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HINGTEX HOLDINGS LIMITED

興紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1968)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Total revenue for the year ended 31 December 2025 increased by approximately 3.0% year-to-year to HK\$221.2 million, as compared with total revenue of HK\$214.7 million for the year ended 31 December 2024.

Net loss attributable to owners of the Company for the year ended 31 December 2025 was approximately HK\$31.3 million, as compared with net loss of HK\$35.0 million for the year ended 31 December 2024.

After adjusting for non-cash items including impairment loss, fair value changes on financial assets and share of loss of an associate, the adjusted net loss before tax narrowed significantly to HK\$27.4 million for the year ended 31 December 2025, representing an 18.7% improvement compared to that of HK\$33.7 million for the year ended 31 December 2024.

Basic loss per Share for the year ended 31 December 2025 was HK4.89 cents as compared with basic loss per Share of HK5.46 cents for the year ended 31 December 2024.

The board (the “Board”) of directors (the “Directors”) of Hingtex Holdings Limited (the “Company” or “Hingtex”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

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

For the year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	221,157	214,670
Cost of sales and services		(185,464)	(181,249)
Gross profit		35,693	33,421
Other income	5	2,592	3,165
Other gains and losses, net	6	1,947	(1,063)
Impairment loss on financial assets at amortised cost		(28)	(10)
Selling and distribution expenses		(13,956)	(13,336)
Administrative expenses		(44,483)	(46,093)
Research and development expenses		(7,305)	(7,524)
Fair value loss on financial asset at fair value through profit or loss ("FVTPL")		(2,544)	(2,601)
Share of loss of an associate		(23)	(56)
Finance costs		(1,885)	(2,252)
Loss before tax	7	(29,992)	(36,349)
Income tax (expense)/credit	8	(1,306)	1,399
Loss and total comprehensive loss for the year attributable to owners of the Company		(31,298)	(34,950)
LOSS PER SHARE			
— Basic and diluted (HK cents)	9	(4.89)	(5.46)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		At 31 December	
		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		81,597	85,776
Right-of-use assets		17,715	22,783
Other intangible assets		2,234	2,602
Goodwill		1,184	1,184
Interest in an associate		326	349
Financial asset at FVTPL		16,600	19,144
Deferred tax assets		11,699	11,699
Other receivables	<i>11</i>	7,800	–
		<hr/>	<hr/>
Total non-current assets		139,155	143,537
Current assets			
Inventories		77,405	84,222
Contract assets		266	406
Trade and other receivables	<i>11</i>	47,873	56,737
Amount due from an associate		616	616
Cash and cash equivalents		34,041	46,187
		<hr/>	<hr/>
Total current assets		160,201	188,168
Current liabilities			
Trade and other payables	<i>12</i>	40,340	43,676
Contract liabilities		3,170	2,276
Tax payables		2,024	1,638
Lease liabilities		3,172	4,281
Bank borrowings		26,769	26,064
		<hr/>	<hr/>
Total current liabilities		75,475	77,935
Net current assets		84,726	110,233
		<hr/>	<hr/>
Total assets less current liabilities		223,881	253,770
		<hr/>	<hr/>

		At 31 December	
		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Other payables	<i>12</i>	1,043	1,159
Lease liabilities		113	3,285
Bank borrowings		8,857	4,772
Deferred tax liabilities		4,444	3,832
		<hr/>	<hr/>
Total non-current liabilities		14,457	13,048
		<hr/>	<hr/>
Net assets		209,424	240,722
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>13</i>	6,400	6,400
Reserves		203,024	234,322
		<hr/>	<hr/>
Equity attributable to owners of the Company and total equity		209,424	240,722
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Hingtex was incorporated in the Cayman Islands on 3 November 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 July 2018.

The Company’s immediate and ultimate holding company is Manford Investment Holdings Limited, a company incorporated on 24 October 2017 in the British Virgin Islands (“BVI”) under the laws of BVI with limited liability. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Group are the manufacture and sales of denim fabrics.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance.

They have been prepared on the historical cost convention, except for financial asset at FVTPL that is measured at fair value. The financial statements are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The functional currency of the Company is United States dollar (“US\$”), as the sales activities of the Group are mainly denominated in US\$, and the presentation currency of the Group is HK\$, as the directors of the Company consider HK\$ can provide more meaningful information to the Company’s investors.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results and financial positions of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 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 consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Since the Group does not have lacking exchangeable currency transactions, the amendments did not have any impact on the Group's consolidated financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

3. OPERATING SEGMENTS

Information reported to the executive directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- (a) Denim fabrics segment — manufacture and sales of denim fabrics
- (b) Property renovation services segment — provision of property renovation services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that other income, other gains and losses, net, fair value loss on financial asset at FVTPL and share of loss of an associate are excluded from such measurement.

There were no material intersegment sales and transfers during the current and prior years:

	Denim fabrics		Property renovation services		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Sales to external customers	<u>195,988</u>	<u>203,245</u>	<u>25,169</u>	<u>11,425</u>	<u>221,157</u>	<u>214,670</u>
Segment results	<u>(31,564)</u>	<u>(35,582)</u>	<u>(400)</u>	<u>(212)</u>	<u>(31,964)</u>	<u>(35,794)</u>
Reconciliations:						
Other income					2,592	3,165
Other gains and losses, net					1,947	(1,063)
Fair value loss on financial asset at FVTPL					(2,544)	(2,601)
Share of loss of an associate					(23)	(56)
Loss before tax					<u>(29,992)</u>	<u>(36,349)</u>

Geographical information

Information about the Group's revenue presented based on the geographical location of the customers is as follows:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Bangladesh	68,846	54,564
Chinese mainland	43,435	53,788
Vietnam	37,414	23,041
Hong Kong	33,419	50,177
Egypt	26,522	29,209
Indonesia	7,368	1,739
United States of America	2,872	415
Other countries and regions	1,281	1,737
Total	221,157	214,670

4. REVENUE

An analysis of the Group's revenue from contracts with customers is as follows:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Sales of denim fabrics		
Stretchable blended denim fabrics	172,462	185,840
Stretchable cotton denim fabrics	4,537	2,328
Non-stretchable denim fabrics	17,845	13,775
	194,844	201,943
Property renovation services	25,169	11,425
Others (<i>note</i>)	1,144	1,302
Total revenue from contracts with customers	221,157	214,670

Note: Others mainly include revenue from sales of yarns and provision of sub-contracting services.

5. OTHER INCOME

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interest income from bank deposits	685	1,591
Government grants (note)	217	95
Sample sales	1,328	1,359
Others	362	120
	<u>2,592</u>	<u>3,165</u>

Note: Government grants in both years represent unconditional grants from the Chinese mainland government. There are no unfulfilled conditions or other contingencies attaching the government grants recognised.

6. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Net foreign exchange gain/(loss)	1,586	(820)
Gain/(loss) on disposal of items of property, plant and equipment	817	(3)
Others	(456)	(240)
	<u>1,947</u>	<u>(1,063)</u>

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Directors' remuneration		
— Emoluments, salaries and other allowances	8,588	9,188
— Retirement benefit scheme contributions (defined contribution scheme)	54	36
	8,642	9,224
Other staff salaries and allowances	39,625	39,668
Retirement benefit scheme contributions (defined contribution scheme), excluding those of directors	3,351	3,361
Total employee benefit expenses	51,618	52,253
Capitalised as cost of inventories manufactured	(15,942)	(16,303)
	35,676	35,950
Depreciation of property, plant and equipment	7,106	8,693
Depreciation of right-of-use assets	5,068	5,847
Amortisation of other intangible assets	368	367
	12,542	14,907
Capitalised as cost of inventories manufactured	(5,484)	(7,191)
	7,058	7,716
Reversal of write down of inventories*	—	(1,531)
Cost of inventories	160,061	169,675

* Included in cost of inventories

8. INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current tax	694	697
— PRC Enterprise Income Tax (“EIT”)		
Deferred tax	612	(2,096)
Total	<u>1,306</u>	<u>(1,399)</u>

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

During the year, no provisions for Hong Kong Profits Tax have been made as the relevant entities did not generate assessable profits or have available tax losses to offset assessable profits generated during the year (2024: Nil).

The People’s Republic of China (“PRC”)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. As one of the PRC subsidiaries of the Group was qualified as “High-tech Enterprise” in relation to their production activities in 2020 and obtained the renewal of such qualification in 2023, this PRC subsidiary, upon satisfaction of the criteria required, is subject to a preferential PRC EIT rate of 15% up to 2025.

9. LOSS PER SHARE

The Company did not have any dilutive potential ordinary shares outstanding for the years ended 31 December 2025 and 2024. The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year attributable to the owners of the Company for the purpose of loss per share calculation	<u>(31,298)</u>	<u>(34,950)</u>
	Year ended 31 December	
	2025	2024
	'000	'000
Number of ordinary shares for the purpose of loss per share calculation	<u>640,000</u>	<u>640,000</u>

10. DIVIDEND

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year, nor have any dividend proposed since the end of the reporting period (2024: Nil).

11. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade and bills receivables (<i>note i</i>)	27,980	28,052
Less: Allowance for expected credit losses	<u>(160)</u>	<u>(132)</u>
	27,820	27,920
Prepayments and other receivables (<i>note ii</i>)	9,725	9,554
Value-added tax recoverable	16,141	17,757
Utility and rental deposits	1,630	1,397
Others	<u>357</u>	<u>109</u>
	<u>55,673</u>	<u>56,737</u>
Analysed as		
— Current	47,873	56,737
— Non-current	<u>7,800</u>	<u>—</u>

Notes:

- (i) Included in the Group's trade and bills receivables are bills receivables of approximately HK\$6,565,000 (2024: HK\$11,882,000). During the year, the Group had entered into certain trade finance arrangement with a bank in which certain bills receivables held by the Group were presented to the bank to draw down export bills payables ("Arrangement"). Under the Arrangement, the export bills payables were settled by these corresponding bills receivables on the maturity date under the same conditions as agreed with the customers. As at the end of the reporting period, bills receivables of HK\$4,991,000 (2024: HK\$2,142,000) and export bills payable of HK\$4,949,000 (2024: HK\$2,092,000) were outstanding under this Arrangement. The Group continues to recognise these bills receivables and export bills payables as the relevant banks are obliged to make payments only on the due dates of the bills receivables, under the same conditions as agreed with the customers of the Group and make corresponding settlements to its export bills payables accordingly.
- (ii) Included in the Group's prepayments and other receivables is an amount due from an investee of HK\$7,800,000 (2024: HK\$7,520,000) which is unsecured, interest-free and repayable on demand.

The Group generally allows credit periods ranging from 30 days to 120 days regarding different customers. The following is an ageing analysis of gross carrying amounts of trade and bills receivables, presented based on the invoice date, at the end of each reporting period:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	15,320	14,944
31 to 60 days	3,776	3,058
61 to 120 days	6,846	9,257
121 to 180 days	268	771
181 to 365 days	1,714	–
More than 365 days	56	22
	<u>27,980</u>	<u>28,052</u>

Movement in allowance for expected credit losses represented impairment loss of HK\$28,000 (2024: reversal of impairment loss of HK\$10,000) recognised during the year.

12. TRADE AND OTHER PAYABLES

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade and bills payables (<i>note i</i>)	29,950	34,234
Deposits received (<i>note ii</i>)	2,914	2,956
Payroll payables	5,498	5,109
Accrued charges	2,392	2,401
Others	629	135
	<u>41,383</u>	<u>44,835</u>
Analysed as		
Current	40,340	43,676
Non-current	<u>1,043</u>	<u>1,159</u>

Notes:

- (i) Included in the Group's trade and bills payables are bills payables of HK\$19,172,000 (2024: HK\$28,583,000) issued by the Group to the relevant suppliers for future settlement. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers and the Group makes corresponding settlements with the relevant banks on due dates without further extension. Accordingly, management of the Group considers these arrangements do not involve financing and presents cash outflows for such settlements as those arising from operating activities.
- (ii) The balance mainly represents deposits received from an apparel brand owner that the Group serves to secure production of denim fabric based on procurement projections of the brand owner before confirmed purchases.

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

	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	18,231	10,105
31 to 60 days	7,030	14,816
61 to 120 days	4,689	9,313
	<u>29,950</u>	<u>34,234</u>

The average credit period on trade and bills payables is ranging from 30 days to 180 days.

The trade and other payables are non-interest bearing.

13. SHARE CAPITAL

	Number of Shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,000,000,000	10,000
Issued and fully paid:		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>640,000,000</u>	<u>6,400</u>

CHAIRLADY'S STATEMENT

The year ended 31 December 2025 (the “Year”) can be characterised by heightened geopolitical uncertainty and renewed trade tensions between the United States (the “U.S.”) and the People’s Republic of China (the “PRC” or the “Chinese mainland”). Such developments invariably weighed on consumption sentiment and disrupted order flow across the global denim industry. Against this backdrop, Hingtex Holdings Limited (“Hingtex” or the “Company”) and its subsidiaries (collectively, the “Group”) remained focused on strengthening its operational resilience and long-term competitiveness through disciplined cost management, continued optimisation of the product mix towards higher-value and functional offerings, and steadfast implementation of the “China Plus One” strategy to diversify production capacity. These efforts consolidated the Group’s dual-country production capacity in the PRC and Vietnam, improving supply chain flexibility and providing customers with greater confidence in their sourcing activities. Moreover, the Group is on a firmer footing for sustainable growth in an evolving global landscape.

During the year ended 31 December 2025, the Group recorded total revenue of approximately HK\$221.2 million, representing a 3.0% increase compared with HK\$214.7 million in 2024. Gross profit amounted to approximately HK\$35.7 million (2024: HK\$33.4 million), and gross profit margin remained stable at approximately 16.1% (2024: 15.6%). Loss attributable to owners of the Company narrowed by approximately 10.6% to HK\$31.3 million from HK\$35.0 million in 2024, with loss per share of approximately 4.89 HK cents (2024: loss per share of 5.46 HK cents). The improvement reflects the Group’s enhanced operational efficiency as well as greater contributions from its higher-margin business segments.

The Group’s debt-to-equity ratio has increased from 16.0% in 2024 to 18.6% as at 31 December 2025, primarily due to higher borrowings to support working capital requirements during the Year. Certain bank facilities were refinanced by reallocating part of its borrowings from Hong Kong to banks in the PRC to benefit from relatively lower interest rates. As at 31 December 2025, the Group’s cash and cash equivalents amounted to HK\$34.0 million (31 December 2024: HK\$46.2 million).

BUSINESS REVIEW

During the Year, the Group continued advancing its “China Plus One” strategy to mitigate geopolitical risk and broaden supply chain optionality, building on the foundation laid during the seeding year of 2024. A total of 48 weaving machines, representing approximately 500,000 yards of monthly production capacity, were relocated from Zhongshan, Guangdong, the PRC to Vietnam, supported by the deployment of experienced technical personnel to upgrade the facility. By the end of the Year, the Vietnam operation had met the standards required by international customers, with factory audits conducted by key brand owner customers (“BOCs”) yielding positive assessments. In tandem with the capacity realignment, the two sophisticated dyeing and finishing production lines in the PRC — acquired with proceeds from the Company’s listing — became fully operational in December 2025. Their commissioning has thus expanded the Group’s processing capabilities, improving production efficiency and shortening lead times. The facilities also provide greater flexibility in developing fabrics, supporting the Group’s efforts in creating more technically sophisticated and innovative denim products.

With significant production capacity now in place in both Vietnam and the PRC, the Group can offer customers true supply chain flexibility. Orders can be strategically allocated between the two locations to optimise logistics efficiency, manage tariff implications, and address risk management priorities. In an environment where procurement diversification is increasingly critical, this dual-country capacity has boosted customer confidence and reinforced the Group’s position as a dependable and adaptable long-term partner.

Alongside the capacity realignment, the Group has continued refining its customer portfolio and product strategy. Greater emphasis was placed on higher value-added and functional fabrics, including specialised denim and workwear fabrics with improved durability and abrasion resistance. Opportunities within the mid-sized and niche premium customer segment have consequently been captured, leveraging the Group’s agility and technical expertise. Furthermore, higher order volumes were secured from selected customers, contributing positively to margin performance and elevating the overall quality of earnings.

In terms of cost management, the Group has established strategic procurement arrangements with key suppliers, incorporating volume-based commitments to mitigate input cost volatility while maintaining quality standards. The Group has also continued to exercise disciplined cost control across its production and logistics operations. Additionally, the wastewater treatment facilities, which became fully operational in 2024, have further enhanced efficiency through improved water recycling and reduced resource consumption. Collectively, these initiatives have enabled the Group to manage cost pressures effectively and maintain financial stability.

While the Group achieved tangible progress in 2025, performance was impacted by trade policy uncertainty, particularly during the second and third quarters. Nevertheless, supported by disciplined operational management and a more diversified production base, the Group was able to maintain stable margins. Excluding the short-term disruptions, the Group's results would have achieved a significant year-on-year improvement in both revenue and bottom-line performance.

On the property front, the property renovation business in Shanghai operated at approximately breakeven in 2025, accounting for approximately 11.4% of the Group's total revenue. Meanwhile, the Group's diversified property portfolio, including its investment in the Tsuen Wan property, continued to deliver stable and recurring rental income from both new and existing tenants.

PROSPECTS

Looking ahead, the Board remains cautiously optimistic about the new financial year. While geopolitical tensions and evolving trade policies continue to shape global supply chains, industry dynamics increasingly favour manufacturers with diversified production and strong technical expertise. The preparatory work undertaken in 2024, together with the execution milestones reached in 2025, have significantly bolstered the Group's operating foundation. Barring any major escalation in geopolitical risks, the management expects 2026 to mark a progressive "harvest phase" following two years of strategic investment and operational enhancement.

Regarding the Vietnam operation, it is now fully integrated into the Group's production network, supporting customers' evolving sourcing needs and providing greater operational flexibility between the PRC and Vietnam locations. This dual-country presence will go towards enhancing competitiveness, reducing concentration risk, and strengthening the Group's position as a reliable supply partner of international BOCs. Early indications in the opening months of 2026 suggest that demand is approaching levels seen in the first quarter of 2025, with customer enquiries and order visibility continuing to improve.

In the new year, the Group will therefore focus on further enhancing utilisation across its expanded production base while deepening engagement with key BOCs. The emphasis will remain on cultivating long-term partnerships built on quality, reliability, and technical collaboration. At the same time, the management will selectively pursue opportunities to expand its BOC portfolio, ensuring that new relations align with the Group's profitability standards and strategic direction.

Product development will continue to underpin the Group's competitive advantage. Ongoing R&D efforts, including innovations in advanced weaving techniques such as dobby constructions, will further enrich the Group's denim product range. Additionally, the integration of recycled materials and more resource-efficient production practices will contribute to improving the sustainability and market relevance of the Group's fabrics. By focusing on technically differentiated, higher-value fabric solutions, the Group aims to improve margin quality and reduce its exposure to highly competitive basic textile segments.

To support business growth, the Group will intensify targeted promotional initiatives and increase its participation in major denim exhibitions in the U.S. and the PRC, thereby creating additional sales opportunities. In Europe, appointed agents will continue to strengthen buyer relationships and expand market reach as regional conditions gradually improve.

As the Group transitions from expansion to optimisation, its strategic priorities will remain focused on disciplined execution, prudent financial management, and continuous enhancement of product capabilities. By also strengthening supply chain resilience and fostering close collaboration with customers, the Group will be well positioned to leverage its solid operating foundation to drive sustainable growth and deliver long-term value to shareholders.

LAU Chung Chau

Chairlady and Non-executive Director

Hong Kong, 30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

As at 31 December 2025, cash and cash equivalents decreased by HK\$12.2 million to HK\$34.0 million (2024: HK\$46.2 million), primarily due to the operating and marketing needs during the year. Inventories decreased by HK\$6.8 million when compared with last year to HK\$77.4 million (2024: HK\$84.2 million) mainly as a result of a lower raw materials level while maintaining operation needs. Trade and bills receivables remained at a similar level at HK\$27.8 million (2024: HK\$27.9 million). Current liabilities decreased by HK\$2.4 million to HK\$75.5 million (2024: HK\$77.9 million) due to the decrease in raw material purchases close to 2024 year-end and therefore the corresponding decrease in trade and bills payables by HK\$4.2 million to HK\$30.0 million (2024: HK\$34.2 million).

CAPITAL COMMITMENT

As at 31 December 2025, the Group had no capital commitment.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations primarily with internally generated funds from operating activities and banking facilities currently available. It is anticipated that the Group has sufficient working capital to meet its present funding requirements.

As at 31 December 2025, net current assets were approximately HK\$84.7 million (2024: HK\$110.2 million). Cash and cash equivalents as at 31 December 2025 were approximately HK\$34.0 million (2024: HK\$46.2 million).

As at 31 December 2025, there were bank borrowings of approximately HK\$35.6 million (2024: HK\$30.8 million), and the Group has HK\$81.3 million in available banking facilities as at 31 December 2025 (2024: HK\$71.7 million).

GEARING RATIO

As at 31 December 2025, the gearing ratio of the Group, based on total borrowings (including bank borrowings and lease liabilities) to total equity (including all capital and reserves) of the Group, was 18.6% (2024: 16.0%).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 341 employees (2024: 346 employees). The Group recognises the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. Remuneration packages offered to the Group's employees are consistent with prevailing levels and are reviewed on a regular basis. Discretionary bonuses may be provided to selected employees taking into consideration the Group's performance and that of the individual employee. The Group provides training to employees. In the year ended 31 December 2025, the Group had not encountered any significant problems with its employees, nor had there been any dispute between the Group and its employees that might have caused any disruption to the Group's business or operation. The Group has had no difficulty in recruiting and retaining experienced staff.

A share option scheme was adopted on 19 June 2018 by the Company. As at 31 December 2025 and up to the date of this announcement, no share options were granted.

CAPITAL EXPENDITURE

The Group's capital expenditure was HK\$3.2 million during the Year (2024: HK\$0.9 million), which was mainly due to the capital investments in the Group's property, plant and equipment.

TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign currency risk primarily through sales, purchases, cash and cash equivalents and bank borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily Renminbi. The Group has not experienced any material difficulty or liquidity problems resulting from foreign exchange fluctuations.

As at 31 December 2025, the Group's bank borrowings carried variable rates from 1.5% to 6.0% per annum (2024: 3.0% to 7.8%).

The Group is not engaged in the use of any financial instruments for hedging purposes. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liability.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had no pledged assets.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2025 and up to the date of this announcement. As at 31 December 2025 and the date of this announcement, the Company does not hold any treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code and its code of conduct regarding directors' securities transactions for the year ended 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 of the Listing Rules. The Company confirms it has met the required standards as set out in the CG Code for the year ended 31 December 2025 and up to the date of this announcement.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss 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 Company's auditor, Messrs. Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Messrs. Ernst & Young on the preliminary announcement.

AUDIT COMMITTEE

Our Company has established an audit committee (the “Audit Committee”) in accordance with the requirements of the CG Code for the purpose of reviewing and supervising the Group’s financial reporting process. The Audit Committee currently has three Independent Non-executive Directors, Mr. Tsang Ling Biu Gilbert, Mr. Cheung Che Kit Richard and Mr. Wong Ming Bun David. Mr. Tsang Ling Biu Gilbert is the chairman of the Audit Committee. Disclosure of financial information in this announcement complies with Appendix D2 to the Listing Rules. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025 in conjunction with the external auditor.

EVENTS AFTER THE REPORTING PERIOD

There were no material events undertaken by the Group subsequent to 31 December 2025 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at 10:00 a.m. on Thursday, 28 May 2026 (the “2025 Annual General Meeting”). For determining the entitlement to attend and vote at the 2025 Annual General Meeting, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 Annual General Meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

DIVIDEND

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

PUBLICATION OF ANNUAL REPORT

The annual report of our Company for the year ended 31 December 2025 containing all the relevant information required by the Listing Rules and other applicable laws and regulations will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and our Company in due course.

By order of the Board
HINGTEX HOLDINGS LIMITED
LAU Chung Chau
Chairlady and non-executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Tung Wai Ting Stephen and Mr. Tung Cheuk Ming Stanley, the chairlady and non-executive Director is Ms. Lau Chung Chau, and the independent non-executive Directors are Mr. Tsang Ling Bui Gilbert, Mr. Cheung Che Kit Richard and Mr. Wong Ming Bun David.