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## 中國汽車內飾集團有限公司

### CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0048)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of Directors (the “**Board**”) of China Automotive Interior Decoration Holdings Limited (the “**Company**”) is pleased to announce the following consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the preceding financial year ended 31 December 2024.

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

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	5	102,028	128,552
Cost of sales		<u>(91,561)</u>	<u>(107,511)</u>
Gross profit		10,467	21,041
Other income, gains and losses, net	6	11,258	822
Selling and distribution costs		(3,349)	(3,172)
Share of result of associates		1,070	120
Net allowance for expected credit losses (“ECL”)	7	7,164	(9,322)
Impairment loss on property, plant and equipment		(24,450)	–
Impairment loss on right-of-use assets		(850)	–
Administrative expenses		<u>(20,667)</u>	<u>(17,399)</u>
<b>Loss from operations</b>		<b>(19,357)</b>	<b>(7,910)</b>
Finance costs	8	<u>(1,293)</u>	<u>(1,466)</u>
<b>Loss before tax</b>	7	<b>(20,650)</b>	<b>(9,376)</b>
Income tax (expense)/credit		<u>(124)</u>	<u>36,755</u>
<b>(Loss)/profit for the year attributable to the owners of the Company</b>		<b><u>(20,774)</u></b>	<b><u>27,379</u></b>

	<i>Note</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>(Loss)/profit for the year</b>		<b>(20,774)</b>	27,379
<b>Other comprehensive (expense)/income for the year, net of income tax:</b>			
<b><i>Item that will not be reclassified to profit or loss:</i></b>			
Exchange differences on translation from functional currency to presentation currency		<b>(1,826)</b>	1,404
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>			
Exchange differences on translating foreign operations		<b>1,274</b>	(1,814)
Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon the deconsolidation		<u>—</u>	<u>(70)</u>
<b>Total other comprehensive expense for the year</b>		<u><b>(552)</b></u>	<u>(480)</u>
<b>Total comprehensive (expense)/income for the year attributable to the owners of the Company</b>		<u><b>(21,326)</b></u>	<u>26,899</u>
		<b><i>RMB</i></b>	<b><i>RMB</i></b> (Restated)
<b>(Loss)/earnings per share</b>			
Basic and diluted	<i>10</i>	<u><b>(10.08) cents</b></u>	<u>14.30 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		38,722	67,844
Investment property		3,065	3,421
Right-of-use assets		5,159	6,785
Interests in associates		8,196	6,105
Prepayments		–	217
		<u>55,142</u>	<u>84,372</u>
<b>Current assets</b>			
Inventories		10,623	17,709
Trade and bills receivables	12	79,719	56,249
Prepayments, deposits and other receivables		46,766	33,910
Financial assets at fair value through profit or loss		34,057	26,587
Cash and bank balances		45,455	49,419
		<u>216,620</u>	<u>183,874</u>
<b>Total assets</b>		<u><b>271,762</b></u>	<u><b>268,246</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	14	9,583	3,643
Reserves		177,189	175,448
<b>Total equity</b>		<u><b>186,772</b></u>	<u><b>179,091</b></u>

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bond payable		<b>2,785</b>	2,855
Lease liabilities		<b>3,364</b>	2,674
		<u><b>6,149</b></u>	<u>5,529</u>
<b>Current liabilities</b>			
Trade and bills payables	<i>13</i>	<b>26,604</b>	39,812
Accruals and other payables		<b>8,973</b>	7,521
Contract liabilities		<b>7,686</b>	8,691
Bank borrowings		<b>35,000</b>	25,000
Lease liabilities		<b>578</b>	1,468
Tax payable		<b>–</b>	1,134
		<u><b>78,841</b></u>	<u>83,626</u>
<b>Total liabilities</b>		<u><b>84,990</b></u>	<u>89,155</u>
<b>Total equity and liabilities</b>		<u><b>271,762</b></u>	<u>268,246</u>
<b>Net current assets</b>		<u><b>137,779</b></u>	<u>100,248</u>
<b>Total assets less current liabilities</b>		<u><b>192,921</b></u>	<u>184,620</u>
<b>Net assets</b>		<u><b>186,772</b></u>	<u>179,091</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 1. GENERAL INFORMATION

China Automotive Interior Decoration Holdings Limited (the “**Company**”) was a public limited company incorporated in Cayman Islands on 9 December 2009 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands, and its shares are listed on The Stock Exchange of Hong Kong Limited. 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 activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of non-woven fabric related products used in automotive interior decoration parts and other parts.

In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party as at 31 December 2025.

The Company’s functional currency is Hong Kong dollars (“**HKD**”). However, the consolidated financial statements are presented in Renminbi (“**RMB**”), as the directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group’s transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated of financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

### 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### 2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards 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.

## 2.2 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS Accounting Standards – Volume 11	Annual Improvements to HKFRS Accounting Standards <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts referencing nature-dependent electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19 (including the relevant amendments)	Subsidiaries without Public Accountability Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKAS 28 and HKFRS 10	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

### ***HKFRS 18 replaces HKAS 1 Presentation of Financial***

Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which is a collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. 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 of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The material accounting policies in the preparation of the consolidated financial statements are set out below.

### 4. SEGMENT INFORMATION

Information reported to the Directors being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. The Group has only one operating segment, which is the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts.

The Group’s operations have focused solely on a single reportable and operating segment dedicated to the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts. Apart from the entity-wide disclosures, geographical information, and major customer data, no additional segment analysis is provided.

#### Revenue from major products and services

Information about the Group’s major products is set out in note 5.

#### Geographical information

The Group’s operations, and its non-current assets, are mainly located in the PRC.

#### Information about major customers

Details of the customers individually representing 10% or more of the Group’s revenue are as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Customer A	16,328	N/A*
Customer B	12,495	20,128
Customer C	10,971	N/A*
Customer D	10,469	N/A*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except disclosed above, no other customers contributed 10% or more to the Group’s revenue for both years.

## 5. REVENUE

The Group's revenue represents sales of nonwoven fabric related products used in automotive interior decoration parts and other parts.

An analysis of revenue by types of goods as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Nonwoven fabric related products for use in automotive interior decoration</b>		
– Sales of automotive floor carpets	63,052	86,262
– Sales of other automotive parts	38,976	42,290
	<hr/>	<hr/>
Total revenue recognised on a point in time basis	<b>102,028</b>	128,552
	<hr/> <hr/>	<hr/> <hr/>

Other automotive parts refers to nonwoven fabric related products except for floor carpets.

All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fair value gain/(loss) on financial assets at fair value through profit or loss	8,227	(1,275)
Government grants	4	–
Interest income	35	84
Loss on disposal of property, plant and equipment	(1,337)	(1,398)
Loss on disposal of subsidiaries	(1,218)	(306)
Loss on early termination of lease	(194)	–
Others	3,084	165
Rental income	3,761	3,552
Write off of inventories	(1,104)	–
	<hr/>	<hr/>
	<b>11,258</b>	822
	<hr/> <hr/>	<hr/> <hr/>

## 7. LOSS BEFORE TAX

The Group's loss before tax is stated after charging/(crediting) the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditors' remuneration	509	385
Depreciation of property, plant and equipment	642	3,426
Depreciation of right-of-use assets	1,782	2,294
Depreciation of investment property	356	356
Expenses relating to short-term leases	397	820
Staff costs including directors' remuneration:		
– Salaries and allowances	8,169	8,601
– Retirement benefits scheme contributions	999	1,107
Cost of inventories recognised as cost of sales	91,561	107,511
Loss on disposal of property, plant and equipment	1,337	1,398
Loss on disposal of subsidiaries	1,218	306
Net allowance for ECL:		
(Reversal of)/allowance for on trade receivables	(5,986)	2,427
(Reversal of)/allowance for on other receivables	(1,178)	6,895
	<u>(7,164)</u>	<u>9,322</u>

## 8. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on bank borrowings	958	1,247
Interest expenses on bond	220	77
Interest expenses on lease liabilities	115	142
	<u>1,293</u>	<u>1,466</u>

## 9. INCOME TAX (EXPENSE)/CREDIT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current tax</b>		
PRC enterprise income tax (“EIT”)	(124)	(1,398)
Over-provision in prior years	—	38,153
	<u>(124)</u>	<u>36,755</u>

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Under the two-tiered profits tax rates regime of Hong Kong Profit tax, the first HK\$2 million of assessable profits of qualifying group entities will be taxed at 8.25%, and assessable profits above HK\$2,000,000 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% (2024: 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 profit and at 16.5% on the estimated assessable profit above HK\$2 million.

No provision for taxation in Hong Kong is recognised as there is no assessable profit for the year ended 31 December 2025 (2024: Nil).

PRC EIT is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to EIT rules and regulations of the PRC, the applicable PRC EIT rate of the Group’s PRC subsidiaries for the years ended 31 December 2025 and 2024 is 25%.

According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower EIT rate is applicable to small-scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% EIT rate on the 25% of the assessable profits) for the year ended 31 December 2025. Certain of the Company’s subsidiaries have been designated as a small-scale enterprise.

Pursuant to the PRC law on EIT, 10% withholding income tax will be levied on foreign investors for dividend distribution from PRC enterprises’ profit earned after 1 January 2008. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applied.

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(Loss)/profit</b>		
(Loss)/earnings for the purposes of basic and diluted loss per ordinary share being (loss)/profit for the year attributable to owners of the Company	<u>(20,774)</u>	<u>27,379</u>
	2025	2024 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>191,917,333</u>	<u>191,768,702</u>

The weighted average number of ordinary shares for the purpose of basic (loss)/profit per share for the years ended 31 December 2025 and 2024 has been adjusted retrospectively for the effect of bonus element of the rights issue completed on 30 December 2025 as if it had been effective on 1 January 2024.

The computation of diluted loss per share for the year ended 31 December 2025 does not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share, which is anti-dilutive.

For the year ended 31 December 2024, diluted earnings per share is the same as the basic earnings per share because the exercise price of the Company's outstanding share options was higher than the average market price for shares of the Company.

## 11. DIVIDEND

The directors do not recommend the payments of any dividend in respect of the year ended 31 December 2025 (2024: nil).

## 12. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	84,128	71,205
Less: allowance for ECL	<u>(10,341)</u>	<u>(15,543)</u>
	73,787	55,662
Bills receivables	<u>5,932</u>	<u>587</u>
	<u><u>79,719</u></u>	<u><u>56,249</u></u>

The ageing analysis of trade and bills receivables, based on the past due date, net of allowance for ECL, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	57,121	52,432
91 to 180 days	16,449	2,812
181 to 365 days	4,233	1,005
Over 365 days	<u>1,916</u>	<u>–</u>
	<u><u>79,719</u></u>	<u><u>56,249</u></u>

The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 days to 120 days, depending on the creditworthiness of customers and the existing relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

## 13. TRADE AND BILLS PAYABLES

The ageing analysis of trade and bills payables, based on the invoice dates, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	11,250	25,928
91 to 180 days	3,939	1,936
181 to 365 days	–	235
Over 365 days	<u>11,415</u>	<u>11,713</u>
	<u><u>26,604</u></u>	<u><u>39,812</u></u>

Trade payables generally have credit terms ranging from 10 to 60 days. Bills payable generally have credit terms ranging from 90 to 180 day.

Bill payables relate to trade payables in which the Group has been offered by certain main suppliers to settle its obligations for purchases of goods with bills payables. The Group is obliged to make payments to the banks in respect of the bills only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. During the year ended 31 December 2024, the supplier finance arrangements totalled approximately RMB2,200,000. At 31 December 2025, trade and bill payables are denominated in RMB and HKD of approximately RMB26,142,000 and RMB462,000 (2024: RMB39,338,000 and RMB474,000) respectively.

#### 14. SHARE CAPITAL

	Number of shares	Amount HK\$'000	Amount RMB'000
<b>Authorised:</b>			
<b>Ordinary shares of HK\$0.025 each</b>			
<b>At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025</b>	<b>40,000,000,000</b>	<b>1,000,000</b>	<b>863,495</b>
<b>Issued and fully paid:</b>			
<b>At 1 January 2024, 31 December 2024 and 1 January 2025</b>	<b>175,115,104</b>	<b>4,378</b>	<b>3,643</b>
Issue of shares under rights issue	<b>262,672,656</b>	<b>6,567</b>	<b>5,940</b>
<b>At 31 December 2025</b>	<b>437,787,760</b>	<b>10,945</b>	<b>9,583</b>

*Note:* On 30 December 2025, the Company completed a rights issue of shares on the basis of three rights share for every two existing shares, at the subscription price of HK\$0.13 per rights share, and on an underwritten basis. This resulted in the issuance by the Company of 262,672,656 new shares of HK\$0.025 each. The gross proceeds raised from the rights issue were approximately HK\$34.1 million, while the net proceeds (after deduction of all relevant expenses) amounted to approximately HK\$32.0 million.

#### 15. EVENTS AFTER REPORTING PERIOD

There was no significant event after year ended 31 December 2025 and up to the date of this result announcement.

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of non-woven fabric related products used in automotive interior decoration parts and other parts during the year ended 31 December 2025. The Group deploys financial resource to securities investment to achieve earnings in the form of capital appreciation and income from dividends. The Group also taps into the business of financial services through the investment in a securities house.

#### **Manufacture and sale of non-woven fabric related products**

Manufacture and sale of non-woven fabric related products is one of the principal business of the Group. The Group manufactures its products with single layer or multiple layers of non-woven fabric in accordance with specific requirements and standards of different customers. Most of the customers of non-woven fabric related products are primary manufacturers and suppliers of automotive parts in the People’s Republic of China (“**PRC**”). The majority of the Group’s products are further processed by these customers in order to make different automotive parts such as floor, head lining, seat cover, parcel tray, trunk, luggage-side trim, hubcap and car-mat, which are of different characteristics and are to be applied for different usages in passenger vehicles. Since 2021, the Group commenced the production and supply of the automotive components to components suppliers of automotive manufacturer.

According to the information released from China Association of Automobile Manufacturers (“**CAAM**”), the production and sales of passenger vehicles in the PRC were approximately 30,270,000 units and 30,103,000 units respectively for the year ended 31 December 2025, representing an increase of approximately 10.2% and 9.2%. These growth in passenger vehicles market resulted in a stable demand for automotive materials of the Group during 2025.

The Group’s non-woven fabric related products are generally manufactured from artificial and synthetic fibers, which are derived from crude oil. A surge increase in crude oil prices in 2026 would elevate the Group’s raw material costs. During the year ended 31 December 2025, an impairment loss on property, plant and equipment of approximately RMB24.5 million (2024: nil) was recognised, reflecting the expected deterioration in the long-term profitability of the Group’s business.

The Group’s prepayment, deposits and other receivables generally composed (i) trade deposits paid to suppliers for securing stable supply of raw materials; and (ii) prepayment of acquisition of plant and equipment for upgrading the production lines for manufacture and sale of non-woven fabric related products. As at 31 December 2025, the Group’s prepayment, deposits and other receivables was increased by approximately RMB12.9 million to RMB46.8 million. Such increase was mainly due to the one-off receivable of approximately RMB15.7 million from underwriter in relation to the Rights Issue as mentioned in section “RAISING OF FUNDS AND USE OF PROCEEDS”.

## Interests in associates

The Company through a joint venture company indirectly hold 42% of the equity interest in GEO Securities Limited (“**GEO Securities**”) and classified as “interests in associates”. GEO Securities has the licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (Asset Management) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) in Hong Kong. The Group shared a profit of associates of approximately RMB1.1 million for the year ended 31 December 2025.

## FINANCIAL REVIEW

### Revenue

The Group’s revenue for the years ended 31 December 2025 and 2024 was illustrated as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Non-woven fabric related products for use in automobiles		
– Sales of automotive floor carpets	<b>63,052</b>	86,262
– Sales of other automotive parts	<b>38,976</b>	42,290
	<b>102,028</b>	128,552

For the year ended 31 December 2025, the Group’s revenue decreased to approximately RMB102.0 million, compared to approximately RMB128.6 million in 2024, representing a decrease of approximately 20.6%. The decline was primarily attributable to increased tariff rates imposed by the United States since first quarter of 2025. These tariffs affected demand on non-woven fabric related products manufactured at the Group’s Cangzhou factory, where non-woven fabric related products were further processed by the Group’s customers and ultimately supplied for world-renowned automotive manufacturers in the United States.

### Gross profit

As a result of increasing competition in the automotive industry and decrease in revenue, for the year ended 31 December 2025, the Group’s gross profit decrease by approximately RMB10.6 million to approximately RMB10.4 million.

### Other income, gains and losses, net

For the year ended 31 December 2025, the Group’s other income, gains and losses, net increased from approximately RMB0.8 million in 2024 to approximately RMB11.3 million in 2025. The increase was mainly due to the increase in fair value gain on financial assets at fair value through profit or loss (“**FVTPL**”) of approximately RMB8.2 million in 2025, as compared to a fair value gain on FVTPL of approximately RMB1.3 million in 2024. Further information of the financial assets at FVTPL are disclosed in the “Significant Investments” section below.

## **Administrative expenses**

The Group's administrative expenses increased by approximately RMB3.3 million to approximately RMB20.7 million for the year ended 31 December 2025. The Group's administrative expenses mainly consist of (i) employee benefits expenses including Director's emoluments and staff costs of approximately RMB8.9 million (2024: RMB9.7 million); and (ii) depreciation of right-of-use assets of approximately RMB1.8 million (2024: RMB2.3 million).

## **(Loss)/profit attributable to the owners of the Company**

Loss attributable to the owners of the Company was approximately RMB20.8 million for the year ended 31 December 2025 (2024: Profit of RMB26.9 million). The changes are primarily attributable to the impairment loss on property, plant and equipment of approximately RMB24.5 during the year ended 31 December 2025 and over-provision in income tax of approximately RMB38.1 million during the year ended 31 December 2024.

## **PROSPECT AND OUTLOOK**

The Board expects that 2026 will still be a challenging year for the business of manufacturing and sale of non-woven fabric related products, as production costs continue to rise due to increasing crude oil prices, coupled with the need to maintain competitiveness and enhance safety requirements to cope with the development of the automotive industry.

To maintain competitiveness, the Group will still deploy its resources on:

- (1) upgrading the production lines in order to improve the production efficiency;
- (2) installing new machineries to suit the customers' varying requirements and demands on high-end products;
- (3) conducting research and development to keep up with the latest technological trends in relation to product specifications; and
- (4) strengthening the quality control systems to retain customer loyalty and reinforce the Group's reputation in the non-woven fabric related products industry in the PRC.

In addition, the Group will continue to adopt a prudent approach to manage its money lending business and on the other hands to seek for opportunities to expand this operation.

Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will look for potential investment opportunities to diversify its business scope.

## **RAISING OF FUNDS AND USE OF PROCEEDS**

On 10 September 2025, the Company proposed to issue 262,672,656 rights shares to raise gross proceeds of up to approximately HK\$34.1 million at the subscription price of HK\$0.13 per rights share on the basis of three rights shares for every two existing Shares (the “**Rights Issue**”). The Rights Issue was completed on 30 December 2025. Since the Rights Issue was completed almost on the Company’s year-end date (31 December 2025), the proceeds of approximately RMB15.7 million was received on 2 January 2026 and was recognized as other receivables as at 31 December 2025. Net proceeds from the Rights Issue was approximately HK\$32.0 million (the “**Net Proceeds**”) which was intended to be applied as to (i) approximately 95.31% of the net proceeds or approximately HK\$30.5 million (equivalent to approximately RMB28.0 million) for purchase of property, plant and machinery for the production lines in the PRC on or before the first half of 2027; and (ii) the remaining of approximately 4.69% of the net proceeds or approximately HK\$1.5 million for general working capital of the Group on or before the second half of 2026. As at 31 December 2025, none of the Net Proceeds were utilized.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, cash and bank balances of the Group amounted to approximately RMB45.5 million (2024: RMB49.4 million), and approximately RMB21.3 million (2024: RMB11.5 million) of which are denominated in Hong Kong dollars and United States dollars.

As at 31 December 2025, the Group’s liquidity ratio, represented by the ratio of current assets over current liabilities, and gearing ratio, represented by the ratio of total liabilities to total assets, were 2.7 (2024: 2.20) and 0.31 (2024: 0.33) respectively.

## **CAPITAL STRUCTURE**

Except 262,672,656 ordinary shares of the Company were issued in relation to the Rights Issue on 30 December 2025, there was no material change in the capital structure of the Group during the year ended 31 December 2025.

## **FOREIGN EXCHANGE EXPOSURE**

Majority of the assets and liabilities of the Group were denominated in Renminbi, United States dollars and Hong Kong dollars. As at 31 December 2025, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

## SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group held (i) approximately 22.8 million shares (approximately 2.6%) of Go Up Education Technology Limited (formerly known as “Wealth Glory Holdings Limited”) (“GU”), (ii) approximately 8.0 million shares (approximately 1.9%) of China Investment and Finance Group Limited (“CI”), (iii) approximately 4.5 million shares (approximately 1.8%) of Tai Kam Holdings Limited (“TK”), (iv) approximately 0.7 million shares (approximately 0.2%) of Asia Strategy Digit Technology Holdings Limited (formerly known as “China Jicheng Holdings Limited”) (“AS”), (v) approximately 6.4 million shares (approximately 2.1%) of Ju Fu Tang Biotech Holdings Co., Limited (formerly known as “WMHW Holdings Limited”) (“JF”), (vi) approximately 11.0 million shares (approximately 4.8%) of Lerado Financial Group Company Limited (“LF”) and (vii) approximately 5.8 million shares (approximately 1.7%) of Hao Wen Holdings Limited (“HW”). GU, CI, TK, AS, JF, LF and HW are the companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). GU is principally engaged in trading of natural resources and commodities; money lending business; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities. CI is principally engaged in investment holding and trading of securities. TK is principally engaged in undertaking site formation works and renovation works in Hong Kong. AS is principally engaged in manufacturing and sale of umbrella. JF is principally engaged in the provision of civil engineering works and investment holding. LF is principally engaged in providing financial services including securities broking, margin financing and money lending etc., as well as manufacturing and distributing children plastic toys and medical care products. HW is primarily engaged in the money lending and processing and trading of electronic parts.

The Group’s investment in GU, CI, TK, AS, JF, LF and HW are collectively referred to as the “Significant Investments”.

Detail of the Significant Investments are as follows:

	<b>Year ended 31 December 2025</b>	<b>As at 31 December 2025</b>		<b>As at 31 December 2024</b>
	<b>Fair Value gain/(loss) RMB’000 (Audited)</b>	<b>Fair Value RMB’000 (Audited)</b>	<b>Approximate percentage to the total assets (Audited)</b>	<b>Fair Value RMB’000 (Audited)</b>
GU	7,768	10,194	3.75%	1,725
CI	(3,800)	5,406	1.99%	10,037
TK	2,422	4,037	1.48%	1,437
AS	1,684	2,533	0.93%	712
JF	27	2,169	0.80%	1,907
LF	542	1,967	0.72%	1,675
HW	(2,027)	690	0.25%	3,781

As at 31 December 2025, the financial assets at FVTPL comprised 16 listed equity securities in Hong Kong and except the above, there was no investment held by the Group which value was more than 1% of the total assets of the Group.

Looking ahead, the value of the Significant Investments may be susceptible to the overall equity market conditions.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

There was no material acquisition or disposal of subsidiaries and affiliated companies by the Group for the year ended 31 December 2025.

## **PLEDGE ON ASSETS**

As at 31 December 2025, the Group's investment property with a carrying amounts of approximately RMB3.1 million (2024: RMB3.4 million) and leasehold land with a carrying amounts of approximately RMB2.0 million (2024: RMB2.1 million) were pledged to banks for bank borrowings.

## **DIRECTORS' SERVICE CONTRACTS**

None of the Directors, including those proposed for re-election at the forthcoming annual general meeting, has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## **DIRECTOR'S INTEREST IN COMPETING INTERESTS**

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the year ended 31 December 2025.

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

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

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the year ended 31 December 2025.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the "Code") in Appendix C1 to the Listing Rules.

Except for the following deviations, the Company complied with the Code for the year ended 31 December 2025.

### **Code provision C.2.1**

Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision C.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers that the Company has achieved the balance and provided sufficient protection of its interests.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yuen Wai Keung (chairman of the Audit Committee), Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the year ended 31 December 2025 and up to the date of this announcement.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The figures above in the preliminary announcement of the Group's result for the year ended 31 December 2025 have been agreed with the Company's auditor, Infinity CPA Limited ("Infinity CPA"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025.

The work performed by Infinity CPA 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 Infinity CPA on the preliminary announcement.

## **PUBLICATION OF 2025 ANNUAL RESULTS AND 2025 ANNUAL REPORT**

The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2025 and also reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters. Other members of the Board who are not in the Audit Committee have also reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2025 and are satisfied with the contents thereof.

This results announcement is published on the websites of the Company ([www.hklistco.com/48](http://www.hklistco.com/48)) and the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2025 will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**China Automotive Interior Decoration Holdings Limited**  
**Zhuang Yuejin**  
*Chairman*

Hong Kong, 30 March 2026

*As at the date hereof, the executive Directors are Mr. Zhuang Yuejin, Mr. Ng Chung Ho and Ms. Xiao Suni, and the independent non-executive Directors are Mr. Yuen Wai Keung, Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.*