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**SHENZHOU INTERNATIONAL GROUP HOLDINGS LIMITED**

**( 申洲國際集團控股有限公司\* )**

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 2313)**

**PRELIMINARY ANNOUNCEMENT OF THE ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**HIGHLIGHTS**

- Sales for the year ended 31 December 2025 amounted to approximately RMB30,993,732,000, representing an increase of approximately 8.1% when compared with the year of 2024.
- For the year ended 31 December 2025, percentage of sportswear products sales to total sales was approximately 67.7%. Sales of sportswear products increased by approximately 5.9% when compared with the year of 2024, primarily due to rising demand for sportswear products in the markets of United States and Europe.
- For the year ended 31 December 2025, percentage of casual wear products sales to total sales was approximately 27.1%. Sales of casual wear products increased significantly by approximately 16.7% when compared with the year of 2024, primarily due to significant rising demand for casual wear products in Japanese market and other markets.

\* *for identification purposes only*

- For the year ended 31 December 2025, percentage of lingerie wear products sales to total sales was approximately 4.5%. Sales of lingerie wear products slightly decreased by approximately 2.3% when compared with the year of 2024, primarily due to decreasing demand for lingerie in Japanese market.
- Gross profit margin was approximately 26.3% in 2025, representing a decrease of 1.8 percentage points from last year. Gross profit for the year ended 31 December 2025 amounted to approximately RMB8,165,360,000, representing an increase of approximately 1.4% when compared with the year of 2024.
- Net profit after tax for the year ended 31 December 2025 amounted to approximately RMB5,825,262,000, representing a decrease of approximately 6.7% when compared with the year of 2024. The main reasons for the decline in net profit after tax for the current year included: (1) a gain of approximately RMB330,603,000 recognised in the prior year's net profit after tax arising from the disposal of equity interests in one wholly-owned subsidiary of the Group; and (2) the appreciation of the Renminbi (RMB) against the US dollars in 2025, which resulted in foreign-exchange losses of approximately RMB256,142,000 for the year (2024: foreign-exchange gains of approximately RMB105,549,000).
- It is proposed to declare a final dividend of HKD1.20 per ordinary share, and together with interim dividend declared of HKD1.38 per ordinary share, the total dividend proposed to be declared for the year of 2025 was HKD2.58 per ordinary share, representing an increase of approximately 2.0% when compared with HKD2.53 per ordinary share of 2024. The dividend payout ratio in 2025 was approximately 60.9%.

The board of directors (the “**Board**”, each a “**Director**”) of Shenzhou International Group Holdings Limited (“**Shenzhou International**” or the “**Company**”) is pleased to present the results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025, together with the comparative amounts for the corresponding year of 2024 as follows.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>REVENUE</b>	4	<b>30,993,732</b>	28,662,938
Cost of sales		<u>(22,828,372)</u>	<u>(20,608,041)</u>
Gross profit		<b>8,165,360</b>	8,054,897
Other income	5	<b>1,431,111</b>	1,234,771
Selling and distribution expenses		<b>(250,272)</b>	(276,283)
Administrative expenses		<b>(2,095,323)</b>	(1,938,336)
Finance costs	6	<b>(335,348)</b>	(375,348)
Other (expenses)/gains, net	5	<b>(254,259)</b>	458,775
Share of profits of associates		<u><b>4,506</b></u>	<u>5,302</u>
<b>PROFIT BEFORE TAX</b>	7	<b>6,665,775</b>	7,163,778
Income tax expenses	8	<u><b>(840,513)</b></u>	<u>(923,197)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>5,825,262</b></u>	<u>6,240,581</u>
<b>Attributable to:</b>			
<b>Owners of the parent</b>		<u><b>5,825,262</b></u>	<u>6,240,581</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<i>10</i>		
Basic and diluted (RMB)		<u><b>3.88</b></u>	<u>4.15</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>5,825,262</u></b>	<b><u>6,240,581</u></b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(512,604)</u>	<u>(68,815)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(512,604)</u>	<u>(68,815)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b><u>(512,604)</u></b>	<b><u>(68,815)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>5,312,658</u></b>	<b><u>6,171,766</u></b>
<b>Attributable to:</b>		
Owners of the parent	<b><u>5,312,658</u></b>	<b><u>6,171,766</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>11,666,268</b>	10,763,046
Right-of-use assets		<b>2,218,359</b>	1,938,816
Intangible assets		<b>125,756</b>	131,840
Bank deposits – non-current	<i>14</i>	<b>200,968</b>	1,165,918
Long-term prepayments		<b>412,101</b>	408,678
Investments in associates		<b>21,697</b>	15,154
Deferred tax assets		<b>134,122</b>	112,611
		<hr/>	<hr/>
Total non-current assets		<b>14,779,271</b>	14,536,063
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>6,709,855</b>	6,884,954
Trade and bills receivables	<i>11</i>	<b>6,943,819</b>	6,151,331
Prepayments and other receivables		<b>458,229</b>	484,563
Amounts due from related parties		<b>4,020</b>	1,195
Financial assets at fair value through profit or loss	<i>13</i>	<b>1,702,816</b>	1,303,978
Pledged deposits	<i>14</i>	–	5,440
Bank deposits – current	<i>14</i>	<b>10,934,131</b>	12,871,494
Cash and cash equivalents	<i>14</i>	<b>15,410,854</b>	10,868,830
		<hr/>	<hr/>
Total current assets		<b>42,163,724</b>	38,571,785
		<hr/>	<hr/>

	<i>Note</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	12	1,382,544	1,493,021
Contract liabilities		5,251	18,900
Other payables and accruals		2,100,194	1,695,053
Amounts due to related parties		62,534	–
Interest-bearing bank borrowings		14,601,497	12,818,564
Lease liabilities		13,836	47,371
Tax payable		<u>677,687</u>	<u>753,254</u>
Total current liabilities		<u>18,843,543</u>	<u>16,826,163</u>
<b>NET CURRENT ASSETS</b>		<u>23,320,181</u>	<u>21,745,622</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>38,099,452</u>	<u>36,281,685</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		198,000	–
Lease liabilities		56,138	66,682
Deferred tax liabilities		<u>353,396</u>	<u>362,108</u>
Total non-current liabilities		<u>607,534</u>	<u>428,790</u>
<b>NET ASSETS</b>		<u>37,491,918</u>	<u>35,852,895</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		151,200	151,200
Reserves		<u>37,340,718</u>	<u>35,701,695</u>
<b>Total equity</b>		<u>37,491,918</u>	<u>35,852,895</u>

Notes:

## 1. BASIS OF PREPARATION

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

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and there is one reportable operating segment: the manufacture and sale of knitwear products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

### Geographical information

#### (a) Revenue from external customers

	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Chinese Mainland	<b>7,387,188</b>	8,061,175
European Union	<b>6,261,762</b>	5,190,059
United States of America	<b>5,582,598</b>	4,611,826
Japan	<b>5,144,000</b>	4,834,111
Other regions	<b>6,618,184</b>	5,965,767
Total revenue	<b><u>30,993,732</u></b>	<b><u>28,662,938</u></b>

The revenue information above is based on the delivery destinations of the products.

(b) *Non-current assets*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	5,987,214	5,950,811
Vietnam	5,199,947	4,239,841
Cambodia	2,968,534	2,750,106
Other regions	<u>266,789</u>	<u>301,622</u>
Total non-current assets	<u>14,422,484</u>	<u>13,242,380</u>

The non-current asset information above is based on the locations of the assets and excludes long-term time deposits at banks, investments in associates and deferred tax assets.

**Information about major customers**

Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	9,080,179	7,985,314
Customer B	7,532,045	7,398,654
Customer C	<u>6,434,424</u>	<u>4,998,249</u>

**4. REVENUE**

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Sale of goods – at a point in time	<u>30,993,732</u>	<u>28,662,938</u>

## Revenue from contracts with customers

- (i) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of goods	<u>18,900</u>	<u>23,353</u>

(ii) *Performance obligations*

The Group's performance obligation is satisfied upon delivery or pick-up of the knitwear products and payment is generally due within 30 to 180 days from delivery.

## 5. OTHER INCOME, OTHER (EXPENSES)/GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Government grants	327,776	151,315
Interest income	1,094,796	1,075,710
Rental income	<u>8,539</u>	<u>7,746</u>
Total	<u>1,431,111</u>	<u>1,234,771</u>
<b>Other (expenses)/gains, net</b>		
Fair value gains, net:		
Financial assets at fair value through profit or loss		
– mandatorily classified as such	32,580	18,910
Gain on disposal of items of right-of-use assets	–	372,553
Loss on disposal of items of property, plant and equipment	(28,178)	(35,774)
Foreign exchange differences, net	(256,142)	105,549
Others	<u>(2,519)</u>	<u>(2,463)</u>
Total	<u>(254,259)</u>	<u>458,775</u>

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank borrowings	331,580	369,809
Interest on lease liabilities	<u>3,768</u>	<u>5,539</u>
Total	<u><b>335,348</b></u>	<u><b>375,348</b></u>

## 7. PROFIT BEFORE TAX

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

	Notes	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold		22,761,332	20,572,130
Depreciation of items of property, plant and equipment		1,360,486	1,401,333
Depreciation of right-of-use assets		104,961	98,013
Amortisation of intangible assets		23,994	22,654
Lease payments not included in the measurement of lease liabilities		2,804	5,620
Auditor's remuneration		3,782	3,788
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		7,555,432	6,894,284
Pension scheme contributions (defined contribution scheme)*		856,685	749,239
Other benefits		<u>284,186</u>	<u>278,197</u>
Total		<u><b>8,696,303</b></u>	<u><b>7,921,720</b></u>
Foreign exchange differences, net		256,142	(105,549)
Impairment of inventories, net		67,040	35,911
Fair value gains, net:			
Financial assets at fair value through profit or loss			
– mandatorily classified as such	5	(32,580)	(18,910)
Interest income	5	(1,094,796)	(1,075,710)
Loss on disposal of items of property, plant and equipment	5	28,178	35,774
Gain on disposal of items of right-of-use assets	5	<u>–</u>	<u>(372,553)</u>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INCOME TAX

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current Hong Kong profits tax	<b>8,389</b>	12,242
Current overseas withholding tax	<b>8,175</b>	9,534
Current Vietnam profits tax (excluding Pillar Two income taxes)	<b>150,035</b>	117,599
Current Cambodia profits tax	<b>478</b>	424
Current Macao profits tax	<b>300,808</b>	220,958
Current Chinese Mainland corporate income tax (“CIT”)	<b>201,416</b>	362,666
Pillar Two income taxes – current tax*	<b>201,435</b>	184,683
Deferred taxation	<b>(30,223)</b>	15,091
	<hr/>	<hr/>
Total	<b>840,513</b>	923,197
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\* *The current tax expense mainly relates to Vietnam.*

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The subsidiaries incorporated in the BVI are not subject to income tax as these subsidiaries do not have a place of business (but only a registered office) or carry on any business in the BVI.

The subsidiaries incorporated in the Kingdom of Cambodia are subject to income tax at a rate of 20% (2024: 20%). Under the laws and regulations of Cambodia, certain subsidiaries are entitled to an exemption from income tax for three years after the first income-generating year. Furthermore, one subsidiary is entitled to enjoy a lower income tax rate of 5% for the 4th to 5th years, 10% for the 6th to 7th years and 15% for the 8th to 9th years. Another subsidiary is entitled to an exemption from income tax for an additional five years ending on 31 December 2026.

The subsidiary incorporated in Japan, under the Law of Taxation in Japan, is subject to income tax at a rate of 30% (2024: 30%) of the assessable profits arising in Japan. No provision for income tax has been made as the subsidiary had no assessable profits arising in Japan during the year.

Three subsidiaries incorporated in Vietnam, are subject to income tax at a rate of 20%. Under the laws and regulations of Vietnam, two subsidiaries are entitled to enjoy a lower profits tax rate of 10%. Furthermore, one is entitled to an exemption from income tax for four years ended 31 December 2019 and a 50% reduction for nine years from 1 January 2020. The other subsidiary is entitled to an exemption from income tax for four years ended 31 December 2020 and a 50% reduction for nine years from 1 January 2021. The third subsidiary is entitled to enjoy a lower profits tax rate of 17% for three years ending on 31 December 2026.

Pursuant to Macao's relevant tax legislations, the subsidiary incorporated in Macao is subject to income tax at a rate of 12% of the accessible profits arising in Macao during the current year.

Pursuant to the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"), the PRC subsidiaries as determined for the year in accordance with the New CIT Law are subject to tax at a rate of 25% on their assessable income. A subsidiary is qualified as a High-New Technology Enterprise, and is entitled to a concessionary rate of income tax at 15% for three years commencing 1 January 2025. Two subsidiaries are qualified as micro and small companies and entitled to a concessionary rate of income tax of 5%.

A reconciliation between the tax expense and the product of accounting profit multiplied by the PRC's domestic tax rate for the tax years ended 31 December 2025 and 2024 is as follows:

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	<b><u>6,665,775</u></b>	<u>7,163,778</u>
Tax at the statutory tax rate of 25% (2024: 25%)	<b>1,666,444</b>	1,790,944
Lower tax rates for specific jurisdictions or enacted by local authorities	<b>(1,063,268)</b>	(1,003,355)
Pillar Two income taxes	<b>201,435</b>	184,683
Additional deductible allowance for qualified research and development costs	<b>(64,217)</b>	(63,533)
Adjustments in respect of current tax of previous periods	<b>3,683</b>	2,721
Income not subject to tax	<b>(20,679)</b>	(42,544)
Expenses not deductible for tax	<b>12,580</b>	14,115
Overseas withholding tax	<b>8,175</b>	9,534
Tax losses not recognised during the year	<b>115,908</b>	74,797
Utilisation of previously unrecognised tax losses	<b><u>(19,548)</u></b>	<u>(44,165)</u>
Tax charge at the effective rate	<b><u>840,513</u></b>	<u>923,197</u>

## Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the additional Pillar Two income taxes as current tax when incurred.

The Group has performed an assessment of its exposure to Pillar Two income taxes based on the information available regarding the Group's financial performance in the current year. Based on the assessment, the Group has identified potential exposure from the subsidiaries in respect of profits earned in Vietnam where the Pillar Two effective tax rate is below 15% due to certain income exclusions and incentives received by them. The proportion of the Group's profit before tax for the year ended 31 December 2025 that would have been subject to Pillar Two income taxes was approximately 39%. The average effective tax rate applicable to those profits was 5.02%. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

## 9. DIVIDENDS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interim – HK\$1.38 (2024: HK\$1.25) per ordinary share	<b>1,891,896</b>	1,714,989
Proposed final – HK\$1.20 (2024: HK\$1.28) per ordinary share	<b><u>1,629,253</u></b>	<u>1,781,739</u>

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

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,503,222,397 (2024: 1,503,222,397) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 31 December 2024.

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

### Earnings

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculation	<b><u>5,825,262</u></b>	<u>6,240,581</u>

### Shares

	<b>Number of shares</b>	
	<b>2025</b>	2024
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	<b><u>1,503,222,397</u></b>	<u>1,503,222,397</u>

### Earnings per share

	<b>2025</b>	2024
	<b><i>RMB</i></b>	<i>RMB</i>
Basic and diluted	<b><u>3.88</u></b>	<u>4.15</u>

## 11. TRADE AND BILLS RECEIVABLES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade and bills receivables	<b><u>6,943,819</u></b>	<u>6,151,331</u>

The Group's trading terms with its customers are mainly on credit with credit terms of within six months. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within three months	<b>6,772,272</b>	5,943,074
Three to six months	<b>119,182</b>	166,085
Over six months	<b><u>52,365</u></b>	<u>42,172</u>
Total	<b><u>6,943,819</u></b>	<u>6,151,331</u>

The ageing analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Neither past due nor impaired	<b>6,712,704</b>	5,920,033
Less than three months past due	<b>172,062</b>	203,502
Over three months past due	<b><u>59,053</u></b>	<u>27,796</u>
Total	<b><u>6,943,819</u></b>	<u>6,151,331</u>

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience and forward-looking information, the directors of the Company were of the opinion that no provision for expected credit losses was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

At 31 December, the trade and bills receivables were denominated in the following currencies:

	2025		2024	
	Original currency <i>in thousand</i>	RMB equivalent <i>RMB'000</i>	Original currency <i>in thousand</i>	RMB equivalent <i>RMB'000</i>
US\$	746,288	5,245,511	607,796	4,369,084
RMB		<u>1,698,308</u>		<u>1,782,247</u>
Total		<u>6,943,819</u>		<u>6,151,331</u>

The carrying amounts of the trade and bills receivables approximate to their fair values.

## 12. TRADE PAYABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within six months	1,367,943	1,468,589
Six months to one year	3,424	2,246
One year to two years	718	11,437
Over two years	<u>10,459</u>	<u>10,749</u>
Total	<u>1,382,544</u>	<u>1,493,021</u>

The trade payables are non-interest-bearing. The carrying amounts of the trade payables approximate to their fair values.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial products issued by financial institutions*	<u>1,702,816</u>	<u>1,303,978</u>

\* *The above financial products were wealth management products issued by banks in the Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows were not solely payments of principal and interest. The applicable size test results in respect of the purchases of these financial products are all below 5% and thus these purchases are not subject to the notifiable transaction requirements under Chapter 14 of the Listing Rules.*

#### 14. CASH AND BANK BALANCES AND TIME DEPOSITS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Cash and bank balances	<b>3,546,375</b>	3,468,872
Time deposits	<b>22,999,578</b>	21,442,810
	<b>26,545,953</b>	24,911,682
Less:		
Deposits pledged for construction payment guarantee	–	(5,440)
Bank deposits – current	<b>(10,934,131)</b>	(12,871,494)
Bank deposits – non-current	<b>(200,968)</b>	(1,165,918)
Cash and cash equivalents	<b>15,410,854</b>	10,868,830

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in RMB amounted to approximately RMB3,781,108,000 (31 December 2024: RMB7,707,043,000). The RMB is not freely convertible into other currencies. However, under the Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between 3 months and 36 months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

Cash and cash equivalents include bank deposits with original maturity of more than three months held by the Group. As at 31 December 2025, bank deposits held by the Group with original maturity of more than three months, which can be withdrawn on demand without prior notice to banks, were RMB1,130,072,000(31 December 2024: RMB598,177,000).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND FUTURE PROSPECTS AND STRATEGIES**

#### **Business Review**

In the year 2025, the Group achieved revenue of approximately RMB30,993,732,000, representing an increase of approximately 8.1% over the previous year. Gross profit amounted to approximately RMB8,165,360,000, an increase of approximately 1.4% compared to the same period last year. Profit attributable to owners of the parent amounted to approximately RMB5,825,262,000, representing a decrease of approximately 6.7% compared with the same period last year. This decrease was attributable to the absence of a gain of approximately RMB330,603,000 recognised in the prior year's net profit after tax arising from the disposal of equity interests in one wholly-owned subsidiary of the Group. Excluding the impact of this one-off gain, profit attributable to owners of the parent decreased by approximately 1.4% compared with the same period last year. During the year, the Group further increased its workforce at overseas production bases, with production capacity gradually being released. This provided the necessary production capacity to support sustained growth in sales revenue. However, rising labour costs and the absorption of certain import tariffs on behalf of customers in the US market, and the appreciation of the Renminbi against the US dollar mitigated the recovery in profitability. Consequently, the gross profit margin for the year decreased by 1.8 percentage points to 26.3 per cent compared with the previous year. Looking back on the year's work, the Group has simultaneously advanced new capacity expansions at overseas bases and technological upgrades at domestic facilities, effectively driving increases in production scale and operational efficiency. Guided by customer requirements, the Group has intensified new product development efforts, enhancing market competitiveness while effectively fostering sustained business growth. Furthermore, the Group has continuously optimised organisational structures and operational processes, deepened cross-departmental business integration, accelerated the introduction of advanced technologies, and ensured the efficient implementation of management decisions.

The Group's new fabric factory project in Tây Ninh Province, Vietnam (the “**Second Vietnam Fabric Factory**”) encompasses weaving, dyeing and finishing operations alongside partial in-house auxiliary material production, with a planned daily capacity of approximately 200 tonnes. By year-end, the project had completed the main civil engineering works and partial equipment installation. Installation and commissioning of the remaining equipment are currently underway. Upon commencement of operations, the Second Vietnam Fabric Factory will effectively alleviate fabric supply constraints arising from overseas garment factory expansions, enhance industrial chain support for overseas bases, and diversify fabric product offerings. Moreover, the Group's newly established garment factory in Cambodia has employed approximately 5,400 staff, reaching nearly 90 per cent of its projected workforce capacity. Production efficiency has now attained around 85 per cent of normal levels. As staffing levels stabilise and operational efficiency improves, the garment production capacity at the Cambodian facility will be further unlocked.

During the year, the Group continued to advance technological upgrades at its domestic production bases: the newly established weaving mill achieved centralised production management, with a significant enhancement in the automation level of production facilities; the garment factory at our base in Ningbo, Zhejiang Province completed comprehensive refurbishment and renovation, adding automated equipment and optimising assembly line layouts to achieve the goal of reducing manpower while increasing efficiency; the garment base in Anhui Province is undergoing comprehensive technological transformation, having acquired approximately 16 hectares of new land, with the civil engineering works for the first phase of the transformation project nearing completion.

The Group continues to increase investment in new product development, prioritising the application of new materials and innovation in fabric weaving techniques to continually expand its product portfolio. For sportswear, the Group focuses on functional characteristics and scenario-based design to better align with consumer demands. During the reporting period, our football apparel range achieved significant market recognition, driving rapid sales growth. Concurrently, the Group has intensified research and development efforts across basketball and running collections, aiming to capture customer and market favour through innovative fabrics and sophisticated craftsmanship, thereby propelling sustained and robust business growth.

The Group has commenced adjustments and optimisations to its internal organisational structure and operational processes to better align with its global business footprint and address operational pressures arising from sustained labour cost increases. Concurrently, efforts to recruit diverse technological talent have been intensified to bolster team capabilities. By enhancing interdepartmental communication and collaboration, the Group will deepen the industrial application of advanced technologies and artificial intelligence as new drivers of productivity, thereby achieving efficiency gains, increased output, and agile decision-making. Moreover, as the proportion of overseas production capacity increases, these adjustments and optimisations will enable the Group's functional management departments to provide efficient service support to all production bases while ensuring rapid response and timely resolution of operational requirements across each site.

## FINANCIAL REVIEW

### Sales Revenue

For the fiscal year ended 31 December 2025, sales revenue reached approximately RMB30,993,732,000, marking an 8.1% increase (approximately RMB2,330,794,000) from RMB28,662,938,000 in 2024. The primary factors contributing to the increase in sales revenue this year were: the Group further enhanced its procurement share among key customers through diversifying its product offerings, while simultaneously expanding production capacity at overseas facilities and improving operational efficiency.

The following is a comparative analysis of the Group's sales revenue by product category for the years 2025 and 2024:

	For the year ended 31 December					
	2025		2024		Change	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
By product						
Sportswear	<b>20,966,573</b>	<b>67.7</b>	19,799,350	69.1	1,167,223	5.9
Casual wear	<b>8,410,981</b>	<b>27.1</b>	7,207,239	25.1	1,203,742	16.7
Lingerie wear	<b>1,403,026</b>	<b>4.5</b>	1,435,780	5.0	(32,754)	(2.3)
Other knitwear	<b>213,152</b>	<b>0.7</b>	220,569	0.8	(7,417)	(3.4)
Total sales	<b><u>30,993,732</u></b>	<b><u>100.0</u></b>	<b><u>28,662,938</u></b>	<b><u>100.0</u></b>	<b><u>2,330,794</u></b>	<b><u>8.1</u></b>

For the fiscal year ended 31 December 2025, sales revenue from sportswear products reached approximately RMB20,966,573,000, representing an increase of approximately RMB1,167,223,000 or 5.9% compared to RMB19,799,350,000 for the fiscal year ended 31 December 2024. The growth in sales revenue from sportswear products was primarily driven by increased demand for sports apparel in the European market and U.S. markets.

Sales revenue from casual wear products increased from approximately RMB7,207,239,000 for the fiscal year ended 31 December 2024, to approximately RMB8,410,981,000 for the fiscal year ended 31 December 2025, marking an increase of approximately RMB1,203,742,000 or 16.7%. This growth was mainly attributable to rising demand for casual apparel in the Japanese market and other regions.

For the fiscal year ended 31 December 2025, sales revenue from lingerie products decreased to approximately RMB1,403,026,000, down from approximately RMB1,435,780,000 for the fiscal year ended 31 December 2024. This represents a decrease of approximately RMB32,754,000 or 2.3%. The decrease was primarily driven by decreased procurement demand from the Japanese market.

For the fiscal year ended 31 December 2025, sales revenue from other knitwear products decreased to approximately RMB213,152,000, down from approximately RMB220,569,000 for the fiscal year ended 31 December 2024. This represents a decrease of approximately RMB7,417,000 or 3.4%.

The following is a comparative analysis of the Group's sales revenue by markets for the years 2025 and 2024:

	For the year ended 31 December					
	2025		2024		Change	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
By market						
Europe	<b>6,261,762</b>	<b>20.2</b>	5,190,059	18.1	1,071,703	20.6
U.S.	<b>5,582,598</b>	<b>18.0</b>	4,611,826	16.1	970,772	21.0
Japan	<b>5,144,000</b>	<b>16.6</b>	4,834,111	16.9	309,889	6.4
Other markets	<b>6,618,184</b>	<b>21.4</b>	5,965,767	20.8	652,417	10.9
Sub-total revenue from international market	<b>23,606,544</b>	<b>76.2</b>	20,601,763	71.9	3,004,781	14.6
Revenue from China domestic markets	<b>7,387,188</b>	<b>23.8</b>	8,061,175	28.1	(673,987)	(8.4)
Total sales	<b>30,993,732</b>	<b>100.0</b>	28,662,938	100.0	2,330,794	8.1

For the fiscal year ended 31 December 2025, the Group's sales revenue in the European market reached approximately RMB6,261,762,000, representing an increase of approximately RMB1,071,703,000 or 20.6% compared to RMB5,190,059,000 for the fiscal year ended 31 December 2024. The growth was primarily driven by increased procurement demand for Sportswear in the European market.

For the fiscal year ended 31 December 2025, the Group's sales revenue in the U.S. market reached approximately RMB5,582,598,000, representing an increase of approximately RMB970,772,000 or 21.0% compared to RMB4,611,826,000 for the fiscal year ended 31 December 2024. This growth was primarily driven by increased demand for sportswear.

For the fiscal year ended 31 December 2025, the Group's sales revenue in the Japanese market reached approximately RMB5,144,000,000, representing an increase of approximately RMB309,889,000 or 6.4% compared to RMB4,834,111,000 for the fiscal year ended 31 December 2024. The growth was primarily driven by rising demand for casual wear products in the Japanese market.

Sales revenue in other overseas markets totaled approximately RMB6,618,184,000, marking a 10.9% increase from RMB5,965,767,000 in 2024, representing an increase of approximately RMB652,417,000. The growth was mainly due to higher exports to Canada, South Korea, Australia and others.

The Group's sales revenue in the China domestic market decreased by 8.4% year-over-year. Revenue from apparel sales reached approximately RMB7,199,992,000, down 8.5% from RMB7,870,002,000 in 2024, representing a decrease of approximately RMB670,010,000. This decrease was primarily driven by declining demand for sportswear in Mainland China.

### **Cost of Sales and Gross Profit**

For the fiscal year ended 31 December 2025, the Group's cost of sales was approximately RMB22,828,372,000 (2024: RMB20,608,041,000). The Group's gross profit margin for 2025 was approximately 26.3%, representing a decrease of about 1.8 percentage points from 28.1% in 2024. The decline in gross profit margin was mainly attributed to: 1) the average employee salary increased during the year. Concurrently, as newly established garment factories in Cambodia are still in the phase of enhancing operational efficiency following their commencement of production, the proportion of labour costs within production expenses relative to sales revenue has risen.; and 2) products sold to the US market are subject to the impact of changes in import tariff policies, with customers sharing a portion of the associated tariff costs.

## **Equity Attributable to Owners of the Parent**

As of 31 December 2025, the equity attributable to owners of the parent was approximately RMB37,491,918,000 (2024: RMB35,852,895,000). This includes non-current assets of approximately RMB14,779,271,000 (2024: RMB14,536,063,000), net current assets of approximately RMB23,320,181,000 (2024: RMB21,745,622,000), and non-current liabilities of approximately RMB607,534,000 (2024: RMB428,790,000). The increase in equity attributable to owners of the parent was primarily due to: 1) the Group's annual operating profit has increased the reserves; and 2) the increase in reserves was offset by the payment of dividends to owners of the parent company.

## **Liquidity and Financial Resources**

For the fiscal year ended 31 December 2025, the Group's net cash generated from operating activities was approximately RMB5,549,401,000, compared to RMB5,272,964,000 in 2024. As of 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB15,410,854,000, of which approximately RMB1,473,738,000 was denominated in RMB, approximately RMB13,873,055,000 in USD, approximately RMB16,154,000 in HKD, approximately RMB41,219,000 in VND, with the remaining balance in other currencies (2024: RMB10,868,830,000, with approximately RMB2,742,633,000 denominated in RMB, RMB7,876,257,000 in USD, RMB210,157,000 in HKD, RMB33,002,000 in VND, and the balance in other currencies).

The Group's bank borrowings as of 31 December 2025, totaled approximately RMB14,799,497,000, short-term bank borrowings amounted to approximately RMB14,601,497,000, while long-term bank borrowings stood at RMB198,000,000 (2024: RMB12,818,564,000, all of which were short-term bank borrowings).

As of 31 December 2025, the Group's net cash position (cash and cash equivalents less bank borrowings) was approximately RMB611,357,000, compared to net borrowings (bank borrowings less cash and cash equivalents) of approximately RMB1,949,734,000 as at 31 December 2024. The net cash increase of approximately RMB2,561,091,000 primarily resulted from a decrease in other deposit-type financial assets and an increase in short-term bank deposits.

Equity attributable to owners of the parent amounted to approximately RMB37,491,918,000 (2024: RMB35,852,895,000). The Group was in a good cash flow position, with a debt-to-equity ratio (calculated based on the percentage of total outstanding borrowings over equity attributable to owners of the parent) of 39.5% as of 31 December 2025 (2024: 35.8%), representing an increase of 3.7 percentage point as compared with the end of last year. As at 31 December 2025, in addition to cash and cash equivalents, the Group also held other deposit financial assets of approximately RMB12,837,915,000 (2024: RMB15,346,830,000), which can be used as the source of capital for debt adjustment.

As part of the Group's overall financial management policy, the Group purchased financial products (including financial assets measured at fair value through profit or loss and time deposits) from several licensed banks in China. This strategy aimed to maximise the return on idle funds through legal and low-risk channels. The results of the related scale tests for such purchases were all below 5%, and therefore, these purchases were not subject to the disclosure requirements of Chapter 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The purchase of these financial products was approved by the investment and lending committee of the Company, which had been established by the Board to oversee the implementation of the Group's treasury management policy.

### **Finance Costs and Taxation**

For the fiscal year ended 31 December 2025, finance costs decreased to approximately RMB335,348,000 from approximately RMB375,348,000 for the fiscal year ended 31 December 2024. The decrease of approximately RMB40,000,000 was mainly due to the Group's average loan interest rate having decreased during the year.

For the fiscal year ended 31 December 2025, the Group's income tax expense was approximately RMB840,513,000, representing a decrease of approximately RMB82,684,000 or 9.0% compared to RMB923,197,000 for the fiscal year ended 31 December 2024. This was primarily attributable to the decrease in the Group's profit before taxation compared with the previous year.

## **Foreign Exchange Risk**

As the Group's sales are primarily denominated in USD, while its procurement is mainly settled in RMB, exchange rate fluctuations have an impact on the Group's costs and operating profit margins. In response to the volatility of the USD/RMB exchange rate, the Group has adopted policies to hedge some of the related foreign exchange risks. The hedging amount depends on the Group's USD revenues, procurement, and capital expenditures, taking into account market forecasts for the fluctuation of the USD/RMB exchange rate.

To mitigate potential future cash flow impairment and fluctuations due to changes in the RMB/USD exchange rate, the Group has arranged an appropriate amount of USD-denominated borrowings and HKD borrowings linked to the USD exchange rate. As of 31 December 2025, of the total bank borrowings, approximately RMB2,444,348,000 was in USD (equivalent to approximately USD347,762,000), and approximately RMB6,568,070,000 was in HKD (equivalent to approximately HKD7,272,000,000) (as of 31 December 2024: USD borrowings of approximately RMB1,685,327,000 (equivalent to approximately USD234,451,000) and HKD borrowings of approximately RMB5,113,187,000 (equivalent to approximately HKD5,521,800,000)).

## **EMPLOYMENT, TRAINING, AND DEVELOPMENT**

As of 31 December 2025, the Group employed approximately 108,680 employees (2024: 102,690). During the year, total employee costs (including administrative and management personnel) accounted for approximately 28.1% of the Group's sales (2024: 27.6%), representing an increase of about 0.5 percentage points compared to the previous year. The Group determines employee compensation based on individual performance, qualifications, and industry practices, and the compensation policy is reviewed periodically. Based on annual performance evaluations, employees may receive bonuses and incentives. Additionally, the Group offers rewards or other forms of encouragement to support the personal growth and career development of employees. The Group also provides continuous training to employees to enhance their skills, product knowledge, awareness of industry quality standards, and understanding of the Group's operations. All new employees are required to attend an induction program, and all employees have access to a variety of training courses.

## **CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS**

During the year, the Group's total investment in property, plant and equipment, and prepaid land lease payments amounted to approximately RMB3,003,697,000. Among such amount approximately 42% was used to purchase production equipment, about 54% was allocated for the construction and purchase of new factory buildings and prepaid land lease payments, and the remaining balance was used to acquire other fixed assets and software.

As of 31 December 2025, the Group had capital commitments for land use rights, building use right, property, plant, and equipment amounting to approximately RMB874,909,000, which will mainly be financed through internal resources and bank loans.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS, AND DISPOSALS**

During the year ended 31 December 2025, the Group had no material investments, material acquisitions or disposals relating to subsidiaries, associates and joint ventures that are required to be disclosed.

## **GEARING RATIO (OR CAPITAL TO DEBT RATIO)**

As of 31 December 2025, the Group's gearing ratio was 39.5%, calculated as the percentage of total outstanding borrowings to equity attributable to the parent company's owners.

## **CONTINGENT LIABILITIES**

As of 31 December 2025, the Group had no significant contingent liabilities.

## **FUTURE PROSPECTS AND STRATEGIES**

At present, the global textile and apparel industry is facing multiple pressures and challenges, primarily characterised by sluggish growth in end-user demand, fierce price competition in the market, rising production costs, increased volatility in raw material prices, geopolitical tensions, and a complex and volatile trade environment. The industry as a whole is characterised by a pattern of “strong supply and weak demand”. Domestic production capacity is under pressure from a combination of factors, including sluggish recovery in domestic demand, a shift in overseas demand and rising overall costs. Some enterprises have adopted a business strategy of sacrificing profit margins for volume, whilst there is a continuing trend of production capacity shifting to regions such as Southeast Asia. At the same time, labour costs are rising year on year, and fluctuations in the RMB-USD exchange rate have increased foreign exchange risks for exporters, further squeezing the industry’s profit margins. Geopolitical conflicts in the Middle East have led to significant fluctuations in international crude oil prices, which have not only driven up the cost of raw materials for chemical fibres but also resulted in longer logistics cycles and higher transport costs. The uncertainty surrounding US tariff policies and the intensified scrutiny of origin verification for transshipment trade have placed sustained pressure on the market share of Chinese textile and apparel products in the US market.

Although the industry as a whole is operating under pressure, structural opportunities remain evident. Demand in niche sectors such as outdoor sports, functional fabrics and eco-friendly products is growing steadily, becoming new drivers of growth for the industry. Domestically, the 2026 Government Work Report (2026年政府工作報告) explicitly identifies expanding consumption as the primary task of economic work, whilst promoting industrial transformation and upgrading by supporting enterprises in updating equipment and undertaking technological upgrades. Enterprises should accelerate their development towards high-end, intelligent and green production to enhance product value-added; they should also increase investment in technological upgrades and digitalisation to strengthen flexible manufacturing, rapid market response and digital operational capabilities, thereby addressing the complex and volatile external environment.

Faced with the complex landscape of global supply chain restructuring, shifting market demand patterns and fluctuations in various cost factors, the Group, as a leading textile and apparel manufacturer, has consistently adhered to a business philosophy centred on core operations, mutual benefit and long-termism. The Group remains committed to a development strategy driven by innovation, lean management, digital and intelligent empowerment, and a global footprint. By prioritising the customer, leveraging technology and focusing on efficiency, the Group continues to build core competitiveness that withstands industry cycles, thereby achieving high-quality, sustainable development.

In terms of product and market expansion, the Group maintains technology and quality as its core competitive strengths, continuously expanding its product portfolio. Through the research, development and application of new materials and processes, the Group enhances the functionality, comfort, environmental sustainability and quality consistency of our products, thereby effectively avoiding homogenised competition. At the same time, the Group is continuously increasing investment in research and development and technological innovation, optimising production processes, and strengthening our products' core advantages. The Group is deepening strategic partnerships with brand clients to expand our global market presence with high-quality, differentiated products, thereby enhancing profitability and customer recognition, and ensuring the sustained and steady growth of our business.

In terms of lean cost control, the Group continues to refine its end-to-end cost management system and strengthen internal operational management. The Group optimises procurement management at source, improve the supplier management system and centralised procurement mechanisms, strictly control procurement costs and supply chain risks, and enhance our bargaining power for raw materials and the stability of supply. At the same time, the Group strengthens material control during production, implement lean production models, and reinforce material quota management to reduce material consumption and improve resource utilisation efficiency. Through systematic and institutionalised cost control mechanisms, the Group has effectively mitigated adverse factors such as fluctuations in raw material prices and rising labour costs, thereby enhancing overall operational efficiency.

In terms of production efficiency and digital and intelligent upgrades, the Group continues to advance the automation of production equipment and the application of intelligent technologies, increasing investment in advanced equipment and intelligent production lines to enhance standardisation and automation levels in production. This enables us to achieve workforce optimisation, improved quality and increased production capacity. Concurrently, the Group is accelerating the development of digital and intelligent management systems covering the entire business chain, including production scheduling, quality traceability, warehousing and logistics, and order fulfilment. By breaking down data silos, the Group is achieving precise management and efficient collaboration. Through comprehensive digital and intelligent transformation, the Group is enhancing our rapid response capabilities, strengthening flexible manufacturing and agile delivery capabilities, and continuously consolidating our core competitive advantages in the manufacturing sector.

In terms of global production capacity deployment, the Group is responding to trends in global industrial relocation and shifts in the trade landscape by steadily expanding its overseas production capacity. The Group is actively advancing the establishment of production bases across multiple countries and regions, optimising the synergistic arrangement between domestic high-end manufacturing and efficient overseas production capacity, and building a more flexible and resilient global supply network. By establishing a global supply chain system characterised by complementary strengths and secure, controllable operations, the Group effectively hedges against international trade policy risks. Leveraging the advantages of global resources and factors of production, the Group alleviates cost pressures and ensure the provision of continuous, stable, high-quality products and services to our global customers. Currently, the Group is planning to invest in the construction of a new garment manufacturing base in Indonesia.

Looking ahead, the Group will remain committed to its core manufacturing business and continue to expand its presence in global markets. the Group will enhance value through product innovation, reduce costs through lean management, improve efficiency through digital and intelligent manufacturing, and mitigate risks through its global footprint. In doing so, the Group will continuously strengthen its core competitiveness and operational quality, thereby creating long-term, stable value for its customers, shareholders and society.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no events after the reporting period that had significant impacts on the Group after 31 December 2025 and up to the date of this announcement.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HKD1.20 (equivalent to approximately RMB1.08) per ordinary share for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company on 10 June 2026. However, the proposed payment of the dividend shall be subject to approval by shareholders at the forthcoming annual general meeting (the “AGM”) to be held on 27 May 2026 and subject to such approval having been obtained, the payment of such dividend is expected to be on 23 June 2026.

## **BOOK CLOSURE**

The register of members of the Company will be closed from Thursday, 21 May 2026 to Wednesday, 27 May 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to establish the identity of the shareholders who are entitled to attend and vote at the AGM, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 May 2026.

The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to establish the identity of the shareholders who are entitled to the said final dividend which will be resolved and voted at the AGM, all transfer forms, accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 June 2026.

## **CORPORATE GOVERNANCE**

The Group's stated objective is to enhance its corporate value, focusing on the solid growth in net profit and consistently stable cash flow, to ensure the Group's long-term, sustainable development and to achieve sound returns for shareholders. The Group is committed to raising its corporate governance standards and increasing the transparency of its operations. Such objective will be achieved by constantly improving the quality of corporate governance of the Company through the provision of continuous training for Directors as well as staff and the appointment of external professional advisers.

The Board adopted its own code of corporate governance, which covers all of the code provisions and most of the recommended best practices of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules since 9 October 2005. The Company had complied with all the code provisions of the CG Code throughout the year ended 31 December 2025.

### **Terms of Reference of Board Committees**

In order to comply with the Listing Rules and the CG Code, the terms of reference of each of the audit committee (the "**Audit Committee**"), nomination committee (the "**Nomination Committee**") and remuneration committee (the "**Remuneration Committee**") of the Company are regularly revised based on amendments to the Listing Rules and the CG Code. Such terms of reference and the list of Directors and their roles and functions are published on the websites of the Company and the Stock Exchange, respectively.

### **Responsibilities of Directors**

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills pursuant to the code provision C.1 set out in the CG Code. The Company arranged for continuous professional development on the update of the Listing Rules and the related legal and regulatory requirements for the Directors.

## **Independent Non-executive Directors**

For the year ended 31 December 2025, the Board had complied with (1) the requirement that the board of a listed issuer must include at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (2) the requirement that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules; and (3) the requirement that the number of independent non-executive directors must represent at least one-third of the Board under Rule 3.10A of the Listing Rules.

The Company has received written annual confirmation from each of its independent non-executive Directors in respect of his or her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

## **Corporate Governance Functions**

The Company adopted the terms of reference for corporate governance functions on 26 March 2012 in compliance with the code provision A.2.1 set out in the CG Code, effective from 1 April 2012. Pursuant to the terms of reference of the corporate governance functions, the Board shall be responsible for developing and reviewing and/or monitoring: the policies and practices on corporate governance of the Group and making recommendations; training and continuous professional development of Directors and senior management; policies and practices on compliance with legal and regulatory requirements; the code of conduct and compliance manual (if any) applicable to employees and Directors; and the Group's compliance with the CG Code.

## **Communications with Shareholders**

Pursuant to the code provision F.1.3 set out in the CG Code, the Company invited representatives of the external auditors of the Company to attend the AGM of the Company to be convened to be held on 27 May 2026 to answer shareholders' questions relating to the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

The Company adopted a shareholders' communication policy and procedures with effect from 26 March 2012 for shareholders to propose a person for election as a Director. The shareholders' communication policy is to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its implementation and effectiveness. The policy and the procedures are available on the website of the Company.

## **SECURITIES TRANSACTIONS OF DIRECTORS**

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions ("**Securities Trading Code**"). A copy of the Securities Trading Code is provided to all Directors upon their appointment. Reminder will be issued twice a year, being 30 days prior to the Board meeting approving the Company's interim results and 60 days prior to the Board meeting approving the Company's annual results, reminding the Directors that they are not allowed to deal in the Company's securities prior to the announcement of its results (the period during which the Directors are prohibited from dealing in shares) and that all transactions must comply with the Securities Trading Code. Upon specific enquiries, all Directors confirmed their strict compliance with the relevant provisions of the Securities Trading Code throughout the year ended 31 December 2025.

Senior management may be in possession of unpublished price sensitive information or inside information due to their positions in the Company, and hence, are required to comply with dealing restrictions under the Securities Trading Code.

## **CHANGES TO INFORMATION OF DIRECTORS**

During the twelve months ended 31 December 2025, there were no changes to the information which are required to be disclosed and has been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, if any) for the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

## **SHARE SCHEME**

No share scheme was operated by the Company as at 31 December 2025.

## **THE BOARD**

The Board is responsible for governing the Company and managing assets entrusted by the shareholders. The principal responsibilities of the Board include formulating the Group's business strategies and management objectives, supervising the management and evaluating the effectiveness of management strategies.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public for the year ended 31 December 2025 and as at the date of this announcement.

## **AUDIT COMMITTEE**

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules on 9 October 2005. As at the publication of this announcement, the Audit Committee comprises four independent non-executive Directors, namely Ms. Feirong Wang, Ms. Chunhong Liu, Mr. Xinggao Liu and Mr. Bingsheng Zhang. Ms. Feirong Wang is the chairman of the Audit Committee.

The principal responsibilities of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices, risk management and internal controls. These include determining the nature and scope of statutory audit, reviewing the Group's interim and annual financials and assessing the completeness and effectiveness of the Group's accounting and financial controls.

The terms of reference of the Audit Committee are consistent with the recommendations as set out in "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the provisions of the CG Code and are subject to amendments in response to the regulatory requirements from time to time (including the Listing Rules).

The Audit Committee has reviewed with the management and the external auditors of the Company the annual results and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters including the review of the financial statements for the year ended 31 December 2025. During the year, the Audit Committee also met with the external auditors twice with full attendance, to discuss the audit procedures and accounting issues.

## **REMUNERATION COMMITTEE**

The Company established the Remuneration Committee in compliance with the CG Code on 9 October 2005. As at the publication of this announcement, the Remuneration Committee comprises Mr. Renhe Ma, an executive Director, and Mr. Bingsheng Zhang, Ms. Feirong Wang and Ms. Chunhong Liu, three independent non-executive Directors. Mr. Bingsheng Zhang is the chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management and on the establishment of a formal and transparent process for approving such remuneration policy. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management. No Director will take part in any discussion on his or her own remuneration.

The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each Director's workload, responsibility, and job complexity are taken into account.

## **NOMINATION COMMITTEE**

The Company established the Nomination Committee on 9 October 2005. As at the publication of this announcement, the Nomination Committee comprises Mr. Jianrong Ma, an executive Director, Mr. Xinggao Liu, Ms. Feirong Wang and Mr. Bingsheng Zhang, three independent non-executive Directors. Mr. Jianrong Ma is the chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to identify candidates with suitable qualifications as Directors, select and nominate such candidates for directorship and provide recommendations to the Board accordingly; and regularly review the structure, size and diversity composition (including skills, knowledge and experience) of the Board and make recommendations to the Board for any proposed changes.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditors, Ernst & Young, certified public accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement of the results.

## **PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE**

The annual report of the Company for the year ended 31 December 2025, which contains all the information required by the Listing Rules, will be sent to shareholders and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company's website ([www.shenzhouintl.com](http://www.shenzhouintl.com)) in due course and in any event before 30 April 2026.

## **ANNUAL GENERAL MEETING**

The AGM will be held at 7th Floor, the Group's Office Building, No. 18 Yongjiang Road, Beilun District, Ningbo, Zhejiang Province, the PRC, at 10:00 a.m. on 27 May 2026. Notice of the AGM will be published and issued in due course.

By order of the Board of  
**Shenzhou International Group Holdings Limited**  
**Jianrong Ma**  
*Chairman*

Hong Kong, China, 30 March 2026

*As at the date of this announcement, the five executive directors of the Company are Mr. Jianrong Ma, Mr. Guanlin Huang, Mr. Renhe Ma, Mr. Cunbo Wang and Mr. Jijun Hu; and the four independent non-executive directors are Ms. Feirong Wang, Mr. Bingsheng Zhang, Mr. Xinggao Liu and Ms. Chunhong Liu.*