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## Ruifeng Power Group Company Limited 瑞豐動力集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code : 2025)

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

#### FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2025	2024	
Revenue (RMB'000)	<b>1,109,400</b>	956,853	15.9%
Gross Profit (RMB'000)	<b>116,260</b>	101,288	14.8%
Gross profit margin	<b>10.5%</b>	10.6%	(0.1)ppt
Profit for the year attributable to equity shareholders of the Company (RMB'000)	<b>23,266</b>	19,320	20.4%
Net profit margin	<b>2.1%</b>	2.0%	0.1ppt
Basic and diluted earnings per share (RMB cents)	<b>2.9</b>	2.4	

The Board of Directors resolved to declare a final dividend of 3.0 HK cents per share for the year ended 31 December 2025 (2024: 2.0 HK cents per share) which is subject to the approval of the shareholders at the AGM to be held on 17 June 2026.

#### ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ruifeng Power Group Company Limited (the “**Company**” or “**Ruifeng Power**”) is pleased to announce the audited consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) and the audited consolidated statement of financial position of the Group as at 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	<i>Note</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue</b>	3(a)	<b>1,109,400</b>	956,853
Cost of sales		<u>(993,140)</u>	<u>(855,565)</u>
<b>Gross profit</b>	3(b)	<b>116,260</b>	101,288
Other income	4	<b>35,447</b>	25,366
Selling expenses		<b>(17,380)</b>	(13,183)
Administrative expenses		<b>(83,467)</b>	(81,915)
(Provision)/reversal of impairment losses on trade receivables	5(c)	<b>(1,859)</b>	566
Provision of impairment losses on other non-current assets	5(c)	<u><b>(7,003)</b></u>	<u>–</u>
<b>Profit from operations</b>		<b>41,998</b>	32,122
Finance costs	5(a)	<u><b>(12,296)</b></u>	<u>(10,659)</u>
<b>Profit before taxation</b>	5	<b>29,702</b>	21,463
Income tax	6	<u><b>(6,436)</b></u>	<u>(2,143)</u>
<b>Profit for the year attributable to equity shareholders of the Company</b>		<u><b>23,266</b></u>	<u>19,320</u>
<b>Earnings per share</b>			
Basic and diluted (RMB)	7	<u><b>0.029</b></u>	<u>0.024</u>

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

for the year ended 31 December 2025

(Expressed in RMB)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Profit for the year</b>	<u>23,266</u>	<u>19,320</u>
<b>Other comprehensive (loss)/income for the year (after tax):</b>		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of financial statements of the Company into presentation currency	(8,279)	6,893
<i>Item that may be reclassified subsequently to profit or loss:</i>		
– Exchange difference on consolidation	<u>6,094</u>	<u>(5,528)</u>
<b>Total other comprehensive (loss)/income for the year (after tax)</b>	<u>(2,185)</u>	<u>1,365</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>	<u><u>21,081</u></u>	<u><u>20,685</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***at 31 December 2025*

(Expressed in RMB)

	<i>Note</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,017,971</b>	972,402
Right-of-use assets		<b>98,398</b>	100,946
Deferred tax assets		<b>18,410</b>	19,100
Other non-current assets		<b>16,340</b>	40,897
		<b>1,151,119</b>	1,133,345
<b>Current assets</b>			
Inventories		<b>297,081</b>	319,677
Trade receivables, other receivables and prepayments	8	<b>366,849</b>	324,432
Prepaid income tax		<b>11,314</b>	8,595
Cash at bank and on hand		<b>29,373</b>	57,538
		<b>704,617</b>	710,242
<b>Current liabilities</b>			
Trade and other payables	9	<b>442,566</b>	488,056
Amount due to a controlling shareholder		<b>1,346</b>	–
Interest-bearing borrowings	10(a)	<b>165,948</b>	175,777
Provision for warranties		<b>2,910</b>	2,399
		<b>612,770</b>	666,232
<b>Net current assets</b>		<b>91,847</b>	44,010
<b>Total assets less current liabilities</b>		<b>1,242,966</b>	1,177,355
<b>Non-current liabilities</b>			
Interest-bearing borrowings	10(b)	<b>203,809</b>	140,710
Provision for warranties		<b>7,191</b>	5,086
Deferred income		<b>31,007</b>	37,019
		<b>242,007</b>	182,815
<b>NET ASSETS</b>		<b>1,000,959</b>	994,540
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>66,425</b>	66,425
Reserves		<b>934,534</b>	928,115
<b>TOTAL EQUITY</b>		<b>1,000,959</b>	994,540

## 1 CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 2 May 2017 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 January 2018. The Company and its subsidiaries are principally engaged in the design, development, manufacture and sale of cylinder blocks, cylinder heads and ancillary cylinder block components and others.

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

These consolidated financial statements have been prepared on a going concern basis, the directors of the Company are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. The directors of the Company believe that according to the negotiation with the relevant banks, the major subsidiaries of the Group are able to renew their bank facilities upon maturity.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

Amendments to IAS 21                      Lack of Exchangeability

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

***Amendments to IAS 21: Lack of Exchangeability***

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

**3 REVENUE AND SEGMENT REPORTING**

The Group is principally engaged in the design, development and manufacture and sale of cylinder blocks, cylinder heads and ancillary cylinder block components and others.

**(a) Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Sales of cylinder blocks	<b>755,838</b>	716,830
Sales of cylinder heads	<b>288,755</b>	213,159
Sales of ancillary cylinder block components and others	<b>64,807</b>	26,864
	<b><u>1,109,400</u></b>	<u>956,853</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographical market is disclosed in Notes 3(b)(i) and 3(b)(ii).

**(b) Segment reporting**

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Cylinder blocks: this segment includes primarily the research, development, manufacture and sale of cylinder blocks.
- Cylinder heads: this segment includes primarily the research, development, manufacture and sale of cylinder heads.
- Ancillary cylinder block components and others: this segment includes primarily the manufacture and sale of ancillary cylinder block components used in cylinder blocks and cylinder heads not covered by the Group's warranty policies.

**(i) *Segment results, assets and liabilities***

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the years ended 31 December 2025 and 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, impairment loss on trade receivables and selling and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	2025			Total RMB'000
	Cylinder blocks RMB'000	Cylinder heads RMB'000	Ancillary cylinder block components and others RMB'000	
Revenue from external customers recognised at a point in time	<u>755,838</u>	<u>288,755</u>	<u>64,807</u>	<u>1,109,400</u>
Reportable segment gross profit	<u><u>101,833</u></u>	<u><u>9,072</u></u>	<u><u>5,355</u></u>	<u><u>116,260</u></u>
	2024			Total RMB'000
	Cylinder blocks RMB'000	Cylinder heads RMB'000	Ancillary cylinder block components and others RMB'000	
Revenue from external customers recognised at a point in time	<u>716,830</u>	<u>213,159</u>	<u>26,864</u>	<u>956,853</u>
Reportable segment gross profit/(loss)	<u><u>91,190</u></u>	<u><u>11,154</u></u>	<u><u>(1,056)</u></u>	<u><u>101,288</u></u>

**(ii) Geographic information**

The Group's revenue is substantially generated from sales to customers in the People's Republic of China (the "PRC"). The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

#### 4 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants (including amortisation of deferred income)	11,532	9,265
Interest income	856	241
Rentals receivable from operating leases	238	2,145
Gain/(loss) on disposal of property, plant and equipment	8,006	(126)
Additional value-added tax (“VAT”) input deduction (Note)	5,939	8,341
Written-off of trade payables	1,787	–
Others	7,089	5,500
	<u>35,447</u>	<u>25,366</u>

*Note:* Additional VAT input deduction amounted to RMB5,939,000 (2024: RMB8,341,000) was recognised in profit or loss due to a preferential VAT tax treatment. According to Announcement No. 43 by the Ministry of Finance and the State Taxation Administration of the PRC in 2023, advanced manufacturing enterprises are eligible for additional VAT credits by 5% of the current period creditable input VAT with effect from 1 January 2023 to 31 December 2027. 河北瑞豐科技有限公司 (Hebei Ruifeng Technology Co., Ltd \*) (“**Hebei Ruifeng**”), a subsidiary of the Company, is qualified for the additional deduction of input VAT.

*\* English name is for identification purpose only.*

#### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

##### (a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on interest-bearing borrowings	12,257	10,592
Bank charges and others	39	67
	<u>12,296</u>	<u>10,659</u>

No borrowing costs have been capitalised for the year ended 31 December 2025 (2024: Nil).

(b) **Staff costs**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages and other benefits	78,556	81,927
Contributions to defined contribution retirement plan	5,516	5,611
	<u>84,072</u>	<u>87,538</u>

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in a defined contribution retirement benefit plan managed by the local government authority. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the defined salaries level in the PRC (other than Hong Kong), from the above mentioned retirement plan at their normal retirement age.

The Group also participates in a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong Dollar (“HK\$”) 30,000. Contributions to the MPF Scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor’s remuneration	1,300	1,250
Depreciation charge		
– owned property, plant and equipment	125,367	105,072
– right-of-use assets	2,548	2,548
Provision/(reversal) of impairment losses on trade receivables	1,859	(566)
Provision of impairment losses on other non-current assets	7,003	–
Provision for warranties	7,397	6,642
Research and development costs	32,309	27,261
Cost of inventories#	<u>993,140</u>	<u>855,565</u>

# Cost of inventories includes RMB160,188,000 (2024: RMB149,665,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current taxation – PRC Corporate Income Tax</b>		
Provision for the year	3,559	2,780
Under-provision for prior years	2,187	–
	<u>5,746</u>	<u>2,780</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	690	(637)
	<u>6,436</u>	<u>2,143</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation	<u>29,702</u>	<u>21,463</u>
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii) and (iii))	8,260	5,608
Under-provision in prior years	2,187	–
Tax effect of non-deductible expenses	2,676	2,655
Tax concessions (Note (iv))	(8,796)	(6,374)
Tax effect of withholding tax in connection with the retained profits distributed by a subsidiary of the Group	2,000	150
Tax effect of unused tax losses not recognised	109	104
Actual tax expense	<u>6,436</u>	<u>2,143</u>

#### Notes:

- (i) The Company was incorporated in the Cayman Islands and a subsidiary of the Group was incorporated in the British Virgin Islands (the “BVI”) which are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (ii) For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime under which, the first HK\$2 million assessable profits arising from Hong Kong of qualifying entity of the Group is taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2 million is taxed at 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group subject to Hong Kong Profits Tax will continue to be taxed at a flat rate of 16.5%.

- (iii) The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2025 (2024: 25%).
- (iv) One of the Group's subsidiaries established in the PRC has obtained approval from the relevant tax bureau to be taxed as an advanced and new technology enterprise for the calendar years from 2024 to 2027. Pursuant to the relevant tax regulations, this subsidiary is entitled to a preferential tax rate of 15%. In addition to the preferential PRC Corporate Income Tax rate, this subsidiary is also entitled to an additional tax deductible allowance calculated at 100% (2024: 100%) of its qualified research and development costs incurred.

## 7 BASIC AND DILUTED EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB23,266,000 (2024: RMB19,320,000) and the weighted average of 800,000,000 ordinary shares in issue during the year (2024: 800,000,000 ordinary shares).

### (b) Diluted earnings per share

There was no difference between basic and diluted earnings per share as the Company did not have any dilutive potential shares outstanding during the years ended 31 December 2025 and 2024.

## 8 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	285,916	223,695
Less: loss allowance	<u>(40,264)</u>	<u>(38,405)</u>
	245,652	185,290
Bills receivable	54,412	72,278
Other receivables and prepayments	42,230	43,857
Deductible value added tax	<u>24,555</u>	<u>23,007</u>
	<u><u>366,849</u></u>	<u><u>324,432</u></u>

*Note:* All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

**(a) Ageing analysis**

The ageing analysis of trade receivables and bills receivable, included in trade and other receivables, based on the invoice date and net of loss allowance of the Group is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	<b>168,033</b>	161,073
1 to 3 months	<b>94,259</b>	66,609
3 to 6 months	<b>37,389</b>	29,404
Over 6 months	<b>383</b>	482
	<hr/> <b>300,064</b> <hr/>	<hr/> 257,568 <hr/>

The Group's customers are mainly automobile and engine manufacturers in the PRC.

**(b) Transfer of financial assets**

The Group receives short-term bank acceptance notes from its customers as a method of settlement of goods sold. The Group is entitled to receive the full amount of face values from the issuing banks upon the maturities of these notes, which generally range from 3 to 12 months from the dates of issuance.

During the year ended 31 December 2025, the Group discounted certain bank acceptance notes at banks, and endorsed certain bank acceptance notes to its suppliers and other creditors for settlement of the Group's trade and other payables on a full recourse basis. Upon the above discounting or endorsement, the Group has derecognised the bills receivable in their entirety. These derecognised bank acceptance notes have maturity dates of less than six months from the end of the reporting period. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these notes and has discharged its obligation of the payables to its suppliers and other creditors. The Group assessed that the discounted and endorsed bank acceptance notes were issued by highly-rated banks, the credit risks were relatively insignificant and the Group was not exposed to the relative interest risk. At 31 December 2025, the Group's maximum exposure to loss and undiscounted cash outflow should the issuing banks fail to settle the bills on maturity dates amounted to RMB159,841,000 (2024: RMB75,294,000).

## 9 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	299,737	347,043
Bills payable	–	26,000
	<hr/>	<hr/>
Trade and bill payables	299,737	373,043
Payables for construction of property, plant and equipment	118,389	78,920
Payables for staff related costs	5,532	11,903
Contract liabilities (Note (iii))	2,672	10,024
Others	16,020	13,986
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	442,350	487,876
Payables for other taxes	216	180
	<hr/>	<hr/>
	<b>442,566</b>	<b>488,056</b>
	<hr/> <hr/>	<hr/> <hr/>

### Notes:

- (i) All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.
- (ii) The ageing analysis of trade and bills payables, which are included in trade and other payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	114,243	147,996
1 to 3 months	75,646	109,001
3 to 6 months	37,895	66,929
Over 6 months	71,953	49,117
	<hr/>	<hr/>
	<b>299,737</b>	<b>373,043</b>
	<hr/> <hr/>	<hr/> <hr/>

- (iii) Contract liabilities represent advances from customers for the goods to be transferred by the Group. Movements in contract liabilities (excluding those arising from increases and decreases both occurred within the same year) are set out below:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	<b>10,024</b>	8,876
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	<b>(10,024)</b>	(8,876)
Advances received from customers	<b>2,672</b>	10,024
Balance at 31 December	<b>2,672</b>	10,024

## 10 INTEREST-BEARING BORROWINGS

- (a) The Group's short-term interest-bearing borrowings comprise:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans		
Unsecured	<b>69,801</b>	3,500
Secured by property, plant and equipment and right-of-use assets	–	40,292
Add: current portion of long-term bank and other borrowings (Note 10(b))	<b>96,147</b>	131,985
	<b>165,948</b>	175,777

- (b) The Group's long-term interest-bearing borrowings comprise:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank and other borrowings		
Unsecured	<b>47,731</b>	20,000
Secured by property and plant and equipment and right-of-use assets	<b>252,225</b>	252,695
Less: current portion of long-term bank and other borrowings (Note 10(a))	<b>(96,147)</b>	(131,985)
	<b>203,809</b>	140,710

The Group's long-term bank and other borrowings are repayable as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year or on demand	<b>96,147</b>	131,985
After 1 year but within 2 years	<b>157,390</b>	106,810
After 2 years but within 5 years	<b>46,419</b>	33,900
	<u><b>299,956</b></u>	<u>272,695</u>

- (c) **The aggregate carrying amount of property, plant and equipment and right-of-use assets pledged for the Group's interest-bearing borrowings is as follows:**

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Property, plant and equipment	<b>189,986</b>	199,436
Right-of-use assets	<b>83,859</b>	86,086
	<u><b>273,845</b></u>	<u>285,522</u>

- (d) Certain of the Group's interest-bearing borrowings are subject to the fulfilment of covenants relating to financial ratios commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the interest-bearing borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. At 31 December 2025, none of the covenants had been breached (2024: None).

## 11 DIVIDENDS

### (i) Dividends payable to equity shareholders of the Company attributable to the year

Subsequent to the end of the reporting period, the board of directors of the Company resolved to declare a final dividend of HK\$24,000,000, at 3 HK cents per share for the year ended 31 December 2025, which is subject to approval by the shareholders of the Company at the annual general meeting (2024: 2 HK cents). The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid of 2.0 HK cents per ordinary share (2024: 1.5 HK cents per ordinary share)	<u>14,662</u>	<u>10,952</u>

A final dividend of 2.0 HK cents per share for the year ended 31 December 2024 was approved in the annual general meeting on 30 May 2025 and was distributed to those shareholders whose names are on the register of members of the Company on 20 June 2025 and, which was settled during the year ended 31 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

In 2025, China's automobile industry continued its transition from being a large automobile nation to becoming a global automotive powerhouse. Despite a complex environment characterized by rising global protectionism and supply chain restructuring, the Chinese automotive industry delivered better-than-expected growth, which was driven by the deep integration of electrification and intelligence, an optimized export structure, and a comprehensive breakthrough in the industrial ecosystem. China has not only maintained its position as the world's largest market for automobile production and sales for 17 consecutive years, but has also achieved the highest global penetration rate for new energy vehicles and a record domestic brand market share, while vehicle and component exports continued to expand.

According to the data issued by the China Association of Automobile Manufacturers ("CAAM"), the cumulative total production and sales of automobile reached approximately 34.5 million units and 34.4 million units in 2025, representing a year-on-year increase of approximately 10.4% and 9.4%, respectively, hitting new record highs. Automobile exports scaled new heights, establishing China as a core force in global automotive trade, with annual exports reaching 7.1 million units, representing a year-on-year increase of 21.1%.

New energy vehicles have pivoted from being a growth driver to becoming the dominant force in the market. In 2025, the production and sales of new energy vehicles amounted to 16.6 million units and 16.5 million units, respectively, representing a year-on-year increase of 29.0% and 28.2%, respectively. Notably, new energy vehicles accounted for 47.9% of total new vehicle sales, an increase of 7.0 percentage points from 2024. In December 2025 alone, the penetration rate of new energy vehicles surpassed 52.3%, signaling that new energy vehicles have officially secured their dominance in the market.

In terms of powertrain structure, plug-in hybrid vehicles maintained their explosive growth momentum, moving in tandem with pure electric vehicles, which has become a key driver for penetrating lower-tier markets and accelerating the replacement of fuel vehicles. Leveraging their first-mover advantage in intelligence and electrification, Chinese passenger car brands reached a market share of 69.5%, representing a 4.3 percentage point increase year-on-year, while the market share of joint-venture brands continued to decline.

In 2025, to promote the high-quality development of the automotive industry and stabilize the macroeconomy, the Chinese government and relevant authorities introduced a series of precision-targeted measures:

- Eight ministries, including the Ministry of Industry and Information Technology, jointly issued the Work Plan for Stabilizing Growth of the Automotive Industry (2025–2026) (《汽車行業穩增長工作方案(2025–2026年)》), which provides a systematic deployment across technological innovation, consumption promotion, and export support, aiming to break the cycle of “destructive internal competition” and guide the industry toward the higher end of the value chain.

- The State Administration for Market Regulation drafted the Guidelines on Price Behavior Compliance in the Automotive Industry (Draft for Public Comment) (《汽車行業價格行為合規指南(徵求意見稿)》), which effectively promotes price transparency and comprehensively addresses “irrational price wars”, laying a solid foundation for the healthy and sustainable development of the industry.

As the automobile industry moves towards the deep integration of electrification and intelligence, the definition of traditional core components is being rewritten. Despite the continuous expansion of the market share of pure electric vehicles, robust demand for hybrids, extended-range electric vehicles, and high-efficiency internal combustion engines has carved out a second growth curve for traditional components such as cylinder blocks and cylinder heads. In 2025, the industry’s focus shifted towards the mass production of dedicated hybrid engine blocks, as well as the application of integrated die-casting and lightweight materials. Furthermore, traditional casting technologies are seeing a spillover effect into non-automotive sectors. Supply chain enterprises can only build new core competitiveness amidst this industrial transformation by deepening their technical expertise and optimizing their customer structures.

In 2025, China’s automotive industry has demonstrated that electrification capability has become a fundamental survival skill, while intelligence is now the crucial tie-breaker that will decide the final victors. The technological prestige and brand premiums of joint-venture brands have further eroded, while domestic brands, leveraging their full-stack self-developed technical prowess and precise insights into user needs, have firmly secured their market dominance. In 2026, the Board expects that the industry will enter a period of intensified market consolidation, where global operational capabilities and business model innovation will become the keys to victory. From exporting products to exporting technical standards, and from “internal price wars” to “outward value expansion”, the Chinese automotive industry is reshaping the global industrial landscape.

## **BUSINESS REVIEW**

The year 2025 marks the culmination of the 14th Five-Year Development Plan, a period during which the global automotive supply chain underwent accelerated restructuring, and the international supply capabilities of Chinese automotive and component enterprises continued to strengthen. Ruifeng Power Group Company Limited (hereinafter “**Ruifeng Power**”) has remained steadfast in its guiding principles of “stability-led progress, innovation-driven growth, quality-first commitment, and seizing opportunities”. While consolidating our competitive advantages in core traditional engine components, the Group is comprehensively accelerating its strategic transformation from the manufacturing of traditional automotive parts to the production of high-end intelligent equipment. For the year ended 31 December 2025, the revenue and profit of the Group amounted to approximately RMB1,109.4 million and approximately RMB23.3 million, respectively, representing an increase of approximately 15.9% and approximately 20.4%, respectively, as compared to the year ended 31 December 2024. Excluding the provision of impairment loss on other non-current assets, the profit for the year was approximately RMB30.3 million, representing an increase of approximately 56.7%, as compared with the profit for the year ended 31 December 2024. The

increase in revenue was primarily attributable to the Group's strengthened market position within highly competitive markets. This achievement was largely driven by a surge in orders from key customers such as BYD and Geely, who are leaders in the automotive industry. Additionally, the Company has continued to expand its customer base and to diversify its products to capture new opportunities.

### **Focusing on Intelligent Transformation by Expanding into High-End Intelligent Equipment**

The Group is actively advancing its strategic transformation from traditional manufacturing to the production of high-end intelligent equipment, breaking the boundaries to build a technology ecosystem:

**Energy Storage Equipment:** The Group has embarked on a comprehensive strategic partnership with Beijing Peace Aluminium Co. Ltd. (北京和平鋁業有限公司) (the “**Peace Aluminium**”). Harnessing Peace Aluminium's complete industry chain capabilities from high-performance aluminium alloys to profile extrusion and surface treatment, combined with the Group's expertise in precision machining, digitalised manufacturing, and automotive client networks, the two parties have co-established a joint laboratory dedicated to high-pressure casting processes and advanced aluminium profile technologies.

This collaboration achieves full vertical integration along the aluminium value chain, encompassing ingots, smelting, extrusion, and precision machining, while simultaneously extending the Group's reach into high-end frontiers, energy storage device battery enclosures, lightweight components for new energy vehicles (such as battery trays, front and rear bumper beams, sill beams, and energy-absorbing boxes), and specialised aluminium profiles for defence and marine applications. Through industry chain synergy, the Group has markedly lowered outsourcing costs, accelerated mould development cycles, and realised integrated development across moulds, profiles, and machining, building formidable technological and cost barriers that underpin its expansion into the energy storage and lightweight new energy vehicle markets.

**Intelligent Components:** At the same time, the Group has initiated a technological collaboration with a Beijing-based autonomous driving system developer. Focusing on the requirements of L3-level autonomous driving, the partnership drives the development of new energy vehicle chassis integrated with intelligent sensor interfaces. This initiative successfully expands our business footprint into the hardware foundations of intelligent driving and smart manufacturing, achieving a substantial leap in technological sophistication.

**Underwater Robotics:** Serving as the pivotal engine of its strategic transformation, the Group has integrated the core technologies of a Beijing-based solutions provider specialising in underwater intelligent cleaning and inspection robots, as well as intelligent inspection and patrol systems. A dedicated research and manufacturing hub for underwater intelligent cleaning and inspection robots is being established in Shenzhou, poised to directly serve three sectors with essential demands: ship cleaning, operations and maintenance of offshore wind farm, and port facility inspections.

In terms of capacity building, we have consistently increased our investment in intelligent manufacturing by establishing new high-precision machining centers, CNC machine tools, and fully automated testing devices. By introducing flexible manufacturing systems (FMS), we have significantly enhanced production efficiency and our capacity for multi-variety, customized delivery. As a result, the Group has been recognised as a High and New Technical Enterprise\* (高新技術企業) and a “Specialized, Refined, Differential and Innovative Little Giants Enterprise\*” (專精特新小巨人) in Hebei Province, marking a significant milestone in its journey of intelligent transformation.

### **Consolidating Traditional Advantages and Deepening Customer Collaboration**

The Group has consistently adhered to a “customer-centric” philosophy, establishing long-term synergetic partnerships with premium domestic and international clients. In 2025, our strategic collaboration with BYD deepened further; the Group participated in the supply of key components for their engine and hybrid platforms, with our product quality and delivery capabilities receiving high acclaim. Regarding Geely Automobile, Chery Automobile, and FAW Hongqi, both parties have engaged in deep technical synergy in areas such as cylinder block lightweighting and NVH optimization. The cooperation model has successfully upgraded from traditional manufacturing to collaborative R&D.

In the international market, the Group’s partnership with Deutz AG has entered a new cycle. We successfully secured long-term orders for engine cylinder blocks and heads meeting Stage V/Tier 4 standards, marking the Group’s full compliance with the world’s most stringent emission regulations. The Group continues to optimize internal management to safeguard cash flow and supply chain health, while actively expanding into overseas markets. It is gradually becoming a strategic partner of Deutz AG in Germany for smart assembly, thereby increasing the proportion of international clients and laying a solid foundation for future global development.

With our exceptional delivery quality and collaborative philosophy, the Group was honored as BYD’s “Annual Outstanding Supplier” (年度優秀供應商) in December 2025, and received the “Win-Win Cooperation Award” (合作共贏獎) for excellent suppliers at the Foton Motor 2026 Business Conference. Additionally, in January 2026, the Group was invited to the Yuchai Group Global Partner Conference and received the “Value Co-creation Award” (價值共創獎).

### **Positioning for Future Frontiers to Drive New Growth**

In 2025, the landscape of China’s automotive supply chain has been evolving from a “vertical chain model” towards a “networked ecosystem”. As a manufacturer of core engine components, the Group has identified and captured emerging trends and is actively exploring the extension of its precision machining capabilities to a broader range of application scenarios.

We are conducting in-depth research into the demand for precision structural components in emerging industries, such as underwater robotics and low-altitude aircraft. These sectors are highly synergistic with our technical expertise in high-complexity component manufacturing, lightweight

material applications, and precision machining, and are expected to create a brand-new “second growth curve” for the Group. Furthermore, we continue to deepen our industry-university-research cooperation with institutions such as Hebei University of Technology and Tianjin University. By strengthening forward-looking research into new materials and processes, we are building a talent and knowledge base for the commercial application of future breakthrough technologies, ensuring that the Group maintains its technological leadership in an ever-changing market.

## **FUTURE PROSPECTS**

As we look toward 2026, the global automotive industry will continue to navigate technological evolution amid intensifying international competition. The year also heralds the commencement of the Group’s 15th Five-Year Development Plan. Standing at a critical juncture of transformation, we will draw on our established expertise and production capabilities accumulated in the field of cylinder blocks and heads, build upon the breakthroughs achieved in lightweight and intelligent transformation, and actively position ourselves in future emerging industries. Centering on the core strategy of “sustaining growth, enhancing quality, driving innovation and strengthening cooperation”, we are comprehensively advancing our strategic transformation from the manufacturing of traditional automotive parts to the production of high-end intelligent equipment. The Group will direct its efforts along the following avenues:

- **Consolidating Foundations and Deepening Synergy:** We will continue to deepen our strategic partnerships with core clients such as BYD, Geely Automobile, Chery Automobile, FAW Hongqi, and Deutz AG, by proactively engaging in the co-development of next-generation powertrain platforms, ensuring the steady and robust growth of our traditional business segments.
- **Strengthening the Present and Enhancing Value:** We will increase R&D investment in compacted graphite iron (CGI) and aluminium–magnesium lightweight materials and apply advanced processes, such as 3D-printed sand cores, to the production of more high-end products, significantly enhancing technological sophistication and added value. We will solidify cooperation with aluminum casting enterprises to jointly explore new opportunities in the energy storage sector. Leveraging our collaborations with autonomous driving companies, we will expand our precision component business related to vehicle intelligence, converting technological breakthroughs into commercial success.
- **Pioneering the Future through Dual-Engine Drivers:** The Group is accelerating the industrialisation of its underwater robotics project, leveraging its precision manufacturing capabilities alongside the partner’s core technologies to drive the development of a shared underwater robotics service platform. At the same time, we are actively exploring and strategically entering the underwater robotics and low-altitude economy sectors, creating a new engine for business growth. This initiative underpins the Group’s comprehensive transformation from a traditional automotive parts manufacturer into a provider of high-end intelligent equipment manufacturing solutions, delivering sustainable long-term value for its Shareholders.

## FINANCIAL REVIEW

### Revenue

Revenue increased by approximately 15.9% from approximately RMB956.9 million for the year ended 31 December 2024 to approximately RMB1,109.4 million for the year ended 31 December 2025. This increase was primarily attributable to an increase in sales of cylinder blocks and sales of cylinder heads. The following table sets forth the revenue and sales volume by segment and major product type for the years ended 31 December 2025 and 2024:

	For the year ended 31 December					
	2025			2024		
	As a percentage of total Revenue <i>RMB'000</i>	of total revenue %	Sales volume units	Revenue <i>RMB'000</i>	As a percentage of total revenue %	Sales volume units
Cylinder blocks						
– passenger vehicles	<b>284,559</b>	<b>25.6</b>	<b>509,240</b>	303,786	31.7	391,642
– commercial vehicles	<b>287,247</b>	<b>25.9</b>	<b>303,338</b>	244,849	25.6	370,847
– industrial vehicles	<b>184,032</b>	<b>16.6</b>	<b>130,630</b>	168,195	17.6	134,643
Subtotal	<b>755,838</b>	<b>68.1</b>	<b>943,208</b>	716,830	74.9	897,132
Cylinder heads	<b>288,755</b>	<b>26.0</b>	<b>449,554</b>	213,159	22.3	311,539
Ancillary cylinder block components and others	<b>64,807</b>	<b>5.9</b>	<b>199,544</b>	26,864	2.8	325,567
Total	<b><u>1,109,400</u></b>	<b><u>100.0</u></b>		<b><u>956,853</u></b>	<b><u>100.0</u></b>	

### Sales of Cylinder Blocks

Segment revenue from sales of cylinder blocks increased by approximately 5.4% from approximately RMB716.8 million for the year ended 31 December 2024 to approximately RMB755.8 million for the year ended 31 December 2025. Meanwhile, the sales volume of cylinder blocks increased by approximately 5.1% from approximately 897,000 units for the year ended 31 December 2024 to approximately 943,000 units for the year ended 31 December 2025. Such increase in revenue from sales of cylinder blocks and the corresponding increase in sales volume was primarily attributable to sustained demand for cylinder blocks in new energy and industrial vehicles, along with the ongoing recovery in the commercial vehicle markets.

## **Sales of Cylinder Heads**

Segment revenue from sales of cylinder heads increased by approximately 35.5% from approximately RMB213.2 million for the year ended 31 December 2024 to approximately RMB288.8 million for the year ended 31 December 2025. The sales volume of cylinder heads increased by approximately 44.2% from approximately 312,000 units for the year ended 31 December 2024 to approximately 450,000 units for the year ended 31 December 2025. The increase in revenue from sales of cylinder heads and sales volume was primarily due to an increase in demand for cylinder heads for new energy vehicles and the recovery in the commercial vehicle markets.

## **Sales of Ancillary Cylinder Block Components and Others**

Segment revenue from sales of ancillary cylinder block components and others increased by approximately 1.4 times from approximately RMB26.9 million for the year ended 31 December 2024 to approximately RMB64.8 million for the year ended 31 December 2025. The sales volume of ancillary cylinder block components and others decreased by approximately 38.7% from approximately 326,000 units for the year ended 31 December 2024 to approximately 200,000 units for the year ended 31 December 2025. The increase in revenue from sales of ancillary cylinder block components and others was primarily attributable to higher sales of new, innovative and high-margin components to a core customer, while the Group strategically phased out low-value products, leading to a decline in sales volumes of ancillary cylinder block components.

## **Gross Profit and Gross Profit Margin**

Gross profit increased by approximately 14.8% from approximately RMB101.3 million for the year ended 31 December 2024 to approximately RMB116.3 million for the year ended 31 December 2025, such increase was in line with increase in revenue. Meanwhile, the gross profit margin was stable at approximately 10.6% and approximately 10.5% for the years ended 31 December 2024 and 2025, respectively, despite higher raw material purchase prices during the period. This stability was achieved as the Group improved production efficiency and expanded production scale. The gross profit margin of the cylinder blocks increased from approximately 12.7% for the year ended 31 December 2024 to approximately 13.5% for the year ended 31 December 2025, which partially offset the decrease in gross profit margin of the cylinder heads from approximately 5.2% for the year ended 31 December 2024 to approximately 3.1% for the year ended 31 December 2025.

## **Other Income**

Other income increased by approximately 39.7% from approximately RMB25.4 million for the year ended 31 December 2024 to approximately RMB35.4 million for the year ended 31 December 2025. This increase was primarily due to the Group recorded a gain on disposal of property, plant and equipment of approximately RMB8.0 million for the year ended 31 December 2025 as there was a loss on disposal of property, plant and equipment of approximately RMB0.1 million for the year ended 31 December 2024. The Group disposed certain obsolete or inefficient machinery and equipment after installing new advanced production lines.

## **Selling Expenses**

Selling expenses increased by approximately 31.8% from approximately RMB13.2 million for the year ended 31 December 2024 to approximately RMB17.4 million for the year ended 31 December 2025. This increase was primarily attributable to an increase in the storage fees and after-sales service fees for the year ended 31 December 2025.

## **Administrative Expenses**

Administrative expenses increased by approximately 1.9% from approximately RMB81.9 million for the year ended 31 December 2024 to approximately RMB83.5 million for the year ended 31 December 2025. The increase in administrative expenses was primarily attributable to an increase in research and development cost.

## **(Provision)/Reversal of impairment losses on trade receivables**

The Group recognised impairment losses on trade receivables of approximately RMB1.9 million for the year ended 31 December 2025, as compared to reversal of an impairment losses on trade receivables of approximately RMB0.6 million for the year ended 31 December 2024. Such change was mainly attributable to an increase in the overdue balances.

## **Provision of impairment loss on other non-current assets**

In 2019 and 2020, the Company entered into several agreements with a target company (the “**Target Company**”) and a vendor (the “**Vendor**”), which is the sole shareholder of the Target Company. The Target Company is mainly engaged in the design and manufacturing of power systems, braking systems, vehicle spare parts and components in the PRC. Pursuant to the agreements, the Company agreed to acquire 10.7% equity interests of the Target Company from the Vendor (the “**Transaction**”) at a consideration of EUR5.0 million, which the Group had paid EUR3.0 million as partial consideration, and offered a loan with principal amount of EUR2.0 million to the Target Company for operational use, which had been disbursed in full. As at 31 December 2025 and up to the date of this announcement, the Transaction has not yet been finalised due to the Target Company’s failure to update the register of the members in accordance with the Company Law in the PRC. As at 31 December 2025, the other non-current assets represent the payment made by the Group in relation to the Transaction.

During the year ended 31 December 2024, the Company initiated legal actions against the Target Company with a view to facilitating the re-negotiation with the Vendor and attempted to finalise the Transaction but no mutual agreement with the Vendor or the Target Company was reached. The Company then submitted an application for civil case proceedings at Hebei Province Shenzhou City People's Court\* (河北省深州市人民法院) (the “**Shenzhou Court**”) for claiming the loan principal amount of EUR2,000,000 from the Target Company. On 23 April 2025, a civil judgement was issued by the Shenzhou Court, pursuant to which the Target Company was ordered to repay the loan principal amount of EUR2.0 million together with an accrued interest of approximately RMB0.6 million. The Company received full settlement of the loan principal and the related interest on 30 May 2025.

On 5 June 2025, the Company filed a request for arbitration to China International Economic and Trade Arbitration Commission Shanghai sub-commission\*(中國國際經濟貿易仲裁委員會上海分會) for claiming a refund of the consideration of EUR3.0 million and the relevant interest from the Vendor. The Company considered that the recoverability of the debt became uncertain and engaged an independent valuer to assess the valuation of the debt and recognised an impairment loss of approximately RMB7.0 million for the year ended 31 December 2025 as compared to the absence of such an impairment loss for the year ended 31 December 2024. Despite the recognition of the aforementioned impairment loss for accounting purposes, the Board wishes to emphasise that the Company has not waived its legal rights and will, in consultation with its legal advisers, pursue available legal avenues to recover, among others, the outstanding consideration from the Vendor.

### **Finance Costs**

Finance costs increased by approximately 15.4% from approximately RMB10.7 million for the year ended 31 December 2024 to approximately RMB12.3 million for the year ended 31 December 2025, primarily due to an increase in the balance of interest-bearing borrowings.

### **Income Tax**

Income tax expenses increased by approximately 2.0 times from approximately RMB2.1 million for the year ended 31 December 2024 to approximately RMB6.4 million for the year ended 31 December 2025, primarily due to an under-provision of the current tax in prior year amounting to approximately RMB2.2 million recognised during the year ended 31 December 2025, compared with the absence of such provision for the year ended 31 December 2024. As a result, the effective tax rate increased from approximately 10.0% for the year ended 31 December 2024 to approximately 21.7% for the year ended 31 December 2025.

## **Profit for the Year**

As a result of the foregoing, the profit for the year increased by approximately 20.4% from approximately RMB19.3 million for the year ended 31 December 2024 to approximately RMB23.3 million for the year ended 31 December 2025. The net profit margin was maintained at approximately 2.0% and approximately 2.1% for the years ended 31 December 2024 and 2025.

Excluding the provision of impairment loss on other non-current assets, the profit for the year was approximately RMB30.3 million, representing an increase of approximately 56.7%, as compared with the profit for the year ended 31 December 2024.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The operation of the Group is primarily financed by cash generated from operating activities and interest-bearing borrowings. As at 31 December 2025 and 2024, cash at bank and on hand, denominated in Renminbi, of the Group amounted to approximately RMB29.4 million and approximately RMB57.5 million, respectively. The decrease in cash balance is due to a decrease in net cash generated from operating activities.

The Group monitors its cash flows and cash at bank and on hand balance on a regular basis and seeks to maintain optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies. In the future, the Group intends to finance its operations through cash generated from operating activities, as well as bank and other borrowings. Other than normal bank borrowings that the Group obtains from commercial banks and potential debt financing plans, the Group does not expect to have any material external debt financing plan in the near future.

### **Trade and Bills Receivables**

The net trade receivables and bills receivable increased by approximately 16.5% from approximately RMB257.6 million as at 31 December 2024 to approximately RMB300.1 million as at 31 December 2025. The increase was primarily in line with an increase in revenue for the year. The trade and bills receivables turnover day decreased from approximately 101 days as at 31 December 2024 to approximately 92 days as at 31 December 2025 due to major customers' promise to make payment within 30 days.

### **Trade and Bills Payables**

The trade and bills payables decreased by approximately 19.7% from approximately RMB373.0 million as at 31 December 2024 to approximately RMB299.7 million as at 31 December 2025, primarily attributable to higher raw material prices, which prompted the Group to settle bills earlier in order to secure timely supply. The trade and bills payables turnover day decreased from approximately 139 days as at 31 December 2024 to approximately 124 days as at 31 December 2025.

## Interest-bearing Borrowings and Charge on Assets

Interest-bearing borrowings increased from approximately RMB316.5 million as at 31 December 2024 to approximately RMB369.8 million as at 31 December 2025, of which approximately RMB252.2 million was secured by pledges over the property, plant and equipment and right-of-use assets of the Group. The aggregate amount of such pledged assets was approximately RMB273.8 million (2024: approximately RMB285.5 million).

All interest-bearing borrowings as at 31 December 2025 and 2024 were denominated in Renminbi at fixed or floating interest rate. The following table sets forth the amount of indebtedness of the Group as at the date indicated:

<b>Repayment Schedule</b>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year or on demand	<b>165,948</b>	175,777
After 1 year but within 2 years	<b>157,390</b>	106,810
After 2 years but within 5 years	<b>46,419</b>	33,900
	<hr/>	<hr/>
Total	<b>369,757</b>	316,487
	<hr/> <hr/>	<hr/> <hr/>

## Gearing Ratio

The gearing ratio increased from approximately 31.8% as at 31 December 2024 to approximately 36.9% as at 31 December 2025, primarily attributable to an increase in interest-bearing borrowings of approximately RMB53.3 million for the year ended 31 December 2025 compared with the year ended 31 December 2024.

Gearing ratio equals total debt divided by total equity as at the end of the year. Total debt includes all interest-bearing borrowings.

## Capital Expenditure

The capital expenditure of the Group was approximately RMB142.1 million for the year ended 31 December 2025 as compared with approximately RMB239.2 million for the year ended 31 December 2024. The capital expenditure incurred for the year ended 31 December 2025 was primarily related to the construction of new mechanical processing lines for the new products and purchases of additional equipment and machinery used for improvement of the existing production lines.

## Capital Commitments

As at 31 December 2025, the capital commitments of the Group in respect of property, plant and equipment contracted for amounted to approximately RMB33.2 million as compared with approximately RMB43.4 million as at 31 December 2024.

## **Contingent Liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities or guarantees (2024: Nil).

## **Fluctuation of Renminbi Exchange Rate and Foreign Exchange Risks**

The majority of the Group's business and all interest-bearing borrowings are denominated and accounted for in Renminbi, except for certain payables to professional parties and administrative expenses in Hong Kong office that are denominated in Hong Kong dollars. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect the fluctuation of Renminbi exchange rate and other foreign exchange fluctuations will have material impact on the business operations or financial results of the Group. Therefore, the Group has not engaged in any hedging transactions to manage the potential fluctuation in foreign currencies during the year ended 31 December 2025.

## **SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS**

The Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies for the year ended 31 December 2025 (2024: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in this announcement, the Group has no other future plans related to the material investments and capital assets.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had a total of 818 employees (2024: 745 employees). For the year ended 31 December 2025, the Group has incurred total staff costs of approximately RMB84.1 million (2024: RMB87.5 million), representing a decrease of approximately 4.0% as compared with that for the year ended 31 December 2024.

The Group believes its success depends on its employees' provision of consistent, high-quality and reliable services. Most of the Group's employees were working at the manufacturing plant in Shenzhou, PRC. In order to attract, retain and develop the knowledge and skill level of its employees, the Group places a strong emphasis on training for employees and provide continuous training for its staff. In addition, the Group offers a competitive remuneration package to retain elite employees, including basic salary and performance-based monthly and annual bonuses, and reviews the remuneration package annually according to industry benchmark, financial results of the Group as well as the individual performance of employees.

## MAJOR SUBSEQUENT EVENTS

Save as disclosed in this announcement, there are no major subsequent events since the end of the reporting period and up to the date of this announcement, which would materially affect the Group's operating and financial performance.

## KEY RISKS AND UNCERTAINTIES

The main activities of the Group include production and sales of cylinder blocks and cylinder heads as well as ancillary cylinder block components and others. The business operation of the Group is exposed to a variety of risks including operational, financial and market risks. Details of the risks are set out below:

### (i) Operational risks

The top five customers of the Group, which primarily include large automobile manufacturers and engine producers located in the PRC, accounted for approximately 81.4% of the total revenue for the year ended 31 December 2025. The largest customer of the Group accounted for approximately 38.6% of the total revenue for the year ended 31 December 2025. The largest customer for the year ended 31 December 2025 was an automobile manufacturer. The loss of a small number of our large customers, or the decrease in sales with one or more of these major customers, could have a significant adverse impact on our financial results.

### (ii) Financial risks

The major financial risks faced by the Group are interest rate risk, credit risk and liquidity risk. Management of the Group meets regularly to analyse and formulate measures to manage the Group's exposure to these risks.

#### (a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings. The borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

#### (b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bill receivables is limited because the counterparties are banks and financial institutions with high credit standings, for which the Group considers to be low. The Group does not provide any guarantees which would expose the Group to credit risk.

**(c) *Liquidity risk***

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

**(iii) Market risks**

The Group operates in a market characterized by evolving industry standards, frequent new product launches and updates, rapidly-developing technologies, and changing customer demands and expectations. The continuing popularity of our products depends on the ability of the Group to adapt to these rapidly-changing technologies and industry standards as well as our ability to continually innovate in response to evolving customer demands and expectations and intense market competition. Any failure on our part to act effectively in any of these areas may materially and adversely affect our business and operating results.

With the rapid development of relevant technologies and a variety of policies issued by the government of the PRC to support the development of the new energy vehicle industry, new energy vehicles are likely to gain increasing acceptance and popularity in the future and resulting in encroaching on the market share of the traditional gasoline and diesel-powered vehicles. Currently, the traditional fuel vehicles still account for a significant share in the automobile market in the PRC. We would expect any significant decrease in demand for traditional fuel vehicles in the PRC would result in a corresponding decrease in sales of our existing products and the Group's operations and financial result would be materially and adversely affected. During the year, we have commenced the upgrading of new energy vehicle components plant and invested further resource to develop new products to be used for new energy vehicles in order to satisfy the market need.

The Group has put in place a set of internal control and risk management protocols to address various operational, financial and market risks. The risk management protocols and policies set forth procedures to identify, categorize, analyze and mitigate various risks and the relevant reporting hierarchy of risks identified in our operations. The Board has the general power to manage the operations and the overall risks of the Company and is responsible for considering, reviewing and approving any significant business decision involving material risk exposures. After due consideration, the Directors are of the view that our current risk management measures are adequate and effective.

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

For the year ended 31 December 2025 and up to the date of this announcement, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company (including sale of treasury shares as defined under the Listing Rules). The Company did not hold any treasury shares as at 31 December 2025.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standards of corporate governance and protecting the interests of its Shareholders in an open manner. The Board comprises five executive Directors and three independent non-executive Directors. The Board has adopted the code provisions (the “**Code Provisions**”) under Part 2 of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules. Throughout the year ended 31 December 2025, the Company has fully complied with the Code Provisions, except for the following deviation.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, Mr. Meng Lianzhou currently performs the roles of chairman and chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board regularly reviews the need to appoint different individuals to perform the roles of chairman and chief executive officer separately.

Save as disclosed above, the Company has strictly complied with the CG Code during the year ended 31 December 2025. Our Directors will review the Group’s corporate governance policies and compliance with the CG Code each financial year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Company’s code of conduct regarding Directors’ securities transactions. Upon specific enquiries, all Directors confirmed that they have complied with the relevant provisions of the Model Code throughout the year ended 31 December 2025.

## **FINAL AND INTERIM DIVIDEND**

No interim dividend was declared and distributed for the six months ended 30 June 2025 (2024: Nil). The Board has resolved to recommend the payment of final dividend of 3.0 HK cents per ordinary share of the Company (the “**Share**”) for the year ended 31 December 2025 (2024: 2.0 HK cents per ordinary share). No Shareholder of the Company has waived or agreed to waive any dividends.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held on Wednesday, 17 June 2026. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of the AGM and form of proxy accompanying thereto to be published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.hbsgt.com>.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the shareholder’s entitlement to attend and vote at the AGM to be held on Wednesday, 17 June 2026, the register of members of the Company will be closed from Friday, 12 June 2026 to Wednesday, 17 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11 June 2026, being the business day before the first day of closure of the register of members.

The Board has resolved on 31 March 2026 to recommend the payment of a final dividend of 3.0 HK cents per share for the year ended 31 December 2025 (2024: 2.0 HK cents) to shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 30 June 2026. The register of members will be closed from Friday, 26 June 2026 to Tuesday, 30 June 2026, both days inclusive, and the proposed final dividend is expected to be paid on or before Friday, 4 September 2026. The payment of dividends shall be subject to the approval of the shareholders of the Company at the AGM expected to be held on 17 June 2026. In order to qualify for the proposed dividend, shareholders of the Company should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by no later than 4:30 p.m. on Thursday, 25 June 2026, being the business day before the first day of closure of the register of members.

## **SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited ("**Forvis Mazars**"), *Certified Public Accountants*, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Forvis Mazars in this announcement 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 Forvis Mazars on this results announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed together with the management and external auditor of the Company the accounting principles and policies adopted by the Group, and discussed the internal control and financial reporting matters, including a review of the annual results of the Group for the year ended 31 December 2025.

## **PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.hbsgt.com](http://www.hbsgt.com) and the annual report for the year ended 31 December 2025 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Ruifeng Power Group Company Limited**  
**Meng Lianzhou**  
*Chairman*

Shenzhen, the PRC, 31 March 2026

*As of the date of this announcement, the Board comprises Mr. Meng Lianzhou, Ms. Meng Lingjin, Mr. Liu Zhanwen, Mr. Zhang Yuexuan and Mr. Liu Enwang, as executive Directors; and Mr. Wan Ming, Mr. Ren Keqiang and Mr. Wong Tak Chun, as independent non-executive Directors.*

\* *English name is for identification purpose only.*