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Champion Alliance International Holdings Limited

冠均國際控股有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 1629)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue for the year ended 31 December 2025 increased by approximately 14.8% or RMB17.5 million to approximately RMB135.2 million.
- Gross profit for the year ended 31 December 2025 increased by approximately 6.2% or RMB1.1 million to approximately RMB19.2 million.
- Loss attributable to equity holders of the Company for the year ended 31 December 2025 was approximately RMB26.4 million as compared to the profit attributable to equity holders of the Company of approximately RMB3.1 million for the year ended 31 December 2024.
- Basic loss per share of the Company for the year ended 31 December 2025 was approximately RMB4.84 cents as compared to basic earnings per share of the Company of approximately RMB0.57 cent for the year ended 31 December 2024.
- The Board proposed not to declare any final dividend for the year ended 31 December 2025.

RESULTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	5	135,183	117,713
Cost of sales		(115,995)	(99,648)
Gross profit		19,188	18,065
Other income and gains	6	1,771	2,168
Selling and distribution expenses		(3,731)	(2,469)
Administrative expenses		(7,836)	(7,203)
Impairment of trade receivables, net		(4,160)	(8,729)
Impairment of other receivables, net		(28,549)	–
Finance costs	7	(1,277)	(772)
(Loss)/profit before income tax	8	(24,594)	1,060
Income tax expense	9	(5,732)	(722)
(LOSS)/PROFIT FOR THE YEAR		(30,326)	338
Other comprehensive income/(expense): <i>Item that will not be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of foreign operation from functional currency to presentation currency		1,158	(409)
Other comprehensive income/(expense) for the year		1,158	(409)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(29,168)	(71)

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
(LOSS)/PROFIT FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		(26,422)	3,094
Non-controlling interests		(3,904)	(2,756)
		<u>(30,326)</u>	<u>338</u>
TOTAL COMPREHENSIVE (EXPENSE)/			
INCOME ATTRIBUTABLE TO:			
Owners of the Company		(25,264)	2,685
Non-controlling interests		(3,904)	(2,756)
		<u>(29,168)</u>	<u>(71)</u>
(LOSS)/EARNINGS PER SHARE			
– Basic and diluted (<i>RMB cents per share</i>)	10	<u>(4.84)</u>	<u>0.57</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		77,043	92,437
Investment properties		101,767	103,689
Right-of-use assets		445	2,223
Computer software		—	—
		<u> </u>	<u> </u>
Total non-current assets		179,255	198,349
		<u> </u>	<u> </u>
CURRENT ASSETS			
Inventories		6,791	5,799
Trade receivables	12	31,479	31,351
Prepayments, deposits and other receivables		35,871	67,561
Cash and cash equivalents		131,797	119,214
		<u> </u>	<u> </u>
Total current assets		205,938	223,925
		<u> </u>	<u> </u>
CURRENT LIABILITIES			
Trade payables	13	10,525	15,662
Other payables and accruals		17,118	22,829
Income tax payable		1,751	1,121
Other borrowings		—	21,898
Lease liabilities		462	1,797
Deferred government grants		524	524
		<u> </u>	<u> </u>
Total current liabilities		30,380	63,831
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>175,558</u>	<u>160,094</u>
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>354,813</u>	<u>358,443</u>
		<u> </u>	<u> </u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Other payables	2,094	1,988
Lease liabilities	–	462
Deferred government grants	21,298	21,821
Other borrowings	26,417	–
	<hr/>	<hr/>
Total non-current liabilities	49,809	24,271
	<hr/>	<hr/>
NET ASSETS	305,004	334,172
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	4,838	4,838
Reserves	223,801	249,065
	<hr/>	<hr/>
Equity attributable to owners of the Company	228,639	253,903
Non-controlling interests	76,365	80,269
	<hr/>	<hr/>
TOTAL EQUITY	305,004	334,172
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Champion Alliance International Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office address of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and the Company’s principal place of business in Hong Kong is located at Unit E, 22nd Floor, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company. The Group, comprising the Company and its subsidiaries, is principally involved in the following activities:

- trading of household paper and hygiene products and manufactures hygiene products in Mainland China; and
- leasing of properties which are located in the mainland (“**Mainland China**”) of the People’s Republic of China (the “**PRC**” or “**China**”).

In the opinion of the directors of the Company, the Company’s immediate holding company and the ultimate holding company is Champion Alliance International Corporation, which is incorporated in the British Virgin Islands (the “**BVI**”), and the Company’s ultimate controlling party is Mr. Chen Shuming.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The functional currency of the Company is Hong Kong dollars, while these consolidated financial statements are presented in Renminbi (“**RMB**”). As the management ordinarily uses RMB for management reporting purposes, the directors of the Company consider that it is more appropriate to adopt RMB as the Group’s and the Company’s presentation currency. All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amended HKFRS Accounting Standards – effective on 1 January 2025

The Hong Kong Institute of Certified Public Accountants has issued an amended HKFRS Accounting Standards that is first effective for the current accounting period of the Group:

Amendments to HKAS 21 *Lack of Exchangeability*

The amendments to HKAS 21 has no material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that are not yet effective for the current accounting period.

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective

The following amended HKFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

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

² Effective for annual/reporting periods beginning on or after 1 January 2027.

³ No mandatory effective date yet determined but available for adoption.

Except as described below, the directors of the Company anticipate that the application of all new and 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 Standards, 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 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the household paper and hygiene products segment: trading of household paper and hygiene products and manufactures hygiene products in Mainland China; and
- (b) the property leasing segment: leasing out the factory, equipment and the land for the new energy business which is operated by an independent third party.

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 profit/(loss), which is a measure of adjusted (loss)/profit before income tax. The adjusted (loss)/profit before income tax is measured consistently with the Group's (loss)/profit before income tax except that certain bank and other interest income, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment revenue and results

	Household paper and hygiene products		Property leasing		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Segment revenue (Note 5)						
Revenue from external customers	123,164	104,848	12,019	12,865	135,183	117,713
Segment results	21,394	21,282	(7,862)	(6,974)	13,532	14,308
Bank and other interest income					110	222
Corporate and other unallocated expenses					(36,959)	(12,698)
Finance costs					(1,277)	(772)
(Loss)/profit before income tax					<u>(24,594)</u>	<u>1,060</u>

Segment assets and liabilities

The chief operating decision maker makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the chief operating decision maker does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

	Household paper and hygiene products		Property leasing		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	21	2	18,023	18,332	18,044	18,334
Depreciation of investment properties	–	–	1,922	1,912	1,922	1,912
Depreciation of right-of-use assets	1,778	1,334	–	–	1,778	1,334
Amortisation of computer software	–	5	–	–	–	5
Capital expenditure*	<u>2,470</u>	<u>3,614</u>	<u>180</u>	<u>297</u>	<u>2,650</u>	<u>3,911</u>

* Capital expenditure consists of additions to property, plant and equipment, investment properties and right-of-use assets.

Geographical information

No geographical information is presented as the Group's revenue is solely derived from Mainland China and all of the Group's non-current assets were located in Mainland China for both years.

Information about major customers

During the year ended 31 December 2025, one (2024: one) external customer individually contributed 10% or more to the Group's total revenue for the year and the revenue generated from sales to each of these customers is set out below:

	2025	2024
	RMB'000	RMB'000
Household paper and hygiene products segment:		
Customer B	<u>16,345</u>	<u>–</u>
Property leasing segment:		
Customer A	<u>N/A (Note)</u>	<u>12,865</u>

Note: This customer did not contribute over 10% of total revenue of the Group for the year ended 31 December 2025.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sale of goods	123,164	104,848
Rental income	12,019	12,865
	<u>135,183</u>	<u>117,713</u>

6. OTHER INCOME AND GAINS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank interest income	100	215
Other interest income	10	7
Subsidy income	523	699
Government grants*	3	24
Other income	1,135	623
Waiver of other payable	–	600
	<u>1,771</u>	<u>2,168</u>

* For the year ended 31 December 2025 and 2024, the Group obtained government grants from the PRC government supporting the Group's vocational skills training. There were no conditions to be fulfilled or contingencies related to those grants for the year.

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on other borrowings	1,127	600
Interest on lease liabilities	44	72
Imputed interest on rental deposit received	106	100
	<u>1,277</u>	<u>772</u>

8. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	96,221	78,124
Depreciation of property, plant and equipment	18,044	18,334
Less: Amount included in cost of inventories sold	<u>(18,044)</u>	<u>(18,334)</u>
	—	—
Depreciation of investment properties	1,922	1,912
Less: Amount included in cost of inventories sold	<u>(1,922)</u>	<u>(1,912)</u>
	—	—
Depreciation of right-of-use assets	1,778	1,334
Less: Amount included in cost of inventories sold	<u>(1,778)</u>	<u>(1,334)</u>
	—	—
Amortisation of computer software*	—	5
Lease payments not included in the measurement of lease liabilities*	60	51
Auditor's remuneration*		
– annual audit	1,000	1,000
– other services	92	107
	<u>1,092</u>	<u>1,107</u>
Impairment of trade receivables, net	4,160	8,729
Impairment of other receivables, net	28,549	—
Employee benefit expenses^ (including directors' remuneration):		
– Salaries, bonus and benefits in kind	5,757	4,175
– Retirement benefit scheme contributions	<u>519</u>	<u>458</u>
	<u>6,276</u>	<u>4,633</u>

* This item is included in “Administrative expenses” on the face of the consolidated statement of profit or loss and other comprehensive income.

^ During the years ended 31 December 2025 and 2024, no contribution was forfeited (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) under the retirement benefit schemes which may be used by the Group to reduce the contribution payable in the future years. Accordingly, no forfeited contribution was utilised during the years ended at 31 December 2025 and 2024. As at 31 December 2025 and 2024, there was no forfeited contribution available to reduce the Group's future level of contribution to the retirement benefit schemes.

9. INCOME TAX EXPENSE

An analysis of the Group's income tax expense is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – Hong Kong:		
– tax for the year	1	2
Current tax – Mainland China:		
– tax for the year	5,731	4,923
– over-provision in respect of prior years	–	(4,203)
Income tax expense	<u>5,732</u>	<u>722</u>

Hong Kong Profits Tax is calculated at 16.5% on estimated assessable profit for the year.

Taxes on profits assessable in Mainland China have been calculated at the applicable tax rate of 25% on the estimated assessable profits for the year, based on the prevailing legislation, interpretations and practices in respect thereof.

10. (LOSS)/EARNINGS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company	<u>(26,422)</u>	<u>3,094</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares	<u>546,092,537</u>	<u>546,092,537</u>
	2025 <i>RMB cents</i>	2024 <i>RMB cents</i>
(Loss)/earnings per share		
– Basic and diluted (<i>RMB cents per share</i>)	<u>(4.84)</u>	<u>0.57</u>

Diluted (loss)/earnings per share amount was the same as basic (loss)/earnings per share amount as there were no potential dilutive ordinary shares outstanding for the years ended 31 December 2025 and 2024.

11. DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

12. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	45,765	41,477
Less: Impairment	<u>(14,286)</u>	<u>(10,126)</u>
Trade receivables – net	<u>31,479</u>	<u>31,351</u>

The Group's trading terms with its customers for the sale of goods and provision of processing services are mainly on credit. For new customers, payment in advance is normally required. The credit period is generally 30 days for customers of household paper and hygiene products and 30 to 150 days for customers of new energy operation. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	3,011	1,817
1 to 2 months	1,114	186
2 to 3 months	1,114	178
3 to 4 months	1,114	233
Over 4 months	<u>25,126</u>	<u>28,937</u>
	<u>31,479</u>	<u>31,351</u>

13. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>10,525</u>	<u>15,662</u>

The trade payables are non-interest bearing and are normally settled on 30-day terms.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	846	6,162
1 to 2 months	–	61
2 to 3 months	–	13
Over 3 months	<u>9,679</u>	<u>9,426</u>
	<u>10,525</u>	<u>15,662</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the (i) trading of household paper products and hygiene products and manufacturing of hygiene products, and (ii) property leasing.

BUSINESS REVIEW

i. Household Paper and Hygiene Products

The Group's household paper and hygiene products segment trades household paper and hygiene products and manufactures hygiene products in the PRC. The Group's household paper and hygiene products business currently has over 400 corporate customers, with sales network spanning across Shandong, Beijing, Tianjin, Hebei, Henan, Shaanxi, Jiangsu, Anhui, Liaoning, Jilin and Heilongjiang.

The household paper market in PRC is expected to continue its expansion over the next several years, driven by factors such as increased consumer awareness of hygiene, urbanization and rising disposable income. PRC remains to be the country generating the highest revenue in household paper market globally. The market is expected to grow at a compound annual growth rate of approximately 5.5% from 2025 to 2033. Looking ahead, the volume in household paper market is forecasted to experience continual growth, and an anticipated growth of approximately 2.7% in 2026. As the middle class in the PRC expands, there is a heightened demand for quality domestic paper products, including facial tissues and paper towels. The demand for environmentally sustainable household paper products in certain regions of the PRC has been observed to rise. While traditional brick-and-mortar stores remain as the most significant channel of distribution, it has been observed that E-commerce platforms have rapidly risen to become crucial distribution channels.

During the reporting period, revenue of this segment was approximately RMB123.2 million, representing an increase of approximately 17.5% as compared to the corresponding period in 2024.

ii. Property Leasing

The Group's property leasing segment leases out the factory, equipment and the land for the new energy business which is operated by an independent third party.

During the reporting period, revenue of this segment was approximately RMB12 million.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, total revenue of the Group was approximately RMB135.2 million, representing an increase of approximately RMB17.5 million from the total revenue of approximately RMB117.7 million for the corresponding period in 2024.

The following table sets forth the breakdown of the Group's revenue for the year ended 31 December 2025 and 2024:

	For the year ended		Change %
	2025	2024	
	RMB'000	RMB'000	
Household paper and hygiene products	123,164	104,848	17.5
Property leasing	12,019	12,865	(6.6)
Total	<u>135,183</u>	<u>117,713</u>	<u>14.8</u>

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately RMB18.1 million for the year ended 31 December 2024 to approximately RMB19.2 million for the year ended 31 December 2025. Gross profit margin decreased from approximately 15.3% for the year ended 31 December 2024 to approximately 14.2% for the year ended 31 December 2025.

Other Income and Gains

For the year ended 31 December 2025, the Group's other income and gains mainly consisted of bank interest income, other interest income, subsidy income, government grants, and other income. The other income and gains decreased by approximately 18.3% to approximately RMB1.8 million for the year ended 31 December 2025 from approximately RMB2.2 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in waiver of other payable during the reporting period.

Selling and Distribution Expenses

During the reporting period, selling and distribution expenses mainly consisted of (i) costs of transportation expenses, (ii) staff costs, and (iii) other expenses. The Group's selling and distribution expenses increased by approximately 51.1% from approximately RMB2.5 million for the year ended 31 December 2024 to approximately RMB3.7 million for the year ended 31 December 2025. The increase in selling and distribution expenses was mainly due to the increase in transportation cost.

Administrative Expenses

For the year ended 31 December 2025, administrative expenses mainly consisted of (i) staff costs, (ii) entertainment expenses, (iii) office expenses and (iv) legal and professional fee. Administrative expenses increased from approximately RMB7.2 million for the year ended 31 December 2024 to approximately RMB7.8 million for the year ended 31 December 2025. The increase in administrative expenses of the Group was mainly due to the increase in staff cost for the reporting period.

Finance Costs

Finance costs mainly consisted of interest expenses from bank and other borrowings, imputed interest on rental deposit received and interest on lease liabilities. Finance costs increased from approximately RMB0.8 million for the year ended 31 December 2024 to approximately RMB1.3 million for the year ended 31 December 2025. The increase was mainly attributable to the addition of other borrowings and increase in the interest rate of other borrowings.

Income Tax Expense

The Group's income tax expense was approximately RMB5.7 million for the year ended 31 December 2025. The Group's income tax expense was approximately RMB0.7 million in the corresponding period in 2024.

Loss/Profit Attributable to Owners of the Company

For the year ended 31 December 2025, the Group's loss attributable to owners of the Company was approximately RMB26.4 million, as compared with profit attributable to owners of the Company of approximately RMB3.1 million for the corresponding period in 2024.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

The Group recorded net current assets of approximately RMB175.6 million as at 31 December 2025, while the net current assets as at 31 December 2024 was approximately RMB160.1 million.

Borrowings and Gearing Ratio

The total debts of the Group as at 31 December 2025 were approximately RMB26.4 million (as at 31 December 2024: RMB21.9 million). The Group's gearing ratio increased from approximately 6.6% as at 31 December 2024 to approximately 8.7% as at 31 December 2025. The increase in the gearing ratio was primarily a result of the increase in total debt. Gearing ratio was calculated by dividing total debt (which mainly consisted of other borrowings) by total equity as at the dates indicated and multiplied by 100%.

Capital Expenditure

During the year ended 31 December 2025, the Group's total capital expenditure amounted to approximately RMB2.7 million, which was mainly used in plant and machinery and office equipment (year ended 31 December 2024: RMB3.9 million).

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Capital Structure

The capital structure of the Group consists of equity attributable to owners of the Company, which comprises issued share capital and reserves. During the year ended 31 December 2025, there had been no change in the number of issued shares in the Company (the "Shares").

Contingent Liabilities

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

Foreign Exchange Risk

The Group's transactions were mainly conducted in RMB, the functional currency of certain subsidiaries of the Group, and the major receivables and payables were denominated in RMB. The Group's exposure to foreign currency risk related primarily to certain bank balances and cash and other payables maintained in Hong Kong dollars ("HK\$"). The Group did not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business during the year ended 31 December 2025 (year ended 31 December 2024: nil).

Human Resources and Remuneration

As at 31 December 2025, the Group employed 48 employees (as at 31 December 2024: 41) with total staff costs of approximately RMB6.3 million incurred for the year (year ended 31 December 2024: approximately RMB4.6 million). The increase in staff costs of the Group was mainly due to the increase in employees. The Group's remuneration packages are generally structured with reference to market terms and individual merits.

Final Dividend

The Board proposed not to declare any final dividend for the year ended 31 December 2025 (year ended 31 December 2024: nil).

Use of Net Proceeds from the Listing

The Company listed its Shares on the Stock Exchange on 25 November 2016. Net proceeds from the Listing (after deduction of the underwriting commission and relevant expenses) were approximately HK\$42.2 million (equivalent to approximately RMB37.6 million), which has been applied in the manner as disclosed in the Prospectus.

Reference is made to the announcement of the Company dated 11 February 2026 (the “**Announcement**”). During the year ended 31 December 2025, the Company has utilised part of the remaining balance of the net proceeds from the Listing in the amount of RMB1.698 million for the purpose of upgrading production equipment and the remaining amount of RMB17.121 million (the “**Remaining Proceeds**”) was yet to be utilised as at 31 December 2025. After the Board’s careful consideration and reassessment of the need to purchase and upgrade both production equipment and facilities and non-production facilities, the Company expected to delay the use of the Remaining Proceeds and the expected timeline for utilization of the Remaining Proceeds is extended and updated, details of which are disclosed in the table below. For further details regarding the extension of the utilisation timeline of the Remaining Proceeds, please refer to the Announcement.

As at 31 December 2025, the net proceeds from the Listing has been utilised as follows:

	Adjusted use of net proceeds in the manner and proportion as stated in the Prospectus <i>RMB'000</i>	Approximate % of total actual net proceeds	Actual amount utilised from the Listing Date up to 31 December 2025 <i>RMB'000</i>	Balance as at 31 December 2025 <i>RMB'000</i>	Expected timeline for the remaining use of net proceeds <i>(Note)</i>
					For the year ending 31 December 2026 <i>RMB'000</i>
Use of net proceeds from the Listing					
Purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities	23,303	62%	10,486	12,817	12,817
Expansion and upgrade of non-production facilities, including but not limited to warehouse and other supporting facilities	5,638	15%	1,334	4,304	4,304
Business development expenditures, including expanding the geographical coverage of sales network and research and development expenditures relating to the purchase of research and development equipment and to future research and development projects	4,886	13%	4,886	–	–
Working capital and general corporate purposes	3,758	10%	3,758	–	–
	<u>37,585</u>	<u>100%</u>	<u>20,464</u>	<u>17,121</u>	<u>17,121</u>

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

As at 31 December 2025, unutilised proceeds amounted to approximately HK\$19.1 million (equivalent to approximately RMB17.1 million), which will be invested in production plant, equipment upgrade and technique development. The unutilised portion of the net proceeds have been placed as interest bearing deposits with licensed banks as restricted cash in the PRC. As at the date of this announcement, the Directors do not anticipate any change to the plan as to use of net proceeds.

Save for the business plan disclosed in the Prospectus or in this announcement, there is no other plan for material investments or capital assets as at 31 December 2025.

Capital Commitments

As at 31 December 2025, the Group had capital commitments of approximately RMB21,000 in terms of acquisition of property, plant and equipment (as at 31 December 2024: RMB21,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The following are some principal risks and uncertainties facing the Group, which may pose material and adverse effects on its business, financial condition or results of operations:

Reliance on Major Customers

For the year ended 31 December 2025, revenue from our five largest customers amounted to approximately RMB45.7 million, which accounted for approximately 33.8% of our total revenue for the year.

In order to reduce such reliance and widen our customer base, the Group plans to proactively expand into new markets as well as new products range for easing the risk of concentration on income sources.

FUTURE OUTLOOK

Looking ahead to 2026, China's economy will continue its trajectory toward high-quality and sustainable development, with a GDP growth target set at "4.5%–5%", guiding policy efforts to strengthen employment, curb inflation, and expand domestic demand. Structural reforms will particularly focus on consumer industries that impact daily life, including hygiene and household essentials, as accelerating urbanization and rising middle-class incomes drive sustained consumption upgrades, with the overall consumer goods market expected to maintain steady expansion.

For the Group, 2026 will bring significant opportunities in the household paper and hygiene products market. The industry as a whole presents a positive outlook, with market forecasts indicating that China’s sanitary paper and household paper market scale will grow from approximately RMB370 billion in 2025 to about RMB380 billion, with an annual growth rate of approximately 3%, primarily driven by heightened hygiene awareness following global health events, shifting consumer preferences toward premium and eco-friendly products, and steadily rising demand in second- and third-tier cities. Market competition will center on quality, hygiene, and environmental responsibility, with sustainable product lines expected to grow continuously, providing the Group with ideal space to expand its share.

Leveraging its extensive sales network and over 400 corporate clients, the Group will further penetrate untapped regions, particularly in rapidly growing suburban and emerging cities. We plan to meet consumers’ comprehensive demands for price, quality, and sustainability by launching innovative products, such as eco-friendly hygiene supplies compliant with “dual-carbon” standards. At the same time, strengthening cooperation with local retailers and distributors will help deepen regional coverage with expected sales channel expansion.

In addition, the Group intends to focus on supply chain optimization to address raw material price fluctuations and enhance product differentiation through technological innovation, such as developing scenario-based hygiene solutions (e.g., specialized kitchen paper towels or baby hygiene products). In summary, as China’s economic recovery deepens, the Group will fully leverage the growth potential in household paper and hygiene products. Through strategic innovation, market diversification, and disciplined execution – drawing lessons from the volatility in 2022–2024 – we will lay a solid foundation for robust growth and value creation in 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) on terms no less exacting than those set out in Appendix C3 to the Listing Rules as the code of conduct regarding directors’ securities transactions. Having made specific enquiry of all Directors, each of them confirmed that they have complied in full with the Model Code for the year ended 31 December 2025.

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

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

CORPORATE GOVERNANCE

As directors of a publicly listed company, the Directors recognise the importance of good corporate governance standards and internal procedures so as to achieve effective accountability and enhance shareholders' value. The Directors are of the view that the Company has complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules for the year ended 31 December 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Thursday, 25 June 2026 (the "2026 AGM"). Notice and circular of the 2026 AGM will be delivered to Shareholders in accordance with the Listing Rules and the articles of association of the Company in due course. For the purpose of determining Shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 22 June 2026 to Thursday, 25 June 2026 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, all completed share transfer instruments 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, not later than 4:30 p.m. on Thursday, 18 June 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the annual general meeting is therefore 25 June 2026.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Chin Chi Ho Stanley (as chairman), Mr. Chen Hua and Mr. Zhao Zhendong. The Audit Committee has reviewed the Company's consolidated financial statements for the year ended 31 December 2025 and is of the view that the preparation of such consolidated financial statements complied with applicable accounting standards and requirements and has discussed the internal control and financial reporting process with the management of the Group and external auditor.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income as set out in the audited annual results for the year ended 31 December 2025 have been agreed by the Company's auditor to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual consolidated results announcement is published on the Company's website at www.championshipintl.com and the Stock Exchange's website at www.hkexnews.hk. The annual report of the Group for the year ended 31 December 2025 is expected to be despatched to the shareholders of the Company on or before Thursday, 30 April 2026 and will be available on the above websites.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as the shareholders of the Company, business associates and other professional parties for their continuous support to the Group throughout the year.

By order of the Board
Champion Alliance International Holdings Limited
Chen Chen
Chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Chen Chen, Mr. Chen Xiaolong, Mr. Hu Enfeng, Mr. Li Aiguo and Ms. Luo Yanhong as executive Directors; and Mr. Chen Hua, Mr. Zhao Zhendong and Mr. Chin Chi Ho Stanley as independent non-executive Directors.