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TAYANG 大洋

TA YANG GROUP HOLDINGS LIMITED

大洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1991)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025
AND
RESUMPTION OF TRADING**

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Ta Yang Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the audited comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	758,153	970,061
Cost of sales		(669,700)	(853,474)
Gross profit		88,453	116,587
Other income and net (loss)/gain		(1,337)	13,770
Selling and distribution expenses		(12,739)	(24,384)
Administrative expenses		(111,537)	(120,611)
Finance costs		(27,648)	(28,281)
Impairment losses under expected credit loss model, net of reversal		(7,723)	(9,406)
Loss before tax		(72,531)	(52,325)
Income tax expense	5	(145)	(814)
Loss for the year	6	(72,676)	(53,139)
Loss for the year attributable to:			
Owners of the Company		(73,345)	(63,632)
Non-controlling interests		669	10,493
		(72,676)	(53,139)
		<i>HK cents</i>	<i>HK cents</i> (Restated)
Loss per share	8		
Basic and diluted		(49.69)	(48.68)

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	<u>(72,676)</u>	<u>(53,139)</u>
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss:		
Fair value loss on financial assets at fair value through other comprehensive income	<u>(859)</u>	<u>(2,302)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(2,780)	21,699
Release of exchange reserve upon disposal of subsidiaries	<u>–</u>	<u>2,603</u>
	<u>(2,780)</u>	<u>24,302</u>
Other comprehensive (expense)/income for the year, net of income tax	<u>(3,639)</u>	<u>22,000</u>
Total comprehensive expense for the year	<u><u>(76,315)</u></u>	<u><u>(31,139)</u></u>
Attributable to:		
Owners of the Company	(76,966)	(43,754)
Non-controlling interests	<u>651</u>	<u>12,615</u>
Total comprehensive expense for the year	<u><u>(76,315)</u></u>	<u><u>(31,139)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		48,871	46,203
Right-of-use assets		59,227	65,399
Investment properties		15,300	16,000
Goodwill		20,552	20,552
Financial assets at fair value through other comprehensive income		10,344	11,203
Interests in associates		–	–
Deferred tax assets		387	400
Loan receivables		55,176	54,566
Deposits		9,660	16,268
		<hr/>	<hr/>
Total non-current assets		219,517	230,591
		<hr/>	<hr/>
Current assets			
Inventories		34,597	30,673
Trade and other receivables	9	372,248	286,122
Loan receivables		47,541	56,711
Bank balances and cash		23,886	11,924
		<hr/>	<hr/>
Total current assets		478,272	385,430
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	10	421,419	327,014
Income tax payables		15,647	14,886
Convertible bond		37,051	–
Borrowings		206,175	164,392
Lease liabilities		8,541	14,151
		<hr/>	<hr/>
Total current liabilities		688,833	520,443
		<hr/>	<hr/>
Net current liabilities		(210,561)	(135,013)
		<hr/>	<hr/>
Total assets less current liabilities		8,956	95,578
		<hr/> <hr/>	<hr/> <hr/>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital and reserves		
Share capital	172,007	131,347
Reserves	(171,233)	(99,999)
	<hr/>	<hr/>
Equity attributable to owners of the Company	774	31,348
Non-controlling interests	(298)	(949)
	<hr/>	<hr/>
Total equity	476	30,399
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	–	17,909
Lease liabilities	5,087	8,680
Deferred income	1,549	1,601
Deferred tax liabilities	1,844	1,959
Convertible bond	–	35,030
	<hr/>	<hr/>
Total non-current liabilities	8,480	65,179
	<hr/>	<hr/>
	8,956	95,578
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”) and the United Kingdom of Great Britain and Northern Ireland (the “**UK**”) whose functional currencies are Renminbi (“**RMB**”) and Pound Sterling (“**GBP**”) respectively, the functional currency of the Company and its other subsidiaries is HK\$. As the Company is listed in Hong Kong, the directors of the Company (the “**Directors**”) consider that it is appropriate to present the consolidated financial statements in HK\$.

Going concern basis

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. The Group has continued to sustain loss for the year. The loss for the year ended 31 December 2025 amounted to approximately HK\$72,676,000, and as of that date, the Group has net current liabilities of approximately HK\$210,561,000, while its bank balances and cash amounted to approximately HK\$23,886,000 as of the same date. In addition, as at 31 December 2025, the Group was in default in respect of principal amount of borrowings totaling approximately HK\$100,852,000 due to the events of default of late or overdue payment of loan principal and interest during the year ended or as at 31 December 2025.

In addition, on 19 March 2026, the Company received a winding-up petition (the “**Petition**”) against the Company, which was presented to the High Court of Hong Kong by Rising Jiarui Investment Management Co., Ltd under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Petition was filed against the Company in relation to the non-payment of an amount of HK\$50,377,777.78 inclusive of interest accrued up to 24 February 2026 relating to the HK\$40,000,000 10.0% Convertible Bond (the “**Convertible Bond**”) due 20 July 2026 issued by the Company, details of which have been set out in the announcement of the Company dated 21 July 2023. The Petition is scheduled to be heard on 10 June 2026 (Note 11(2)).

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis because the Directors have prepared an eighteen-month cash flow forecast of the Group (the “**Forecast**”) from the year-end date and are satisfied that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least eighteen months from 31 December 2025 after taking into account of the following plans and measures (the “**Plans and Measures**”):

- (i) The Group has valid and available undrawn credit facilities of approximately HK\$130,000,000 from a financial institution, which can be drawn down at any time as and when required to provide working capital to the Group;

- (ii) On 27 March 2026, the Group entered into a loan financing agreement with Asia Pacific Technology & Development Investment Bank Ltd. for an amount of HK\$52,000,000. The Group plans to draw down these facilities around mid-June 2026;
- (iii) As part of management's continuous efforts to strengthen the Company's capital base and the Group's working capital position, on 4 February 2026, the Company announced its proposal to conduct a non-underwritten rights issue (the "**Rights Issue**") on the basis of two (2) rights shares for every one (1) share held on the record date, to raise gross proceeds of up to: (a) approximately HK\$275.21 million by issuing up to 344,013,400 rights shares (assuming no change in the share capital of the Company on or before the record date); or (b) approximately HK\$300.11 million by issuing up to 375,141,804 rights shares (assuming no change in the share capital of the Company on or before the record date other than the full conversion of the Convertible Bond). As of the date of this announcement, the Rights Issue has not yet been completed and remains subject to the fulfillment of various conditions;
- (iv) The Group has been in advanced negotiations with relevant creditors to extend overdue borrowings and interests and to waive their rights arising from event of default due to overdue payments. Management has made substantial progress with these creditors regarding feasible settlement plans and extended repayment schedules;
- (v) The Group has been actively negotiating with the convertible bondholder for the renewal and extension of the Convertible Bond, as well as the formal withdrawal of the Petition; and
- (vi) Management has been closely monitoring the Group's financial performance and liquidity position, and has implemented measures to improve profitability, control operating costs, and contain capital expenditures. The Group will continue to execute cost-control measures in the forthcoming years, including but not limited to reducing discretionary expenses and administrative costs. Concurrently, the Group is implementing measures to accelerate operating cash inflows, including intensifying efforts on the collection of trade receivables.

In view of management's successful track record in fundraising and their extensive connections in the capital markets, the Directors believe that the Group is capable of securing alternative capital and funding sources on an ongoing basis. The Group continues to explore opportunities to enlarge the Company's capital base through further fundraising exercises, including but not limited to, the issuance of new shares, rights issues, open offers, or the issuance of convertible bonds in order to improve the Group's financial position as and when necessary.

The Directors, after due and careful enquiry and taking into account the Plans and Measures as well as the financial resources available to the Group (including cash flows from operating activities and available facilities), and assuming the successful implementation of the Plans and Measures, are of the opinion that the Group will have sufficient working capital over the eighteen-month Forecast period. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to successfully implement the Plans and Measures, which are subject to multiple variables as described above. The Group's ability to continue as a going concern depends on the successful execution and completion of its capital raising, financial support, and operational restructuring plans, all of which aim to provide the Group with adequate funds to settle its existing financial obligations, commitments, and future operating and capital expenditures. However, as these Plans and Measures are currently in a preliminary stage or in progress, definitive written agreements and/or formal documentary evidence were not fully available to the Group as at the date of this announcement. Should the Group fail to achieve the Plans and Measures, it may be unable to continue operating as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for

any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

		Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all of the other new and amendments to HKFRS Accounting Standards will not have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title

of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

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

3. REVENUE

Revenue represents fair value of the consideration received or receivable and for goods sold and services rendered in the normal course of business to customers, net of discounts and sales related taxes.

Revenue recognised for the year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
Sales of silicone rubber and related products – point in time	223,301	244,030
Retail services – point in time	4,642	98,870
Online marketing solution services – point in time	530,210	627,161
Healthcare and hotel services – over time	–	–
	<u>758,153</u>	<u>970,061</u>

4. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief operating decision maker (the "CODM"), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment (with a focus on the type of goods or services delivered or provided) are as follows:

- (a) Silicone rubber and related products – manufacturing and sale of silicone rubber and related products;
- (b) Retail services – providing retail services in the UK;
- (c) Healthcare and hotel services – providing healthcare and hotel services in the PRC; and
- (d) Online marketing solution services – provision of online marketing solution services in the PRC

No operating segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

Segment revenues and results

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

2025

	Silicone rubber and related products <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Healthcare and hotel services <i>HK\$'000</i>	Online marketing solution services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales	<u>223,301</u>	<u>4,642</u>	<u>–</u>	<u>530,210</u>	<u>758,153</u>
Segment results	<u>5,988</u>	<u>(9,616)</u>	<u>(18,338)</u>	<u>1,119</u>	<u>(20,847)</u>
Unallocated income					994
Unallocated expenses					<u>(52,678)</u>
Loss before tax					<u>(72,531)</u>

2024

	Silicone rubber and related products <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Healthcare and hotel services <i>HK\$'000</i>	Online marketing solution services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales	<u>244,030</u>	<u>98,870</u>	<u>–</u>	<u>627,161</u>	<u>970,061</u>
Segment results	<u>13,050</u>	<u>1,444</u>	<u>(7,992)</u>	<u>3,781</u>	10,283
Unallocated income					15,246
Unallocated expenses					<u>(77,854)</u>
Loss before tax					<u>(52,325)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned by/(loss from) each segment without allocation of certain other income and net (loss) gain, directors' emoluments and central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenues reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2025 and 2024.

5. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current taxation		
Provision for the year		
– PRC Enterprises Income Tax	228	55
– UK Corporate Tax	–	1,552
	<u>228</u>	<u>1,607</u>
Deferred taxation		
Current year	<u>(83)</u>	<u>(793)</u>
	<u><u>145</u></u>	<u><u>814</u></u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit.

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Taxation arising in the UK is calculated at the rates of 19% (2024: 19%).

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 PRC subsidiaries is 25% for both years.

6. LOSS FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Auditor's remuneration		
– Audit services	1,750	1,750
Cost of inventories sold (<i>Note</i>)	163,578	243,916
Traffic acquisition and monitoring costs (included in cost of sales)	506,122	609,558
Depreciation of right-of-use assets	10,921	19,331
Depreciation of property, plant and equipment	5,495	9,452
Directors' emoluments	6,571	6,930
Staff costs (excluding directors' emoluments)	<u>84,229</u>	<u>112,129</u>

Note: Cost of inventories sold includes approximately HK\$54,877,000 (2024: HK\$61,610,000) relating to staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets, and such amounts are also included in the respective total amounts disclosed separately above.

7. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

	2025	2024
Loss for the year attributable to owners of the Company (<i>HK\$'000</i>)	<u>(73,345)</u>	<u>(63,632)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>) (<i>Restated</i>)	<u>147,591</u>	<u>130,717</u>

The weighted average number of ordinary shares for the year ended 31 December 2025 has been adjusted to account for the effect of share consolidation of the Company which became effective on 28 May 2025.

Comparative figures of the weighted average number of shares for calculation of basic loss per share has been adjusted on the assumption that the share consolidation had been effective in prior years.

For the years ended 31 December 2025 and 2024, the computation of diluted loss per share does not assume the conversion of the Company's outstanding Convertible Bond since their assumed exercise would result in a decrease in loss per share.

9. TRADE RECEIVABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	31,971	41,605
91 days to 1 year	<u>13,338</u>	<u>12,014</u>
	<u>45,309</u>	<u>53,619</u>

10. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days or on demand	21,952	11,508
31 to 90 days	9,915	13,548
91 days to 1 year	24,860	26,669
Over 1 year	3,046	2,957
	<u>59,773</u>	<u>54,682</u>

11. EVENTS AFTER THE REPORTING PERIOD

1. Proposal for Share Capital Reorganisation and Rights Issue

On 5 February 2026, the Company announced a proposal to implement a capital reorganisation (involving capital reduction and share split), and plans to conduct a non-underwritten share issue based on the benchmark of issuing two new shares for every one share held on the record date. The proposal aims to raise funds to support the Company's operations and future development. On 20 February 2026, 13 March 2026 and 24 April 2026, the Company announced the delayed issuance of the circulars related to the aforementioned matters. According to the latest revised schedule, the circulars are expected to be issued no later than 30 June 2026. The aforementioned share capital restructuring and rights issue have not yet been completed as of the date of this announcement and remain subject to the fulfillment of various conditions before they can be finalised.

2. Winding-Up Petition

On 23 March 2026, the Company issued an insider information announcement, disclosing receipt of the Petition on 19 March 2026, which was presented to the High Court of Hong Kong by Rising Jiarui Investment Management Co., Ltd under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Petition was filed against the Company in relation to the nonpayment of an amount of HK\$50,377,777.78 inclusive of interest accrued up to 24 February 2026 relating to the HK\$40,000,000 10.0% Convertible Bond due 20 July 2026 issued by the Company, details of which have been set out in the announcement of the Company dated 21 July 2023. The Petition is scheduled to be heard on 10 June 2026.

3. Loan Facility Agreement

On 27 March 2026, the Company (as the borrower) entered into a loan financing agreement with Asia Pacific Technology & Development Investment Bank Ltd. (as the lender), under which the lender agreed to provide the Company with a total loan financing of HK\$52,000,000. The primary purpose of the loan financing is to repay the outstanding principal of the Company's Convertible Bond, pay all accrued and payable interest related to the Convertible Bond, and cover legal fees, settlement costs, and administrative expenses directly related to the repayment of the Convertible Bond and the withdrawal of the Petition. As at the date of this announcement, the facility remains undrawn. The Group expects to draw down the loan on or around mid-June 2026, and intends to fully settle the outstanding principal of the Convertible Bond of HK\$40,000,000, together with any accrued and payable interest thereon (estimated not to exceed HK\$12,000,000 as at the settlement date), within one month following the drawdown date.

EXTRACTS OF INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2025.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Scope limitation relating to going concern basis in preparation of the consolidated financial statements

During the year ended 31 December 2025, the loss for the year ended 31 December 2025 amounted to approximately HK\$72,676,000, and as of that date, the Group has net current liabilities of approximately HK\$210,561,000, while its bank balances and cash amounted to approximately HK\$23,886,000 as of the same date. In addition, as at 31 December 2025, the Group was in default in respect of principal amount of borrowings totaling approximately HK\$100,852,000 due to the events of default of late or overdue payment of loan principal and interest during the year ended or as at 31 December 2025.

In addition, on 19 March 2026, the Company received a winding-up petition (the "**Petition**") against the Company, which was presented to the High Court of Hong Kong by Rising Jiarui Investment Management Co., Ltd under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Petition was filed against the Company in relation to the non-payment of an amount of HK\$50,377,777.78 inclusive of interest accrued up to 24 February 2026 relating to the HK\$40,000,000 10.0% Convertible Bond due 20 July 2026 issued by the Company, details of which have been set out in the announcement of the Company dated 21 July 2023. The Petition is scheduled to be heard on 10 June 2026.

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. In view of the above, the directors of the Company have prepared an eighteen-month cash flow forecast from the year end date based on their expectations of the outcome of the plans and measures as set out in Note 1 to the consolidated financial statements, and given considerations to the possible impact of the above events on the current and anticipated future liquidity of the Group. The directors of the Company, after due and careful enquiry and after taking into account the above plans and measures, and the financial resources available to the Group, including cash flows from operating activities and available facilities, and based on the assumptions that the plans and measures as set out in Note 1 to the consolidated financial statements would materialise, are of the opinion that the Group will have sufficient working capital over the eighteen-month forecast period. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves on the appropriateness of the preparation of the consolidated financial statements on a going concern basis. The ability of the Group to continue as a going concern largely depends on whether those plans and measures as detailed in Note 1 to the consolidated financial statements can be successfully implemented. The eventual outcome of these plans and measures cannot be ascertained with reasonably certainty and are subject to significant uncertainties, including:

- (i) Whether the Group can successfully draw down from a financial institution in respect of the undrawn credit facility amounting to approximately HK\$130,000,000;
- (ii) Whether the Group can successfully draw down loans from Asia Pacific Technology & Development Investment Bank Ltd. for the repayment of the Convertible Bond;
- (iii) Whether the Group can successfully complete the non-underwritten rights issues;
- (iv) Whether the Group can have successful negotiations with the Group's existing creditors to avoid demands for immediate repayment of defaulted borrowings and interests; and for waiver of the rights arising from the event of default arising from overdue payments; and have successful negotiations with the Group's existing creditors for repayment extensions and feasible settlement plans of defaulted borrowings and interests;
- (v) Whether the Group can successfully negotiate with the convertible bondholder for the renewal and extension of the Convertible Bond and the withdrawal of the Petition; and

- (vi) Whether the Group can continue to carry out cost-control measurement in forthcoming years, including but not limited to reduce discretionary expenses and administrative costs. On the other hand, whether the Group can continue to explore various strategies to improve the Group's operating cash inflows including putting extra efforts in the collection of trade receivables.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of detailed analyses provided by management in relation to its plans and measures for future actions in its going concern assessment which take into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Any adjustments found to be required may have consequential significant effects on the consolidated net assets of the Group as at 31 December 2025 and the consolidated loss and other comprehensive expense and cash flows of the Group for the year ended 31 December 2025, and the related elements and disclosures thereof presented or disclosed in the consolidated financial statements.

Should the Group fail to achieve successful outcomes from the abovementioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2025, the Group was principally engaged in (i) the design and production of silicone rubber products (“**Silicone Rubber Business**”); (ii) the provision of international digital marketing services (“**Digital Marketing Business**”); (iii) the operation of retail businesses in the United Kingdom (“**Retail Business**”); and (iv) the provision of healthcare and hotel services (“**Healthcare and Hotel Business**”).

In 2025, as the Group’s traditional core business, the Silicone Rubber Business leveraged over three decades of industry experience and a stringent quality control system to consolidate cooperation with existing customers while actively expanding market share in high value-added sectors such as new energy vehicles and photovoltaic components. Both domestic sales and export volumes maintained relatively stable during the year. Following the completion of its asset restructuring in the second half of 2024, the overseas Retail Business focused throughout 2025 on enhancing brand value and maintaining customer loyalty and steadily expanding sales performance. The Digital Marketing Business, serving as a key growth driver of the Group, maintained stable profitability during the year, contributing positively to the Group’s overall results. During the year under review, the Group, while solidifying the stable operation of its existing businesses, actively deployed innovative initiatives. The management recognises that reliance on a single manufacturing model may not meet long-term development needs, and thus began planning a strategic transformation towards the Web4.0 sector from the beginning of the year. After nearly a year of preparation, the Group has completed the top-level design for the new business, opening up a new growth curve for the Group. Looking ahead, the Group has resolved to (i) maintain existing silicone rubber product categories, expand the application of new silicone technologies and enhance brand influence; (ii) maintain existing customer resources, provide precise traffic investment services and internet marketing solutions, and improve segment profitability; (iii) operate the overseas retail business, leveraging the emerging advantages of overseas e-commerce platforms to fully expand sales performance; (iv) steadily advance its Web 4.0-focused strategic transformation, utilising artificial intelligence (AI) digital humans as a core enabler, and exploring the development of a new value circulation mechanism through the tokenization of Real World Assets (RWA).

For the year ended 31 December 2025, the Group’s results recorded (i) revenue of approximately HK\$758,153,000 (2024: approximately HK\$970,061,000), representing a decrease of 21.84% compared to the same period in 2024; (ii) a loss for the year of approximately HK\$72,676,000 (2024: loss of approximately HK\$53,139,000), marking an increase in loss compared to the same period in 2024; and (iii) loss per share of approximately HK49.69 cents (2024: loss per share of approximately HK48.68 cents).

Silicone Rubber Business

For the year ended 31 December 2025, the Silicone Rubber Business remained one of the stable sources of revenue for the Group, consistently providing robust cash flow. With over three decades of deep cultivation in the silicone rubber production field, the Group aims for high-standard production and high-quality output, earning favor from customers worldwide over the years. As an established operator in the traditional manufacturing industry, the Group operates two factories located in Dongguan and Huzhou, China, both of which are equipped with comprehensive facilities and advanced machinery. Facing challenges from the evolving global dynamics and increasing competition, the factories' R&D teams have remain committed to developing applications of new silicone materials across various fields, integrating traditional silicone production with new silicone technologies, and actively promoting the development and application of new environmentally friendly silicone materials covering categories such as new energy vehicles, photovoltaic components, aerospace materials, medical devices, consumer electronic products, and beauty products. The Silicone Rubber Business principally focuses on the manufacture and sale of products such as new energy vehicle components, photovoltaic components, medical devices, consumer electronic products and peripheral items, as well as various daily necessities, with customers covering regions such as Asia, Europe, and North America. As the world's largest producer and exporter of silicone rubber, China maintains a significant share in the global market. The Group, being the only listed company in Hong Kong primarily engaged in silicone rubber manufacturing, has over the years, established strong and stable relationships with numerous well-known brands, consistently supplying high-quality silicone rubber products to major manufacturers.

Digital Marketing Business

Since its inception, the Digital Marketing Business has evolved over the past two years to become another key pillar business of the Group. Unlike traditional manufacturing, digital marketing is a modern marketing method arising from the continuous development of internet big data and artificial intelligence. The development of this business benefits from technological progress, changes in consumer behavior, and market demand drivers. In recent years, more and more consumers have adopted online consumption as their primary daily shopping channel, while their usage and dependence on social media have increased significantly. Therefore, major brands and merchants have also focused their marketing efforts primarily on mainstream social media and large shopping platforms.

The Digital Marketing Business effectively leverages merchants' increasing demand for internet-based marketing by utilising extensive customer data, to analyse user behavior, interests, and preferences across different demographics, thereby enabling precise advertising and personalized marketing strategies. Based on its operational trade record, digital marketing has assisted a diverse range of merchants to accurately identify customer groups, thereby enhancing profit conversion and driving revenue growth. As a result, it has become one of the most widely adopted and effective marketing approaches in the current market landscape.

The Group's investee, Jusheng Technology Co., Ltd. ("**Jusheng Technology**"), is a professional digital marketing service company. As a leading operator service provider for Douyin (TikTok) in Mainland China, it offers comprehensive services including account setup and management, content strategy development, video production, audience engagement, data analysis, e-commerce operation, live streaming and advertising placement, and brand advertising solutions. Jusheng Technology's current clientele includes numerous merchants and brands across industries such as finance, gaming, automotive, education, and FMCG, including well-known Mainland brands like Jiangzhong Group, Yunnan Baiyao, and Fan Deng Reading. Jusheng Technology adheres to the philosophy of "enabling brands to communicate better with consumers," continuously innovating and optimizing services to support clients' business growth. In 2025, although sales revenue from this business segment declined amid intensified market competition, the segment's profitability improved significantly, making a positive contribution to the Group's overall results. The Group remains confident in the long term growth potential of this high-demand digital commerce segment and intends to continue to increase strategic investment to drive further development.

Retail Business

For the year ended 31 December 2025, the Group continued its refined the operation of its UK retail business. The UK supermarket, EKAU, positioned as a lifestyle supermarket, curates a selection of popular food and daily necessities from China, Japan, South Korea, Southeast Asia, and other regions. Product categories include food items (such as snacks, pastries, frozen foods, condiments, and fresh fruits and vegetables), daily and personal care products, household cleaning items, and decorations. Additionally, the supermarket provides Chinese, Japanese, and Korean-style fast food and specialty beverages, bringing authentic and diverse Oriental elements to local consumers. Its differentiated product mix has enabled it to attract Asian culture enthusiasts and local consumers, steadily enhancing brand recognition and customer loyalty. During the year, the segment continued to enhance the in-store shopping experience and maintained long-term collaborative relationships with suppliers, distributors, and regional partners, ensuring consistent product quality and stable supply.

Healthcare and Hotel Business

For the year ended 31 December 2025, the Healthcare and Hotel Business has been considered a business segment of lower strategic importance, and its operations are currently in a stagnant phase. The Group is continuously monitoring opportunities and exploring methods to realize the value of its investment in this segment.

BUSINESS PROSPECTS

Looking ahead, the Group remains committed to driving the growth and innovation of its core business segments while steadily advancing its strategic transformation centered on Web4.0, exploring new opportunities to enhance profitability and product market share.

Silicone Rubber Business

Over the long term, China, as the world's largest producer and exporter of silicone rubber, has consistently held a significant position in the global silicone manufacturing market. Owing to its excellent high-temperature resistance, corrosion resistance, insulation properties, and biocompatibility, silicone rubber is widely applied in electronics, medical, automotive, construction, and consumer goods sectors. In 2026, driven by high-tech industries such as new energy, 5G communication, drones, robotics, and medical equipment, demand for silicone across various industries is expected to remain robust. The Group will actively respond to changes in market demand for silicone products, continuing to provide high-quality silicone products to long-term customers while staying abreast of trends and developments in upstream and downstream industries.

Accordingly, the Group will continue to implement its established development strategy of advancing both traditional silicone product manufacturing and the development and application of new environmentally friendly silicone materials. The Group will maintain its commitment in investing in R&D for new silicone rubber, with innovation, market expansion, and sustainable development as operational goals. It will further strengthen innovation in environmentally friendly silicone materials and upgrade existing production infrastructure to develop next-generation solutions and expand market coverage. The new environmentally friendly silicone products designed, developed, and produced by the Group cover categories such as new energy vehicles, photovoltaic components, aerospace materials, medical devices, consumer electronics, and beauty products. In 2026, leveraging its mature manufacturing capabilities and robust internal control system, the Group will enhance the applicability, environmental friendliness, diversity, and durability of its products, comprehensively upgrade, and explore the demand for silicone products in emerging industries, ensuring it maintains a leading position in technological and market development.

Digital Marketing Business

The Group's Digital Marketing Business will continue to serve a diverse range of manufacturers and brands by providing customised traffic investment solutions tailored to client's needs. Through big data precision screening of target consumers, it aims to optimise conversion rates and enhance market effectiveness. As a pioneer in the internet e-commerce traffic service sector in Mainland China, Jusheng Technology has gained recognition from a wide range of brand clients through precise target customer positioning and improved advertising efficiency. In 2026, Jusheng Technology will continue to expand its leading advantage in the Digital Marketing Business. With continuous technological innovation and optimization, the Group intends to utilise more cutting-edge technological means to improve the accuracy and efficiency of advertising placement. The continuous enhancement of big data analytics capabilities will enable our information flow advertising to reach target audiences more precisely thereby further reinforcing the role of digital marketing as an effective promotional channel in the current environment.

Jusheng Technology will further strengthen team building, attract more industry experts, and form a high-quality service team to provide superior customer service. It will also expand cooperation with well-known domestic and international brands, developing more innovative marketing solutions to meet clients' diverse needs. Overall, internet marketing and traffic investment will evolve with precision, personalization, innovation, and immersive experiences as key characteristics. The Group will closely monitor development trends in the digital marketing industry and flexibly adjust strategies to adapt to the continuously evolving and iterating internet marketing environment.

Retail Business

Following the asset restructuring of the UK retail business, the Group will continue to develop the existing supermarket brand, broaden product offerings, and improve operational systems. The UK supermarket business operation has established a solid foundation in London, with a relatively stable customer base possessing sound spending power. In light of the presence of competing branded retail supermarkets in adjacent areas, which may dilute consumer spending, the Group will strengthen its product selection, deepen its understanding of consumer preferences within its target customer base, enhance customer loyalty with the aim of building a strong, high-quality brand image over the long term. It will leverage mature and efficient logistics chains to introduce popular products to the UK market. Concurrently, the Group will continue promoting its brand through digital channels such as Douyin, enhancing brand visibility through both online and offline channels, and providing consumers with a superior shopping experience through innovative business models and services.

Healthcare and Hotel Business

The Group will continue the integration and disposal of assets related to this segment in 2026.

Web4.0 Strategic Transformation and Other Potential Opportunities

2025 marked the inaugural year of the Group's transition from traditional manufacturing to a leader in the digital economy. Facing the global digital economy wave and the advent of the Web4.0 era, the Group keenly perceived the strategic opportunities of the digital economy age, precisely anchoring its strategy on three core drivers: Artificial Intelligence (AI), Real World Asset (RWA) tokenization, and the Hong Kong policy ecosystem, striving to open up the "data-asset-value" conversion route.

During the year, the Group proposed allocating funds toward several strategic initiatives, including the research and development of AI digital humans, the establishment of underlying asset portfolios and on-chain solutions for Real World Assets (RWA), and the acquisition of strategic digital assets such as Ethereum (ETH) to serve as reserves supporting new business operations.

In 2026, the Group will steadily advance its strategic transformation centered on Web4.0, utilising Artificial Intelligence (AI) digital humans as core technological enablers and constructing a new value circulation mechanism through the tokenization of Real World Assets (RWA). The Group will focus on three key areas: education, gaming, and health and wellness, actively promoting data standardization, asset digital expression, and global value synergy. Looking ahead, the Group will undertake more RWA businesses, and build a global AI digital entrepreneurship platform, fostering the deep integration of intelligent assets across diverse industries. The Group believes that this strategic transformation will become a new growth engine, laying a solid foundation for the Group's long-term development in the digital content field and providing an efficient value growth ecosystem for global investors, partners, and individual users, thereby contributing to the high-quality and sustainable development of the global digital economy.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded total revenue of approximately HK\$758,153,000 (2024: approximately HK\$970,061,000), representing a decrease of approximately 21.84% compared to the same period in 2024.

Silicone Rubber Business

Revenue for the year ended 31 December 2025, was approximately HK\$223,301,000 (2024: approximately HK\$244,030,000), accounting for approximately 29.45% of the Group's total revenue (2024: approximately 25.16%).

Digital Marketing Business

Revenue for the year ended 31 December 2025, was approximately HK\$530,210,000 (2024: approximately HK\$627,161,000), accounting for approximately 69.93% of the Group's total revenue (2024: approximately 64.65%).

Retail Business

The retail segment's profitability has sharply declined, with revenue of approximately HK\$4,642,000 for the year ended 31 December 2025 (2024: approximately HK\$98,870,000), accounting for approximately 0.61% of the Group's total revenue (2024: approximately 10.19%).

Healthcare and Hospitality Business

Performance in this segment remained weak, with revenue of approximately HK\$0 for the year ended 31 December 2025 (2024: approximately HK\$0).

Gross Profit

For the year ended 31 December 2025, gross profit was approximately HK\$88,453,000 (2024: approximately HK\$116,587,000), representing a decrease of approximately 24.13% compared to the same period in 2024. The gross profit margin for the year was approximately 11.7% (2024: approximately 12%).

Other Income and Net Gains

Other income and net gains for the year ended 31 December 2025, amounted to approximately HK\$-1,337,000 (2024: approximately HK\$13,770,000), marking a significant decrease compared to the same period in 2024..

Expenses

Selling and distribution expenses for the year ended 31 December 2025, were approximately HK\$12,739,000 (2024: approximately HK\$24,384,000), a decrease of approximately 47.76% compared to the same period in 2024.

Administrative expenses for the year ended 31 December 2025, were approximately HK\$111,537,000 (2024: approximately HK\$120,611,000), a decrease of approximately 7.52% compared to the same period in 2024.

Loss Attributable to Owners of the Company

For the year ended 31 December 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$73,345,000 (2024: loss of approximately HK\$63,632,000), representing an increase of approximately 15.26% compared to the same period in 2024. The loss per share for the year was approximately HK49.69 cents (2024: approximately HK48.68 cents), an increase in loss of approximately 2.07% compared to the same period in 2024.

KEY RISKS AND UNCERTAINTIES

The Group's operations, financial position, and prospects are subject to various risks and uncertainties. The risk factors outlined below may directly or indirectly cause the Group's operating performance, financial position, and development prospects to differ significantly from expectations or past performance. These factors are not exhaustive, and there may be other risks and uncertainties not yet identified by the Group or currently not apparent, but which may become significant in the future.

Business Risks

In the long term, the performance of the Group's silicone rubber business may be affected by fluctuations in raw material prices, changes in market demand for finished products, and international trade barriers. For example, the silicone rubber business requires inventory of raw materials, and the Group has not entered into any significant contracts to hedge against price fluctuations. Therefore, any price volatility in raw materials could pressure the Group's costs and affect the competitiveness of its products. Failure to adapt to and successfully address changing demand and raw material supply could adversely impact business performance and development prospects. Additionally, some countries and regions have imposed trade barriers on Chinese silicone products, such as anti-dumping duties and technical trade barriers. The Group needs to actively address these challenges by improving product quality, strengthening brand building, and diversifying its markets.

The digital marketing business relies heavily on internet marketing and traffic promotion as its primary source of revenue. It is somewhat influenced by internet regulatory policies and depends on the stability of client relationships. Therefore, the Group must ensure compliance with regulatory rules, stay aligned with broader marketing trends, and enhance its competitiveness and client satisfaction.

As many products sold by the retail business are sourced from overseas, the segment has high supply chain demands. Reliance on imported products means that changes in logistics costs, international situations, and tariff policies could affect product costs and sales cycles. Additionally, the low entry barriers in the retail industry result in intense competition, including price wars that may compress profit margins. Exchange rate fluctuations may also impact the profitability of the supermarket business.

Industry Risks

All of the Group's business segments operate in highly competitive industries. The silicone rubber business faces competition not only from other silicone rubber products but also from new material products. As competitors expand product categories, reduce prices, improve quality, or launch promotions, competition may intensify. If the Group fails to compete effectively with existing or new competitors, it may not be able to maintain its current business scale and operating performance. Meanwhile, the digital marketing business, being internet-based, could face significant operational challenges if macro policies impose stricter regulations or higher entry barriers on the internet marketing sector.

Credit Risks

As of 31 December 2025, the Group's total current assets amounted to approximately HK\$478,272,000, while total current liabilities were approximately HK\$688,833,000. The Group's bank balances and cash are tight compared to its current liabilities. If receivables are not fully recovered, the Group may not have sufficient resources to repay its short-term debts.

Event Risks

Event risks refer to risks arising from unexpected events such as natural disasters or industrial accidents that could negatively impact the Group's operating performance and financial position. Such events may disrupt the Group's operations, increase the prices of raw materials and outsourced services, and exacerbate other risks and uncertainties faced by the Group. Due to the unpredictability of such event risks, there is no guarantee that the Group's response measures will be sufficient.

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2025, the Group's major source of funds was cash generated from operating and financing activities, and the Group's liquidity remained stable compared with the corresponding period in 2024.

	2025	2024
Cash and cash equivalents (<i>HK\$'000</i>)	23,886	11,924
Current ratio	0.70	0.74
Quick ratio	0.65	0.68
Gearing ratio*	433.14	6.00

* The gearing ratio of the Group was calculated by dividing total borrowings by total equity.

CAPITAL STRUCTURE

On 26 May 2025, the Company held an extraordinary general meeting and an ordinary resolution was passed to approve the consolidation of every ten issued and unissued ordinary shares of par value of HK\$0.1 each in the share capital of the Company into one consolidated share of par value of HK\$1.0 each in the share capital of the Company. The share consolidation became effective on 28 May 2025 and the total number of issued shares of the Company became 131,346,700 shares. For details of the share consolidation, please refer to the announcements of the Company dated 16 April 2025 and 26 May 2025, and the circular of the Company dated 30 April 2025.

On 9 June 2025, the Company has completed the subscription of shares under general mandate, a total of 12,000,000 shares at the subscription price of HK\$1.00 per subscription share were issued and the total number of issued shares of the Company became 143,346,700. For details of the subscription, please refer to the announcements of the Company dated 1 April 2025, 7 April 2025 and 9 June 2025.

On 3 July 2025, the Company entered into the five subscription agreements (the “**Subscription Agreements**”) with the five subscribers, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue under general mandate, an aggregate of 28,660,000 subscription shares at the subscription price of HK\$1.20 per subscription share. The completion of the subscription of 8,670,000 shares,

13,600,000 shares, 3,650,000 shares and 2,740,000 shares under the Subscription Agreements took place on 19 August 2025, 1 September 2025, 15 September 2025 and 23 September 2025 respectively in accordance with the terms and conditions thereof.

As of 31 December 2025, the authorized share capital of the Company was HK\$2,000,000,000, divided into 2,000,000,000 shares with a face value of HK\$1.0 per share. As of 31 December 2025, the issued shares of the Company were 172,006,700 shares, and all Shares were fully paid and rank *pari passu* with each other in all respects.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any significant investments, material acquisition or disposal of any subsidiaries, associates or joint ventures and affiliated companies during the year ended 31 December 2025, nor were there any future plans for material investments or additions of capital assets as at 31 December 2025.

PLEDGE OF ASSETS

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 31 December 2025 were approximately HK\$4.25 million (2024: approximately HK\$6.9 million), which was mainly related to the expansion of production capacity of the Silicone Business. Such capital commitments will be financed by the net proceeds from operating activities. As at 31 December 2025, certain land and buildings, investment properties and right-of-use assets of the Group of approximately HK\$93 million (2024: approximately HK\$98 million) were pledged to secure banking facilities or bank and other borrowings granted to the Group.

CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 31 December 2025 (2024: nil).

CURRENCY MANAGEMENT AND TREASURY POLICY

For the year ended 31 December 2025, the Group's cash receipts were denominated in United States dollars ("USD"), HK\$, Pound Sterling ("GBP") and RMB, while the labour costs, manufacturing overheads, selling and administrative expenses of the Group were mostly negotiated, measured and settled in RMB. As at 31 December 2025, the majority of cash and cash equivalents were held in USD, HK\$ and RMB. As the Retail Business in the UK has become one of the principal businesses of the Group, it is expected that GBP will constitute a key functional currency of the Group in the future. Therefore, fluctuations of RMB and GBP will affect the Group's profitability. For the year ended 31 December 2025, the Group did not enter into any financial instrument for hedging purpose. The Group will closely monitor the currency movements and take appropriate measures to deal with such exchange-rate exposure.

The Group adopted a conservative approach to the cash management and investment of uncommitted funds. Unused funds were placed as short-term deposits with authorised financial institutions in Hong Kong and the PRC.

HUMAN RESOURCES AND REMUNERATION POLICIES

As the Group is committed to improving production capacity, developing high-quality products, and expanding industry chain, experienced workers, engineers and professionals are crucial to the Group. The Group offers on-the-job training and encourages staff to attend continuous professional training in order to enhance their skills and knowledge. The Group also offers competitive remuneration packages, including quality staff quarters, medical care, insurance coverage and retirement benefits, to employees. As at 31 December 2025, the Group employed 633 permanent and temporary employees (2024: 715). The total salaries and related costs for the year ended 31 December 2025 amounted to approximately HK\$84.3 million (2024: approximately HK\$119.1 million).

FINAL DIVIDEND

The Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 11 to the consolidated financial statements, the Board are not aware of any significant event which had material effect on the Group subsequent to 31 December 2025 and up to the date of this announcement.

DELAY IN PUBLICATION OF 2025 AUDITED ANNUAL RESULTS

The delay in publication of the audited consolidated annual results of the Group for the year ended 31 December 2025 (the “**2025 Audited Annual Results**”) was due to, among others, the additional time required for the Company’s auditor to perform the necessary audit procedures in relation to the Petition presented against the Company on 19 March 2026 and the loan facility agreement entered into by the Company on 27 March 2026, as respectively detailed in the Company’s announcements dated 23 March 2026 and 29 March 2026.

Regarding the Petition, the Company’s auditor had (i) obtained the Petition and the underlying Convertible Bond subscription agreement, and compared the key terms of the subscription agreement and disclosures in the Group’s consolidated financial statements; (ii) obtained direct confirmations from the bondholder as to confirm the outstanding principal and interest amount as disclosed in the Group’s consolidated financial statements; (iii) discussed with management and the legal adviser of the Company regarding the likely outcome of the Petition, and evaluated management’s assessment of the Company’s ability to continue as a going concern; and (iv) obtained the Company’s liquidity plans and financial resources available to address the Petition, including proposed refinancing and equity fund-raising, by inspecting cash flow forecasts prepared by management, testing the key assumptions, and

assessing whether such plans were within the control of management and had progressed to a sufficiently advanced stage at the reporting date.

Regarding the loan facility agreement, the Company's auditor had (i) obtained the loan financing agreement dated 27 March 2026 and direct confirmations from the lender to confirm the validity of the agreement; (ii) performed due diligence on the lender of the new loan facility; and (iii) compared the key terms of the loan financing agreement and the disclosure in the Group's consolidated financial statements.

The related necessary audit procedures in relation to the Petition and the loan facility agreement had been performed and the related effect to the consolidated financial statements are disclosed in the 2025 Audited Annual Results.

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to enhancing Shareholder value and safeguarding interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

To the best knowledge of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025, except for the following.

Under Code Provision C.1.6 of the CG Code, independent non-executive Directors and other non-executive Directors, as equal Board members, should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. Mr. Han Lei, the non-executive Director, did not attend the annual general meeting of the Company held on 27 June 2025 due to his other work commitments.

Following the resignation of Ms. Wang Lina as an independent non-executive Director and a member of the audit committee of the Company on 17 April 2025, the number of independent non-executive Directors and the number of audit committee members fell below three. As a result of the foregoing, the Company is not in compliance with the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the audit committee of the Company must comprise a minimum of three members. Following the appointments of Mr. Zhang Li and Dr. Xie Jun on 6 January 2026, the number of independent non-executive Directors was increased to three and made up of at least one-third of the Board, and the number of members of the audit committee of the Company was increased to three. In view of the above, the Company has now complied with Rule 3.10(1) and Rule 3.21 of the Listing Rules since 6 January 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' transactions in the securities of the Company. Specific enquiry has been made of all the Directors and all Directors confirmed that they had fully complied with the required standard of dealings and the code of conduct adopted by the Company and there was no event of non-compliance throughout the year ended 31 December 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As at December 31, 2025, the Company did not hold any treasury shares.

SHARE OPTION SCHEME

On 13 December 2018, the Company adopted the share option scheme (the "Scheme"). For the year ended 31 December 2025, no options or securities had been granted, exercised, cancelled or lapsed under the Scheme. As at 1 January 2025 and 31 December 2025, there was no outstanding option under the Scheme.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Currently, the audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely, Ms. Zhang Li, Mr. Zhang Li and Dr. Xie Jun. Ms. Zhang Li is the chairperson of the Audit Committee, who has appropriate professional qualifications and experience in accounting. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, financial reporting, risk management and internal control matters. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2025, and is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

SCOPE OF WORK OF RONGCHENG (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, 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 the preliminary announcement have been agreed by the Group's auditors, Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited), to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by

the Board of Directors on 29 May 2026. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This result announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.tayanggroup.com). The annual report of the Group for the year ended 31 December 2025 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company, and will be available on websites of the Stock Exchange and the Company on 1 June 2026.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management and staff for their hard work and dedication, as well as our shareholders, business partners and associates, bankers, auditors and other stakeholders for their continuous support to the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2026, Wednesday. Application has been made by the Company to the Stock Exchange for the resumption of the trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 June 2026, Monday.

On behalf of the Board
Ta Yang Group Holdings Limited
Shi Qi
Chairlady

Hong Kong, 29 May 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Shi Qi and Mr. Li Jiuhua; four non-executive Directors, namely, Mr. Law Wai Ip Vincent, Mr. Gu Shixiang, Mr. Han Lei and Mr. Wang Dongzhu; and three independent non-executive Directors, namely Ms. Zhang Li, Mr. Zhang Li and Dr. Xie Jun.