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雲白國際有限公司
YNBY International Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 00030)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of YNBY International Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the corresponding period of the last financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$	2024 HK\$
Revenue	4	1,108,176,541	754,930,252
Cost of sales		(1,056,876,705)	(688,915,550)
Gross profit		51,299,836	66,014,702
Other income, gains and losses		1,925,477	(111,573)
Net (allowance)/reversal of allowance for expected credit losses (“ ECL ”)		(954,618)	327,956
Selling and distribution costs		(11,460,062)	(8,596,999)
Administrative expenses		(30,895,111)	(31,029,064)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$	2024 <i>HK\$</i>
Profit from operations		9,915,522	26,605,022
Finance costs	6	(351,169)	(2,715,935)
Share of loss of a joint venture		<u>—</u>	<u>(5,334)</u>
Profit before tax	7	9,564,353	23,883,753
Income tax expense	9	<u>(4,984,324)</u>	<u>(5,763,482)</u>
Profit for the year attributable to owners of the Company		<u>4,580,029</u>	<u>18,120,271</u>
Other comprehensive income/(expenses)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>1,791,850</u>	<u>(1,334,634)</u>
Total comprehensive income for the year attributable to owners of the Company		<u>6,371,879</u>	<u>16,785,637</u>
Earnings per share attributable to ordinary equity owners of the Company			
	10		
Basic (HK cents per share)		<u>0.06</u>	<u>0.27</u>
Diluted (HK cents per share)		<u>0.05</u>	<u>0.23</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 HK\$	2024 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		2,406,625	3,116,483
Right-of-use assets		8,082,123	10,362,478
Investment in a joint venture		–	10,593
Deferred tax asset		<u>1,124,631</u>	<u>–</u>
		<u>11,613,379</u>	<u>13,489,554</u>
Current assets			
Inventories		3,517,243	7,019,811
Trade receivables	<i>11</i>	348,779,332	114,871,673
Loan and interest receivables		–	–
Other receivables, deposits and prepayments		29,718,936	11,327,644
Tax recoverable		989,449	8,789,697
Cash and cash equivalents		<u>198,007,251</u>	<u>212,482,172</u>
		<u>581,012,211</u>	<u>354,490,997</u>
Current liabilities			
Trade and other payables	<i>12</i>	193,249,034	61,272,089
Contract liabilities		2,154,448	1,791,573
Amount due to a shareholder		27,947,524	30,946,177
Bank borrowings		–	2,159,734
Lease liabilities		4,106,182	3,937,541
Tax payable		<u>1,673,938</u>	<u>–</u>
		<u>229,131,126</u>	<u>100,107,114</u>
Net current assets		<u>351,881,085</u>	<u>254,383,883</u>
Total assets less current liabilities		<u>363,494,464</u>	<u>267,873,437</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2025*

	<i>Notes</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Non-current liabilities			
Lease liabilities		4,017,802	6,432,959
Other payables	<i>12</i>	1,500,000	1,500,000
		5,517,802	7,932,959
NET ASSETS		357,976,662	259,940,478
Capital and reserves			
Share capital		75,999,142	67,999,142
Reserves		281,977,520	191,941,336
TOTAL EQUITY		357,976,662	259,940,478

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is at 32/F, Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Yunnan Baiyao Group Co., Limited ("**Yunnan Baiyao Group**"), a company incorporated in China and listed on The Shenzhen Stock Exchange, is the ultimate holding company of the Company.

The principal activity of the Company is investment holding. The Group is principally engaged in trading of goods and commodities.

2. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

During the year ended 31 December 2025 (the "**Reporting Period**"), the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest dollar except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of key assumptions and estimates. It also requires the management of the Group to exercise their judgements in the process of applying the accounting policies.

4. REVENUE

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Trading of goods and commodities	<u>1,108,176,541</u>	<u>754,930,252</u>

Disaggregation of revenue from contracts with customers:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Geographical markets		
Hong Kong	695,047,017	329,338,814
The People’s Republic of China (the “ PRC ”)	378,057,805	391,016,876
Others	<u>35,071,719</u>	<u>34,574,562</u>
Total	<u>1,108,176,541</u>	<u>754,930,252</u>

Timing of revenue recognition

At a point in time	<u>1,108,176,541</u>	<u>754,930,252</u>
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4. REVENUE (Continued)

General trading

The Group sells goods and other commodities to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

5. SEGMENT INFORMATION

Information reported to the executive directors and senior management, being the chief operating decision maker, the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group. Specifically, the Group's reportable operating segments under HKFRS 8 are (i) trading of goods and commodities; and (ii) other segment engages in the provision of marketing services, product registration services and sourcing of OEM/ODM services.

(a) Segment revenue and results

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

	Trading of goods and commodities	Others	Total
	<i>HK\$</i>	<i>(Note)</i> <i>HK\$</i>	<i>HK\$</i>
Year ended 31 December 2025			
Revenue			
External sales	<u>1,108,176,541</u>	–	<u>1,108,176,541</u>
Segment result	<u>39,333,413</u>	–	<u>39,333,413</u>
Year ended 31 December 2024			
Revenue			
External sales	<u>754,930,252</u>	–	<u>754,930,252</u>
Segment result	<u>54,452,940</u>	–	<u>54,452,940</u>

Note: The Group retained the capacity of provision of marketing service, products registration services and sourcing of OEM/ODM service during the years ended 31 December 2025 and 2024.

5. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Segment result	39,333,413	54,452,940
Unallocated income, gains and losses	1,156,224	(50,481)
Unallocated expenses	<u>(30,574,115)</u>	<u>(27,797,437)</u>
Profit from operations	9,915,522	26,605,022
Finance costs	(351,169)	(2,715,935)
Share of loss of a joint venture	<u>—</u>	<u>(5,334)</u>
Profit before tax	9,564,353	23,883,753
Income tax expense	<u>(4,984,324)</u>	<u>(5,763,482)</u>
Profit for the year	<u><u>4,580,029</u></u>	<u><u>18,120,271</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profits earned from each segment without allocation of certain items, mainly comprising interest revenue, depreciation, central administration costs, directors' and chief executives' salaries, finance costs and share of loss of a joint venture. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

5. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

	Trading of goods and commodities <i>HK\$</i>	Total <i>HK\$</i>
As at 31 December 2025		
Segment assets	575,468,590	575,468,590
Unallocated assets		<u>17,157,000</u>
		<u><u>592,625,590</u></u>
Segment liabilities	(194,114,559)	(194,114,559)
Unallocated liabilities		<u>(40,534,369)</u>
		<u><u>(234,648,928)</u></u>
As at 31 December 2024		
Segment assets	312,287,211	312,287,211
Unallocated assets		<u>55,693,340</u>
		<u><u>367,980,551</u></u>
Segment liabilities	(61,261,765)	(61,261,765)
Unallocated liabilities		<u>(46,778,308)</u>
		<u><u>(108,040,073)</u></u>

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

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain right-of-use assets, investment in a joint venture, certain other receivables, deferred tax assets, deposits and prepayments, certain bank balances and cash and tax recoverable which are managed on a group basis.
- all liabilities are allocated to reportable and operating segments other than certain other payables, amount due to a shareholder, certain lease liabilities and tax payable which are managed on a group basis.

5. SEGMENT INFORMATION (Continued)

(c) Other segment information

	Trading of goods and commodities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Year ended 31 December 2025			
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation of property, plant and equipment	18,936	859,281	878,217
Depreciation of right-of-use assets	468,474	3,644,726	4,113,200
Additions to non-current assets (<i>Note</i>)	2,053,550	61,383	2,114,933
Bank interest income	(313,126)	(1,192,715)	(1,505,841)
Allowance for ECL on trade receivables	954,618	–	954,618
	<u> </u>	<u> </u>	<u> </u>
	Trading of goods and commodities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Year ended 31 December 2024			
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation of property, plant and equipment	6,506	892,343	898,849
Depreciation of right-of-use assets	370,239	3,775,544	4,145,783
Additions to non-current assets (<i>Note</i>)	410,681	95,130	505,811
Bank interest income	(128,460)	(159,303)	(287,763)
Reversal of allowance for ECL on loan and interest receivables	–	(327,956)	(327,956)
	<u> </u>	<u> </u>	<u> </u>

Note: Non-current assets excluded deferred tax assets and investment in a joint venture.

5. SEGMENT INFORMATION (Continued)

(d) Geographic information

The Group's operations are mainly located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding investment in a joint venture, deferred tax assets is presented based on the geographical location of the assets.

	Revenue		Non-current assets	
	2025	2024	2025	2024
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Hong Kong	695,047,017	329,338,814	8,581,120	13,023,748
PRC (excluding Hong Kong)	378,057,805	391,016,876	1,907,628	426,647
Others	35,071,719	34,574,562	–	28,566
	<u>1,108,176,541</u>	<u>754,930,252</u>	<u>10,488,748</u>	<u>13,478,961</u>

(e) Revenue from major customers:

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Customer A ^{1,2}	329,558,017	116,451,774
Customer B ^{1,3}	191,567,193	182,821,804
Customer C ^{1,2}	163,800,553	–

¹ Revenue from trading of goods and commodities.

² Customer A and C were independent third parties of the Group.

³ Customer B was the Company's fellow subsidiary.

6. FINANCE COSTS

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Effective interest expenses on convertible bond	–	1,975,941
Interest expenses on bank borrowings	18,046	282,375
Interest expenses on lease liabilities	333,123	457,619
	<hr/>	<hr/>
Total	351,169	2,715,935
	<hr/> <hr/>	<hr/> <hr/>

7. PROFIT FOR THE YEAR

The Group's profit for the year is stated at after charging/(crediting) the following:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Auditors' remuneration		
– audit service	1,800,000	1,900,000
– non-audit service	380,000	400,000
Cost of inventories sold	1,056,876,705	688,915,550
Depreciation of right-of-use assets	4,113,200	4,145,783
Depreciation of property, plant and equipment	878,217	898,849
Allowance for ECL on trade receivables	954,618	–
Reversal of allowance for ECL on loan and interest receivables	–	(327,956)
Staff costs (including directors' remuneration)	20,622,380	17,195,718
Expenses relating to short-term lease	293,636	530,403
	<hr/> <hr/>	<hr/> <hr/>

8. DIVIDEND

The board of the directors do not recommend the payment of any dividend in respect of the year ended 31 December 2025, nor has any dividend been proposed since the end of the Reporting Period (2024: nil).

9. INCOME TAX EXPENSE

	2025 HK\$	2024 HK\$
Current tax – PRC Enterprise Income Tax (“EIT”)		
Charge for the year	5,457,565	5,246,682
Under provision in prior year	343,492	516,800
	<u>5,801,057</u>	<u>5,763,482</u>
Current tax – Hong Kong Profits Tax		
Charge for the year	<u>307,898</u>	–
Deferred tax	<u>(1,124,631)</u>	–
	<u>4,984,324</u>	<u>5,763,482</u>

(a) Hong Kong profits tax:

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(b) The PRC enterprise income tax:

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% during the Reporting Period (2024: 25%). Certain subsidiaries were qualified as “small Low-profit Enterprise” and entitled to a tax relief policy. The portion of annual taxable income amount of a small Low-profit Enterprise which does not exceed RMB3 million, shall be computed at a reduced rate of 25% as taxable income amount, and be subject to enterprise income tax at 20% tax rate.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE COMPANY

Basic earnings per share

Basic earnings per share is calculated based on the profit for the year attributable to ordinary equity owners of the Company of HK\$4,580,029 (2024: HK\$18,120,271) and on the weighted average number of 7,290,873,064 (2024: 6,799,914,160) ordinary shares.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE COMPANY (Continued)

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2025 is based on the profit for the year attributable to ordinary equity owners of the Company of HK\$4,580,029 (2024: HK\$19,770,182) and on the weighted average number of 9,228,857,560 (2024: 8,737,898,656) ordinary shares.

The calculation of the basic and diluted earnings per share is based on the following:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Earnings		
Earnings for the purpose of calculating basic earnings per share	4,580,029	18,120,271
Finance costs saving after tax on conversion of convertible bond outstanding	—	1,649,911
	<u> </u>	<u> </u>
Earnings for the purpose of calculating diluted earnings per share	4,580,029	19,770,182
	<u> </u>	<u> </u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	7,290,873,064	6,799,914,160
Effect of dilutive potential ordinary shares arising from convertible bond outstanding	1,937,984,496	1,937,984,496
	<u> </u>	<u> </u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	9,228,857,560	8,737,898,656
	<u> </u>	<u> </u>

11. TRADE RECEIVABLES

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Trade receivables	349,734,121	114,871,673
Provision for loss allowance	(954,789)	—
	<u>348,779,332</u>	<u>114,871,673</u>

Trade receivables in relation to trading of goods and commodities are granted credit period generally ranging from 30 to 90 days (2024: 90 days). At 31 December 2025, the balance of trade receivables (net of allowance for ECL) from a fellow subsidiary was HK\$24,835,996 (2024: HK\$29,499,089).

The following is an ageing analysis of the Group's trade receivables (before allowance for ECL) presented based on the invoice date at the end of the reporting period:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
0 to 90 days	323,068,995	111,298,165
91 to 180 days	22,564,061	3,573,508
Over 365 days	4,101,065	—
	<u>349,734,121</u>	<u>114,871,673</u>

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Trade payables (<i>Note</i>)	189,312,255	50,214,610
Other payables and accrued charges	<u>5,436,779</u>	<u>12,557,479</u>
	<u>194,749,034</u>	<u>62,772,089</u>
The total is analysed for reporting purposes as:		
Current	193,249,034	61,272,089
Non-current	<u>1,500,000</u>	<u>1,500,000</u>
	<u>194,749,034</u>	<u>62,772,089</u>

The non-current amount is related to the provision for reinstatement cost of leased office, on which the tenancy will expire in two years.

Note: The credit period for trade payables ranging from 0 to 90 days (2024: 45 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame. At 31 December 2025, the balance of trade payables to Yunnan Baiyao Group was nil (2024: HK\$6,694,761).

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

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
0 to 30 days	169,341,722	50,207,562
31 to 60 days	19,963,485	—
Over 90 days	<u>7,048</u>	<u>7,048</u>
	<u>189,312,255</u>	<u>50,214,610</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

BUSINESS REVIEW

During the year ended 31 December 2025 (“FY2025”), the Group has been principally engaged in the trading of goods and commodities business, which mainly comprises e-commerce and general trading business and raw materials trading business, and provision of professional services, which include the product registration and promotion services. The Group’s operations are divided into (i) the trading of goods and commodities business, encompassing (a) e-commerce and general trading business, (b) raw material trading business for healthcare products in the People’s Republic of China (the “PRC”), and (c) distribution of certain products (“YNBY Products”) manufactured and branded by the Company or the Company’s controlling shareholder Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司) (“Yunnan Baiyao Group”) to overseas markets; and (ii) other segment, mainly providing marketing services, product registration services, and sourcing for OEM/ODM services.

Trading of goods and commodities segment

The trading of goods and commodities segment refers to (i) e-commerce and general trading business, (ii) raw materials trading business for healthcare products which includes the sourcing of packaging materials, pharmacy and cosmetics materials, plant extracts, etc. and then reselling of the products to the PRC corporate customers that are engaged in the manufacturing of cosmetics and healthcare products and the respective packaging materials and (iii) distribution of the YNBY Products to overseas markets.

The Group’s e-commerce and general trading business is primarily operated by selling products bearing third-party brands, which are sourced and procured from overseas suppliers and sold to renowned online platforms in China, such as VIP.com, JD.com, Tmall and overseas online platforms, such as Coupang as well as other general trading clients.

The Group has been serving its existing and potential customers in respect of their supply chain, including Yunnan Baiyao Group under the framework agreement entered into between the Company and Yunnan Baiyao Group on 13 December 2022 (“**Framework Agreement**”).

The Company secured a general distributorship authorisation for YNBY Products worldwide (excluding the PRC) under the Framework Agreement. This authorisation broadened the Group’s product distribution, which now includes the flagship “Yunnan Baiyao” series of medicines, the “Yunnan Baiyao” toothpaste series, general medicine products, and personal care items, thereby diversifying revenue streams. The first successful sale of Yunnan Baiyao toothpaste manufactured in Thailand represents a key milestone in the Company’s international expansion. This achievement, which marked the first time Yunnan Baiyao toothpaste was manufactured and sold outside mainland China, demonstrates the Group’s ability to leverage international manufacturing expertise while maintaining stringent quality standards.

The Group are fully equipped with the resources, experience, and subsidiaries needed to effectively navigate the healthcare product industry and are deeply confident that trading raw materials for healthcare products will be a significant contributor to the Group's profitability. The Group's management team is committed to leveraging these assets to continue driving growth and success in our operations.

For FY2025, the trading of goods and commodities segment reported revenue of approximately HK\$1,108.18 million, representing an increase of approximately 46.79% from approximately HK\$754.93 million reported for the year ended 31 December 2024 ("FY2024"). This segment reported a segment profit of approximately HK\$39.33 million for FY2025 (FY2024: a segment profit of approximately HK\$54.45 million). The decline on the segment results is mainly attributable to the decrease in gross profits, which resulted from the decrease of the gross margin of the Group from approximately 8.74% in FY2024 to approximately 4.63% in FY2025 due to the decrease in sales of products with higher gross profit margin.

Other segment – marketing services, product registration services, and sourcing for OEM/ODM services

For the provision of professional services, the Group shall (i) assist its customers on the registration of products pursuant to the relevant overseas regulatory and registration requirements; (ii) assist its customers on intellectual property registration of products; (iii) provide overseas marketing services for its customers and their products; and (iv) provide overseas market expansion services to its customers.

The Group's other segment neither generated any revenue, nor incurred any profit or loss in both FY2024 and FY2025.

PROSPECTS

In 2025, despite a complex global environment with challenges such as increased regional competition and global political uncertainty, China's digital commerce sector continues to advance robustly, supported by the Chinese government's "Three-Year Action Plan for Digital Commerce (2024-2026)."¹ The overall growth of China's e-commerce market presents a favourable environment for the Group's related businesses. According to data released by the National Bureau of Statistics of China, China's total retail sales of consumer goods for 2025 reached RMB50.12 trillion, representing a year-on-year increase of 3.7%, with online retail sales reaching RMB15.97 trillion, up 8.6% year-on-year. Physical goods online retail sales reached RMB13.09 trillion, increasing by 5.2%, accounting for 26.1% of total retail sales of consumer goods.²

According to the General Administration of Customs, China's cross-border e-commerce import and export value reached RMB2.75 trillion in 2025, representing a substantial increase of approximately 69.7% compared to 2020.³ China's total import and export value for 2025 exceeded RMB45.47 trillion, representing a year-on-year increase of 3.8%.³ These favourable market conditions provide a solid foundation for the Group's continued growth.

Moreover, the growing global recognition of Traditional Chinese Medicine (TCM) – driven by the Chinese government's proactive promotion of scientific innovation and internationalisation – presents robust opportunities for the Group's Yunnan Baiyao distribution business. Initiatives by the National Administration of Traditional Chinese Medicine under the Belt and Road framework are fostering deeper intergovernmental cooperation and expanding TCM's presence in international healthcare systems.⁴ This sector is witnessing accelerated R&D; from 2021 to January 2025, 47 new Chinese medicines were approved, including 21 classical compound preparations.⁴ Financially, the global TCM market is projected to grow from USD 282.36 billion in 2026 to USD 513.6 billion by 2035, at a CAGR of 6.87%.⁵ This momentum, combined with technological advancements and strengthened regulatory frameworks, creates a highly favourable environment for high-quality development and TCM exports.

¹ 商務部關於印發《數字商務三年行動計劃（2024-2026年）》的通知
https://www.mofcom.gov.cn/gztt/art/2024/art_7062dd7b0b454018bc8f3311a5c638a3.html

² 2025年12月份社會消費品零售總額增長0.9%
https://www.stats.gov.cn/sj/zxfbhjd/202601/t20260119_1962323.html

³ 海關總署2025年全年進出口情況新聞發布會
<http://www.customs.gov.cn/customs/xwfb34/302330/hgz2025nqsjdjckqkxwfbh/index.html>

⁴ 中醫藥在全世界璀璨綻放
<http://www.natcm.gov.cn/guohesi/gongzuodongtai/2025-05-20/36314.html>

⁵ Traditional Chinese Medicine (TCM) Market Size, Share, Growth, and Industry Analysis by Type (Acupuncture, Chinese Herbal Medicine, Cupping, Tui Na, Others), by Application (Healthcare, Treatment), Regional Insights and Forecast From 2026 To 2035
<https://www.businessresearchinsights.com/market-reports/traditional-chinese-medicine-tcm-market-109110>

Also, the global toothpaste market size was valued at USD20.14 billion in 2025 and is projected to grow from USD21.01 billion in 2026 to USD33.27 billion by 2034, registering a CAGR of 5.92% over the forecast period.⁶ Specifically, the Southeast Asia market is forecasted to expand at a CAGR of 3.27% spanning 2026-2033.⁷

Building on the successful business strategies implemented since 2022, the Group sees significant opportunities in the trading of goods and commodities, including e-commerce and general trading business, supply chain trading business, and TCM international trading business. Leveraging the continued success of “Yunnan Baiyao” toothpaste, which has maintained the No.1 market share in the Chinese full-channel market for many consecutive years until the first half of 2025 alongside the expanding toothpaste markets in Southeast Asia and other overseas regions, the Group is confident in its growth prospects internationally. With the proven track record and strong strategic positioning, the Group is well-equipped to capitalise on these opportunities and drive substantial growth across these key business areas.

The Ministry of Commerce (MOFCOM) has continued to implement comprehensive supportive measures for foreign trade development, including expanding the coverage of export credit insurance, optimising cross-border trade settlement, encouraging financial institutions to increase financing support for small and medium-sized foreign trade enterprises, promoting the development of cross-border e-commerce, and expanding the catalog of imported technologies and products.⁸ These initiatives are expected to boost confidence in foreign trade development and promote the high-quality development of China’s foreign trade, providing additional support for the Group’s international expansion initiatives.

Looking ahead, the Group is well-positioned to capitalise on the favourable market conditions, supportive government policies, and growing international demand for Chinese products and services. The Group will continue to execute its strategic initiatives, optimise its business operations, and explore new growth opportunities to drive sustainable and profitable growth in 2026.

⁶ Toothpaste Market Size, Share & Industry Analysis
<https://www.fortunebusinessinsights.com/toothpaste-market-104484>

⁷ South East Asia Toothpaste Market Size & Outlook, 2025-2033
<https://deepmarketinsights.com/vista/insights/toothpaste-market/south-east-asia>

⁸ 全國商務工作會議在京召開
https://www.mofcom.gov.cn/syxwfb/art/2026/art_44f57e2fe15145888515e17216125947.html
25項跨境貿易便利化措施全國推廣
<https://cacs.mofcom.gov.cn/article/gnwjmdt/gn/202601/186960.html>

GENERAL AND ADMINISTRATIVE EXPENSES

During the year ended 31 December 2025, the Group's general and administrative expenses (which mainly comprised legal and professional fees, staff salaries, directors' fees and depreciation of right-of-use assets) amounted to approximately HK\$30.90 million (2024: approximately HK\$31.03 million), representing a decrease of approximately 0.43% as compared with that in 2024. The decrease was mainly attributable to tight cost control and lower professional fees relating to operational matters, even when the operating activities of the Group increase during the year ended 31 December 2025.

OTHER INCOME, GAINS AND LOSSES

Other income, gains and losses increased from a loss of approximately HK\$0.11 million for the year ended 31 December 2024 to gains of approximately HK\$1.93 million during the year ended 31 December 2025. Such change was mainly attributable to the increase in bank interest income during the year.

FINANCE COSTS

During the year ended 31 December 2025, finance costs of approximately HK\$0.35 million (2024: approximately HK\$2.72 million) were incurred, representing a decrease of approximately 87.07% which was attributed by the absence of effective interests on a convertible bond (2024: approximately HK\$1.98 million) and approximately HK\$0.02 million interest expenses on bank borrowings (2024: approximately HK\$0.28 million) during the year ended 31 December 2025.

INCOME TAX EXPENSE

During the year ended 31 December 2025, income tax expense of approximately HK\$4.98 million (2024: approximately HK\$5.76 million) were incurred. The decrease in income tax expense primarily resulted from recognition of deferred tax income of approximately HK\$1.12 million (2024: nil) during the year ended 31 December 2025.

EARNINGS PER SHARE

During the year ended 31 December 2025, the basic earnings per share amounted to 0.06 HK cents (2024: 0.27 HK cents) while the diluted earnings per share amounted to 0.05 HK cents (2024: 0.23 HK cents).

FINANCIAL POSITION

The shareholders' equity increased from approximately HK\$259.94 million as at 31 December 2024 to approximately HK\$357.98 million as at 31 December 2025. Total assets increased by approximately 224.65 million from approximately HK\$367.98 million as at 31 December 2024 to approximately HK\$592.63 million as at 31 December 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately HK\$198.01 million (2024: approximately HK\$212.48 million). As at 31 December 2025, the Group had nil bank borrowings (2024: denominated in Renminbi of approximately HK\$2.16 million which were at fixed rate and short-term loans with 1-year maturity). The Convertible Bonds had matured as at 31 December 2024 and nil interest expense was incurred during the year ended 31 December 2025 (2024: approximately HK\$1.98 million). The gearing ratio of the Group as at 31 December 2025 was nil (2024: approximately 0.83%), which is calculated by the total interest-bearing borrowings divided by the net assets of the Group.

FINAL DIVIDEND

The Board did not propose a final dividend for the year ended 31 December 2025 (2024: nil).

SHARE CAPITAL AND FUND-RAISING ACTIVITIES

As at 31 December 2025, the total number of issued ordinary shares (the “**Shares**”) of the Company was 7,599,914,160 Shares (2024: 6,799,914,160 Shares).

In October 2020, the Company issued a convertible bond (“**Convertible Bonds**”) to Yunnan Baiyao Group with a principal of HK\$500 million with a net proceed of approximately HK\$498 million, equivalent to a net price of approximately HK\$0.257 (the “**Subscription**”) in order to provide financial resources for exploring opportunities to diversify the businesses. A total of 1,937,984,496 ordinary shares (“**Conversion Shares**”) of nominal value of HK\$0.01 per share could be converted and issued at conversion price of HK\$0.258 per share upon maturity. The closing price per share on the date of subscription agreement (being 14 October 2019) was HK\$0.260. Please refer to the circulars of the Company dated 11 September 2020 and 12 January 2023 for further details. All net proceeds from the Subscription had been fully utilised as at 31 December 2025.

The Convertible Bonds had matured on 30 October 2024 but had not been converted as at 31 December 2025. On 27 February 2026, the Company allotted and issued 1,937,984,496 Conversion Shares in full, representing approximately 25.50% of the total number of issued Shares immediately before the issue of Conversion Shares and approximately 20.32% of the total number of issued Shares enlarged by the issue of the Conversion Shares immediately thereafter, to Shanghai International Trust Corp., Ltd.* (上海國際信託有限公司), the trustee appointed by Yunnan Baiyao Group to subscribe for and hold the Convertible Bonds on behalf of Yunnan Baiyao Group, at the conversion price of HK\$0.258 per Conversion Shares. Please refer to the announcements of the Company dated 29 October 2024 and 27 February 2026 for further details.

In June 2022, the Company placed 351,762,000 ordinary shares of nominal value of HK\$0.01 per share (Aggregate nominal value: HK\$3,517,620) with a gross proceed of approximately HK\$100 million (net proceeds of HK\$100 million) (the “**2022 Placing**”) to Sunwah Great Wall Group Limited at subscription price of HK\$0.285 per share (with a net price of approximately HK\$0.284 per share) in order to supplement the Group’s long-term funding of its expansion plan and growth strategies and broaden the shareholder base. The closing price per share on the date of the 2022 Placing agreement (being 14 April 2022) was HK\$0.244.

In May 2025 the Company placed 800,000,000 ordinary shares of nominal value of HK\$0.01 per share (Aggregate nominal value: HK\$8,000,000) with a gross proceeds of approximately HK\$93 million (the net proceeds of approximately HK\$92 million) (the “**2025 Placing**”) to not less than six independent third parties at subscription price of HK\$0.1161 per share (with a net price of approximately HK\$0.1149 per share) in order to further enlarge the Shareholders’ equity base of the Company, optimise the capital structure of the Company and support the healthy and sustainable development of the Company. The closing price per share on the date of the 2025 Placing agreement (being 2 May 2025) was HK\$0.145.

In view of the tighter government policies on CBD products in Hong Kong and the overall operation environment, including but not limited to the legal aspect, of the Group, the Board, on 14 March 2025, has resolved to reallocate the utilised proceeds from the Subscription and the 2022 Placing, which were set for CBD-related business and to re-designate to the existing trading business of the Group. Please refer to the table below for the details of the reallocation. The Board considered the reallocation of the unused net proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interests of the Company and its shareholders as a whole.

* *for identification purpose only*

The following table summarises the details of (i) application of net proceeds from the Subscription, the 2022 Placing and the 2025 Placing; and (ii) the change in use of proceeds and the resulting new allocation for the unused balances of net proceeds of the Subscription and the 2022 Placing on 14 March 2025.

	Unused balances from the net proceeds as at 31 December 2024	Change in use of the net proceeds on 14 March 2025 <i>(Note 1)</i>	Actual use of the net proceeds during the year ended 31 December 2025	Unused balances from the net proceeds as at 31 December 2025
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Subscription				
Purchase of CBD isolate inventory for trading purpose	5	(5)	–	–
Marketing expenses for the existing trading business in Asian markets	–	5	(5)	–
Setting up of hemp cultivation and extraction and trading business	70	(70)	–	–
Expansion on existing trading business in raw materials	–	70	(70)	–
Expansion of CBD – related target business	27	(27)	–	–
Expansion on existing trading business in e-commerce	–	27	(27)	–
	<u>102</u>	<u>–</u>	<u>(102)</u>	<u>–</u>
Total	<u>102</u>	<u>–</u>	<u>(102)</u>	<u>–</u>

	Unused balances from the net proceeds as at 31 December 2024	Change in use of the net proceeds on 14 March 2025 <i>(Note 1)</i>	Actual use of the net proceeds during the year ended 31 December 2025	Unused balances from the net proceeds as at 31 December 2025 <i>(Note 2)</i>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
2022 Placing				
Expansion of CBD-based cosmetics products and industrial cannabis trading business with ASEAN	40	(40)	–	–
Expansion on existing trading business in raw materials	–	40	(40)	–
Research and development of Chinese herbal medicine in the PRC and development the trading network in Thailand, Indonesia, Singapore, Korea and Malaysia, etc <i>(Note 2)</i>	10	–	(6)	4
	<u>50</u>	<u>–</u>	<u>(46)</u>	<u>4</u>
Total	<u>50</u>	<u>–</u>	<u>(46)</u>	<u>4</u>

	Amount of the net proceeds raised on 22 May 2025	Actual use of the net proceeds during the period from 22 May 2025 to 31 December 2025	Unused balances from the net proceeds as at 31 December 2025
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
2025 Placing			
Registration, development, OEM/ODM, etc. of products in ASEAN markets (<i>Note 3</i>)	15	–	15
Marketing, promotion, and trading network development in ASEAN markets (<i>Note 3</i>)	15	–	15
Marketing and sales of products in ASEAN markets (<i>Note 2</i>)	25	–	25
General working capital and for future investment/expansion of the Group (<i>Note 3</i>)	37	(4)	33
	<u>92</u>	<u>(4)</u>	<u>88</u>

Note 1

On 14 March 2025, in view of the change in government policies on CBD products in Hong Kong and the overall operation environment of the Group, the Board has resolved to reallocate all unused proceeds from CBD-related business to existing trading business of the Group. Please refer to the announcement of the Company dated 14 March 2025 for further details.

Note 2

The Company intended to fully utilise the net proceeds by 31 December 2026.

Note 3

The net proceeds have not been deployed as planned due to the slower-than-anticipated regulatory approvals and operational activity in the target ASEAN regions. Consequently, the Company expects that the unused balances of the net proceeds will be fully utilised by 31 December 2026.

FUNDING AND TREASURY POLICY

The Group adopts prudent treasury policies. The Group's management performs an ongoing credit evaluation of the financial conditions of its customers in order to reduce the Group's exposure of credit risk. In addition to these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF REPORTING PERIOD

On 27 February 2026, the Company allotted and issued 1,937,984,496 Conversion Shares in full to Shanghai International Trust Corp., Ltd.* (上海國際信託有限公司), the trustee appointed by Yunnan Baiyao Group to subscribe for and hold the Convertible Bonds on behalf of Yunnan Baiyao Group. For details of the allotment and issue of the Conversion Shares after the Reporting Period, please refer to the announcement of the Company dated 27 February 2026.

Save as disclosed above, the Group did not have any material subsequent events after 31 December 2025 and up to the date of this announcement.

PLEDGE OF ASSETS

As at 31 December 2025, no assets of the Group were pledged to secure general banking facilities granted to the Group (2024: nil).

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had no material capital commitments (2024: nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities (2024: nil).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, US dollars and Renminbi. Most of the Group's cash balances are deposited in Hong Kong dollars, US dollars or Renminbi with licensed banks in Hong Kong and the PRC. Certain portion of the Group's sales, purchases and expenses were denominated in foreign currencies which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered not significant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and may consider hedging significant foreign exchange exposure if and when necessary.

* *for identification purpose only*

PRINCIPAL RISKS AND UNCERTAINTIES

Other details of the activities during the year as required by Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “**Hong Kong Companies Ordinance**”), including a fair review of the business and a discussion of the principal risks and uncertainties the Group is facing, particulars of the events affecting the Group that have occurred since the financial year ended 31 December 2025, and an indication of likely future development in the Group’s business, can be found in the section of Management Discussion and Analysis in this announcement.

COMMODITY PRICE RISK

The price of commodity products is influenced by international and domestic market prices and changes in global supply and demand for such products. Both the international and domestic market price of commodities as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue and comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of commodity prices.

EMPLOYEE REMUNERATION POLICY

As at 31 December 2025, the Group had 36 employees (2024: 35 employees). For the year ended 31 December 2025, the total salaries, commissions, incentives and all other staff related costs amounted to approximately HK\$20.62 million (2024: approximately HK\$17.20 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included defined contribution mandatory provident funds in accordance with local laws and regulations and medical insurance.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group did not have any significant investments, acquisitions or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2025. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Group had in the year under review complied with the Corporate Governance Code (the “**CG Code**”) as set out in part 2 of Appendix C1 of the Listing Rules, except for the following deviation:

Code Provision F.1.3

Code Provision F.1.3 stipulates that the chairman of the board should attend the annual general meeting of the Company.

Mr. Dong Ming, the chairman of the Board, was unable to be attend the annual general meeting of the Company held on 16 May 2025 due to other important business engagement. Mr. Tang Ming, an Executive Director, was appointed to preside over such annual general meeting at which he answered questions raised by the shareholders of the Company.

Code Provision C.1.5

Code Provision C.1.5 stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

Mr. Huang Bin and Mr. Qian Yinghui, the non-executive Directors, were unable to attend the annual general meeting of the Company held on 16 May 2025 due to other important business engagement.

BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board, the Board has approved and adopted a Board Diversity Policy (the “**Policy**”) and revision to the terms of reference of the nomination committee of the Company (the “**Nomination Committee**”) to ensure the appropriate implementation of the Policy. The Policy was made with a view to achieve a sustainable and balanced development of the Company, through the invitation and selection of different talents to join the Board having due regard to the importance of Board diversity.

The Company is committed to establishing procedures of candidates selection based on a range of diversity perspectives including gender, age, cultural background, ethnicity, educational background, professional experience, skills and knowledge.

The Nomination Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) was established by the Board with specific terms of reference, whose purposes include the reviewing of the accounting principles and practices adopted by the Group and discussing auditing, internal control, risk management and financial reporting matters. The Audit Committee currently comprises a non-executive director, Mr. He Tao, and three independent non-executive Directors, namely, Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities (including treasury shares (as defined in the Listing Rules, if any)).

As at 31 December 2025 and up to the date hereof, the Company does not hold any treasury shares.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. The prohibitions on securities dealing and disclosure requirements in the Model Code also apply to the Group’s senior management and persons who are privy to price sensitive information of the Group. Having made specific enquiry, all Directors confirmed to the Company that they have complied with the Model Code during the year and up to the date of publication of this announcement.

SCOPE OF WORK OF ZHONGHUI ANDA 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 announcement have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2025. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of The Stock Exchange (www.hkexnews.hk) and the Company (www.0030.com.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information as required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company will be published on the above websites and despatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

By Order of the Board
YNBY International Limited
Tang Ming
Executive Director
&
Chief Executive Officer

Hong Kong, 13 March 2026

As at the date of this announcement, the executive Directors are Mr. Dong Ming (Chairman), Mr. Tang Ming (Chief Executive Officer) and Mr. Liu Huaiyu; the non-executive Directors are Mr. He Tao and Mr. Huang Bin and the independent non-executive Directors are Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang.