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## **TSIT WING INTERNATIONAL HOLDINGS LIMITED**

### **捷榮國際控股有限公司\***

*(Incorporated under the laws of Bermuda with limited liability)*

**(Stock Code: 2119)**

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

### **FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2025 amounted to HK\$789.2 million, representing an increase of 9.4% from HK\$721.1 million as compared to the year ended 31 December 2024.
- Gross profit for the year ended 31 December 2025 amounted to HK\$222.4 million, representing a decrease of 9.6% from HK\$246.0 million as compared to the year ended 31 December 2024.
- Gross profit margin decreased from 34.1% for the year ended 31 December 2024 to 28.2% for the year ended 31 December 2025.
- Profit for the year ended 31 December 2025 amounted to HK\$42.7 million, representing a decrease of 27.7% from HK\$59.1 million as compared to the year ended 31 December 2024.
- Net profit margin decreased from 8.2% for the year ended 31 December 2024 to 5.4% for the year ended 31 December 2025.

\* for identification purposes only

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Tsit Wing International Holdings Limited (the “**Company**”) presents the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the previous financial year as set out below.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
REVENUE	4	<b>789,157</b>	721,117
Cost of sales		<b><u>(566,744)</u></b>	<u>(475,157)</u>
Gross profit		<b>222,413</b>	245,960
Other income and gains, net	4	<b>4,256</b>	17,323
Selling and distribution expenses		<b>(98,650)</b>	(101,962)
General and administrative expenses		<b>(73,285)</b>	(80,784)
Other expenses, net		<b>(3,130)</b>	(4,717)
Finance costs	5	<b><u>(1,559)</u></b>	<u>(1,779)</u>
PROFIT BEFORE TAX	6	<b>50,045</b>	74,041
Taxation	7	<b><u>(7,317)</u></b>	<u>(14,950)</u>
PROFIT FOR THE YEAR		<b><u>42,728</u></b>	<u>59,091</u>
Attributable to:			
Owners of the parent		<b><u>42,728</u></b>	<u>59,091</u>
		<b><i>HK cents</i></b>	<i>HK cents</i>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	9	<b><u>5.93</u></b>	<u>8.20</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***Year ended 31 December 2025*

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<u>42,728</u>	<u>59,091</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>4,763</u>	<u>(4,008)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>4,763</u>	<u>(4,008)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>47,491</u></u>	<u><u>55,083</u></u>
Attributable to:		
Owners of the parent	<u><u>47,491</u></u>	<u><u>55,083</u></u>

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

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<b>206,106</b>	195,268
Investment properties	11	<b>1,097</b>	—
Deposits paid for purchases of items of property, plant and equipment		<b>6,718</b>	28,215
Prepayments, deposits and other receivables		<b>1,625</b>	1,773
Deferred tax assets		<b>1,105</b>	2,201
Total non-current assets		<b>216,651</b>	227,457
<b>CURRENT ASSETS</b>			
Inventories	12	<b>197,384</b>	164,260
Trade receivables	13	<b>114,182</b>	100,707
Derivative financial instruments		—	96
Prepayments, deposits and other receivables		<b>27,041</b>	17,205
Tax recoverable		<b>5,702</b>	—
Cash and cash equivalents		<b>153,274</b>	170,446
Total current assets		<b>497,583</b>	452,714
<b>CURRENT LIABILITIES</b>			
Trade payables	14	<b>95,842</b>	77,250
Accruals and other payables		<b>51,299</b>	50,091
Derivative financial instruments		<b>560</b>	—
Interest-bearing bank borrowings	15	<b>7,199</b>	4,013
Lease liabilities		<b>10,974</b>	11,869
Tax payable		<b>799</b>	1,483
Total current liabilities		<b>166,673</b>	144,706
<b>NET CURRENT ASSETS</b>		<b>330,910</b>	308,008
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>547,561</b>	535,465

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>7,365</b>	17,345
Deferred tax liabilities		<b>12,306</b>	8,459
		<hr/>	<hr/>
Total non-current liabilities		<b>19,671</b>	25,804
		<hr/>	<hr/>
Net assets		<b>527,890</b>	509,661
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	16	<b>72,073</b>	72,073
Reserves		<b>455,817</b>	437,588
		<hr/>	<hr/>
Total equity		<b>527,890</b>	509,661
		<hr/> <hr/>	<hr/> <hr/>

## NOTES:

### 1. CORPORATE AND GROUP INFORMATION

Tsit Wing International Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company is located at Flats F–J, 11th Floor, Block 1, Kwai Tak Industrial Centre, 15–33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. During the year, the Company’s subsidiaries were engaged in the following principal activities:

- processing and distribution of coffee, tea and related complementary products/services
- distribution of frozen food
- sale of coffee and tea machines and provision of coffee and tea machine solutions

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

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

These financial statements have been prepared under the historical cost convention except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

#### 2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and branches for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

### 3. OPERATING SEGMENT INFORMATION

Effective from the year of 2024, the Group revised the composition of its operating segment(s) to align with the changes made in the manner that the Chief Operating Decision Maker (“CODM”) reviews the Group’s operating results in assessing performance and making decisions about resource allocation. The CODM now assesses the Group’s performance as a whole as a result of the food products segment, involving in the distribution of frozen food, becoming less significant relative to the overall business of the Group. The Group’s resources are now integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

#### Geographical information

##### (a) Revenue from external customers

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Hong Kong	545,246	503,715
Chinese Mainland	227,338	200,455
Others	16,573	16,947
	<u>789,157</u>	<u>721,117</u>

The revenue information above is based on the locations of the customers.

##### (b) Non-current assets

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Hong Kong	139,419	143,649
Chinese Mainland	74,502	79,834
	<u>213,921</u>	<u>223,483</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

#### Information about a major customer

The Group’s revenues from sales to an external customer, which in aggregate exceeded 10% of the Group’s total revenue, amounted to HK\$237,179,000 for the year (2024: HK\$185,621,000).

#### 4. REVENUE, OTHER INCOME AND GAINS, NET

##### Revenue

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Types of goods or services</b>		
Sales of coffee, tea and other related complementary products and processing services	759,520	691,205
Sales of frozen food	6,087	8,012
Income from provision of coffee and tea machine solutions	<u>23,550</u>	<u>21,900</u>
Total revenue from contracts with customers	<u><u>789,157</u></u>	<u><u>721,117</u></u>
<b>Geographical markets</b>		
Hong Kong	545,246	503,715
Chinese Mainland	227,338	200,455
Others	<u>16,573</u>	<u>16,947</u>
Total revenue from contracts with customers	<u><u>789,157</u></u>	<u><u>721,117</u></u>
<b>Timing of revenue recognition</b>		
At a point in time	765,607	699,217
Over time	<u>23,550</u>	<u>21,900</u>
Total revenue from contracts with customers	<u><u>789,157</u></u>	<u><u>721,117</u></u>

##### Other income and gains, net

An analysis of other income and gains, net is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	3,538	5,240
Gains on disposal of assets classified as held for sale and items of property, plant and equipment, net*	—	11,624
Gross rental income from investment property operating leases	136	—
Others	<u>582</u>	<u>459</u>
	<u><u>4,256</u></u>	<u><u>17,323</u></u>

\* The amount comprises of gain on disposal of assets classified as held for sale of HK\$12,447,000 and loss on disposal of items of property, plant and equipment of HK\$823,000 during the year ended 31 December 2024.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	173	257
Interest on lease liabilities	1,386	1,522
	<u>1,559</u>	<u>1,779</u>

## 6. PROFIT BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold <sup>^</sup>	522,181	435,730
Depreciation <sup>^</sup> :		
Investment properties	201	—
Right-of-use assets	12,593	12,530
Other items of property, plant and equipment	24,232	25,351
	<u>37,026</u>	<u>37,881</u>
Lease payments not included in the measurement of lease liabilities	969	923
Foreign exchange differences, net*	530	1,428
Reversal of impairment of trade receivables*	(1,272)	(814)
Impairment of trade receivables*	703	803
Write-off of deposits paid for purchases of items of property, plant and equipment*	—	404
Write-off of trade receivables*	409	1,056
Employee benefit expenses (including directors' remuneration) <sup>^</sup> :		
Salaries, wages, fees, bonuses and other benefits	110,468	114,020
Pension scheme contributions (defined contributing schemes)	6,016	5,971
	<u>116,484</u>	<u>119,991</u>
Total	<u>116,484</u>	<u>119,991</u>
Write-down of inventories to net realisable value*	151	764
Write-off of inventories*	206	320
Loss/(gain) on disposal of assets classified as held for sale and items of property, plant and equipment, net	146*	(11,624) <sup>#</sup>
Losses on changes in fair value of derivative financial instruments, net*	2,257	756
	<u>2,257</u>	<u>756</u>

<sup>^</sup> The cost of sales for the year ended 31 December 2025 amounted to HK\$566,744,000 (2024: HK\$475,157,000), including, but not limited to, cost of inventories sold of HK\$522,181,000 (2024: HK\$435,730,000), depreciation charge of HK\$17,065,000 (2024: HK\$15,785,000) and employee benefit expenses of HK\$14,948,000 (2024: HK\$13,317,000).

<sup>#</sup> These amounts are included in "Other income and gains, net" on the face of the consolidated statement of profit or loss.

\* These amounts are included in "Other expenses, net" on the face of the consolidated statement of profit or loss.

## 7. TAXATION

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable in the Chinese Mainland have been provided at the rate of 25% (2024: 25%).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	2,216	8,401
Overprovision in prior years	(503)	(50)
Current — Chinese Mainland		
Charge for the year*	748	5,714
Deferred	4,856	885
	<u>7,317</u>	<u>14,950</u>

\* During the year ended 31 December 2025, a 5% withholding income tax amounting to nil (2024: HK\$3,544,000) was levied in respect of dividend distribution arising from profits of a subsidiary established in the Chinese Mainland.

## 8. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends recognised as distributions during the reporting period:		
2023 final dividend — HK2.22 cents per ordinary share	—	16,000
2024 interim dividend — HK2.76 cents per ordinary share	—	19,892
Special dividend — HK13.87 cents per ordinary share	—	99,966
2024 final dividend — HK2.16 cents per ordinary share	15,568	—
2025 interim dividend — HK1.90 cents per ordinary share	13,694	—
	<u>29,262</u>	<u>135,858</u>
Dividend proposed after the end of the reporting period:		
Proposed final dividend — HK1.36 cents (2024: HK2.16 cents) per ordinary share	<u>9,802</u>	<u>15,563</u>

The proposed final dividend for the year ended 31 December 2025 has been calculated by reference to 720,731,512 shares in issue on 12 March 2026 and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the year ended 31 December 2025 is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 720,731,512 (2024: 720,731,512) outstanding during the year.

Basic and diluted earnings per share are the same as there were no outstanding share options or other dilutive instruments during the years ended 31 December 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>42,728</u>	<u>59,091</u>
	<i>'000</i>	<i>'000</i>
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year, used in the basic and diluted earnings per share calculations	<u>720,732</u>	<u>720,732</u>

## 10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, the Group acquired property, plant and equipment of HK\$46,097,000 (2024: HK\$24,885,000) and recognised right-of-use assets of HK\$1,019,000 (2024: HK\$24,252,000).

## 11. INVESTMENT PROPERTIES

During the year ended 31 December 2025, there was a transfer from owner-occupied buildings with net book value of HK\$1,097,000 (2024: Nil) to investment properties.

The Group's investment properties consist of three units of a commercial property in the Chinese Mainland. The Directors have determined that the investment properties are commercial properties, based on the nature, characteristics and risks of each property.

Investment properties are stated at cost less accumulated depreciation and impairment losses. The investment properties are leased to a third party under an operating lease. The lease runs for a period of 3 years, with an option to renew the lease after that date at which time all terms are renegotiated. The term of the lease requires the tenant to pay security deposits.

## 12. INVENTORIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	121,722	106,966
Work-in-progress	1,097	340
Finished goods	74,565	56,954
	<u>197,384</u>	<u>164,260</u>

## 13. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	116,625	106,206
Impairment	(2,443)	(5,499)
	<u>114,182</u>	<u>100,707</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where the Group normally requires cash on delivery. The credit periods generally range from 30 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	106,946	95,102
31 to 60 days	6,181	3,716
61 to 90 days	590	1,425
91 to 120 days	294	250
121 to 180 days	137	96
Over 180 days	34	118
	<u>114,182</u>	<u>100,707</u>

#### 14. TRADE PAYABLES

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	<b>94,583</b>	75,406
1 to 2 months	<b>1,219</b>	849
2 to 3 months	<b>22</b>	13
Over 3 months	<b>18</b>	982
	<u><b>95,842</b></u>	<u>77,250</u>

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days.

#### 15. INTEREST-BEARING BANK BORROWINGS

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current</b>		
Trust receipt loans — unsecured	<u><b>7,199</b></u>	<u>4,013</u>

#### 16. ISSUED CAPITAL

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Authorised:</b>		
2,000,000,000 ordinary shares of HK\$0.10 each	<u><b>200,000</b></u>	<u>200,000</u>
<b>Issued and fully paid:</b>		
720,731,512 (2024: 720,731,512) ordinary shares of HK\$0.10 each	<u><b>72,073</b></u>	<u>72,073</u>

## 17. SHARE OPTION SCHEMES

The Company operates a pre-initial public offering share option scheme (the “**Pre-IPO Share Option Scheme**”) and a share option scheme (the “**Share Option Scheme**”) (collectively, the “**Schemes**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The principal terms of the Pre-IPO Share Option Scheme are similar to the terms of the Share Option Scheme except that (i) no further options could be granted under the Pre-IPO Share Option Scheme established prior to the date on which the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), i.e., 11 May 2018 (the “**Listing Date**”) (the “**Listing**”); and (ii) the exercise price and the exercise period of the share options are different. Details of the Schemes are set out in the prospectus dated 30 April 2018 issued by the Company in relation to the listing of its shares on the Stock Exchange.

Eligible participants of the Schemes include, the Company’s executive directors and other employees of the Group. The Schemes were approved and adopted on 15 December 2017.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings of the Company.

### **Share Option Scheme**

Subject to the terms of the Share Option Scheme and the Listing Rules, the Board has the sole discretion to determine the vesting period(s), schedule and conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of option to any participant, which shall be specified in the relevant grant letter.

No options were granted or agreed to be granted under the Share Option Scheme since its adoption.

The Share Option Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Listing Date.

### **Pre-IPO Share Option Scheme**

Options under the Pre-IPO Share Option Scheme were only allowed prior to the Listing Date pursuant to the terms thereof. For the share options granted under the Pre-IPO Share Option Scheme which had not been exercised before 10 May 2021 (being the day immediately before the third anniversary of the Listing Date) such options were already forfeited or lapsed in all on 10 May 2021 pursuant to the terms of the Pre-IPO Share Option Scheme. As such, the Company had no share options outstanding under the Pre-IPO Share Option Scheme as at 1 January and 31 December 2025. The Pre-IPO Share Option Scheme terminated with effect from 15 August 2025.

## 18. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in this announcement, the Group had the following transactions with related parties based on terms agreed with respective parties during the year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Purchase of goods via a supply chain service provider (note 1) engaged by a third party supplier	—	21,097
Purchase of goods via a distributor (note 2)	1,540	1,963
Logistics and storage costs charged by a warehouse and logistics service provider (note 3)	1,069	1,249
Original equipment manufacturing processing income from a coffee and tea manufacturer (note 4)	3,367	2,557
	<u>3,367</u>	<u>2,557</u>

*Notes:*

1. The supply chain service provider engaged is a related company of a substantial shareholder of the Company.
  2. The distributor is a related company of a substantial shareholder of the Company.
  3. The warehouse and logistics service provider is a related company of a substantial shareholder of the Company.
  4. The coffee and tea manufacturer is a related company of a substantial shareholder of the Company.
- (b) **Compensation of key management personnel of the Group**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Short term employee benefits and other benefits	15,649	15,330
Pension scheme contribution (defined contribution schemes)	964	927
	<u>16,613</u>	<u>16,257</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

2025 presented another challenging year for the Group under the rapidly evolving macroeconomic environment. The persistent market involution and strained household spending in the People's Republic of China (“**PRC**”), coupled with a stagnant local economy in Hong Kong facing ever increasing northbound spending directly weighed on the Group's overall performance. The record high in coffee commodity prices further imposed challenges to the costs management of the Group.

With the Group's agility to adapt, it had a year-on-year increase of HK\$41.6 million or 8.3% in revenue amid the sluggish F&B market in Hong Kong. This performance demonstrated the strong resilience of the Group and reinforced the Group's leading position in Hong Kong's B2B coffee market equipped with a stronger foothold for sustainable development and expansion of the Group.

In the PRC, the competition in the coffee retail segment intensified, particularly due to aggressive pricing strategies adopted by the major retail chains. Another competition was reflected in intense expansion of coffee roasting factories. In response, the Group diligently makes endeavour to maintain quality customers and prudently manage the receivables, while making continuing effort in maximizing efficiency through strategic restructuring and automation aiming to enhance the profit margin.

### **REVENUE BY GEOGRAPHIC LOCATIONS**

#### **Hong Kong**

For the year ended 31 December 2025, revenue generated in Hong Kong increased by HK\$41.6 million, or 8.3%, from HK\$503.7 million for the year ended 31 December 2024 to HK\$545.3 million for the year ended 31 December 2025. The increase in revenue generated in Hong Kong was primarily because of the increase in revenue from coffee products generated in Hong Kong, which was mainly attributable to the selling price adjustments in response to the significant increase in coffee bean commodity price.

#### **Chinese Mainland**

For the year ended 31 December 2025, revenue generated in the Chinese Mainland increased by HK\$26.8 million, or 13.4%, from HK\$200.5 million for the year ended 31 December 2024 to HK\$227.3 million for the year ended 31 December 2025. The increase in revenue was primarily due to the increase in the selling price of coffee products.

## **Others**

In addition, the Group also sells a small portion of our products to Macau and other overseas regions including the United States, Australia, Canada, Malaysia, Guam, Singapore and Taiwan through distributors. For the year ended 31 December 2025, revenue generated in other markets decreased by HK\$0.3 million, or 1.8%, from HK\$16.9 million for the year ended 31 December 2024 to HK\$16.6 million for the year ended 31 December 2025. The decrease in revenue was primarily as a result of decrease in sales in Macau.

## **BUSINESS PROSPECT**

The escalating geopolitical tensions, ongoing trade disputes, and persistent market volatility continue to pose significant challenges in 2026. The Group remains acutely aware of these dynamics and anticipates that the market environment will remain complex in the near term, requiring careful and strategic navigation of the evolving business landscape.

The Group will nevertheless strive to further solidify its position in Hong Kong as a dominant player for the coffee processing and distribution by firming its footing with existing core QSRs and tea bistros, and concurrently expanding into newer emerging channels such as 2-dish combo outlets, cafes and office. Leveraging the Group's expertise, the Group plans to boost sales of tea products with higher profit margins.

To address the unique operational challenges in the PRC, the Group plans to prioritize profit margins over sales volume as a strategic response to ongoing price wars. Efforts to streamline operations will be continued through a comprehensive overhaul of both frontline and backend functions. Additionally, the Group will seek to expand its client base for tea product lines by leveraging its production expertise, while continuing to ensure that the needs of existing core coffee clients are fully met.

Looking ahead, the Group will continue to adhere to a prudent and proactive approach to its business operations and development. The Group will continue to strengthen its market position through strategic initiatives while maintaining stringent cost control measures to navigate through these headwinds to ensure sustainable value creation for the shareholders and investors of the Company.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by HK\$68.1 million, or 9.4%, from HK\$721.1 million for the year ended 31 December 2024 to HK\$789.2 million for the year ended 31 December 2025. The increase was primarily due to the increase in revenue derived from the coffee products in Hong Kong, which was mainly attributable to the selling price adjustments in response to the significant increase in coffee bean commodity price.

## **Cost of Sales**

The Group's cost of sales increased by HK\$91.5 million, or 19.3%, from HK\$475.2 million for the year ended 31 December 2024 to HK\$566.7 million for the year ended 31 December 2025. The increase in the cost of sales was primarily a result of the increase in raw material costs for the coffee products, which in turn was mainly caused by the surge in coffee bean commodity price.

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

The Group's gross profit decreased by HK\$23.6 million, or 9.6%, from HK\$246.0 million for the year ended 31 December 2024 to HK\$222.4 million for the year ended 31 December 2025. The Group's gross profit margin decreased from 34.1% for the year ended 31 December 2024 to 28.2% for the year ended 31 December 2025.

## **Other Income and Gains, Net**

The Group's other income and gains, net decreased by HK\$13.0 million from HK\$17.3 million for the year ended 31 December 2024 to HK\$4.3 million for the year ended 31 December 2025. The decrease was primarily due to the absence of the one-off gain on disposal of HK\$12.4 million from the disposal of assets classified as held for sale.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by HK\$3.3 million, or 3.2%, from HK\$102.0 million for the year ended 31 December 2024 to HK\$98.7 million for the year ended 31 December 2025, primarily due to the decrease in staff costs and reduced marketing and promotion in response to compressed gross profit margins.

## **General and Administrative Expenses**

The Group's general and administrative expenses decreased by HK\$7.5 million, or 9.3%, from HK\$80.8 million for the year ended 31 December 2024 to HK\$73.3 million for the year ended 31 December 2025. The decrease was primarily a result of the decrease in staff costs and depreciation.

## **Other Expenses, Net**

The Group's other expenses, net decreased by HK\$1.6 million, or 34.0% from HK\$4.7 million for the year ended 31 December 2024 to HK\$3.1 million for the year ended 31 December 2025. The decrease was primarily a result of the decrease in losses on foreign exchanges and write-off of trade receivables.

## **Finance Costs**

The Group's finance costs decreased by HK\$0.2 million, or 11.1%, from HK\$1.8 million for the year ended 31 December 2024 to HK\$1.6 million for the year ended 31 December 2025. The decrease was primarily the result of the decrease in interest on lease liabilities.

## **Taxation**

The Group's taxation decreased by HK\$7.7 million, or 51.3%, from HK\$15.0 million for the year ended 31 December 2024 to HK\$7.3 million for the year ended 31 December 2025, mainly due to the decrease in profit before tax of the Group and the absence of a withholding tax of 5% which was levied on the dividend distribution arising from profits of a foreign investment enterprise established in the Chinese Mainland during the year. The Group's effective income tax rate therefore decreased from 20.2% for the year ended 31 December 2024 to 14.6% for the year ended 31 December 2025.

## **Profit For The Year and Net Profit Margin**

The Group's profit for the year decreased by HK\$16.4 million, or 27.7%, from HK\$59.1 million for the year ended 31 December 2024 to HK\$42.7 million for the year ended 31 December 2025. The Group's net profit margin decreased from 8.2% for the year ended 31 December 2024 to 5.4% for the year ended 31 December 2025.

## **Capital Expenditure and Commitments**

During the year ended 31 December 2025, the Group recorded additions of property, plant and equipment of HK\$46.1 million (2024: HK\$24.9 million). A substantial portion of the Group's capital expenditure for the year ended 31 December 2025 was in relation to (i) purchase of coffee and tea machines for leasing to the Group's customers, (ii) production machineries and (iii) enhancement of facilities.

As at 31 December 2025, the Group had capital commitments of HK\$4.0 million (2024: HK\$5.0 million), mainly comprising the amounts related to contracts of capital expenditure in the coffee roasting and packaging system.

## **Borrowings**

As at 31 December 2025, the Group had total interest-bearing bank borrowings of HK\$7.2 million (2024: HK\$4.0 million).

## **Contingent Liabilities**

During the years ended 31 December 2025 and 2024, the Group was not able to obtain the real estate ownership certificates for two warehouses located in the Chinese Mainland with costs of approximately HK\$0.7 million and HK\$0.6 million, respectively. These two warehouses were fully depreciated in prior years. As the Group completed the construction of the relevant warehouses and commenced usage without obtaining the necessary construction planning permit and construction commencement permit prior to the construction and did not complete the filing of the necessary construction completion reports with the relevant authorities, the Group may be requested by the relevant authorities to demolish the construction and can be subject to a maximum penalty amounting to approximately RMB1.3 million (equivalent to approximately HK\$1.5 million) (2024: approximately RMB1.3 million (equivalent to approximately HK\$1.4 million)). Having considered the current practice of the relevant authorities and the advice from the Group's legal counsel, the Directors believe that it is not probable that the relevant authorities will impose the penalty. In addition, the Directors considered the cost of demolishment of the two warehouses is not material to the Group. Accordingly, no provision for the relevant liability has been made.

## **Litigation Matter**

In April 2020, the Group filed a legal action against two third parties in the Chinese Mainland for infringement of trademark and improper competition. In July 2022, the Group received a favorable judgement from the People's Court of Shanghai Pudong New Area, the PRC. The third party later filed a petition for appeal against the first instance judgement, and the appeal has been dismissed by the appellate court. As of the date of this announcement, the second instance judgement has been duly served to all parties, and shall be final and become legally effective upon service. The Group is now applying to the court for enforcement of the judgement in this case to recover compensation from the defendants.

## **Gearing Ratio**

As at 31 December 2025, on the basis of total interest-bearing bank borrowings divided by equity attributable to owners of the parent, the Group's gearing ratio was 1.4% (2024: 0.8%). The increase in gearing ratio was mainly due to an increase in the outstanding balance of interest-bearing bank borrowings.

## **Foreign Currency Risk**

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases by operating units in currencies other than the unit's functional currencies. The majority of the Group's foreign currency purchase transactions are denominated in the United States dollars. On the other hand, the Group's sales are mainly denominated in Hong Kong dollars and Renminbi. The management is closely monitoring foreign exchange exposures of the Group. The Group will consider adopting a foreign currency hedging policy for significant foreign currency exposures should the need arise.

## **Interest Rate Risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rate. The Group monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

## **Credit Risk**

The Group trades on credit terms only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

## **Liquidity Risk**

The Group's objective is to ensure there are adequate funds to meet its liquidity requirements in the short and longer terms. In the management of liquidity risk, the Group has been maintaining a cash pooling system where excess liquidity is equalised internally through inter-group accounts. Depending on the specific requirements of each funding agreement, funding for the Group's operating companies may be sourced directly from the Group's bankers or indirectly through the Company.

## **HUMAN RESOURCES**

As at 31 December 2025, the Group employed 199 and 175 (2024: 198 and 176) employees in Hong Kong and the Chinese Mainland, respectively.

Remuneration packages are generally structured with reference to qualifications, experience, performance and market terms. The Company has also adopted share option scheme to motivate valued employees.

During the year ended 31 December 2025, the Group provided various trainings to its employees ranging from operation skills such as occupational safety training and machine control training to professional knowledge including management systems and business knowledge, to ensure the effective implementation of the Group's business strategy.

## **DIVIDEND**

The Board has proposed the payment of a final dividend of HK1.36 cents per ordinary share in respect of the year ended 31 December 2025 (2024: HK2.16 cents per ordinary share), to shareholders whose names appear on the register of members of the Company on Wednesday, 6 May 2026. The total payout will amount to HK\$9.8 million (2024: HK\$15.6 million) based on 720,731,512 Shares outstanding on 12 March 2026. The proposed dividend will be paid on or before Thursday, 21 May 2026, subject to approval of the Company's shareholders at the forthcoming annual general meeting of the Company (the "AGM").

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 23 April 2026 to Tuesday, 28 April 2026, both days inclusive, during which period no transfer of Shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be Tuesday, 28 April 2026. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 22 April 2026.

In addition, in order to determine the entitlement of the shareholders to receive the proposed final dividend, if approved, the register of members of the Company will be closed on Wednesday, 6 May 2026, during which no transfer of Shares will be registered. The record date for entitlement to the proposed final dividend is Wednesday, 6 May 2026. In order to be eligible to receive the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 5 May 2026.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “**Audit Committee**”) with terms of reference in compliance with Rules 3.21 and 3.22 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and code provision D.3 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”). The Audit Committee consists of three independent non-executive Directors, namely Mr. Tang Kwai Chang (Chairman), Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy. The Audit Committee reviewed with the management the accounting policies and practices adopted by the Company and discussed the auditing, internal control and financial reporting matters.

The Audit Committee has reviewed the Group’s consolidated financial statements and annual results for the year ended 31 December 2025. The Audit Committee is of the view that the financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosures have been made.

## **SCOPE OF WORK OF THE COMPANY’S AUDITORS IN RESPECT OF THIS PRELIMINARY ANNOUNCEMENT**

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

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

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury shares) during the period from 1 January 2025 and up to the date of this announcement. As at 31 December 2025, the Company did not hold any treasury shares.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company maintained a sufficient public float of the issued Shares (i.e., at least 25% of the issued Shares in the public hands) as required under the Listing Rules.

## **EVENTS AFTER THE REPORTING PERIOD**

The Directors are not aware of any significant event requiring disclosure in this announcement that has taken place subsequent to 31 December 2025 and up to the date of this announcement.

## **ANNUAL GENERAL MEETING**

The AGM will be held on 28 April 2026, for the purpose of, among other things, approving the payment for a final dividend of HK1.36 cents per ordinary share. For details of the AGM, please refer to the Notice of AGM, which will be published and issued to the shareholders in due course.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to striving for good corporate governance practices and emphasising on transparency and accountability to its shareholders and stakeholders for enhancing investor confidence.

The Company has complied with the code provisions as set out in the CG Code (to the extent that such provisions are applicable) during the year ended 31 December 2025, ensuring that the Company is up to the requirements as being diligent, accountable and professional, except for a deviation from code provision C.2.1 of the CG Code in respect of the roles of chairman and chief executive officer of the Company.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Tat Tong (“**Mr. Wong**”) is currently the chairman of the Board and the chief executive officer of the Company, responsible for formulating the overall business development strategy and planning of the Group. In view of Mr. Wong having been responsible for the overall management of the Group since 1978, the Board considered that vesting the roles of chairman and chief executive officer in the same person facilitates the execution of the Company’s business strategies and maximises the effectiveness of its operations.

The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstances arise. There are three independent non-executive Directors in the Board, each of them possesses adequate level of independence with diverse background and experience, and therefore the Board considers the Company has achieved a balance of power and authority, accountability and independent decision-making under the present arrangement and provided sufficient protection to its and its shareholders’ interests. Further, the Audit Committee has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Group has adopted its own Securities Dealing Code (the “Code”) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix C3 to the Listing Rules. The Code is also applicable to the specified group of employees who may possess or have access to price sensitive information. Specific enquiries were made to all Directors, and all Directors have confirmed compliance with the required standards set out in the Code throughout the year ended 31 December 2025.

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

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

## **APPRECIATION**

On behalf of the Board, I would like to thank the shareholders, customers and business partners for their ongoing support, and our Directors, management and employees for their dedication and contributions to our progress.

By order of the Board  
**Tsit Wing International Holdings Limited**  
**Mr. Wong Tat Tong**  
*Chairman and Executive Director*

Hong Kong, 12 March 2026

*As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Mr. Wong Tat Tong, Ms. Fan Yee Man and Mr. Kam Chun Pong Bernard. The non-executive Directors are Ms. Yeung Po Yan and Mr. Ho Hung Wai. The independent non-executive Directors are Mr. Tang Kwai Chang, Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy.*