

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RENHENG ENTERPRISE HOLDINGS LIMITED

仁恒實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3628)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to HK\$107,422,000 representing a year-on-year decrease of 6.5%;
- Gross profit margin for the year ended 31 December 2025 was 47.9% (2024: 33.5%);
- Profit attributable to shareholders of the Company for the year ended 31 December 2025 was HK\$13,955,000 (2024: profit for the year of HK\$7,035,000);
- Total comprehensive income for the year ended 31 December 2025 was HK\$16,811,000 (2024: total comprehensive income of HK\$4,625,000); and
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025.

The board (the “Board”) of directors (the “Directors”) of RENHENG Enterprise Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 together with the comparative figures for the year 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	4	107,422	114,896
Cost of sales		<u>(56,001)</u>	<u>(76,369)</u>
Gross profit		51,421	38,527
Other income	5	3,079	1,913
Impairment losses under expected credit loss model, net of reversal	6	(594)	(114)
Other gains and losses, net	7	1,380	804
Selling and distribution expenses		(10,243)	(6,452)
Administrative expenses		(21,422)	(19,739)
Research and development expenses		<u>(6,696)</u>	<u>(4,605)</u>
Profit before taxation		16,925	10,334
Taxation	8	<u>(2,970)</u>	<u>(3,299)</u>
Profit for the year		13,955	7,035
Other comprehensive income (expense) for the year:			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation from functional currency to presentation currency		<u>2,856</u>	<u>(2,410)</u>
Total comprehensive income for the year		<u>16,811</u>	<u>4,625</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9		
– Basic		<u>1.74</u>	<u>0.88</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		17,788	18,697
Right-of-use assets		4,702	4,620
		22,490	23,317
Current assets			
Inventories		105,373	56,296
Trade and other receivables	11	46,611	49,380
Financial assets at fair value through profit or loss ("FVTPL")		–	21,598
Pledged bank deposits		27,267	19,848
Fixed deposits		17,322	15,500
Cash and cash equivalents		78,951	59,532
		275,524	222,154
Current liabilities			
Trade and other payables	12	35,313	29,300
Warranty provision		4,800	5,206
Tax payable		11,249	9,280
Lease liabilities		205	–
Contract liabilities	13	100,225	71,847
		151,792	115,633
Net current assets		123,732	106,521
Total assets less current liabilities		146,222	129,838

	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liability		
Deferred tax liabilities	<u>1,400</u>	<u>1,827</u>
	<u>1,400</u>	<u>1,827</u>
Net assets	<u>144,822</u>	<u>128,011</u>
Capital and reserves		
Share capital	2,010	2,010
Share premium and reserves	<u>142,812</u>	<u>126,001</u>
Total equity	<u>144,822</u>	<u>128,011</u>

NOTES TO ANNUAL RESULTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company is jointly controlled by LinkBest Capital Group Limited and Open Venture Global Limited. The ultimate controlling shareholder is Ms. Liu Li, who is also the chairman and chief executive officer of the Company.

The Company acts as an investment holding company while its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and sale of tobacco machinery products in the People’s Republic of China (the “PRC”). The address of the registered office of the Company is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address of the principal place of business of the Company are Room 3805, 38/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the Company’s functional currency of Renminbi (“RMB”). The directors of the Company adopted HK\$ as presentation currency as the Company’s shares are listed on the Stock Exchange and the management considers this presentation to be more useful for its current and potential investors.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s for the annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKFRS 21	Lack of Exchangeability
------------------------	-------------------------

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard set out below, the directors of the Company anticipate that the application of all these amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements (including aggregation and disaggregation of items within the consolidated statement of profit or loss and other comprehensive income) of the Group, but in terms of recognition and measurement, HKFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers and segment information

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Type of products		
Construction contracts of casing and flavouring system	<u>86,375</u>	<u>108,722</u>
Sales of other products		
– pneumatic feeding system	18,381	3,509
– pre-pressing packing machine	2,040	–
– other goods	<u>626</u>	<u>2,665</u>
	<u>21,047</u>	<u>6,174</u>
	<u><u>107,422</u></u>	<u><u>114,896</u></u>

All of the Group's revenue are derived in the PRC, which are determined by the location where the systems or products are installed or delivered. The revenue from construction contracts of casing and flavouring system and sales of other products are recognised at a point in time.

(ii) Performance obligations for contracts with customers and revenue recognition policies

Construction contracts of casing and flavouring system

The Group provides construction services of casing and flavouring system to its customers which are cigarette manufacturers in the PRC. For the contracts entered into with customers, the contract prices are fixed and the relevant casing and flavouring system specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant casing and flavouring system to customers. Revenue from construction contracts of casing and flavouring system is therefore recognised at a point in time when the completed casing and flavouring system is transferred to customers, being at the point that the customer obtains the control of the completed casing and flavouring system and the Group has unconditional right to payment and collection of the consideration is probable.

The Group receives 10% to 30% of the contract value as deposits from customers when they sign the construction agreement. Such advance payment schemes result in contract liabilities being recognised throughout the construction period.

The defect liability period, ranging from one to three years from the date of the practical completion of the construction, serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

Sales of other products

The Group sells pneumatic feeding system, pre-pressing packing machine and other goods directly to the customers which are cigarette manufacturers and tobacco redrying factories in the PRC. For the sales of other products to the customers, revenue is recognised at a point in time when control of the goods has transferred, being the point of time the goods have been delivered to the customers. The normal credit term is 90 days upon delivery.

(iii) Segment information

The Group's operating activities are attributable to a single operating segment focusing on manufacture and sale of tobacco machinery products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform with HKFRS Accounting Standards, that are regularly reviewed by the chief executive officer of the Company, being the chief operating decision maker ("CODM") of the Company. The CODM regularly reviews revenue analysis by products, including casing and flavouring system, pneumatic feeding system, pre-pressing packing machine and other products. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective goods. The CODM reviews the revenue and the profit for the year of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

All of the Group's revenue are derived in the PRC, which are determined by the location where the systems or products being installed or delivered. The Group's non-current assets are substantially all located in the PRC.

5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Government grants (<i>Note</i>)	1,849	1,047
Bank interest income	1,118	866
Others	112	–
	<u>3,079</u>	<u>1,913</u>

Note:

These government grants were for immediate and unconditional financial support with no future related costs and not related to any assets. Therefore, the Group recognised the income upon receipts.

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment losses recognised on trade receivables and retention money receivables (“Trade-related Receivables”)	<u>594</u>	<u>114</u>

7. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of scrap materials, parts and components, net	1,267	1,221
Gain on fair value changes from financial assets at FVTPL	189	–
Net foreign exchange losses	(160)	(417)
Others	84	–
	<u>1,380</u>	<u>804</u>

8. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The charge comprises:		
Current Tax		
PRC Enterprise Income Tax (“EIT”)	2,502	2,939
PRC withholding tax	1,199	–
	<u>3,701</u>	<u>2,939</u>
(Over) under provision in prior year:		
PRC EIT	(262)	173
	<u>3,439</u>	<u>3,112</u>
Deferred taxation	(469)	187
	<u>2,970</u>	<u>3,299</u>

No provision for taxation in Hong Kong has been made as the Group has no assessable profit arisen in, or was derived from Hong Kong.

The provision for EIT is based on the estimated taxable income for PRC taxation purposes at 25% for the current period (2024: 25%) under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law.

Under the EIT Law, a qualified High and New-Tech Enterprise (“HNTE”) can enjoy a reduced tax rate of 15%. A PRC subsidiary of the Company was recognised and approved as a HNTE during the year ended 31 December 2024. The HNTE qualification is effective from 2024 and will expire for the PRC subsidiary in 2026, therefore the PRC subsidiary is entitled to a reduced tax rate at 15% for the years ended 31 December 2025 and 2024.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company for both years is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	<u>13,955</u>	<u>7,035</u>
	Number of shares	
	2025	2024
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	<u>804,000,000</u>	<u>804,000,000</u>

No diluted earnings per share is presented for both 2025 and 2024 as there was no potential ordinary share in issue for both years.

10. DIVIDENDS

No dividend was paid or proposed for shareholders of the Company during 2025 (2024: Nil), nor was any dividend been proposed by the Company since the end of the reporting period.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	36,503	39,274
Less: allowance for credit losses	<u>(4,651)</u>	<u>(3,563)</u>
	<u>31,852</u>	<u>35,711</u>
Retention money receivables	8,370	8,660
Less: allowance for credit losses	<u>(226)</u>	<u>(607)</u>
	<u>8,144</u>	<u>8,053</u>
	<u>39,996</u>	<u>43,764</u>
Prepayments	1,301	1,572
Other receivables from third parties	3,938	3,689
Less: allowance for credit losses	<u>(464)</u>	<u>(452)</u>
	<u>3,474</u>	<u>3,237</u>
Value-added tax recoverable	1,335	–
Advance for reimbursement	<u>505</u>	<u>807</u>
	<u>46,611</u>	<u>49,380</u>

The Group normally allows a credit period of three months to its trade customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits.

The following is an ageing analysis of trade receivables (net of allowance for credit losses) presented based on the completion date at the end of the reporting periods.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	8,240	7,550
91–365 days	15,020	21,438
1–2 years	<u>8,592</u>	<u>6,723</u>
	<u>31,852</u>	<u>35,711</u>

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$22,025,000 (2024: HK\$27,172,000) which are past due over 90 days and is not considered as in default as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	14,310	12,509
Bills payables	<u>9,398</u>	<u>7,521</u>
	<u>23,708</u>	20,030
Accrued welfare expenses	3,146	3,060
Deposits and others	6,269	5,000
Other tax payables	<u>2,190</u>	<u>1,210</u>
	<u><u>35,313</u></u>	<u><u>29,300</u></u>

The following is an ageing analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	16,392	12,019
91–365 days	6,545	7,122
1–2 years	310	96
Over 2 years	<u>461</u>	<u>793</u>
	<u><u>23,708</u></u>	<u><u>20,030</u></u>

The average credit period on purchase of goods is 90 days.

13. CONTRACT LIABILITIES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Construction contracts of casing and flavouring system	95,477	47,540
Sales of other products	4,748	24,307
	<u>100,225</u>	<u>71,847</u>

The Group receives 10% to 30% of the contract value as deposits from customers when they sign the construction contract or sale agreement, which will give rise to contract liabilities at the start of a contract.

14. EVENT AFTER THE REPORTING PERIOD

The directors of the Company are not aware of any other significant events that have taken place subsequent to 31 December 2025 and up to the date of approval of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture, sale and provision of maintenance, overhaul and modification services in respect of tobacco machinery products in the PRC. We have obtained the Tobacco Monopoly Production Enterprise Licence (煙草專賣生產企業許可證) issued by the State Tobacco Monopoly Administration of the PRC (中國國家煙草專賣局), under which we are permitted to manufacture, sell and provide maintenance, overhaul as well as modification services in respect of the aforesaid machinery products, and we are one of the thirty-five licenced manufacturers in the PRC. We generate our turnover primarily from projects related to two types of catalogued special-purpose tobacco machinery products, namely the casing and flavouring system and pneumatic feeding system.

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group recorded a profit of HK\$13,955,000 while it was a profit of HK\$7,035,000 for the year ended 31 December 2024. The increase in the Group's net profit was attributable to: (1) an increase in gross profit, which was driven by variations in the project pricing for non-standard customised equipment arising from quotation strategies and bid types, resulting in higher gross profit margins for certain projects and products; and (2) considerable growth in total sales contributed by the pneumatic feeding system during the year, which share of the sales mix expanded to 17.1% for the Relevant Period (2024: 3.1%). In the current year, the Group experienced decreases of the business of the product of the construction contracts of casing and flavouring system, resulting in a year-on-year decrease in revenue of approximately 6.5% in comparison to the prior year.

Revenue from construction contracts of casing and flavouring systems continued to have outperformed other type of products and goods, contributing HK\$86,375,000, accounting for 80.4% of the total revenue in the current year (2024: HK\$108,722,000 or 94.6%).

Revenue from pneumatic feeding system has increased by approximately 423.8% from HK\$3,509,000 for the year ended 31 December 2024 to HK\$18,381,000 for the year ended 31 December 2025. The revenue of the pre-pressing packing machine amounted to HK\$2,040,000 in the current year (2024: Nil). The sales of other goods decreased from HK\$2,665,000 for the year ended 31 December 2024 to HK\$626,000 for the year ended 31 December 2025.

The gross profit margin for the current year was 47.9% and has increased by 14.4% when comparing with the gross profit margin for the prior year which was 33.5%. The gross profit margin for the construction contracts of casing and flavouring systems has increased by 14.9% from 32.9% for the year ended 31 December 2024 to 47.8% for the year ended 31 December 2025. The gross profit of construction contracts of casing and flavouring systems is HK\$41,320,000 for the current year and it was HK\$35,728,000 for the prior year. The gross profit of pneumatic feeding system amounted to HK\$9,148,000 for the year ended 31 December 2025 (2024: HK\$1,971,000). The gross profit of the pre-pressing packing machine amounted to HK\$396,000 for the year ended 31 December 2025 (2024: nil).

During the year ended 31 December 2025, a reversal of inventory allowance amounting to HK\$2,797,000 was recognised (2024: allowance of HK\$1,088,000 recognised).

The average contract sum of construction contracts of casing and flavouring systems completed was HK\$3,599,000 for the year ended 31 December 2025 while it was HK\$4,727,000 for the year ended 31 December 2024. The revenue from the 3 largest construction contracts of casing and flavouring systems completed during the current year was HK\$48,894,000. The design and complexity of the products varies by customers and therefore there is a wide range of contract prices.

Other income increased by HK\$1,166,000 or 61.0% and amounted to HK\$3,079,000 in aggregate for the year ended 31 December 2025 (2024: HK\$1,913,000) due to the increment on the government grants. In the current year, the bank interest income is HK\$1,118,000 (2024: HK\$866,000) and government grants of HK\$1,849,000 was received while HK\$1,047,000 was received in the prior year.

The other gains and losses had increased by HK\$576,000 or 71.6% to HK\$1,380,000 for the year ended 31 December 2025 (2024: HK\$804,000), mainly due to gain on fair value changes from financial asset at FVTPL amounting to HK\$189,000 for the year ended 31 December 2025 (2024: nil). The sales of scrap materials, parts and components amounted to HK\$1,267,000 for the year ended 31 December 2025 (2024: HK\$1,221,000) resulting in an increase of HK\$46,000 or 3.8% compared to the prior year. The net foreign exchange losses amounted to HK\$160,000 for the year ended 31 December 2025 (2024: HK\$417,000).

An impairment losses on Trade-related Receivables under expected credit loss model amounting to HK\$594,000 had been recognised during the year ended 31 December 2025 (2024: HK\$114,000).

The selling and distribution expenses increased by HK\$3,791,000 from HK\$6,452,000 for the year ended 31 December 2024 to HK\$10,243,000 for the year ended 31 December 2025. The increase in selling expenses was mainly due to the growth in business promotion and advertising expenses and tender consultancy fees.

The administrative expenses increased by HK\$1,683,000 or 8.5% from the prior year to the year ended 31 December 2025 amounting to HK\$21,422,000 (2024: HK\$19,739,000) due to the increment of salary expense.

The research and development expenses amounted to HK\$6,696,000 for the year ended 31 December 2025 (2024: HK\$4,605,000), and it had increased by HK\$2,091,000 or 45.4%. The increase in the research and development expenses was primarily due to increased spending on the strengthening the products functions and efforts to establish new product lines in other industries.

The tax expense of HK\$2,970,000 was recorded for the year ended 31 December 2025 and it was HK\$3,299,000 for the year ended 31 December 2024. The tax expense had resulted from profit generation and provision of PRC withholding tax on undistributed profit from the PRC subsidiary.

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

BUSINESS REVIEW AND PROSPECT

The Group mainly deals with the customer named “Tobacco Monopoly Administration of the PRC”, which is one of the world’s largest tobacco manufacturer. China produces more than two million metric tons of tobacco each year. The majority of China’s tobacco production serves its massive domestic market, so tobacco industry occupies an important position in China’s economic development. In the annual fiscal revenue of the Chinese government, tax revenue from the tobacco industry has always maintained a relatively high share, contributing nearly one-tenth of the country’s fiscal revenue in the recent year. The tobacco factories in China own the most automatic factory. It is believed that the tobacco machinery industry would maintain in a steady momentum in the coming years.

The tobacco machinery industry renders our company’s technical developments especially the innovations on the machinery related technologies. Being one of the suppliers of Tobacco Monopoly Administration of the PRC and its subsidiaries provides a stable financial proposition to our Group.

The volatilities, uncertainties, complexities and ambiguities existed in the current economic environment. However, the tobacco machinery business provides a good condition and chances for our new developments on diversifying our revenue structure including different products on tobacco industry and the Group has the change to serve different industries which need to have technical supports of non-standardised automatic machinery service. Leveraging on the Group’s competitive strengths in product customisation, development capabilities and our brand on machinery industry, our sales and technical personnel can obtain good and timely understanding of customers’ requests in the tobacco machinery industry and other industries. The Group intends to capture the market opportunities for its specialised products and secure contracts more than one machinery industry and will try to dedicate to innovate the key technologies for the customised automatic machinery industry, hence hope to deliver greater value to our shareholders.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, there was no change in the capital structure of the Group and fixed deposits, financial assets at fair value through profit or loss and cash and cash equivalents of the Group as at 31 December 2025 amounted to HK\$96,273,000 (2024: HK\$96,630,000), which was mainly denominated in RMB and HK\$.

During the year ended 31 December 2025, there was no repayment to advance from a director (2024: Nil). The Group had no bank borrowings, mortgages or charges and its gearing ratio was nil at 31 December 2025 (2024: Nil).

As at 31 December 2025, the Group's net current assets was HK\$123,732,000 (2024: HK\$106,521,000). Current ratio and quick ratio of the Group were 1.8 (2024: 1.9) and 1.1 (2024: 1.4) in the current year, respectively.

SIGNIFICANT INVESTMENTS HELD

The Group's investing activities mainly include placement and withdrawal of fixed deposits, pledged bank deposits, financial assets at FVTPL and purchase of property, plant and equipment.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 138 employees (2024: 136). Total staff costs (including directors' emoluments) were approximately HK\$20,954,000 for the year ended 31 December 2025 (2024: HK\$19,798,000).

Remuneration in the form of salaries and bonus is determined by reference to our employees' respective experience, responsibilities, qualifications and competence displayed and our operation results. Our employees also receive reimbursements for expenses which are necessarily and reasonably incurred for providing services to our Group or executing their functions in relation to our operations.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition and disposal of subsidiaries during the year ended 31 December 2025.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CHANGE OF DIRECTOR

With effect from 31 October 2025, (1) Mr. Wu Wei has resigned as an independent non-executive Director; and (2) Mr. Cheung Kwong Tat has been appointed as an independent non-executive Director. Please refer to the announcement of the Company dated 31 October 2025 for more details.

With effect from 20 February 2026, Mr. Wen Yuan has resigned as an executive Director. Please refer to the announcement of the Company dated 20 February 2026 for more details.

CORPORATE GOVERNANCE

Pursuant to the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules which sets out the principles of good corporate governance and the code provisions (the “Code Provisions”), the Company has applied all the Code Provisions as set out in the CG Code during the year ended 31 December 2025, save and except the Code Provisions C.2.1 regarding segregation of chairman and chief executive officer as explained below.

The roles of chairman and chief executive officer of the Company are both performed by the same individual – Ms. Liu Li. Ms. Liu Li will ensure that all the Board members keep abreast of the conduct, business activities and development of the Group and adequate, complete and reliable information is provided to Directors on issues to be considered by the Board.

The Company has applied the principles of the required standard of securities transactions by our Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Company was confirmed that all Directors have complied with or they were not aware of any non-compliance with the required standard of dealings as set out in the Listing Rules during the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 30 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF ANNUAL RESULTS

The audited consolidated results for the year ended 31 December 2025 have been reviewed by the audit committee of the Company. The audit committee was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

PUBLICATION OF THE AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.renhengenterprise.com>). The annual report for the year ended 31 December 2025 will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
RENHENG Enterprise Holdings Limited
Liu Li
Chairman and Chief Executive Officer

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Ms. Liu Li and Ms. Lew Lai Kuen; and the independent non-executive Directors are Dr. Lam, Lee G., Mr. Lam Chi Wing and Mr. Cheung Kwong Tat.