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Tiande Chemical Holdings Limited

天德化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 609)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS HIGHLIGHTS

- Revenue slightly increased by 1.2% to approximately RMB1,895.6 million (2024: RMB1,873.8 million).
- Gross profit increased modestly by 1.7% to approximately RMB231.3 million (2024: RMB227.5 million).
- Gross profit margin increased to 12.2% (2024: 12.1%), representing an increase of 0.1 percentage points.
- Profit for the year attributable to owners of the Company decreased to approximately RMB62.5 million (2024: RMB66.9 million).
- EBITDA increased by 5.5% to approximately RMB262.8 million (2024: RMB249.1 million).
- Basic earnings per share was approximately RMB0.070 (2024: RMB0.077).
- The Directors recommend a final dividend of HK\$0.03 (2024: HK\$0.03) per share in respect of the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Tiande Chemical Holdings Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the corresponding period in 2024 with the selected notes as follows:

CONSOLIDATED INCOME STATEMENT

		FOR THE YEAR ENDED 31 DECEMBER	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	1,895,559	1,873,801
Cost of sales		<u>(1,664,227)</u>	<u>(1,646,325)</u>
Gross profit		231,332	227,476
Other income and gains		36,489	54,723
Revaluation losses on investment properties		(700)	(1,500)
Selling expenses		(85,644)	(71,135)
Administrative and other operating expenses		(108,817)	(137,790)
Finance costs		<u>(11,083)</u>	<u>(3,741)</u>
Profit before income tax	4	61,577	68,033
Income tax expense	5	<u>(20,256)</u>	<u>(20,776)</u>
Profit for the year		<u>41,321</u>	<u>47,257</u>
Profit/(Loss) for the year attributable to:			
Owners of the Company		62,495	66,880
Non-controlling interests		<u>(21,174)</u>	<u>(19,623)</u>
		<u>41,321</u>	<u>47,257</u>
Earnings per share for profit attributable			
to owners of the Company for the year	7		
- Basic		<u>RMB0.070</u>	RMB0.077
- Diluted		<u>RMB0.070</u>	RMB0.077

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		FOR THE YEAR ENDED 31 DECEMBER	
		2025	2024
		RMB'000	RMB'000
Profit for the year		41,321	47,257
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Currency translation differences		<u>(13,608)</u>	<u>(30)</u>
Other comprehensive income for the year		<u>(13,608)</u>	<u>(30)</u>
Total comprehensive income for the year		<u>27,713</u>	<u>47,227</u>
Total comprehensive income for the year attributable to :			
Owners of the Company		48,624	67,065
Non-controlling interests		<u>(20,911)</u>	<u>(19,838)</u>
		<u>27,713</u>	<u>47,227</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS AT 31 DECEMBER	
		2025	2024
		RMB'000	RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
		1,530,561	1,517,666
		79,465	82,039
		17,300	18,000
		3,155	4,959
		32,023	31,405
		5,083	5,176
		<u>1,667,587</u>	<u>1,659,245</u>
Current assets			
		194,795	151,519
	8	325,657	377,774
		71,416	43,063
		278	1,278
		594,568	493,340
		230,943	358,214
		<u>1,417,657</u>	<u>1,425,188</u>
Current liabilities			
	9	29,038	37,901
		235,561	238,471
		19,496	8,767
		333,747	220,134
		5,696	5,961
		4,294	13,273
		<u>627,832</u>	<u>524,507</u>
Net current assets		<u>789,825</u>	<u>900,681</u>
Total assets less current liabilities		<u>2,457,412</u>	<u>2,559,926</u>
Non-current liabilities			
		26,164	45,002
NET ASSETS		<u>2,431,248</u>	<u>2,514,924</u>
EQUITY			
		8,069	8,060
		2,429,288	2,412,043
Equity attributable to the Company's owners		<u>2,437,357</u>	<u>2,420,103</u>
Non-controlling interests		<u>(6,109)</u>	<u>94,821</u>
TOTAL EQUITY		<u>2,431,248</u>	<u>2,514,924</u>

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountant (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) including the disclosure provisions of the Hong Kong Companies Ordinance.

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”). The consolidated financial statements are presented in Renminbi (“**RMB**”) because the main operations of the Group are located in the People’s Republic of China (the “**PRC**”). All values are rounded to the nearest thousand except when otherwise stated.

2. CHANGES IN ACCOUNTING POLICIES

(a) New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to HKAS 21 The Effects of Changes in Foreign Exchange Rates); and
- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37)

Adoption of these amendments to HKFRS Accounting Standards had no material impact on the Group’s financial statements.

(b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures);
- Contracts Referencing Nature-dependent Electricity (Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures); and
- Annual Improvements to HKFRS Accounting Standards – Volume 11

The following amendments are effective for the annual reporting period beginning 1 January 2027:

- HKFRS 18 Presentation and Disclosure in Financial Statements;
- HKFRS 19 Subsidiaries without Public Accountability: Disclosures; and
- Translation to a Hyperinflationary Presentation Currency (Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates)

The Group is currently assessing the effect of these new accounting standards and amendments.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in the Stock Exchange. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision makers (i.e. executive Directors) (the "CODM") for their decisions about resources allocation to the Group's business components and for their review of the performance of the components.

The business components of the Group with the research and development, manufacture and sale of fine chemical products of the Group are assessed and identified as a single operating segment by the CODM. The single operating segment is reported in a manner consistent with the internal financial information reporting provided to the CODM.

No other discrete financial information is provided other than the Group's result and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

The Group's disaggregated revenue from external customers are divided into the following geographical areas:

FOR THE YEAR ENDED 31 DECEMBER

	2025	2024
	RMB'000	RMB'000
The PRC (domicile)	1,316,868	1,347,122
India	203,073	208,717
United Arab Emirates	62,560	47,990
United States of America	38,726	66,631
Republic of Uganda	37,880	-
Others	236,452	203,341
	<u>1,895,559</u>	<u>1,873,801</u>

The geographical location of customer is based on the location at which the goods are delivered. No geographical location of non-current assets is presented as the substantial non-current assets are physically based in the PRC.

Information about major customer

There was no single customer that contributed to 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: Nil).

4. PROFIT BEFORE INCOME TAX

	FOR THE YEAR ENDED 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
Profit before income tax is arrived at after charging / (crediting):		
Directors' remuneration		
- Fees	575	575
- Salaries, discretionary bonus and other benefits	2,870	3,304
- Retirement benefit scheme contributions (note (i))	<u>118</u>	<u>123</u>
	3,563	4,002
Other employee costs	151,626	168,963
- Retirement benefit scheme contributions (note (i))	<u>15,023</u>	<u>16,593</u>
Total employee costs	<u>170,212</u>	<u>189,558</u>
Auditor's remuneration	954	979
Depreciation of right-of-use assets	2,574	2,575
Amortisation of an intangible asset	1,804	1,804
Cost of inventories recognised as an expense (note (ii)), including	1,664,227	1,646,325
- (Reversal of write-down) / Write-down of inventories to net realisable value, net (note (iii))	(560)	2,995
Depreciation on property, plant and equipment	185,750	172,919
Exchange loss / (gain), net	5,479	(14,676)
Provision for impairment losses on trade receivables, net	311	1,530
Reversal of impairment loss on other receivables	-	(277)
Write-off of property, plant and equipment	2,394	110
Write-off of trade receivables	-	70
Write-off of other receivable	-	159
(Gain) / Loss on disposals of property, plant and equipment, net	(930)	47
Lease payments in respect of short-term leases	3,230	3,723
Research costs (note (iv))	<u>47,058</u>	<u>77,706</u>

Notes:

- (i) For the years ended 31 December 2025 and 2024, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2025 and 2024, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the Mandatory Provident Fund Scheme and the central pension schemes operated by the local municipal governments.
- (ii) Cost of inventories includes approximately RMB179,840,000 (2024: RMB166,873,000) relating to depreciation expenses and approximately RMB120,011,000 (2024: RMB132,819,000) relating to employee costs. These amounts are included in the respective total amounts disclosed separately above.
- (iii) The reversals were mainly due to increase in net realisable value of certain finished goods held on hands.
- (iv) Research costs include approximately RMB1,682,000 (2024: RMB1,911,000) relating to depreciation expenses and approximately RMB24,099,000 (2024: RMB28,406,000) relating to employee costs. These amounts are included in the respective total amounts disclosed separately above and included in the administrative and other operating expenses.

5. INCOME TAX EXPENSE

	FOR THE YEAR ENDED 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
Current tax - PRC Enterprise Income Tax		
- Tax for the year	13,936	15,879
- Over-provision in prior years	(641)	(1,172)
PRC dividend withholding tax paid	25,706	7,379
	<u>39,001</u>	<u>22,086</u>
Deferred tax		
- Credited for the year	(18,745)	(1,310)
Income tax expense	<u>20,256</u>	<u>20,776</u>

The Company's subsidiaries incorporated in Hong Kong are subject to Hong Kong Profit Tax at the rate of 16.5% (2024: 16.5%) on their estimate assessable profit for the year ended 31 December 2025. No provision for Hong Kong Profit Tax has been made as no assessable profit derives from Hong Kong during the year (2024: Nil).

The Company's subsidiaries established in the PRC are subject to the PRC Enterprise Income Tax at the rate of 25% (2024: 25%) for the year ended 31 December 2025.

According to the PRC Enterprise Income Tax Law, a withholding tax of 5% or 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. The Group has adopted 5% or 10% (2024: 5% or 10%) withholding tax rate for PRC withholding tax purpose for the year ended 31 December 2025.

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries engaged in research and development activities are entitled to claim additional 100% (2024: 100%) of their actual research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year.

6. DIVIDENDS

	FOR THE YEAR ENDED 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
Final dividend paid in respect of prior year		
HK\$0.03 (2024: HK\$0.10) per share	24,218	80,652
No interim dividend paid in respect of		
current year (2024: HK\$0.02 per share)	-	15,978
	<u>24,218</u>	<u>96,630</u>

The Directors recommended a final dividend of HK\$0.03 (2024: HK\$0.03) per ordinary share in respect of the year ended 31 December 2025. The proposed dividend is not reflected as a dividend payable in these financial statements.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	FOR THE YEAR ENDED 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company	<u>62,495</u>	<u>66,880</u>
	NUMBER OF ORDINARY SHARES	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	877,944	873,352
Effect of dilutive potential ordinary shares:		
- Share options	-	840
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>877,944</u>	<u>874,192</u>

The basic earnings and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares for the year ended 31 December 2025.

8. TRADE AND BILLS RECEIVABLE

The Group allows credit periods normally ranging from one month to six months (2024: one month to six months) to its trade customers. Bills receivable are non-interest bearing bank acceptance bills and matured within six months (2024: within six months) from the end of reporting period. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management of the Group.

Ageing analysis of trade and bills receivable (net of loss allowance) at the reporting date, based on the invoice date, is stated as follows:

	AS AT 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
0 to 90 days	294,105	275,588
91 to 180 days	28,168	87,238
181 to 365 days	3,314	14,753
Over 365 days	70	195
	<u>325,657</u>	<u>377,774</u>

9. TRADE PAYABLES

Trade payables normally have credit periods ranging from 30 to 270 days (2024: 30 to 270 days). Ageing analysis of trade payables at the reporting date, based on the invoice date, is as follows:

	AS AT 31 DECEMBER	
	2025	2024
	RMB'000	RMB'000
0 to 90 days	25,120	32,497
91 to 180 days	1,070	1,798
181 to 365 days	327	1,533
Over 365 days	2,521	2,073
	<u>29,038</u>	<u>37,901</u>

The carrying amounts of trade payables are denominated in RMB. All amounts are short-term and hence the carrying values of trade payables are considered to be a reasonable approximation of their fair values.

DIVIDENDS

The Directors recommended a final dividend of HK\$0.03 (2024: HK\$0.03) per share in respect of the year ended 31 December 2025 to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company as of Friday, 7 August 2026. The proposed final dividend is subject to approval by the Shareholders in the forthcoming annual general meeting of the Company (the “2026 AGM”). The proposed final dividend is expected to be paid to the Shareholders on or about Thursday, 27 August 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive. The record date of ascertaining the Shareholders who are entitled to attend and vote at the 2026 AGM is Friday, 5 June 2026. In order to qualify for the right to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates should be lodged with the Company’s share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716 on the 17th Floor of Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 June 2026.

For the purpose of ascertaining the Shareholders who qualify for the proposed final dividend in respect of the year ended 31 December 2025, the register of members of the Company will be closed from Wednesday, 5 August 2026 to Friday, 7 August 2026, both days inclusive. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates should be lodged with the Company’s share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716 on the 17th Floor of Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 4 August 2026.

BUSINESS REVIEW

During the year under review, the global economic recovery remained sluggish, while Sino-U.S. trade frictions continued to escalate and the Government of United States of America adjusted its tariff policies, further heightening uncertainties in the external environment. These factors collectively exerted significant pressures on the PRC manufacturers engaged in export activities. Concurrently, the domestic economic downturn resulted in persistently weak internal demand, exposing the deep-rooted structural issue of

severe overcapacity across multiple industries. This gave rise to an increasingly “involutionary” competitive landscape, characterised by mounting deflationary pressures and intensifying price competition as the dominant market dynamic. Against this backdrop, the Group and its upstream and downstream industrial chains were inevitably affected by the sector-wide price competition. As a result, the selling prices of nearly all of the Group’s products recorded a further decline as compared with those of last year, placing additional pressure on overall profitability.

Facing sustained downward pressure on market selling prices, the Group continued to reinforce its marketing strategies and sharpen product-to-market alignment. The Group expeditiously expanded the production capacity for products with promising market potential while broadening its downstream application fields. These initiatives drove meaningful revenue contribution to the Group during the year under review despite the challenging business environment. Furthermore, owing to persistently weak domestic demand, the Group strategically reallocated resources to accelerate overseas markets development and capture new growth opportunities. During the year, the Group actively strengthened its international marketing network, resulting in solid year-on-year growth in overseas revenue of the Group. The combined effect of the aforementioned initiatives effectively mitigated the adverse impact of persistent price declines across the Group’s products. As a result, the Group achieved a marginal year-on-year increase in overall revenue for the year under review.

Amid the deflationary environment in the PRC, the average cost of raw materials of the Group also decreased successively, albeit to a lesser extent than the drop in selling prices. By scaling up the production of products with stronger market potential and launching new products, the Group further optimised its product portfolio and deepened the economic efficiency of its circular economy production system. These efforts lowered overall unit production costs of the Group and enabled the Group to maintain stable gross profit and gross profit margin during the year under review, with both indicators showing a slight improvement. In response to the challenging operating environment, the Group exercised strict control over various operating expenses. However, the increase in sales volume of hazardous products during the year required more stringent safety transportation arrangements, leading to a notable rise in transportation costs. As a result, profit attributable to owners of the Company recorded a modest decrease as compared with that of last year.

Outlook

Stepping into 2026, intensifying geopolitical tensions, the resurgence of global trade protectionism, and the tariff measures adopted by various countries to reduce dependence on imported goods have collectively imposed unprecedented pressures on the export performance of the PRC manufacturing sector. Domestically, in response to structural imbalance between supply and demand, the PRC government has identified the rectification of “involutionary” vicious competition as a key economic priority. This policy direction seeks to address deep-rooted issues in industrial capacity allocation and curb predatory pricing behaviours that undermine orderly and fair competition, with the objective of fostering a more sustainable and healthy market ecosystem. As these measures take effect, the PRC manufacturing sector is expected to undergo capacity reduction, accelerated elimination of obsolete production, and a transition into a new competitive landscape shaped by industrial restructuring. Market consolidation and the survival of the fittest dynamic will intensify markedly. Following this phase of optimisation, high-quality enterprises with cost advantages, scale efficiency, and stronger operational resilience are expected to benefit from an improved industry structure, gaining access to more favourable development prospects and growth opportunities.

Looking ahead, the Group will continue to closely track market dynamics, deploy agile and targeted marketing strategies, and accelerate the development of products tailored for emerging application markets. In addition, the Group will further expand production capacity for certain good potential product lines and deepen its penetration into international markets to diversify geographical risks and strengthen revenue resilience. Concurrently, the Group will maintain its focus on optimising internal operational management, exercising rigorous costs discipline, and enhancing production efficiency. These efforts will reinforce the Group's operational resilience and ensure its competitive advantages are preserved and strengthened throughout the ongoing process of industry optimisation and consolidation. Although near-term operating conditions are expected to remain challenging, the Board retains full confidence in the Group's long-term development prospects. Supported by its solid industry position and robust business capabilities, the Group will continue to enhance its core competitiveness and remain committed to delivering stable and sustainable long-term value for Shareholders.

FINANCIAL REVIEW

Revenue

During the year under review, the Group faced continued downward pressure on selling prices as adverse market conditions intensified across the broader economy. The persistent economic slowdown and deepening deflation in the PRC weighed on domestic performance, resulting in a slight decline in revenue from the PRC market. Against this backdrop, the Group accelerated efforts in overseas market development to capture new growth opportunities. This strategy delivered satisfactory results, with overseas revenue recording solid growth and demonstrating the effectiveness of the Group's international expansion initiatives. As a result, the Group achieved total revenue of approximately RMB1,895.5 million for the year ended 31 December 2025, representing a slight increase of approximately RMB21.7 million or 1.2% compared with approximately RMB1,873.8 million in 2024.

Gross profit

Domestic deflation during the year under review contributed to a decline in the average cost of raw materials. In addition, the Group's continued investment in automation and optimisation of production layout further reduced overall production costs. Despite the ongoing decrease in selling prices, the Group's gross profit remained stable at approximately RMB231.3 million, representing a modest increase of RMB3.8 million or 1.7%, compared with RMB227.5 million in 2024. Gross profit margin also held steady at 12.2%, an improvement of 0.1 percentage points from 12.1% in the 2024.

Operating income and expenses

The other income was mainly comprised of: (i) bank interest income; (ii) gain on disposal of property, plant and equipment; (iii) rental income; (iv) various grants received from the PRC governmental authorities as incentives or subsidies to encourage the Group's business development; and (v) other income during the year under review.

Selling expenses increased by approximately RMB14.5 million from approximately RMB71.1 million in 2024 to approximately RMB85.6 million during the year under review. This increase was mainly due to the increase in sales of products containing hazardous components, which required enhanced transportation measures to comply with rigorous safety regulations, resulting in higher transportation costs. The selling expenses to the Group's revenue ratio was 4.5% (2024: 3.8%).

During the year under review, the administrative and other operating expenses decreased by approximately RMB29.0 million from approximately RMB137.8 million in 2024 to approximately RMB108.8 million in 2025. This decrease was primarily attributable to (i) decreased research and development expenses; (ii) decreased entertainment expenses; and (iii) decreased staff costs. Administrative and other operating expenses accounted for 5.7% (2024: 7.4%) of the Group's revenue.

Finance costs

Finance costs represented interest on bank borrowings, asset-backed financing, supplier finance arrangements and advances from a related company, of approximately RMB11.1 million (2024: RMB3.7 million) during the year under review, increased by approximately RMB7.4 million as compared with those of last year. Given that the return on bank savings deposits is higher than the borrowing costs offered by banks and a related company, the Group has strategically increased its use of bank borrowings, asset-backed financing, supplier financing arrangements and advances from a related company to optimise short-term liquidity management.

Profit for the year attributable to owners of the Company

The profit for the year attributable to owners of the Company slightly decreased to approximately RMB62.5 million as compared with approximately RMB66.9 million in 2024.

Trade and bills receivable

As at 31 December 2025, the trade receivables (net of loss allowance) decreased to approximately RMB235.5 million, representing a decrease of approximately RMB36.3 million or 13.4% as compared with approximately RMB271.8 million recorded on 31 December 2024. About 92.0% of trade receivables were incurred in the last quarter of 2025 with most of them were not yet due and 6.6% of trade receivables were incurred in the third quarter of 2025. Only 1.4% of trade receivables were aging over 180 days. As at the date of this announcement, over 79.0% of trade receivables have been settled after 31 December 2025. After assessing the creditworthiness of these customers, the Directors considered that the current bad debt allowance is adequate for the trade receivables as at 31 December 2025.

As at 31 December 2025, the bills receivable amounted to approximately RMB90.1 million, representing a decrease of approximately RMB15.9 million or 15.0% as compared to the balance of approximately RMB106.0 million as at 31 December 2024. Since all bills receivable are bank acceptance bills, which are non-interest-bearing and typically mature within six months from the end of reporting period, the payments of which are guaranteed by the licensed banks in the PRC. This significantly reduces the default risk. Consequently, the Directors considered that allowance for doubtful debt is not required.

Short-term bank borrowings

All bank borrowings were raised in the PRC at fixed interest rates and are denominated in RMB. As at 31 December 2025, the total bank borrowings balance increased to approximately RMB333.7 million (31 December 2024: RMB220.1 million). The raising of bank borrowings was mainly used to finance the general working capital of the Group during the year under review.

Liquidity and financial resources

The Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB277.9 million (2024: RMB395.4 million); newly raised bank borrowings of approximately RMB208.0 million (2024: RMB196.4 million); proceeds on disposals of property, plant and equipment of approximately RMB1.1 million (2024: RMB0.5 million); bank interest received of approximately RMB32.7 million (2024: RMB33.4 million); proceeds from issue of Shares due to exercise of share options of approximately RMB0.8 million (2024: RMB6.8 million) and advances from a related company of RMB24.0 million (2024: Nil). With the financial resources obtained from the Group's operations, the Group had spent approximately RMB186.2 million (2024: RMB199.8 million) on the acquisition of property, plant and equipment; repayments of bank borrowings of approximately RMB312.2 million (2024: RMB96.2 million); interest paid of approximately RMB11.1 million (2024: RMB3.6 million); dividends paid of approximately RMB24.2 million (2024: RMB96.6 million); and repayment of advances from a related company of RMB24.0 million (2024: Nil) during the year under review. As at 31 December 2025, the Group had bank and cash balances, time deposits and pledged bank deposits of approximately RMB825.8 million (2024: RMB852.8 million), of which 6.0% was held in Renminbi, 93.7% was held in United States dollars and the remaining balances were held in Hong Kong dollars and Euros.

As at 31 December 2025, the Group had net current assets of approximately RMB789.8 million (2024: RMB900.7 million), the current ratio of the Group was approximately 2.3 times (2024: 2.7 times) and the outstanding borrowings of the Group of approximately RMB339.3 million (2024: RMB225.9 million). The Group strived to achieve operating profit and solid financial position during the year under review. Hence, the Group attained a net cash balance (total cash and cash equivalent, time deposits and pledged bank deposits net of total borrowings) of approximately RMB486.5 million (2024: RMB626.9 million) as at 31 December 2025.

The Group is continuously developing new products and upgrading or replacing its outdated production facilities to secure its sustainable business development in the future and strives to uphold a solid financial position simultaneously. Benefiting from a steady positive cash inflow from operating activities, coupled with the available cash and undrawn credit facilities from banks, the Group has sufficient financial resources to meet its present commitments and working capital requirements. The Group will closely monitor its cash outflow and remain dedicated to maintain its financial health as well as improving the equity return to the Shareholders.

Pledge of assets

As at 31 December 2025, a bank deposit of approximately RMB0.3 million (31 December 2024: RMB0.3 million) was pledged to secure the water supply to the factories of the Company's subsidiaries. Furthermore, certain buildings and right-of-use assets of the Group of approximately RMB48.6 million (31 December 2024: RMB52.1 million) and RMB75.4 million (31 December 2024: RMB56.3 million) respectively were pledged to secure the Group's bank borrowings during the year. No bank deposit (31 December 2024: RMB1.0 million) was pledged to secure the execution of a foreign exchange forward contract.

Contingent liabilities

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

Commitments

As at 31 December 2025, the Group had commitment of approximately RMB104.8 million (2024: RMB140.3 million) that have been contracted but not yet been provided for, related to the acquisition of property, plant and equipment as well as construction in progress. Additionally, the Group has a capital commitment of approximately RMB204.6 million (2024: RMB169.5 million) authorised but not contracted for also related to the acquisition of property, plant and equipment as well as construction in progress.

FUNDING AND TREASURY POLICIES

The Group adopts a prudent approach to its funding and treasury policies, aiming to maintain an optimal financial position and minimise the Group's financial risks. The Group regularly reviews its funding requirements to ensure adequate financial resources to support its business operations and future investments as and when needed.

Cash flow forecast is properly prepared and reviewed regularly by the senior management of the Group (the "**Senior Management**"), which enables the Senior Management to maintain an adequate level of cash and cash equivalents, as well as sufficient available banking facilities to finance the daily operations and capital expenditure requirements in the foreseeable future, in accordance with the funding and treasury policies of the Group.

During the year under review, save as disclosed in this announcement, the Group did not use any financial instruments for foreign exchange hedging purposes because its businesses primarily operate in Renminbi and most of its monetary assets and liabilities are denominated in Renminbi. As a result, the Group has minimal exposure to currency risk and foreign exchange rate fluctuations.

The Group's interest rate risk arises primarily from bank borrowings. In order to minimise the borrowing cost and interest rate risk, any raising of loans to meet the expected funding demand must be assessed carefully and approved by the executive Directors. The Group will consider new financing needs while maintaining an appropriate level of gearing.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's operations are mainly in the PRC and its assets, liabilities, revenues and transactions are primarily denominated in Renminbi, along with United States dollars and Hong Kong dollars.

The Group's foremost exposure to the foreign exchange fluctuations was caused by the impact of Renminbi exchange rate movements during the year under review. While most of the Group's income and expenses are denominated in Renminbi except for export sales which were, in majority, denominated in United States dollars. However, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the year under review. Looking ahead, the Group will consider adoption of cost-efficient hedging methods in future foreign currency transactions as and when appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 1,190 (2024: 1,358) full-time employees.

For the year under review, the total staff costs including the Directors' remuneration decreased to approximately RMB170.2 million (2024: RMB189.6 million).

The Group has established human resources policies and a compensation scheme with a view to deploying the incentives and rewards of the remuneration system which includes a wide range of training and personal development programs to attract and retain employees. The remuneration package of the Group is aligned with employee duties and prevailing market rates. Additionally, the Group offers staff benefits such as medical coverage and provident funds.

The employees of the Group would receive discretionary bonuses and monetary rewards based on their annual performance appraisals. Besides, the Group also offers various incentives to motivate personal growth and career development, including ongoing training opportunities to enhance technical, products and industry quality standards knowledge. All new employees of the Group are required to attend an induction course and various training courses are available to all employees of the Group.

The Group has also adopted share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. No share option of the Company has been granted during the year under review.

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

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

During the year under review, the Company has adopted and complied with the relevant code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as its own code governing securities transactions of the Directors. Each of the Directors has confirmed his/her compliance with the Model Code for the financial year ended 31 December 2025. The Company has also adopted written guidelines on no less exacting terms than those set out in the Model Code for the relevant employees. The Senior Management, who, because of their office in the Company, is likely to be in possession of inside information, has been requested to comply with the provisions of the Model Code and the Company's code of conduct regarding securities transactions by the Directors. No incidence of non-compliance of the employees' written guidelines by the relevant employees was noted by the Company during the year under review.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises the three independent non-executive Directors, namely, Mr. Leung Kam Wan, Mr. Liu Chenguang and Ms. Shan Honghong. Mr. Leung Kam Wan is the chairman of the Audit Committee and he possesses recognised professional qualifications in accounting required by the Listing Rules.

The Audit Committee has reviewed the full year financial statements and reports of the Group for the year ended 31 December 2025 and the annual results as disclosed in this announcement. The Audit Committee was satisfied that the accounting policies and methods of computation adopted by the Group are in accordance with the current best practices in Hong Kong. The Audit Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosures of data and explanations shown in the financial statements. The Audit Committee also reviewed the internal control measures adopted by the Group during the year under review.

SCOPE OF WORK OF BDO LIMITED ON THIS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at “www.hkexnews.hk” and on the website of the Company at “www.tdchem.com”. The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders and published on the above websites in April 2026 according to the requirements under the Listing Rules.

By order of the Board
Tiande Chemical Holdings Limited
Liu Yang
Chairman

Hong Kong, 23 March 2026

As at the date of this announcement, the executive Directors are Mr. Liu Yang, Mr. Chen Xiaohua and Mr. Dou Aobo; a non-executive Director is Mr. Wang Zijiang; whilst the independent non-executive Directors are Mr. Leung Kam Wan, Mr. Liu Chenguang and Ms. Shan Honghong.