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## **DIWANG INDUSTRIAL HOLDINGS LIMITED**

### **帝王實業控股有限公司**

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

**(Stock Code: 1950)**

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

### **FINANCIAL HIGHLIGHTS**

For the year ended 31 December 2025 (the “**Year**” or “**Reporting Period**”), the revenue of the Group was approximately RMB599,345,000 (2024: RMB566,475,000), representing a slight increase of approximately RMB32,870,000 or 5.80% as compared to the year ended 31 December 2024 (the “**Prior Year**”).

The gross profit of the Group for the Year was approximately RMB285,165,000 (2024: RMB257,299,000), representing an increase of approximately RMB27,866,000 or 10.8% as compared to the Prior Year.

For the Year, the Group recorded net loss of approximately RMB1,774,000 as compared to the net profit of approximately RMB30,015,000 for the Prior Year. Profit for the year attributable to owners of the Company was approximately RMB2,493,000 (2024: RMB30,030,000).

The basic and diluted earning per share was RMB0.35 cents (2024: basic and diluted earning per share was RMB4.17 cents).

The Board has resolved not to declare the final dividend for the Year.

The board (the “**Board**”) of directors (the “**Directors**”) of Diwang Industrial Holdings Limited (the “**Company**”) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**We**” and “**Our**”) for the year ended 31 December 2025 (the “**Year**” or “**Reporting Period**”) prepared in accordance with the International Financial Reporting Standards, together with the comparative information for the year ended 31 December 2024 (the “**Prior Year**”) as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	5	<b>599,345</b>	566,475
Cost of sales		<u>(314,180)</u>	<u>(309,176)</u>
<b>Gross profit</b>		<b>285,165</b>	257,299
Other income	6	<b>3,830</b>	4,269
Other gains, net	7	<b>85</b>	39
Impairment losses under expected credit loss model, net of reversal		<b>(30,843)</b>	(6,978)
Gain/(loss) on disposal of financial assets at fair value through profit or loss (“FVTPL”)		<b>434</b>	(1,018)
Gain/(loss) on fair value change of financial assets at FVTPL		<b>5,056</b>	(969)
Selling and distribution expenses		<b>(218,166)</b>	(182,381)
Administrative and general expenses		<b>(35,121)</b>	(33,278)
Share of result of an associate		<b>(99)</b>	(79)
Finance costs	8	<u><b>(1,794)</b></u>	<u>(1,400)</u>
<b>Profit before tax</b>	9	<b>8,547</b>	35,504
Income tax expenses	10	<u><b>(10,321)</b></u>	<u>(5,489)</u>
<b>(Loss)/profit for the year</b>		<u><u><b>(1,774)</b></u></u>	<u><u>30,015</u></u>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		<b>2,493</b>	30,030
Non-controlling interests		<u><b>(4,267)</b></u>	<u>(15)</u>
		<u><u><b>(1,774)</b></u></u>	<u><u>30,015</u></u>
<b>Earnings per share (RMB cents)</b>			
Basic and diluted	12	<u><u><b>0.35</b></u></u>	<u><u>4.17</u></u>

	<b>2025</b>	2024
<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>(Loss)/profit for the year</b>	<b>(1,774)</b>	30,015
<b>Other comprehensive income</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translating foreign operation	<u>388</u>	<u>143</u>
<b>Other comprehensive income for the year</b>	<u>388</u>	<u>143</u>
<b>Total comprehensive (loss)/income for the year</b>	<u><b>(1,386)</b></u>	<u><b>30,158</b></u>
<b>Total comprehensive (loss)/income for the year</b>		
<b>attributable to:</b>		
Owners of the Company	2,749	30,173
Non-controlling interests	<u>(4,135)</u>	<u>(15)</u>
	<u><b>(1,386)</b></u>	<u><b>30,158</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		2025	2024
	Notes	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		218,202	194,448
Right-of-use assets		53,144	59,583
Interest in an associate		5,327	5,426
Prepayments		7,409	8,116
Deferred tax assets		6	2,700
		<u>284,088</u>	<u>270,273</u>
<b>Current assets</b>			
Inventories		62,349	44,677
Trade and bills receivables	13	260,234	241,274
Prepayments, deposits and other receivables		197,065	207,287
Financial assets at FVTPL		17,711	5,972
Pledged bank deposits		614	3,475
Bank balances and cash		64,817	54,726
		<u>602,790</u>	<u>557,411</u>
<b>Current liabilities</b>			
Trade and bills payables	14	69,623	70,282
Other payables and accruals		18,270	18,618
Deferred income		637	487
Amounts due to related companies		42,704	463
Tax payables		5,146	1,303
Bank borrowings		57,000	64,500
		<u>193,380</u>	<u>155,653</u>
<b>Net current assets</b>		<u>409,410</u>	<u>401,758</u>
<b>Total assets less current liabilities</b>		<u>693,498</u>	<u>672,031</u>

	<i>Notes</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>Non-current liability</b>			
Deferred income		<u>4,500</u>	<u>3,287</u>
<b>Net assets</b>		<b><u>688,998</u></b>	<b><u>668,744</u></b>
<b>Capital and reserves</b>			
Share capital	<i>15</i>	12,705	12,705
Reserves		<u>609,702</u>	<u>631,389</u>
Total equity attributable to owners of the Company		<b>622,407</b>	644,094
Non-controlling interest		<u>66,591</u>	<u>24,650</u>
<b>Total equity</b>		<b><u>688,998</u></b>	<b><u>668,744</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL INFORMATION

Diwang Industrial Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. The registered office address is at 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands. The principal place of business of the Company is 1101, 11th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong. The shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and its subsidiaries (collectively the “**Group**”) are principally engaged in the manufacturing and sales of faux leather chemicals and Chinese baijiu.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of Hong Kong dollars (“**HKS**”), due to the Company mainly holds subsidiaries whose underlying operations are primarily in the People’s Republic of China (the “**PRC**”) with RMB being the functional currency. All values are rounded to the nearest thousands (“**RMB’000**”) except otherwise indicated. The directors of the Company adopted RMB as presentation currency as the Group’s operating activities are carried out in the PRC.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### **Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and amendments to IFRSs in issue but not yet effective**

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision 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 (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

### 4. SEGMENT INFORMATION

#### Operating segment information

The Group’s most senior executive management has been identified as the chief operating decision maker (“**CODM**”) who reviews the Group’s internal reporting in order to assess performance and allocate resources. Segment information reported to the Board, being the CODM, for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

During the years ended 31 December 2025 and 2024, the Group was principally engaged in the manufacturing and sales of faux leather chemicals and engaging in production and sales of Chinese baijiu. The Group’s reportable and operating segments for the years ended 31 December 2025 and 2024 are as follows:

- (a) Faux leather chemicals – manufacturing and sales of faux leather chemicals (“**Faux Leather Chemicals Business**”)
- (b) Chinese liquor business – production and sales of wine products, including Chinese baijiu (“**Chinese Liquor Business**”)

No operating segments have been aggregated in arriving at the above reportable segments of the Group.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

**Year ended 31 December 2025**

	<b>Faux Leather Chemicals Business RMB'000</b>	<b>Chinese Liquor Business RMB'000</b>	<b>Consolidated RMB'000</b>
<b>SEGMENT REVENUE</b>			
External sales	<u>247,942</u>	<u>351,403</u>	<u>599,345</u>
Segment (loss)/profit	<u>(3,968)</u>	<u>14,779</u>	<u>10,811</u>
Other income			3,830
Other gains, net			85
Share of result of an associate			(99)
Gain on disposal of financial assets at FVTPL			434
Gain on fair value change of financial assets at FVTPL			5,056
Finance costs			(1,794)
Unallocated corporate expenses			<u>(9,776)</u>
Profit before tax			<u>8,547</u>

**Year ended 31 December 2024**

	<b>Faux Leather Chemicals Business RMB'000</b>	<b>Chinese Liquor Business RMB'000</b>	<b>Consolidated RMB'000</b>
<b>SEGMENT REVENUE</b>			
External sales	<u>262,495</u>	<u>303,980</u>	<u>566,475</u>
Segment profit	<u>14,270</u>	<u>29,669</u>	<u>43,939</u>
Other income			4,269
Other gains, net			39
Share of result of an associate			(79)
Loss on disposal of financial assets at FVTPL			(1,018)
Loss on fair value change of financial assets at FVTPL			(969)
Finance costs			(1,400)
Unallocated corporate expenses			<u>(9,277)</u>
Profit before tax			<u>35,504</u>

The following is an analysis of the Group's assets and liabilities by reportable segments:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Assets</b>		
Faux Leather Chemicals Business	<b>426,554</b>	400,275
Chinese Liquor Business	<b>372,419</b>	361,235
	<hr/>	<hr/>
Total segment assets	<b>798,973</b>	761,510
Unallocated corporate assets	<b>87,905</b>	66,174
	<hr/>	<hr/>
Consolidated total assets	<b>886,878</b>	827,684
	<hr/> <hr/>	<hr/> <hr/>
	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Liabilities</b>		
Faux Leather Chemicals Business	<b>174,695</b>	141,054
Chinese Liquor Business	<b>1,746</b>	2,553
	<hr/>	<hr/>
Total segment liabilities	<b>176,441</b>	143,607
Unallocated corporate liabilities	<b>21,439</b>	15,333
	<hr/>	<hr/>
Consolidated total liabilities	<b>197,880</b>	158,940
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- The material accounting policies of the operating segments are the same as the Group's material accounting policies. Segment (loss)/profit represents the (loss)/profit earned by each segment without allocation of other income, other gains, net, share of result of an associate, gain/(loss) on disposal of financial assets at FVTPL, gain/(loss) on fair value change of financial assets at FVTPL, finance costs and unallocated corporate expenses.
- all assets are allocated to reportable segments other than interest in an associate, financial assets at FVTPL and corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities.

## Other segment information

	Faux leather chemicals <i>RMB'000</i>	Chinese liquor business <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2025</b>			
Capital expenditure ( <i>note (a)</i> )	37,317	–	37,317
Depreciation of property, plant and equipment	12,813	–	12,813
Depreciation of right-of-use assets	606	5,833	6,439
Allowance for expected credit losses, net	30,296	547	30,843
Selling and distribution expenses	16,393	201,773	218,166
Research and development expenses	8,284	–	8,284
	<u>37,317</u>	<u>–</u>	<u>37,317</u>
	Faux leather chemicals <i>RMB'000</i>	Chinese liquor business <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2024</b>			
Capital expenditure ( <i>note (a)</i> )	92,301	35,000	127,301
Depreciation of property, plant and equipment	11,584	–	11,584
Depreciation of right-of-use assets	607	486	1,093
Allowance for expected credit losses, net	6,016	962	6,978
Selling and distribution expenses	15,187	167,194	182,381
Research and development expenses	8,977	–	8,977
	<u>92,301</u>	<u>35,000</u>	<u>127,301</u>

*Note:*

(a) Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

## Geographical information

The Group's operations are principally in the PRC and all its non-current assets are situated in the PRC.

The Group's revenue is derived from the PRC and overseas (i.e. Mexico, Turkey and Vietnam) based on the location of goods delivered, as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	595,051	561,737
Overseas	4,294	4,738
	<u>599,345</u>	<u>566,475</u>

## Information about major customer

There is no customer contributing individually over 10% of the Group's revenue during the years ended 31 December 2025 and 2024.

## 5. REVENUE

### (a) Analysis of revenue

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers ( <i>note</i> ):		
Recognised on a point in time basis		
Sales of faux leather chemicals	247,942	262,495
Sales of Chinese baijiu	351,403	303,980
	<u>599,345</u>	<u>566,475</u>

*Note:* All goods are sold to distributors.

## 6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Bank interest income	123	103
Dividend income	254	—
Government grants ( <i>note</i> )	3,040	3,681
Sundry income	413	485
	<u>3,830</u>	<u>4,269</u>

*Note:* Government grants represent various forms of subsidies granted to the Group by the local government authorities in the PRC for compensation of expenses incurred by the Group. These grants are generally made for business support and awarded to enterprises on a discretionary basis. The Group also received government grants in respect of its investments in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

## 7. OTHER GAINS, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Gain/(loss) on disposal of property, plant and equipment	71	(2)
Written off of property, plant and equipment	(8)	–
Exchange gain, net	22	41
	<u>85</u>	<u>39</u>

## 8. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings	1,794	1,400
	<u>1,794</u>	<u>1,400</u>

## 9. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration	1,098	1,008
Cost of materials used in production of faux leather chemical	148,390	170,178
Cost of liquor purchased for reselling	129,577	102,381
Depreciation:		
– Depreciation of property, plant and equipment included in:		
– Cost of sales	8,541	7,610
– Administrative and general expenses	4,268	3,484
– Selling and distribution expenses	4	490
	<u>12,813</u>	<u>11,584</u>
– Depreciation of right-of-use assets	6,439	1,093
	<u>19,252</u>	<u>12,677</u>
Less: amount included in cost of sales	(8,541)	(7,610)
	<u>10,711</u>	<u>5,067</u>

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Directors' remuneration	<b>1,679</b>	1,580
Staff costs (excluding directors' remuneration)		
– wages, salaries, allowances and bonus		
Included in:		
– Cost of sales	<b>12,214</b>	12,656
– Administrative and general expenses	<b>13,552</b>	13,122
– Selling and distribution expenses	<b>4,018</b>	3,740
	<u><b>29,784</b></u>	<u>29,518</u>
– contributions to retirement benefits schemes, included in:		
– Cost of sales	<b>1,975</b>	1,821
– Administrative and general expenses	<b>1,214</b>	1,061
– Selling and distribution expenses	<b>317</b>	307
	<u><b>3,506</b></u>	<u>3,189</u>
	<u><b>33,290</b></u>	<u>32,707</u>
Advertising expenses (included in selling and distribution expenses)	<b>190,136</b>	162,362
Research and development expenses (included in administrative and general expenses)	<b>8,284</b>	8,977
Expenses for short-term leases	<b>1,255</b>	1,143
	<u><b>190,136</b></u>	<u>162,362</u>

## **10. INCOME TAX EXPENSES**

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
PRC Enterprise Income Tax (“EIT”)		
– Current income tax	<b>7,627</b>	6,572
Deferred tax	<b>2,694</b>	(1,083)
	<u><b>10,321</b></u>	<u>(1,083)</u>
Total tax charge for the year	<u><b>10,321</b></u>	<u>5,489</u>

## **The PRC**

The income tax provision of the Group in respect of its operations in the PRC was calculated at tax rate of 25% on the assessable profits for both years, based on the existing legislation, interpretations and practices in respect thereof, except as described below.

Zhejiang Sunlight Material Technology Co., Ltd. is approved as “high and new technology enterprise” and accordingly, it is subject to a reduced preferential corporate income tax rate of 15% from 8 December 2023 to 7 December 2026 for the reporting period.

## **Cayman Islands, BVI and Hong Kong**

No provision for taxation has been recognised for companies incorporated in the Cayman Islands, BVI and Hong Kong as they are not subject to any tax during the years ended 31 December 2025 and 2024.

## **Withholding Tax in Mainland China (“WHT”)**

According to the New Corporate Income Tax Law (“**New EIT Law**”), distribution of profits earned by companies in Mainland China since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas incorporated immediate holding companies.

As at 31 December 2025, the retained earnings of the Group’s PRC subsidiaries not yet remitted to holding company incorporated outside of the PRC, for which no deferred income tax liability had been provided, were approximately RMB166,214,000 (2024: RMB166,104,000). For this unrecognised amount, the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

## 11. DIVIDEND

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 2025, nor has any dividend been proposed since the end of the reporting period (2024: RMB Nil).

## 12. EARNINGS PER SHARE

The calculation of the basic earnings per share during the year is based on the profit for the year attributable to owners of the Company of approximately RMB2,493,000 (2024: RMB30,030,000) and the weighted average number of ordinary shares in issue during the period of 720,000,000 (2024: 720,000,000).

	Year ended 31 December	
	2025	2024
Profit for the year attributable to owners of the Company (RMB'000)	2,493	30,030
Weighted average number of ordinary shares ('000)	<u>720,000</u>	<u>720,000</u>
Basic earnings per share (RMB cents)	<u><u>0.35</u></u>	<u><u>4.17</u></u>

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 13. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables ( <i>note i</i> )	276,032	237,089
Less: provision for impairment	<u>(46,719)</u>	<u>(15,923)</u>
	229,313	221,166
Bills receivables ( <i>note ii</i> )	<u>30,921</u>	<u>20,108</u>
Total trade and bills receivables – net	<u><u>260,234</u></u>	<u><u>241,274</u></u>

The Group allows a credit period of 0 to 90 days to its faux leather chemicals customers while 0 to 30 days to its Chinese Baijiu customers.

Notes:

- (i) The following is an ageing analysis of gross amount of trade receivables presented based on the invoice date:

	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
Within 30 days	<b>64,887</b>	55,874
31 to 90 days	<b>100,133</b>	86,715
91 to 180 days	<b>48,752</b>	54,612
181 to 365 days	<b>13,142</b>	15,856
Over 1 year	<b>49,118</b>	24,032
	<b>276,032</b>	237,089

Movements on the provision for impairment of trade receivables are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
At the beginning of the year	<b>15,923</b>	9,270
Provision for impairment	<b>30,843</b>	6,978
Written-off	–	(325)
Exchange alignment	<b>(47)</b>	–
At the end of the year	<b>46,719</b>	15,923

- (ii) The following is an ageing analysis of gross amount of bills receivable presented based on the invoice date:

	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
Within 30 days	<b>6,606</b>	3,802
31 to 90 days	<b>13,536</b>	7,872
91 to 180 days	<b>10,779</b>	8,434
	<b>30,921</b>	20,108

As at 31 December 2025 and 2024, all bills receivables are with a maturity period of less than 6 months.

The Group manages its bills receivables using the business model whose objective is achieved by both collecting contractual cash flows and selling such financial assets and hence, they are categorised as financial assets measured at fair value through other comprehensive income under IFRS 9.

## 14. TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	39,032	41,586
Bills payables ( <i>note 1</i> )	30,591	28,696
	<u>69,623</u>	<u>70,282</u>

The average credit period from suppliers is up to 30 to 90 days. The following is an ageing analysis of trade payables (including those that are part of supplier finance arrangements) presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 30 days	14,252	16,108
31 to 90 days	12,103	14,367
91 to 180 days	6,310	8,463
181 to 365 days	2,439	1,348
Over 1 year	3,928	1,300
	<u>39,032</u>	<u>41,586</u>

*Note 1* These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these as trade and bills payables as the Group is obliged to make payments to the relevant banks on due dates of the bills. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

As at 31 December 2025 and 2024, all bills payables are with a maturity period of less than 6 months.

Bills payables of approximately RMB30,591,000 (2024: RMB28,696,000) were pledged by buildings of approximately RMB17,571,000 (2024: RMB19,210,000), land use rights of right-of-use assets of approximately of RMB14,776,000 (2024: RMB15,167,000) and bank deposit of RMB614,000 (2024: RMB3,475,000).

## 15. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital <i>RMB'000</i>
Authorised: At 1 January 2024, 31 December 2024 and 31 December 2025, ordinary share of US\$0.0025 each	<u>2,000,000,000</u>	<u>35,027</u>
Issued and fully paid: At 1 January 2024, 31 December 2024 and 31 December 2025, ordinary share of US\$0.0025 each	<u>720,000,000</u>	<u>12,705</u>

## 16. EVENT AFTER THE REPORTING PERIOD

On 11 November 2025, the Company, as the vendor (the “**Vendor**”), and BlueOcean Investment (Global) Ltd (the “**Purchaser**”) (an independent third party) entered into the sale and purchase agreement (the “**Second Sale and Purchase Agreement**”), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the 12,000 issued shares (the “**Sale Shares**”) of Darkblue Investment Ltd. (the “**Target Company**”) (which represent 24% of the Target Company, directly owned 75% equity interest in the subsidiary of the Company) at RMB29,860,000 (the “**Second Disposal**”) The shareholders of the Company (the “**Shareholders**”) approved the Second Disposal on the extraordinary general meeting of the Company dated 27 February 2026 (the “**EGM**”).

The purchase price of RMB29,860,000 shall be paid by installments in cash.

Refer to the transaction, the Group held 75% of the issued shares capital of the Target Company is directly owned 75% equity by the Vendor. Upon the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Second Sale and Purchase Agreement, the Target Company will be held as to 51% by the Vendor and 49% by the purchaser. Accordingly, the Target Company will remain a subsidiary of the Company following the completion and its financial results will continue to be consolidated into those of the Group. As the effect of the Second Disposal (upon the completion) is not expected to cause a loss of the Group’s control over the Target Company, the Second Disposal (upon the completion) is expected to be accounted for as an equity transaction that no gain or loss will be recognised in profit or loss by the Company.

Details of the above are set out in the Company’s announcement dated 11 November 2025, delay in dispatch of announcement dated 2 December 2025, further delay in dispatch of announcement dated 31 December 2025, the circular of the Second Disposal dated 30 January 2026 and the poll result announcement of the EGM dated 27 February 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND PROSPECTS

During the Year, the Group engaged in two primary business activities: the Faux Leather Chemicals Business and the Chinese Liquor Business.

#### FAUX LEATHER CHEMICALS BUSINESS

Revenue generated from the Faux Leather Chemicals Business amounted to approximately RMB247,942,000 for the Year (2024: RMB262,495,000), which remained stable as compared to the Prior Year. The gross profit of this segment for the Year was approximately RMB63,339,000 (2024: RMB55,700,000).

The gross profit margin increased from approximately 21.2% to approximately 25.5% for the Year, which has mainly attributable to the overall decrease of the cost of raw material during the Year.

Selling and distribution expenses for the Year were approximately RMB16,393,000 (2024: RMB15,187,000). The increase in selling and distribution expenses was mainly due to the increase in sales and marketing activities. Selling and distribution expenses for the Year accounted for approximately 6.61% (2024: approximately 5.79%) of the segment revenue. Segment loss was approximately RMB3,968,000 (2024: Profit RMB14,270,000).

#### CHINESE LIQUOR BUSINESS

The Group began manufacturing and selling of Chinese baijiu products in the PRC with a view to exploring business opportunities in the food and beverage business in the PRC in year 2022.

During the Year, our Chinese Liquor Business was mainly operated a wholly owned subsidiary of the Company by 福建王池帝醬酒業有限公司 (Fujian Wangchidi Sauce And Wine Company Limited\*) (**“Fujian Wangchidi”**) established under the laws of PRC.

In operating the Chinese Liquor Business, we focus on the development of drinking formula, design and brand-building strategy of the baijiu products and as such, we procure all necessary raw materials via the materials procurement services provided by an independent wine factory in producing the Chinese baijiu products and outsources the manufacturing process to such independent wine factory to produce the Chinese baijiu products via an original equipment manufacturer arrangement.

Our Chinese baijiu products comprise a comprehensive range of aromatic-flavour baijiu products formulated by us with varied packaging, alcohol content, design, taste, etc. with competitive prices targeting the young to middle-aged public to middle class consumer market in the PRC.

During the Year, the segment revenue from Chinese Liquor Business slightly increased by approximately RMB47,423,000 or 15.6% from approximately RMB303,980,000 for the Prior Year to approximately RMB351,403,000 for the Year. The gross profit was approximately RMB221,826,000 (2024: RMB201,598,000) after accounting for the cost of raw materials and production fee. The Company promotes and explores sales channels of its Chinese baijiu products by (i) placing advertisements at airports, train stations and online media platforms; and (ii) hosting wine tasting events and various wine exhibitions and wine trade fairs in the PRC. Segment profit was approximately RMB14,779,000 (2024: RMB29,669,000).

## **DIVIDENDS**

The Board has resolved not to declare the final dividend for the year ended 31 December 2025.

## **PROSPECT**

### **Our Business Strategies and Future Prospects**

The global business environment in 2025 is shaped by ongoing economic and geopolitical developments. Political events involving Russia and Ukraine, together with tensions between the United States and Iran and other international disputes, have contributed to market fluctuations and influenced financial conditions worldwide. These circumstances disrupted trade flows, altered investment trends, and affected interest rate policies, leading to extended periods of economic adjustment and recovery. As a result, economic uncertainty, market volatility, and unpredictable geopolitical tensions are expected to continue affecting the global economy throughout 2025.

Despite prevailing global uncertainties including ongoing conflicts involving Russia and Ukraine, tensions between the United States and Iran, and broader geopolitical frictions, China's economy is forecast to begin recovering in 2025. Continued trade tensions with the United States, encompassing disputes over tax policies and competitive dynamics, remain a significant headwind. Nevertheless, domestic activity is expected to strengthen, supported by targeted government stimulus, accommodative macro policy measures, and rising consumer spending. These developments should help drive retail sales growth, particularly in tourism and entertainment, as policy remains strategically focused on fostering a sustained recovery in China's consumer market. However, global economic uncertainty and market volatility mean the pace and durability of that recovery will depend on how international tensions, external demand, and financial conditions evolve through 2025.

Our Group is aligning further targets to increase our market share through strategic management, planning, and the expansion of our two core businesses, as well as establishing protective measures from a sustainable perspective. We will continue to enhance our overall competitiveness and market share by improving our premium long-term relationships with existing customers, proactively developing new customers, strengthening our research and development capabilities, and further expanding our product portfolio and geographical coverage.

Given an optimistic outlook for China’s consumer market but increased competition during recovery, the Group will strengthen marketing to grow market share and concentrate on two core areas: Faux Leather Chemicals and the Chinese Liquor business. To support this, the Group will extend into the synthetic leather chemical product trading business. The Second Disposal is expected to generate immediate cash proceeds that will be partly used to fund the development of the trading business. Leveraging Mr. Cao Yang, over 20 years of experience and existing customer network in the faux leather industry, the trading business will act as a strategic, asset-light extension of the Group’s faux leather chemicals operations, helping to diversify revenue, accelerate growth, and enhance overall financial resilience.

Specifically, within our Chinese Liquor Business, we are well positioned to capture anticipated increases in consumption capacity. Since September 2023, we have repositioned our product offerings under the in-house brands “Dihuangchi (帝皇池)” and “Dilongchi (帝龍池)”, replacing the previous “Diwang Chi (帝王池)” brand to better target specific customer segments. Since July 2024, production for these brands has been exclusively handled by 貴州省仁懷市茅台鎮華星酒業有限公司(Guizhou Province Renhuai City Maotai Town Huaxing Wine Co., Ltd) (“**Huaxing Liquor Factory**”). Additionally from November 2024, 貴州省仁懷市茅臺鎮大唐酒業有限公司(Guizhou Province Renhuai City Maotai Town Datang Liquor Co., Ltd) (“**Datang Liquor**”) a company incorporated on the People’s Republic of China, was designated as the bottling base and alternate production partner.

To further strengthen our market position and capture the growing demand for premium alcoholic beverages, the Group has entered into a strategic cooperation framework agreement with 上海酒悅優品商業管理有限公司(Shanghai Jiuyue Youpin Commercial Management Co., Ltd.\*) (“**Shanghai Jiuyue**”) in August 2025 to jointly expand the sales of alcoholic beverages and other food products. This strategic cooperation aims to establish a joint venture focused on marketing, distribution, and supply chain management of high-end alcoholic beverages in mainland China. Leveraging Shanghai Jiuyue’s extensive distribution network and industry expertise, the collaboration is expected to enhance our market penetration, optimize operational efficiency, and create new growth opportunities in the evolving consumer landscape.

By leveraging the expertise of our management team and subsidiary, Fujian Wangchidi, we are committed to maintaining operational efficiency and fostering effective collaboration with our outsourcing partners. With the support of expanded sales channels and focused marketing strategies, we anticipate that the Chinese Liquor Business will generate increasing value for the Company and its shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the Group’s current assets were approximately RMB602,790,000 (31 December 2024: RMB557,411,000), mainly comprising cash and bank balances (including pledged bank deposits), inventories, trade and bills receivables, prepayments, deposits and other receivables and financial assets at fair value through profit or loss. The Group’s current liabilities were approximately RMB193,380,000 (31 December 2024: RMB155,653,000). The current ratio (the ratio of current assets to current liabilities) decreased from approximately 3.58 times as at 31 December 2024 to approximately 3.12 times as at 31 December 2025.

As at 31 December 2025, bank borrowings were approximately RMB57,000,000 (31 December 2024: RMB64,500,000) which of which RMB47,000,000 carried at a fixed rate and RMB10,000,000 carried at a variable rate. The bank borrowings were denominated in RMB.

\* *English translation of the name for identification only*

### **Gearing ratio**

The gearing ratio is the ratio of net debt divided by total equity. Net debt is calculated as total debt net of cash and cash equivalents. As at 31 December 2025, the Group recorded gearing ratio at 4.97% cash position (31 December 2024: 1.01%).

### **Capital expenses**

During the Year, the Group's capital expenditure was approximately RMB37,317,000, representing an decrease of RMB89,984,000 as compared to that of RMB127,301,000 in the Prior Year. Capital expenditure relates primarily to the purchase of plant and equipment.

### **Capital Commitments**

The capital commitments not provided for in the consolidated financial statements as at 31 December 2025 was RMB541,000 (31 December 2024: RMB1,451,000), which represented the purchase of plant and machinery and automated transformation contracts.

### **Capital structure**

The number of issued ordinary shares of the Company (the "Shares") as at 31 December 2025 was 720,000,000 Shares (31 December 2024: 720,000,000 Shares).

The authorised share capital of the Company as at 31 December 2025 was US\$5,000,000 divided into 2,000,000,000 Shares with par value of US\$0.0025 each (31 December 2024: US\$5,000,000 divided into 2,000,000,000 Shares of par value of US\$0.0025 each).

### **Share Scheme**

The Company has adopted a share option scheme on 10 February 2020 pursuant to which the total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 100,000,000 Shares. Following the effect of the Share Consolidation on 30 May 2023, the options may be granted under the Share Option Scheme shall not exceed 20,000,000 Shares.

The scheme mandate limit had not been refreshed and no options were granted since the date of adoption of the Share Option Scheme.

## INVESTMENTS

As at 31 December 2025, the Group had invested in the shares of companies listed on the Stock Exchange with a total carrying amount of approximately RMB8,311,000 (equivalent to approximately HK\$9,202,000) (31 December 2024: RMB5,972,000 (equivalent to approximately HK\$6,449,000)) and invested in wealth management products with a total carrying amount of approximately RMB9,400,000 (31 December 2024: Nil). The Board considers any single investment with fair value accounting for more than 5% of the total assets of the Group as a significant investment. As the Group did not have any single investment accounting for 5% or more of the total assets of the Group as at 31 December 2025, the Group did not have any significant investments as at 31 December 2025.

The portfolio of investments as at 31 December 2025 are set out as follows.

	<b>Fair value as at 31 December 2025 RMB'000</b>	<b>Percentage of fair value of the investment/ total assets of the Group as at 31 December 2025</b>
Financial assets at fair value through profit or loss		
– Listed securities in Hong Kong	8,311	0.94%
– Wealth management products in PRC	9,400	1.06%

During the Reporting Period, details of the performance of financial assets at fair value through profit or loss during the year ended 31 December 2025 are as follows:

<b>Description of investments</b>	<b>Realised fair value gain/(loss) for the year ended 31 December 2025 RMB'000</b>	<b>Unrealised fair value gain/ (loss) for the year ended 31 December 2025 RMB'000</b>	<b>Dividend received during the year ended 31 December 2025 RMB'000</b>
Listed securities in Hong Kong	434	5,056	254
Wealth management products in PRC	–	–	–

In view of the recent volatility in the securities market, the Directors expect the stock market will remain volatile in the coming year and the Group will continue to adopt the cautious approach in making investment decision in securities trading so as to obtain a balance between risk and return.

On 27 December 2024 (after trading hours), the Company, as the Vendor, and BlueOcean Investment (Global) Ltd (the “**Purchaser**”) (an Independent Third Party) entered into the sale and purchase agreement in relation to the proposed disposal of the 12,500 issued shares (the “**Sale Shares**”) of Darkblue Investment Ltd. (the “**Target Company**”) by the Vendor to the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares (which represent 25% of the issued share capital of the Target Company) at RMB20,840,000 (the “**Purchase Price**”). The Purchase Price of RMB20,840,000 shall be paid by installments in cash. As at the date of this announcement, the Target Company is directly wholly-owned by the Vendor. Upon the Completion, the Target Company will be held as to 75% by the Vendor and 25% by the Purchaser. Therefore, the Target Company will continue to be a subsidiary of the Company following the Completion and its financial results will continue to be consolidated with the results of the Group. As the effect of the proposed disposal of the Sale Shares by the Vendor to the Purchaser under the Sale and Purchase Agreement (the “**Disposal**”) (upon the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement (the “**Completion**”) is not expected to cause a loss of the Company and its subsidiaries’ control over the Target Company, the Disposal (upon the Completion) is expected to be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss for the Company. The Disposal was completed by 30 June 2025. For details, please refer to the announcement of the Company dated 27 December 2024.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates, joint ventures and capital assets during the year ended 31 December 2025.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, we did not record any material hire purchase commitments, contingent liabilities, guarantees or litigations against us.

## **FOREIGN CURRENCY RISK AND MANAGEMENT**

The Group’s sales and purchases are mainly denominated in RMB. The Group retains some of its foreign currency denominated funds, which are mainly denominated in Hong Kong dollars. Fluctuations in exchange rates have an impact on the foreign currency reserve and the Company is exploring and discussing measures to cope with the foreign exchange risk. As at 31 December 2025, the Group did not enter into any financial instruments to hedge foreign exchange.

## HUMAN RESOURCES

As at 31 December 2025, the Group had a total of 203 (2024: 217) employees. The Group offers its employees competitive remuneration packages based on industry practices and performance of individual employees. Year-end discretionary bonuses may be granted to reward and motivate those well-performed employees.

The Group provides employee benefits in accordance with the relevant laws and regulations. As required by the PRC laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The Group believes that it maintains a good working relationship with its employees. The employees in Hong Kong are members of the Mandatory Provident Fund Scheme of Hong Kong.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own corporate governance code. The Company is committed to the establishment of good corporate governance practices and procedures with a view to becoming a transparent and responsible organisation which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Group. The Company believes that effective corporate governance is essential for creating greater value to its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

During the Reporting Period and up to the date of this announcement, the Group has strictly complied with the CG Code with the exception of the following deviations:

1. Code Provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive should be separate. Code Provisions C.2.2 to C.2.9 further stipulate the various roles and responsibilities of the chairman. The Company’s chairman of the Board (the “**Chairman**”) Ms. Liu Jing resigned with effect from 25 May 2022. No replacement appointment of the Chairman was made after Ms. Liu Jing’s resignation and the Company has not had a Chairman since 25 May 2022. The Company will publish an announcement once an appointment has been made in accordance with the Listing Rules.

2. Code Provision C.6.3 of the CG Code stipulates that the company secretary should report to the board chairman and/or the chief executive. As the Company did not have a Chairman or chief executive following the resignation of Ms. Liu Jing, the joint company secretaries or company secretary of the Company have reported to the executive Directors since 25 May 2022.
3. Code Provision F.2.2 of the CG Code stipulates that the chairman should attend the annual general meeting and should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Since the company does not have a Chairman, Mr. Lam Kam Kong Nathaniel, an executive Director, took the chair of the annual general meeting held on 31 May 2024. Mr. Lee Cheung Yuet Hoarce, who was the chairman of the audit committee, the nomination committee and the remuneration committee of the Company, attended the meeting and were available to answer any questions and ensure effective communication with the Shareholders.

## **COMPLIANCE WITH THE 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**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors’ securities transactions since the Listing Date. Following a specific enquiry made by the Company with each of the Directors, all of them confirmed that they had complied with the required standards as set out in the Model Code during the Reporting Period.

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules and at least 25% of the Company’s entire issued share capital were held by the public from the Listing Date and up to the date of this annual report.

## EVENTS SUBSEQUENT TO REPORTING PERIOD

### **The disposal of 24% of the issued share capital of Darkblue Investment Ltd. (the “Disposal”)**

On 11 November 2025, the Company, as the vendor (the “Vendor”), and BlueOcean Investment (Global) Ltd (the “Purchaser”) (an independent third party) entered into the sale and purchase agreement (the “**Second Sale and Purchase Agreement**”), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the the 12,000 issued shares (the “**Sale Shares**”) of Darkblue Investment Ltd.(the “**Target Company**”) (which represent 24% of the Target Company, directly owned 75% equity interest in the subsidiary of the Company) at RMB29,860,000 (the “**Second Disposal**”) The shareholders of the Company (the “**Shareholders**”) approved the Second Disposal on the extraordinary general meeting of the Company dated 27 February 2026 (the “**EGM**”).

The purchase price of RMB29,860,000 shall be paid by installments in cash.

The Target Company is directly owned 75% equity by the Vendor. Upon the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Second Sale and Purchase Agreement, the Target Company will be held as to 51% by the Vendor and 49% by the purchaser. Therefore, the Target Company will continue to be a subsidiary of the Company following the completion and its financial results will continue to be consolidated with the results of the Group. As the effect of the Second Disposal (upon the completion) is not expected to cause a loss of the Group’s control over the Target Company, the Second Disposal (upon the completion) is expected to be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss for the Company.

Details are set out in the Company’s announcement dated 11 November 2025, delay in dispatch of announcement dated 2 December 2025, further delay in dispatch of announcement dated 31 December 2025, the poll result announcement of the EGM dated 27 February 2026 and the circular of the Second Disposal dated 30 January 2026.

### **SCOPE OF WORK OF KTC PARTNERS CPA LIMITED**

The figures set out in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto disclosed in this annual results announcement of the Group for the year ended 31 December 2025 have been agreed by the Company’s auditors, KTC Partners CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KTC Partners CPA Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KTC Partners CPA Limited on this preliminary annual results announcement.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Huang Zhenming and Ms. Zhou Xiaochun, and Mr. Lee Cheung Yuet Horace is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company this annual results and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters, including the review of the consolidated financial statements of the Group for the year ended 31 December 2025.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The annual results announcement has been published on the websites of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.dwhl1950.com](http://www.dwhl1950.com)). The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be despatched to the Company’s shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

**Diwang Industrial Holdings Limited**

**Lam Kam Kong Nathaniel**

*Executive Director and Joint Company Secretary*

Hong Kong

31 March 2026

*As at the date of this announcement, the Board comprises Mr. Chen Hua, Mr. Lam Kam Kong Nathaniel, Mr. Sun Jingang and Mr. Zhong Wenlong as executive Directors; Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Huang Zhenming and Ms. Zhou Xiaochun as independent non-executive Directors.*