<u>350,869</u>
Bills receivables	–	3,732
Carrying amount	<u>358,831</u>	<u>354,601</u>

The Group's trading terms with customers mainly comprise credit and cash on delivery. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

The aging analysis of trade receivables at the end of the reporting period, based on the date the Group is entitled to receive, and net of allowance, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Within 3 months	245,648	270,797
More than 3 months but within 6 months	52,146	54,281
More than 6 months but within 1 year	45,054	27,179
More than 1 year	15,983	2,344
	358,831	354,601

Reconciliation of loss allowance for trade receivables:

	2025 RMB'000	2024 <i>RMB'000</i>
At 1 January	8,872	5,429
Impairment of trade receivables, net	2,374	4,100
Reversal of loss allowance of trade receivables	(219)	–
Amounts written off of trade receivables	(6,222)	(657)
At 31 December	4,805	8,872

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The weighted average expected credit losses also incorporate forward looking information.

	Current	Within 30 days past due	31-60 days past due	61-120 days past due	Over 120 days past due	Total
At 31 December 2025						
Weighted average expected loss rate	0%	0%	1%	0%	8%	
Receivable amount (<i>RMB'000</i>)	240,706	33,244	17,344	19,582	52,760	363,636
Loss allowance (<i>RMB'000</i>)	74	60	194	97	4,380	4,805
At 31 December 2024						
Weighted average expected loss rate	0%	0%	0%	0%	49%	
Receivable amount (<i>RMB'000</i>)	274,043	25,337	19,020	23,205	18,136	359,741
Loss allowance (<i>RMB'000</i>)	–	–	–	–	8,872	8,872

15. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	109,625	147,735
Bills payables	<u>147,533</u>	<u>155,878</u>
	<u>257,158</u>	<u>303,613</u>
Represented by:		
– third parties	252,636	300,693
– a related party (<i>note</i>)	<u>4,522</u>	<u>2,920</u>
	<u>257,158</u>	<u>303,613</u>

Note: The Group has payable to a related party at the end of reporting period for purchase of raw materials.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	128,500	211,095
More than 3 months but within 6 months	92,242	81,308
More than 6 months but within 1 year	36,416	6,271
More than 1 year	<u>–</u>	<u>4,939</u>
	<u>257,158</u>	<u>303,613</u>

The Group uses certain bills payables as its supplier finance arrangement. The bills payables are issued by the Group with its bankers to its suppliers. These bills are transferable by its holders. The bank will settle the bills holders and the Group will repay to the bank on due day of the bills. Certain deposits are pledged for bills payable which is due within six months.

16. SHARE CAPITAL

	Number of shares	Amount <i>RMB'000</i>
Authorised:		
Ordinary shares of HK\$0.001 each		
At 1 January 2024, 31 December 2024, and 31 December 2025	<u>2,000,000,000</u>	<u>1,760</u>
Issued and fully paid:		
At 1 January 2024, 31 December 2024, and 31 December 2025	<u>852,612,470</u>	<u>747</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

There is no movement of the number of shares issued and the share capital during the year.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Being one of the notable leaders among the industry of manufacturing new materials featuring eco-friendliness and special features around the globe, the Group, whose businesses cover over 100 nations and regions around the world, considers low carbon, emission reduction and technical innovation as its core value and functional new materials as its primary products. The Group is dedicated to leading the eco-friendly industrial chain development of the industry, offering technical consultancy and services for the industry, providing new materials and super core construction material products for modern transportation, medical care, architecture, outdoor leisure activities and athletic sports. The Group’s high-performance PVC composite materials (“**Material Products**”) business, located in Fuzhou and Shanghai, utilizes self-developed equipment and processes that have been granted national invention patents in manufacturing new materials, including drop stitch fabric, architectural film, waterproofing film, marquees materials, air tightness materials, inflatable boats materials and inflatable materials.

The Group’s eco-friendly building materials (“**Building Material Products**”) business, located in Fuzhou, sells products across the world which are applicable in a wide spectrum of public and household domains, including education, healthcare, commerce, sports, offices, industrial usage and transportation which are in compliance with EU and U.S. standards and environmental requirements under the brands of “Zero Formaldehyde Super Core Flooring” and “Carbon Crystal Stone Wall Panel”.

The table below sets forth the Group’s revenue by products:

	For the year ended 31 December			
	2025		2024	
	<i>(RMB million)</i>	<i>% of total revenue</i>	<i>(RMB million)</i>	<i>% of total revenue</i>
Material Products	1,106.3	91.8	1,060.1	91.0
Building Material Products	98.7	8.2	105.2	9.0
	1,205.0	100.0	1,165.3	100.0

The table below sets forth the Group's revenue by geographical locations:

	For the year ended 31 December			
	2025			2024
	<i>(RMB million)</i>	<i>% of total revenue</i>	<i>(RMB million)</i>	<i>% of total revenue</i>
PRC	807.7	67.0	783.7	67.3
Others	397.3	33.0	381.6	32.7
	<u>1,205.0</u>	<u>100.0</u>	<u>1,165.3</u>	<u>100.0</u>

By virtue of its team's efforts, the Group achieved a total revenue of approximately RMB1,205.0 million for the year ended 31 December 2025 (2024: RMB1,165.3 million), representing an increase of approximately RMB39.7 million, or 3.4% over last year.

The Group's products can be categorized into two areas (i) Material Products; and (ii) Building Material Products. The Group generated most of its revenue from Material Products which accounted for approximately 91.8% (2024: 91.0%) of total revenue. Domestic sales continued to be the Group's major source of revenue, representing approximately 67.0% (2024: 67.3%) of the total revenue while export sales accounted for approximately 33.0% (2024: 32.7%) of the total revenue.

In 2025, the Group's top selling products, drop stitch fabric and inflatable materials were developed through continuous technological innovation.

As at 31 December 2025, the Group owned a total of 153 patents and/or copyrights. Among these, Fujian Sijia owned 95 patents (55 invention patents and 40 utility model patents), Shanghai Sijia owned 39 patents (16 invention patents, 18 utility model patents) and five software copyrights, and Fujian Sijia New Materials owned 19 patents (5 invention patents and 14 utility model patents). The Group is proactive in renewing its patents annually, in order to secure the continued protection of its intellectual property rights.

The global market environment faced significant challenges in 2025, driven by the combined effects of geopolitical tensions, a global economic downturn, and consumption downgrading. The Group will continue to face challenges in 2026, while a challenging market also fosters new developments and opportunities. The Group will continue to implement a comprehensive talent strategy, building a reserve of professional talent to support future development. Meanwhile, it will persist in developing high-performance green products and deepen the application of digital technologies in its operations, leveraging the power of science and technology to maintain and enhance the Group's competitiveness.

Material Products

During the year ended 31 December 2025, the Group's revenue generated from Material Products amounted to approximately RMB1,106.3 million (2024: RMB1,060.1 million), which accounted for approximately 91.8% (2024: 91.0%) of the Group's total revenue, representing an increase of approximately 4.4%.

Building Material Products

During the year ended 31 December 2025, the Group's revenue generated from Building Material Products amounted to approximately RMB98.7 million (2024: RMB105.2 million), which accounted for approximately 8.2% (2024: 9.0%) of the total revenue, representing a decrease of approximately 6.2%.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2025 was approximately RMB1,205.0 million, representing an increase of approximately RMB39.7 million, or 3.4%, compared to the revenue of approximately RMB1,165.3 million for last year. For the year under review, the Group's major sales segments, namely, (1) Material Products recorded a revenue of approximately RMB1,106.3 million (2024: RMB1,060.1 million); and (2) Building Material Products recorded a revenue of approximately RMB98.7 million (2024: RMB105.2 million).

Gross Profit and Gross Profit Margin

Gross profit was approximately RMB209.3 million for the year under review (2024: RMB202.7 million), with the gross profit margin of approximately 17.4% (2024: 17.4%).

The table below sets forth the Group's gross profit margin by products:

	For the year ended	
	31 December	
	2025	2024
	%	%
Material Products	18.5	17.3
Building Material Products	5.6	18.0
Total	17.4	17.4

Profit for the Year

The Group recorded a profit attributable to equity holders of approximately RMB44.3 million, or approximately RMB5.20 cents for basic earning per share for the year ended 31 December 2025 (2024: RMB55.6 million or RMB6.52 cents for basic earning per share).

Selling and Distribution Costs

Selling and distribution costs were approximately RMB46.4 million (2024: RMB47.5 million). The decrease in selling and distribution expenses was mainly attributable to lower marketing spending amid a slowdown in exhibition activities.

Administrative Expenses

Administrative expenses were approximately RMB117.0 million (2024: RMB104.4 million). The increase in administrative expenses was mainly attributable to the increase in research and development costs.

Research and Development

Research and development (the “**R&D**”) costs were approximately RMB53.5 million (2024: RMB47.7 million). The Group believes that its ongoing R&D efforts are critical in maintaining its long-term competitiveness and retaining existing customers. To explore new technologies and develop new products in order to attract new customers and develop new markets, the Group continues to dedicate resources to the R&D activities in its Fuzhou and Shanghai plants and initiate R&D cooperation with strategic partners, aiming to lower the cost of raw materials, streamline manufacturing processes, increase production capacities and develop high value-added new materials.

Impairment of Various Assets

— *Impairment of Trade and Other Receivables*

The management of the Group takes a prudent approach in assessing the collectability of trade and other receivables and would review the status of the receivables. This includes taking into consideration, the credit history of the customers of the Group and the prevailing market condition.

During the year ended 31 December 2025, an impairment on trade receivables, net has been recognised in respect of trade receivables in the amount of approximately RMB2.2 million (2024: RMB4.1 million).

— *Impairment of Inventories*

Impairment of inventories amounted to approximately RMB3.8 million (2024: RMB2.1 million) for the year ended 31 December 2025 was recognised by the Group. It was mainly attributable to the written down of the slow moving and obsolete stocks.

Finance Costs

Finance costs were approximately RMB19.1 million (2024: RMB9.6 million). The increase in the finance costs was mainly attributable to the significant decrease in amount of capitalised bank loan interest from approximately RMB10 million last year to approximately RMB0.1 million this year.

Loss on Revaluation of Property, Plant and Equipment

During the year, the Group revalued plant and machinery and recognised a revaluation loss of approximately RMB1 million (2024: RMB2.1 million) by reference to a professional valuation report.

Liquidity and Financial Resources

Total Equity

As at 31 December 2025, total equity was approximately RMB872.3 million, representing an increase of 5.4%, as compared to approximately RMB827.4 million as at 31 December 2024.

Financial Position

As at 31 December 2025, the Group had total current assets of approximately RMB762.6 million (2024: RMB780.9 million) and total current liabilities of approximately RMB475.1 million (2024: RMB559.0 million), with net current assets of approximately RMB287.5 million (2024: net current assets of approximately RMB221.9 million).

As at 31 December 2025, the Group's net gearing ratio (expressed as a percentage of total interest-bearing liabilities to total assets) was at 36.5%, compared to 35.1% as at 31 December 2024.

Cash and Cash Equivalents

As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB120.4 million (2024: RMB83.4 million), most of which were denominated in Renminbi (“RMB”).

Bank Borrowings

As at 31 December 2025, the Group had interest-bearing bank borrowings of approximately RMB721.5 million (2024: RMB677.3 million), most of which were denominated in RMB.

Contingent Liabilities

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

Capital Commitments

As at 31 December 2025, capital commitments of the Group were approximately RMB45.8 million (2024: RMB111.2 million). The capital commitments will be funded partly by internal resources and partly by bank borrowings.

Pledge of Assets

As at 31 December 2025, the Group mortgaged its buildings, plant and machinery and construction in progress of approximately RMB535.1 million (2024: RMB503.9 million), leasehold land of approximately RMB74.2 million (2024: RMB64.8 million), investment properties of approximately RMB18.1 million (2024: RMB20.3 million) in the PRC and bank deposits of approximately RMB57.9 million (2024: RMB48.1 million) were pledged to banks to secure bank loans and general banking facilities granted.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Human Resources

As at 31 December 2025, the Group had a total of 734 employees (2024: 718 employees). There was no significant change in number of staff as compared to last year.

The Group regards human capital as vital for its continuous growth and profitability and remains committed to improving the quality, competence and skills of all employees. The Group provides job related training throughout the organisation. The Group will continue to offer competitive remuneration packages and bonuses to eligible staff, based on the performance of the employees.

Exposure to Fluctuations in Exchange Rates and Related Hedge

Most business transactions of the Group are settled in RMB since the operations of the Group are mainly carried out in the PRC, and the major subsidiaries of the Group are operating in a RMB environment and the functional currency of the major subsidiaries is RMB. The reporting currency of the Group is RMB.

The Group's cash and bank deposits are predominantly in RMB. Based on the aforesaid, the Group does not enter into any agreement to hedge against the foreign exchange risk. The Company will pay dividends in Hong Kong Dollars if dividends are declared and it will continue to monitor the fluctuation of RMB closely and will introduce suitable measures as and when appropriate.

FUTURE PROSPECTS

In 2025, in the face of global inflation, geopolitical tensions, energy crises and other challenges, the Group actively responded to national policies by determining and adhering to the development policy of “prudent operation, green development, continuous innovation and pursuit of excellence”. The Group ensured its stable operation through prudent operational strategies while seeking breakthroughs in green development, technological innovation and other aspects to prepare for various challenges.

In the report on the implementation of the 2025 National Economic and Social Development Plan and the draft for the 2026 National Economic and Social Development Plan by the National Development and Reform Commission, the main tasks for the 2026 National Economic and Social Development Plan include leading the development of a modern industrial system through technological innovation, accelerating the formation of new productive forces, expanding domestic demand and further leveraging the key role of consumption and investment. The development of the Group's products is closely related to national economic development and the industry will also see new development opportunities.

Looking ahead to 2026, the Group will upgrade its overall business and operating models with innovative technologies and up to date management:

1. vigorously developing ecological building materials products, further expanding overseas markets, speeding up deployment in the Chinese building materials market and promoting the “Sijia super energy core” brand;
2. reinforcing the development of new materials business while developing new products actively and exploring new application areas and new markets;
3. achieving the goals of digitalization of operation, efficient horizontal/vertical collaboration, integration of business and finance, as well as “refinement, profitability and standardization” of management in a phased manner, in order to capture the high ground in the new competitive dimension of the industry;

4. comprehensively implementing seven major development strategies: talent, safety, green, R&D, digitalization, supply chain management and cultural strategies;
5. completing the first phase of the Fuqing Industrial Park project, with production operations entering the right track in the first phase;
6. establishing a safety management center of the Group to promote the informationization and centralized management of safety management in various subsidiaries;
7. implementing a high-level talent training plan, nurturing technical R&D and digital talents to lead the future development of business units;
8. establishing an internal control audit center to continuously optimize internal control processes in procurement, production, sales, finance, and to improve operational efficiency;
9. establishing an Intelligent Manufacturing Technology Research Institute to promote the intelligent and automated transformation of production equipment in various subsidiaries;
10. enhancing the protection of intellectual property rights for new technologies and new processes, applying for more technology patents, building up the most innovative technology-based group in the industry and creating value for the shareholders of the Company (the “**Shareholders**”);
11. deepening the corporate culture construction of “Jia culture,” optimizing employee care work, conducting more cultural and sports activities, training activities and promoting employees’ growth with the Group; and
12. actively fulfilling due corporate responsibilities, actively participating in events of rural revitalization and hometown caring, participating in activities such as “1,000 enterprises helping 1,000 villages” and targeted education assistance for poverty alleviation.

IMPORTANT EVENTS SINCE 31 DECEMBER 2025

On 19 March 2026, the Company received the statement of disciplinary action issued by The Stock Exchange of Hong Kong Limited in relation to the disciplinary action against Mr. Huang Wanneng, a former executive director of the Company. The Company confirmed that Mr. Huang Wanneng has not occupied any position as director or within senior management of the Company and its subsidiaries since 1 December 2022.

Save as disclosed above, to the best knowledge of the Directors, there were no important events affecting the Company and its subsidiaries which have occurred since 31 December 2025 and up to the date of this announcement.

SIGNIFICANT INVESTMENTS

To the best knowledge of the Company, there were no significant investments held by the Group for the year ended 31 December 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2025, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed herein, the Group did not have any future plans for material investment or capital assets as at 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares (including sale of treasury shares) for the year ended 31 December 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. Save for the deviation discussed below, during the year ended 31 December 2025, the Company has complied with the code provisions under the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the chairman of the Company (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) have been performed by Mr. Liu Jun (“**Mr. Liu**”), an executive Director.

With Mr. Liu’s extensive experience in reinforced materials markets, he is responsible for the overall strategic planning and business development of the Group. The Board considers that vesting both roles of Chairman and Chief Executive Officer with Mr. Liu is beneficial to the business prospects and management of the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. To facilitate good corporate governance, the Company has established the division of responsibilities between the Chairman and Chief Executive Officer. The responsibilities of the Chairman are performed in accordance with the code provisions under the CG Code. The Board will continue reviewing and considering the separation of the roles of the Chairman and the Chief Executive Officer at an appropriate time, taking into consideration the business development of the Group as a whole.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ 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 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code for the year ended 31 December 2025.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

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

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**"), comprises three independent non-executive Directors, namely, Mr. Lau Chun Pong, Mr. Lu Jiayu and Ms. Jiang Ping. All independent non-executive Directors have reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on auditing, internal control and financial reporting matters. The Group's audited consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee, who is of the opinion that such accounts have complied with the applicable accounting standards, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

CONTINUED SUSPENSION IN TRADING

Trading in the shares of the Company was suspended with effect from 14 February 2013 and will remain suspended until further notice.

**PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE COMPANY AND
THE STOCK EXCHANGE OF HONG KONG LIMITED**

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinalongevity.hk>). The annual report for the year ended 31 December 2025 will be despatched to the Shareholders and available on the above websites in due course.

By order of the Board
China Longevity Group Company Limited
Liu Jun
Chairman and Executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Liu Jun, Mr. Jiang Shisheng and Mr. Gao Juwen, and three independent non-executive Directors, namely, Mr. Lau Chun Pong, Mr. Lu Jiayu and Ms. Jiang Ping.