



晶苑國際集團有限公司*

CRYSTAL INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)

Stock code : 2232



2025

**CRYSTAL INTERNATIONAL
ANNUAL REPORT**

* For identification purposes only

About Crystal International Group Limited

Crystal International Group Limited is a global leader and sustainability pioneer in the apparel manufacturing industry. Founded in 1970 and headquartered in Hong Kong, Crystal possesses a leading position in a diversified product portfolio categorised into five product segments with vertical development in fabrics production: Lifestyle wear, Sportswear and outdoor apparel, Denim, Intimate and Sweater. The Group operates a multi-country manufacturing platform, with production facilities including both garment factories and fabric mills spanning five countries: Vietnam, China, Cambodia, Bangladesh and Sri Lanka.

Mission

To be the most profitable company in the industry, customer choice and employee choice.

Corporate Values

- Integrity
- Respect for people
- Embrace innovation
- Energise others
- Delight our customers
- Live quality
- Deliver bottom line results
- Boundaryless enterprise

Multi-country Network of Production Facilities



Vietnam



China



Cambodia



Bangladesh



Sri Lanka

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LO Lok Fung Kenneth (*Chairman*)
Mrs. LO CHOY Yuk Ching Yvonne (*Vice Chairman*)
Mr. LO Ching Leung Andrew
(*Vice Chairman and Chief Executive Officer*)
Mr. WONG Sing Wah
Mr. LO Howard Ching Ho

Non-executive Directors

Mr. WONG Chi Fai
Mr. LEE Kean Phi Mark

Independent Non-executive Directors

Mr. CHANG George Ka Ki
Mr. MAK Wing Sum Alvin
Mr. WONG Siu Kee
Mrs. MAK TANG Pik Yee Agnes, MH, JP

BOARD COMMITTEES

Audit Committee

Mr. CHANG George Ka Ki (*Chairman*)
Mr. MAK Wing Sum Alvin
Mr. WONG Siu Kee
Mrs. MAK TANG Pik Yee Agnes

Remuneration Committee

Mr. MAK Wing Sum Alvin (*Chairman*)
Mr. CHANG George Ka Ki
Mr. WONG Siu Kee
Mrs. MAK TANG Pik Yee Agnes
Mr. LO Lok Fung Kenneth

Nomination Committee

Mr. LO Lok Fung Kenneth (*Chairman*)
Mr. MAK Wing Sum Alvin
Mr. WONG Siu Kee

People Committee

Mr. LO Ching Leung Andrew (*Chairman*)
Mrs. MAK TANG Pik Yee Agnes
Mr. WONG Siu Kee

Sustainability Committee

Mr. LO Ching Leung Andrew (*Chairman*)
Mr. WONG Chi Fai
Mr. LEE Kean Phi Mark

AUTHORISED REPRESENTATIVES

Mr. LO Ching Leung Andrew
Mr. NG Tsz Yeung

COMPANY SECRETARY

Mr. NG Tsz Yeung

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35th Floor, One Pacific Place
88 Queensway, Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5-7/F., AXA Tower
Landmark East
No. 100 How Ming Street
Kowloon, Hong Kong

REGISTERED OFFICE

Ugland House
P.O. Box 309
Grand Cayman, KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: +852 2862 8555
Fax: +852 2865 0990
Website: www.computershare.com/hk/contact

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hill, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

LEGAL ADVISERS

Simpson Thacher & Bartlett
Maples and Calder (Hong Kong) LLP

COMPANY WEBSITE

www.crystalgroup.com

INVESTOR RELATIONS

ir@crystalgroup.com

STOCK CODE

2232

Financial Highlights

The financial figures are presented in United States Dollars (“US\$”).

	For the year ended 31 December	
	2025	2024
Key Financial Information (US\$'000)		
Revenue	2,641,179	2,469,629
Cost of sales	2,115,482	1,983,406
Gross profit	525,697	486,223
Profit for the year	224,835	200,828
Key Financial Ratios		
Gross profit margin (%)	19.9%	19.7%
Net profit margin (%)	8.5%	8.1%
At 31 December		
	2025	2024
Key Financial Information (US\$'000)		
Total assets	2,184,967	2,254,453
Total liabilities	573,282	719,007
Total equity	1,611,685	1,535,446
Net debt (note a)	–	–
Bank balances and cash	382,310	426,715
Key Financial Ratios		
Net debt to equity ratio (%) (note b)	–	–
Cash conversion cycle (days) (note c)	81	71

Notes:

- (a) Net debt represents total interest-bearing bank borrowings less short-term bank deposit and bank balances and cash.
- (b) Net debt to equity ratio represents total interest-bearing bank borrowings less short-term bank deposit and bank balances and cash, divided by total equity.
- (c) Cash conversion cycle represents inventory turnover days plus trade and bills receivables turnover days, less trade and bills payables turnover days.

Chairman's Statement

On behalf of the Board of Crystal International Group Limited, I am pleased to present our annual results of the Group for the year ended 31 December 2025.

This year has been marked by resilient performance amid a dynamic global landscape, with the Group achieving steady growth in revenue and profitability. Our strategic focus on operational excellence, innovation, and sustainability has enabled us to navigate challenges effectively while positioning the Company for long-term success.

In 2025, we continued to address geopolitical uncertainties and evolving trade policies, including potential tariff impacts from major markets such as the United States. To mitigate these risks, we advanced our diversification strategy through the expansion of our production footprint into new regions. A key highlight was our investment in Egypt, where we secured an approximately 800,000-square-metre land parcel in the New October Industrial Zone, with plans for investing in a fully integrated textile complex. This project encompasses fibre knitting, dyeing, printing, and garment manufacturing, enhancing our vertical operations and providing greater flexibility in sourcing for our global customers. Our risk mitigation plan includes comprehensive assessments of local regulations, supply chain resilience, and hedging strategies against currency and tariff fluctuations. By establishing operations in Egypt, we leverage its strategic location, skilled workforce, and favourable trade agreements to reduce dependency on traditional manufacturing hubs and buffer against geopolitical disruptions.

Innovation remains at the heart of our efficiency enhancement efforts. We have encouraged and expanded the adoption of cutting-edge technologies, including artificial intelligence (AI), across our operations. For example, we have empowered our office staff with AI tools to streamline administrative processes, automate routine tasks such as data analysis and reporting, and improve decision-making accuracy. These initiatives have contributed to enhanced operational efficiency, reduced processing times, and better resource allocation throughout the organisation. The Group is dedicated to investing resources in exploring opportunities and efficiency enhancement through broader AI applications, including ongoing collaborations with leading institutions to develop industry-specific AI solutions that support smart manufacturing, predictive analytics, and process optimisation. We remain committed to fostering a culture of technological advancement, investing in training programmes to equip our teams with the skills needed to harness these tools effectively.

We have made good progress in transforming our operational systems, including optimising integrated ERP platforms and digital manufacturing solutions. This has enhanced collaboration, data sharing, real-time visibility, and workflows, leading to higher efficiency, reduced silos, and improved responsiveness to market demands, strengthening our competitive edge.

Our dedication to sustainability continues unabated, with steadfast progress toward our net zero vision. Aligned with Crystal Sustainability Vision 2030 and our commitment to net zero emissions by 2050, we have intensified efforts to reduce greenhouse gas emissions through expanded renewable energy initiatives. We expanded additional solar photovoltaic total capacity to 23 MW across our facilities in Bangladesh, Vietnam, Cambodia and Sri Lanka. Moreover, we completed 125 energy efficiency projects. Our commitment extends to regenerative practices, including our pledge to plant two million trees by 2030. During the year, we planted 525,000 trees worldwide. In addition, we have strengthened stakeholder engagement by approving approximately HK\$2 million in support through the Crystal Climate Charity Foundation for the families of our workers affected by recent natural disasters, such as storms, landslides and floodings since November 2025 in Sri Lanka. This aid underscores our responsibility to care for our people and communities during times of crisis, providing essential assistance to help them recover and rebuild. These initiatives not only advance our environmental goals but also reinforce our social commitments and partnerships with stakeholders who share our vision for a sustainable future.

Chairman's Statement

Central to our success is our vertical integration model, which has been further solidified through the Egypt expansion and ongoing enhancements in our existing operations. This approach has enabled us to deliver superior value to our customers and maintain our position as a global leader in apparel manufacturing.

I would like to express my sincere appreciation for the strategic execution led by our CEO, Mr. Andrew LO. His visionary leadership has been pivotal in driving our diversification efforts, technological integrations, and sustainability advancements. Under his guidance, the management team has executed our growth strategies with precision, delivering record results and positioning the Group for continued prosperity.

Looking ahead, we remain focused on robust succession planning to ensure seamless leadership transitions. In line with this, we have further developed our talent pipeline through the People Committee, which oversees comprehensive programmes for leadership development, mentoring, and performance evaluations. The appointment of Mr. Andrew LO as Vice Chairman in early 2025 has facilitated a structured approach to grooming the next generation of leaders, reinforcing our commitment to long-term governance and stability.

In closing, I extend my heartfelt thanks to our dedicated employees, whose passion and hard work are the foundation of our achievements. I also express gratitude to our customers, suppliers, and business partners for their unwavering support, and to you, our Shareholders, for your continued confidence in the Group. As we enter 2026, we are well-equipped to capitalise on emerging opportunities while upholding our values of innovation, sustainability, and excellence.

LO Lok Fung Kenneth

Chairman of the Board

Hong Kong, 19 March 2026

Management Discussion and Analysis

MARKET OVERVIEW

In 2025, the global apparel industry continued the growth momentum of the previous year, although performance varied among apparel brands. End-customer demand remained resilient, characterised by a focus on product differentiation and price sensitivity. Apparel brands that adapted swiftly to market changes and continued product development were better positioned to capture consumer preferences.

During the reporting period, the reciprocal tariff policy implemented by the USA presented the most prominent challenge for the garment industry. Particularly in the initial phase of its implementation, policy fluctuation created uncertainty within the global apparel supply chain. However, with the rollout of the final tariff scheme, the differential tariff rates across key garment-exporting countries proved less severe than the initial concerns. Additionally, cost pressures stemming from tariffs were gradually passed on to consumers. Consequently, the overall operational impact on garment manufacturers remained manageable. Brand customers refocused their purchasing priorities on core elements, such as overall supply chain efficiency and response speed.

Meanwhile, Vietnam further strengthened its position as a preferred destination for labour-intensive manufacturing. In particular, following the implementation of USA tariffs, an increasing number of Chinese companies relocated their production lines to Vietnam. Strong growth in labour demand intensified competition in the local labour market. Rising employment costs and shortages of skilled workers posed new challenges for business expansion in Vietnam.

BUSINESS REVIEW

Leveraging its co-creation business model and diversified multi-category product portfolio, the Group deepened collaboration with brand customers, supporting them to respond quickly to evolving consumer needs for differentiation and value. This strategy enabled the Group to gain market share among key brand customers and achieve revenue growth across all five business segments.

In response to the uncertainties stemming from the USA reciprocal tariff policy, the Group relied on its global production network and strong brand customer partnerships to effectively mitigate tariff-related disruptions. Continued investment in automation upgrades and production optimisation further offset the pricing pressures from tariffs, contributing to improved operating returns.

Vietnam, currently the Group's largest production base, faced intensifying labour market competition, which imposed constraints on the Group's growth. Some enterprises raised recruitment packages to attract skilled workers to accelerate shipments during tariff window periods. Such workforce mobility adversely affected the Group's overall productivity. To address labour market dynamics in Vietnam, the Group initiated satellite factories towards the end of 2025 to broaden access to labour pools and improve recruitment flexibility.

The Group's revenue for the year ended 31 December 2025 increased by 6.9% to US\$2,641 million (2024: US\$2,470 million).

The gross profit margin increased to 19.9% in 2025 from 19.7% in 2024. The net profit margin expanded to 8.5% in 2025 from 8.1% in 2024.

The Group's net profit for the year ended 31 December 2025 increased by 12.0% to US\$225 million (2024: US\$201 million).

Management Discussion and Analysis

Consistent with practice of sharing its operation results with shareholders, the Board has proposed a final dividend of HK24.5 cents per ordinary share. Together with the interim dividend declared and paid, the total dividend per ordinary share for the year ended 31 December 2025 will amount to HK40.8 cents.

During the reporting period, capital expenditure totalled US\$183 million, with approximately 66% allocated to increasing garment production capacity and automation upgrades, and the remainder supporting upstream fabric business development.

As part of the Group's overarching sustainability strategy, it continued to make steadfast progress towards its Crystal Sustainability Vision 2030 and Net Zero 2050 vision to tackle broader environmental, people and community challenges.

To ramp up its decarbonisation efforts, the Group progressively increased its solar photovoltaic ("PV") installations in its operating countries, expanding its total PV capacity to 23 MW. Solar electricity generated accounted for approximately 15% of the electricity consumed in factories with solar PV systems. The Group is also conducting a consultancy study on a solar roadmap to maximise its potential solar capacity. Regarding social sustainability, the Group joined Reimagining Industry to Support Equality (RISE), an industry-transforming initiative to promote women's empowerment and accelerate gender equality across global factories.

In recognition of its collective efforts and achievements, the Group was honoured to receive the Sustainable Corporate Leadership Award in the Standard Chartered Corporate Achievement Awards 2025 and the Distinction Award (Large Organisations Category) in the Hong Kong Management Association's Hong Kong Sustainability Award 2025. In addition, the Group was commended for the Best ESG Report – Mid-cap, the Carbon Neutral Award, and the Excellence in Environmental Positive Impact in the Hong Kong ESG Reporting Awards 2025.

FINANCIAL REVIEW

Revenue

The Group's revenue for 2025 compared to 2024, by product category, each expressed as an absolute amount and as a percentage of total revenue was:

	For the year ended 31 December			
	2025		2024	
	US\$'000	%	US\$'000	%
Lifestyle wear	743,895	28.2%	694,237	28.1%
Sportswear and outdoor apparel	598,963	22.7%	554,603	22.5%
Denim	539,964	20.4%	518,920	21.0%
Intimate	466,260	17.7%	434,782	17.6%
Sweater	292,097	11.0%	267,087	10.8%
Total Revenue	2,641,179	100.0%	2,469,629	100.0%

Despite the impact of tariff headwinds, the Group's revenue increased by 6.9% in 2025, driven by resilient sales order demand.

Management Discussion and Analysis

The Group's sales analysed by geographic region based on port of discharge were:

	For the year ended 31 December			
	2025		2024	
	US\$'000	%	US\$'000	%
Asia Pacific (note a)	1,060,193	40.1%	982,088	39.8%
North America	988,109	37.4%	942,461	38.2%
Europe (note b)	511,744	19.4%	480,265	19.4%
Other countries/regions	81,133	3.1%	64,815	2.6%
Total Revenue	2,641,179	100.0%	2,469,629	100.0%

Notes:

- (a) Asia Pacific primarily includes Japan, the PRC and South Korea.
- (b) Europe mainly includes the U.K., France, Germany, and the Netherlands.

Gross Profit and Gross Profit Margin

	For the year ended 31 December			
	2025		2024	
	Gross Profit US\$'000	Gross Profit Margin %	Gross Profit US\$'000	Gross Profit Margin %
Lifestyle wear	151,390	20.4%	134,591	19.4%
Sportswear and outdoor apparel	125,176	20.9%	114,490	20.6%
Denim	90,311	16.7%	85,047	16.4%
Intimate	94,416	20.2%	90,473	20.8%
Sweater	64,404	22.0%	61,622	23.1%
Total Gross Profit	525,697	19.9%	486,223	19.7%

Gross profit margin increased from 19.7% in 2024 to 19.9% in 2025, reflecting efficiency improvements from automation that partially offset the negative impact of tariffs. For Lifestyle wear, increase in gross profit margin was mainly due to improvement in production efficiency. For Sweater, decrease in gross profit margin was mainly due to more conventional sweaters with lower gross margin.

Management Discussion and Analysis

Other Expenses and Finance Costs

Selling and distribution expenses remained stable at 1.7% in 2025, compared with 1.6% in 2024.

Administrative, research and development expenses, and other income remained stable at 7.4% in both 2025 and 2024.

The effective borrowing rate for the Group in 2025 ranged from 1.52% to 5.67% compared to 4.61% to 6.65% in 2024. The Group had no fixed-rate borrowings at 31 December 2025. Finance costs amounted to 0.5% of revenue for both years.

Net Profit

With improvement in the gross profit margin, the Group achieved a net profit of US\$225 million for the year ended 31 December 2025. Net profit as a percentage of revenue increased from 8.1% in 2024 to 8.5% in 2025.

Capital Management

The consolidated financial position of the Group remained sound throughout the year. The positive operating cash flow of US\$266 million (2024: US\$106 million) contributed to cash balances of US\$382 million at 31 December 2025, compared to US\$427 million at 31 December 2024. Cash balances were mainly denominated in HK\$ and US\$. Bank borrowings, mainly denominated in HK\$ and US\$, have decreased from US\$147 million at 31 December 2024 to nil at 31 December 2025.

The Group held a positive net cash position of US\$382 million at 31 December 2025. The gearing ratio (total interest-bearing bank borrowings, less bank balances and cash, divided by total equity) at 31 December 2025 was nil (31 December 2024: nil).

Our conversion cycle has been increased from 71 days in 2024 to 81 days in 2025. With less factoring arrangement for low risk customers, turnover of trade and bills receivables averaged 62 days in 2025, compared with 52 days average turnover throughout 2024. Inventory turnover averaged 52 days in 2025, compared with 48 days throughout 2024. Trade and bills payables turnover averaged 33 days in 2025 compared to 29 days throughout 2024.

Capital expenditure incurred, in the main, for the building, equipping and upgrading of production facilities, has been carefully managed. In 2025, capital expenditure amounted to US\$183 million, compared to US\$160 million in 2024. Capital commitments at 31 December 2025 were US\$80 million compared to US\$52 million at 31 December 2024.

Foreign currency exchange contracts are used to manage foreign currency exposure. The Group's policy is to monitor its foreign currency exposure and use foreign currency exchange contracts, as appropriate, to minimise its foreign currency risks.

Funding and Treasury Policy

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Management Discussion and Analysis

Pledge of Assets

At 31 December 2025, pledge of assets of the Group are set out in note 34 to the consolidated financial statements.

Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the year ended 31 December 2025, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

Significant Investment Held

For the year ended 31 December 2025, the Group held no significant investments.

Material Acquisitions and Future Plans for Major Investment

The Group continues to invest in vertical upstream integration. Besides, the Group intends to extend its production facilities into Egypt. The deployment of garment and fabric operational expansion will help disperse geopolitical risks, provide global customers with more flexible and reliable production solutions, and assist the Group in effectively responding to potential changes in trade policies.

Contingent Liabilities

At 31 December 2025, the Group had no material contingent liability (31 December 2024: nil).

Subsequent Events after the Reporting Period

On 18 January 2026 (Egypt time), the Group reserved a land parcel located in Egypt at consideration of US\$30.4 million. The land acquisition is subject to the approval of the Egyptian local government. The land parcel is located in the New October Industrial Zone in New October City, Egypt. It has a total site area of approximately 800,000 sq.m. For details, please refer to the announcement of the Company dated 20 January 2026.

EMPLOYMENT, TRAINING AND DEVELOPMENT

The Group employed around 81,000 people at 31 December 2025. Total staff costs, including administrative and management staff, for the year ended 31 December 2025 equated to 24.9% of revenue, compared with 24.1% in 2024. The Group remunerates its staff according to their performance, qualifications, and industry practices, and conducts regular reviews of its remuneration policy. Employees may receive discretionary bonuses and monetary rewards based on their ratings in the annual performance appraisals. The Group also offers rewards or other incentives to motivate the personal growth and career development of its employees, such as ongoing opportunities for training to enhance their technical and product knowledge, as well as their knowledge of industry quality standards. Each new employee of the Group is required to attend an introductory course, and various types of training courses are available to all employees of the Group.

Management Discussion and Analysis

OUTLOOK AND PROSPECTS

Entering 2026, the Group is placing greater emphasis on improving the capabilities of its unskilled workforce to drive productivity improvement. Consequently, the Group moderated the pace of expansion in Vietnam, prioritising workforce upskilling and efficiency gains.

The Group has developed a systematic approach to address its long-term development needs, including acquiring land in Egypt for future expansion. Leveraging Egypt's geographic advantages, favourable trade policies, and abundant labour resources, the Group aims to accelerate capacity growth and further diversify its production footprint.

The Group will continue to deepen vertical integration. The self-built fabric mill in Vietnam is scheduled to commence operations by the end of 2026. This will improve the Group's fabric supply capabilities for the lifestyle and sports categories, enhancing supply chain responsiveness and creating greater synergy.

Capital expenditure in 2026 will continue to focus on automation upgrades, garment capacity expansion, and fabric development. Total capital expenditure for 2026 is expected to be significantly higher than that in 2025, owing largely to the one-off expenditure related to land acquisition and expansion in Egypt.

Since robust operational cash flow generation is expected to sufficiently cover the increased capital expenditure, and in light of its net cash position, the Group is well-positioned to maintain its longstanding dividend policy and share growth achievements with shareholders.

Directors and Senior Management

DIRECTORS

At 19 March 2026, the Board consisted of 11 Directors, comprising five Executive Directors, two Non-executive Directors and four Independent Non-executive Directors. The functions and duties of the Board include convening general meetings, implementing the resolutions passed at general meetings, determining strategies, business and investment plans, formulating the annual financial budget, reviewing and approving financial accounts and formulating proposals for profit distributions as well as exercising other powers, functions and duties, as conferred by the Articles of Association.

Executive Directors

Mr. LO Lok Fung Kenneth (羅樂風), aged 87, is the Chairman of the Board and an Executive Director. He is also the chairman of the Nomination Committee of the Company and a member of the Remuneration Committee of the Company. He co-founded the Group with Mrs. Yvonne LO in 1970. Mr. Kenneth LO has been a director of the Company since its establishment in January 1993. With over 60 years of experience in the apparel manufacturing industry, he has been instrumental in developing the Group into a world leader. Mr. Kenneth LO stepped down as the Chief Executive Officer in December 2007. As Chairman, he has assumed the role of strategic thinker and change driver – he devotes his time to anticipating and identifying opportunities and risks in the industry and how they may have an impact on the Group's business. In addition, Mr. Kenneth LO is committed to developing and driving the corporate culture, business ethics and sustainability, which are memorialised in his book "For The Greater Good – Becoming The World's No. 1 Apparel Maker", published in 2016.

Mr. Kenneth LO received the Businessperson of the Year award of the DHL and South China Morning Post Hong Kong Business Awards in 2021 that recognised his outstanding achievements in environmental, social and governance, entrepreneurship and good corporate governance in dealing with challenges arising from the COVID-19 pandemic. He received the Industrialist of the Year Award of the Federation of Hong Kong Industries in 2012 for his contribution to industrial development and to society. He won the Ernst Young Entrepreneur of the Year China Award (Hong Kong/Macau Region) in 2014 and the DHL and South China Morning Post Hong Kong Business Award (Owner-Operator Category) in 2016.

Mr. Kenneth LO is currently an honorary fellow of the Vocational Training Council in Hong Kong, as well as a guest professor at Yunnan University (雲南大學). He is also the honorary chairman of the CEO Club of The Hong Kong Polytechnic University, a fellow of The Hong Kong Management Association, the honorary president and a committee member of the Hong Kong Woollen & Synthetic Knitting Manufacturers' Association, Limited. In addition, Mr. Kenneth LO involves in charity work and environmental protection. He has been a director and chairman of the Windshield Charitable Foundation (宏施慈善基金) since November 2001, a director of World Green Organisation Limited since May 2013 and an honorary advisor to the Agency for Volunteer Service since September 2018. Mr. Kenneth LO is the founder of Crystal Climate Charity Foundation ("CCCF") and has served as the chairman since its establishment in November 2022. CCCF is a charitable trust committed to promoting education on climate change as well as to relieving poverty due to climate change in Hong Kong and the operating countries of the Group, including but not limited to Bangladesh, Cambodia, Mainland China, Sri Lanka and Vietnam.

Mr. Kenneth LO is the husband of Mrs. Yvonne LO (the Vice Chairman and an Executive Director), and father of Mr. Andrew LO (the Vice Chairman, an Executive Director and the Chief Executive Officer) and Mr. Howard LO (an Executive Director and the Deputy President, Knits).

Directors and Senior Management

Mrs. LO CHOY Yuk Ching Yvonne (羅蔡玉清), aged 81, is the Vice Chairman of the Board and an Executive Director. She co-founded the Group with Mr. Kenneth LO in 1970. She has been a director of the Company since its establishment in January 1993. Since the Group's establishment, Mrs. Yvonne LO has overseen the finance and administrative functions and has over 50 years of business management experience.

Apart from business management, Mrs. Yvonne LO has also devoted herself to charity and social work. She established the Yuk Ching Charity Trust (玉清慈善基金) (now known as The Incorporated Trustees of Yuk Ching Charity Trust), which aims to help the education of students by, among other activities, providing financial support, and has been its donor and trustee since October 2004, and chairman since 2005. Since February 2017, Mrs. Yvonne LO has been the Honorary Chairperson of The Hong Kong Federation of Women (香港各界婦女聯合協進會).

Mrs. Yvonne LO is the wife of Mr. Kenneth LO (the Chairman and an Executive Director) and mother of Mr. Andrew LO (the Vice Chairman, an Executive Director and the Chief Executive Officer) and Mr. Howard LO (an Executive Director and the Deputy President, Knits).

Mr. LO Ching Leung Andrew (羅正亮), aged 60, is the Vice Chairman of the Board, the Chief Executive Officer of the Group and an Executive Director. He has been an Executive Director since March 1994. With more than 30 years of experience in the apparel manufacturing industry, Mr. Andrew LO is now primarily responsible for formulating and overseeing the overall development strategies and operations of the Group. He first joined the Group in 1988, starting in the production department of the sweater division and has since risen through the ranks. He served as Deputy Chief Executive Officer of the Group from 2003 to 2007, and was promoted to the Chief Executive Officer of the Group in 2008. He is also the chairman of each of the Sustainability Committee and the People Committee of the Company and was appointed the Vice Chairman of the Board with effect from 1 January 2025.

Mr. Andrew LO served as a softgoods sub-committee member of The Hong Kong Exporters' Association from 2003 to 2007, as well as a director of the Hong Kong Research Institute of Textiles and Apparel from 2010 to 2016. He was a director of the Textile Council of Hong Kong Limited from 2014 to 2021 and was reappointed its director with effect from 22 July 2024. Mr. Andrew LO was a member of the Textiles Advisory Board from 2013 to 2018 and was a member of the Trade and Industry Advisory Board from 2017 to 2019. He has been a director of Law's Foundation Limited since 2018 and a member of Hong Kong Trade Development Council Garment Advisory Committee since April 2023.

Mr. Andrew LO was appointed a member of the 5th committee of the Chinese People's Political Consultative Conference of Huicheng District, Huizhou City (中國人民政治協商會議惠州市惠城區委員會第五屆委員) and a council member of the Better Hong Kong Foundation in 2012. He was awarded the Future Entrepreneur of the Year by KPMG China in 2025.

Mr. Andrew LO graduated from the University of Toronto with a bachelor's degree in arts in June 1988. He is the son of Mr. Kenneth LO (the Chairman and an Executive Director) and Mrs. Yvonne LO (the Vice Chairman and an Executive Director); and a brother of Mr. Howard LO (an Executive Director and the Deputy President, Knits).

Directors and Senior Management

Mr. WONG Sing Wah (黃星華), aged 62, has been an Executive Director since January 2011. He is currently the president of knits division and is primarily responsible for overseeing the lifestyle wear, the sportswear and outdoor apparel and the sweater divisions, supporting corporate functions and setting up strategies and governance policy. Mr. Dennis WONG initially joined the Group as an assistant merchandiser of the sweater division in May 1983, then serving as overseas sales manager from 1986 and later overseas operation manager until 1990. Mr. Dennis WONG re-joined the Group in June 1996 as sales manager of the lifestyle wear division, and has held various positions since then. He served as sales senior manager until March 2000, and successively as assistant general manager of the Japan operation until August 2003, deputy general manager of the Japan operation until January 2004, deputy general manager-operations until October 2004, general manager of sales and operations until June 2007 and, subsequently, the president (t-shirt operation) until December 2011.

Mr. Dennis WONG was awarded the title of “2013 Top Ten Economic Individual of Dongguan City” (2013 年東莞十大經濟人物), and served as the vice chairman of the 1st supervisory committee of the Dongguan City Association of Enterprises with Foreign Investment Changping Branch (東莞市外商投資企業協會常平分會) in 2010.

Mr. LO Howard Ching Ho (羅正豪), aged 47, has been an Executive Director since January 2021. Mr. Howard LO was appointed Deputy President, Knits in October 2025. He joined the Group in September 2005, becoming an executive trainee until March 2007. He then transferred to the lifestyle wear division and served as assistant manager-merchandising from April 2007 to August 2007, assistant general manager of sales from September 2007 to July 2008, assistant general manager from August 2008 to December 2010, general manager of sales and operations from January 2011 to March 2014 and senior vice president of sales and operations of knits division from April 2014 to September 2025. Before joining the Group, Mr. Howard LO worked at Citigroup from 2001 to 2005. He received one of the Young Industrialist Awards of Hong Kong in 2016.

Mr. Howard LO graduated from the University of Toronto with a bachelor's degree in commerce in June 2001. He is the son of Mr. Kenneth LO (the Chairman and an Executive Director) and Mrs. Yvonne LO (the Vice Chairman and an Executive Director), and a brother of Mr. Andrew LO (the Vice Chairman, an Executive Director and the Chief Executive Officer).

Non-executive Directors

Mr. WONG Chi Fai (王志輝), aged 66, was re-designated from an Executive Director to a Non-executive Director with effect from 1 February 2023. He was an Executive Director from March 1994 to January 2023.

Mr. Frankie WONG was mainly responsible for overseeing the Group's innovation development and productivity enhancement, supporting corporate functions and setting up strategies and governance policy. Mr. Frankie WONG joined the Group and served as the senior production officer from November 1982 and has since risen through the ranks. He then served as overseas plant manager from 1986 to 1988 and general manager of the t-shirt and woven division from 1988 to 1994. He was promoted to Executive Director in March 1994. He is a member of the Sustainability Committee of the Company.

With over 40 years of experience in the apparel manufacturing industry, Mr. Frankie WONG served as a member of the board of directors of The Hong Kong Research Institute of Textiles and Apparel Limited from September 2016 to September 2022. He was also awarded the title of Honorary Citizen of Zhongshan City (中山市榮譽市民) in 2013 for his significant contributions to the economic and social development of the city.

Directors and Senior Management

Mr. LEE Kean Phi Mark, aged 53, was appointed a Non-executive Director with effect from 1 February 2022. He is a member of the Sustainability Committee of the Company. He was previously the Senior Vice President of Crystal SL Global Pte. Ltd., a wholly-owned subsidiary of the Company, from 2017 to 2020 and is currently a director and legal representative of some of the Group's subsidiaries.

Mr. Mark LEE was appointed an executive director and the chief executive officer of Sing Lun Holdings Pte Ltd ("**Sing Lun**") in 2003. Sing Lun is a privately-owned enterprise, operating a diverse range of business interests worldwide. The Sing Lun group, with key business interests that include industrial activities, investments and real estate, was awarded the EY-Standard Chartered Family Business Award of Excellence in 2018. Sing Lun was previously listed on the Singapore Stock Exchange between 2000 and 2008. Prior to that, Mr. Mark LEE was an executive director of Bowen Distribution Pte Ltd from 2001 to 2002, having been general manager of Sing Lun & Company Pte Ltd from 1999 to 2000 before which he held various positions in marketing and product management at CSA Distribution Pte Ltd from 1997 to 1999.

Mr. Mark LEE has over 20 years' experience in the apparel industry. In recognition of his entrepreneurial spirit, Mr. Mark LEE was awarded "Most Outstanding Entrepreneur" during the Asia Pacific Entrepreneur Awards 2010 in Singapore. He is also the winner of the prestigious EY Entrepreneur of The Year – Manufacturing in 2015. In 2016, Mr. Mark LEE was one of 30 members of the Committee for Future Economy (CFE) setup by the Prime Minister in 2016 to position Singapore well for the future.

Mr. Mark LEE is currently a Nominated Member of Parliament of Singapore and a board member of Singapore National Heritage Board. He is the Chairman of Singapore's Asian Civilisations Museum. Mr. Mark LEE is a current council member of the Singapore Business Federation, holding the position of vice chairman/honorary treasurer, chairman of the Human Capital Action Committee and advisor to the Young Business Leaders Network. He is a council member of the Singapore Chinese Chamber of Commerce & Industry ("**SCCCI**") and is the chairman of the Technology Committee of SCCCI.

He is an advisor to and a past president of the Singapore Fashion Council (SFC) (formerly known as the Singapore Textile and Fashion Federation (Taff)), and past chairman of the Textile and Fashion Federation Training Centre (TaF.tc) academic and examination board from 2014 to 2020. Mr. Mark LEE graduated from Monash University with a bachelor's degree in business marketing in 1996.

Independent Non-executive Directors

Mr. CHANG George Ka Ki (張家騏), aged 74, has been an Independent Non-executive Director since the initial public offer of the Company in November 2017. He is the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. CHANG has spent much of his career in accounting and auditing thus possesses solid professional knowledge in these areas. He also served as the deputy group controller of the Group from 1984 to 1986.

Mr. CHANG has been a non-executive director of Hang Lung Group Limited, a company engaged in property development and investment, that is listed on the Hong Kong Stock Exchange (Stock Code: 0010) since March 2015. He was a director at Morningside Asia, a venture capital firm, from September 1991 to March 2025. Mr. CHANG has been a certified public accountant recognised by the State of California, U.S. since 1980 and a member of the American Institute of Certified Public Accountants since 1984. He has also been an associate member of the Hong Kong Institute of Certified Public Accountants since 1984, and a chartered accountant and a member of the Institute of Chartered Accountants of Ontario since 1992. Mr. CHANG graduated from the University of Wisconsin – Madison and received a Master of Business Administration in December 1976.

Directors and Senior Management

Mr. MAK Wing Sum Alvin (麥永森), aged 73, has been an Independent Non-executive Director since the initial public offer of the Company in November 2017. He is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. After working in Citibank for over 26 years, Mr. MAK retired on 1 May 2012. He last served as the Head of Markets and Banking for Citibank Hong Kong, being the country business manager for corporate and investment banking business. In Citibank, he held various senior positions including Head of Global Banking responsible for managing all the coverage bankers. Prior to that, he also managed the Hong Kong corporate finance business, the regional asset management business and was the Chief Financial Officer of North Asia. Mr. MAK is also an independent non-executive director of the following companies which are all listed on the Hong Kong Stock Exchange: Luk Fook Holdings (International) Limited (Stock Code: 0590), Lai Fung Holdings Limited (Stock Code: 1125), Hong Kong Technology Venture Company Limited ("**HK Tech Venture**", Stock Code: 1137) and K Cash Corporation Limited (Stock Code: 2483). He was appointed chairman of the board of directors of HK Tech Venture on 1 September 2025. Mr. MAK was previously an independent non-executive director of Goldpac Group Limited (Stock Code: 3315) from November 2013 to May 2024 and I.T Limited (Stock Code: 0999) from March 2012 to December 2019.

Mr. MAK is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario and a member of the Hong Kong Institute of Certified Public Accountants. Mr. MAK retired from the supervisory board of Hong Kong Housing Society in September 2025 but remains as a member of its Finance Committee. Mr. MAK graduated from the University of Toronto and obtained a bachelor's degree in commerce in 1976.

Mr. WONG Siu Kee (黃紹基), aged 70, was appointed an Independent Non-executive Director on 4 June 2021. He is a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the People Committee of the Company.

Mr. Kent WONG is an executive director and Managing Director of Chow Tai Fook Jewellery Group Limited ("**CTF**") (listed on the Hong Kong Stock Exchange; Stock Code: 1929), being responsible for CTF's overall corporate management, strategy and operations.

Mr. Kent WONG has over 45 years' diverse experience in the jewellery industry with a proven track record in business development in China as well as in corporate operations and management. In October 2024, he was conferred Honorary Fellowship by the Vocational Training Council in recognition of his exceptional contributions to the development of vocational and professional education and training and the community. He has been feted with the highest accolade of the JNA Awards 2020, the "Lifetime Achievement Award", for his outstanding lifetime achievements and contributions to the global jewellery community. He also received "Extraordinary 40" Awards from Jewellery World Awards in 2023. Mr. Kent WONG was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015. He was ranked the 1st place as the "Best CEO" by Institutional Investors in its Asia (Ex-Japan) Executive Team Rankings, Rest of Asia in the Consumer/Discretionary sector, combined vote type, from 2021 to 2024; was recognised Best IR by Chairman/CEO by Hong Kong Investor Relations Association in 2022 and 2023; and has also been named as "Asia's Best CEO" by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its Asian Excellence Awards in 2023 and 2024.

Mr. Kent WONG is dedicated to giving back to the community and the industry through his participation in public or non-profit organisations. He serves as chairman of the Fair Organising Committee of the Hong Kong Trade Development Council for its Hong Kong International Jewellery Show and Hong Kong International Diamond, Gem and Pearl Show, a council member of The Hong Kong Management Association ("**HKMA**") and chairman of the Advisory Board of HKMA Academy for Innovation and Management, chairman of the board of directors of The Jewellers' and Goldsmiths' Association of Hong Kong, chairman of Diamond Federation of Hong Kong, China Limited, chairman of the supervising committee of the Hong Kong & Kowloon Jewellers' & Goldsmiths' Employees' Association, a permanent honorary president of the Kowloon Gold Silver and Jewel Merchants' Staff Association, and a board member of CIBJO, the World Jewellery Confederation. He is also president of the executive committee 2024/2026 of Youth Outreach.

Directors and Senior Management

Mrs. MAK TANG Pik Yee Agnes (麥鄧碧儀), MH, JP, aged 70, was appointed an Independent Non-executive Director on 15 June 2022. She is a member of each of the Audit Committee, the Remuneration Committee and the People Committee of the Company.

Mrs. MAK is currently the executive director of Fotocine Holding Co Ltd.. She was previously the executive director of the Hong Kong Productivity Council (“**HKPC**”) from 2010 to 2017. During her seven-year tenure at HKPC, Mrs. MAK substantially strengthened HKPC’s corporate governance, infrastructure facilities and support services. She introduced certain innovative technologies, such as independent software testing and certification services, 3D printing, robotics, industry 4.0 and other smart manufacturing technologies to assist local businesses, particularly small and medium-sized enterprises, to acquire the necessary technical and management competence to exploit new opportunities in high value-added markets. Under her capable leadership, the HKPC built a solid foundation in developing both its corporate governance and its technical competence.

Mrs. MAK has over 30 years’ solid experience in the Information Technology sector. Before joining HKPC, she held senior positions in various telecommunications companies, private enterprises and public bodies from 1991 to 2007, namely, The Gap (Far East) Limited, Tradelink Electronic Document Services Limited, British American Tobacco China, the Mandatory Provident Fund Schemes Authority, Sunday Communications Limited and PCCW Mobile. She previously devised strategic plans and road maps of corporate development for companies in different industries and was responsible for formulating and implementing corporate governance systems together with re-engineering business processes, in order to build and develop corporate teams while also strengthening relationships with business partners.

While Mrs. MAK has been successful in developing her career, she is also firmly committed to serving the community by promoting IT education and the application of Information Technology. She previously served as the President of the Hong Kong Computer Society (1995–1998), the Chairman of the Faculty Advisory Committee of the Faculty of Science of Hong Kong Baptist University (2011–2014), the Chairman of the Committee on Information Technology Training and Development of the Vocational Training Council (2007–2013), the Vice-chairman of the Employees Retraining Board (2009–2011), a director of the Hong Kong Science and Technology Parks Corporation (2009–2010), a member of Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2007–2010), a member of the Social Welfare Advisory Committee (2007–2013), a member of the Steering Committee on the Promotion of Electric Vehicles under the jurisdiction of the Financial Secretary (2015–2021) and a member of the supervisory board of Hong Kong Housing Society (2021–2024). In addition, Mrs. MAK was appointed the Chairperson of the Information & Communications Technology Industry Training Advisory Committee of the Education Bureau (2013–2021). She currently serves as one of its members and has successfully formulated the Specification of Competency Standards (SCS) for the industry with industry practitioners. Mrs. MAK is currently a member of the special committee on Elderly Housing and the audit committee of Hong Kong Housing Society.

Mrs. MAK was recognised as one of the “Ten Outstanding Young Persons in Hong Kong” in 1995. She was conferred the title of Distinguished Fellow by the Hong Kong Computer Society in 1999. She was appointed Justice of the Peace in 2002, awarded the Medal of Honour by the HKSAR Government in 2007 and conferred the status of Honorary Fellow by the Vocational Training Council in 2008.

Directors and Senior Management

Changes in Directors' Biographical Information

Changes in the information of Directors since 20 August 2025, being the date of the Company's interim report 2025, and up to the date of this report, which are required to be disclosed pursuant to the Listing Rules, are set out below:

Name of Director	Details of Changes
Mr. Howard LO	<ul style="list-style-type: none">Appointed the Deputy President, Knits with effect from 1 October 2025.His 2025 annual salary has been revised to HK\$3.999 million with effect from 1 October 2025.
Mr. Mark LEE	<ul style="list-style-type: none">Appointed Nominated Member of Parliament of Singapore with effect from 12 January 2026.
Mr. CHANG	<ul style="list-style-type: none">His annual director's fee has been revised to HK\$520,000 with effect from 1 January 2026.
Mr. MAK	<ul style="list-style-type: none">Appointed chairman of the board of directors of Hong Kong Technology Venture Company Limited (a company listed on the Hong Kong Stock Exchange, Stock Code: 1137) with effect from 1 September 2025.Ceased to be a member of the supervisory board of Hong Kong Housing Society with effect from 12 September 2025.His annual director's fee has been revised to HK\$610,000 with effect from 1 January 2026.
Mr. Kent WONG	<ul style="list-style-type: none">Appointed chairman of Diamond Federation of Hong Kong, China Limited with effect from August 2025.Appointed chairman of the Fair Organising Committee of the Hong Kong Trade Development Council for its Hong Kong International Jewellery Show and Hong Kong International Diamond, Gem and Pearl Show with effect from October 2025.His annual director's fee has been revised to HK\$595,000 with effect from 1 January 2026.
Mrs. MAK	<ul style="list-style-type: none">Appointed executive director of Fotocine Holding Co Ltd. with effect from 1 September 2025.Her annual director's fee has been revised to HK\$540,000 with effect from 1 January 2026.

Directors and Senior Management

SENIOR MANAGEMENT

The Executive Directors and senior management are responsible for the day-to-day management and operation of the business.

Mr. LI Wai Kwan (李偉君), aged 54, was appointed Chief Financial Officer on 1 December 2018.

Prior to joining the Company, Mr. LI was the chief financial officer of Zhuhai Dahengqin Property Limited. Before that, Mr. LI worked in several companies listed on the Hong Kong Stock Exchange including China Agri-Industries Holdings Limited (Stock Code: 606) and Esprit Holdings Limited (Stock Code: 330), where he developed extensive experience in leading finance and accounting, mergers and acquisitions, treasury, investor relations and corporate governance functions.

Mr. LI graduated from the University of Toronto with a bachelor's degree in Commerce with distinction, and received a Master of Business Administration from York University, Canada. He is also a member of the Hong Kong Institute of Certified Public Accountants amongst his various professional qualifications.

Mr. LO Wing Sing Eddie (盧永盛), aged 66, was appointed the President, Denim Division in January 2026 and is mainly responsible for overseeing the overall operation of the denim division. Mr. Eddie LO joined the Group in March 2003 and has held various positions. He served as the general manager from 2003 and was later promoted to president of the ACCI group. He was then transferred as acting president of the intimate division from June 2005 to April 2006. Mr. Eddie LO was subsequently promoted to president of the intimate division in May 2006.

Before joining the Group, Mr. Eddie LO worked at Glorious Sun Enterprises Ltd., which is listed on the Stock Exchange (Stock Code: 0393), serving as the general manager and a director of its subsidiary Jeanswest Corporation Pty. Ltd., an apparel retailing company.

Mr. YEW Cheng Teik (尤清德), aged 60, was appointed the president of the denim division in September 2024. Prior to joining the Group, Mr. YEW served as an executive vice president of GP Electronics (HK) Limited, a director of GP Batteries International Limited and an assistant to group CEO (Manufacturing Excellence) in Gold Peak Technology Group. He has over 30 years' experience in business management and has held senior management positions in multinational industrial companies across Asia. He holds a Master of Business Administration from Janus University and a Bachelor of Science in Electrical Engineering from University of Arkansas in United States.

Following his resignation from the Group with effect from 1 January 2026, Mr. YEW is no longer a member of the senior management of the Company.

COMPANY SECRETARY

Mr. NG Tsz Yeung (伍子暘), aged 41, was appointed the Company Secretary and an Authorised Representative of the Company for the purpose of the Listing Rules in May 2021 and is responsible for overseeing the company secretarial function, corporate governance and compliance of the Group. He was appointed the Foundation Secretary of Crystal Climate Charity Foundation in November 2022 overseeing the foundation secretariat operations. Prior to joining the Group, Mr. Edmund NG was the assistant company secretary, Hong Kong of Standard Chartered Bank (Hong Kong) Limited and the company secretary of Hong Kong Airlines Limited. Mr. Edmund NG holds a Bachelor of Laws (Hons) degree from the University of London and a Master of Corporate Governance degree from The Hong Kong Polytechnic University. He is also a fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Report of the Directors

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

COMPANY INCORPORATION

The Company was initially incorporated in Bermuda on 4 January 1993. In anticipation of the listing of shares on the Stock Exchange, the Company re-domiciled and was registered by way of continuation as an exempted company in the Cayman Islands on 29 December 2016 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company's shares were listed on the Main Board of the Stock Exchange on 3 November 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion of the Group's future business development are set out in the Chairman's Statement as well as the Management Discussion and Analysis on pages 4 to 11 of this annual report. Commentary on the Group's relationships with its key stakeholders is given in the Chairman's Statement on pages 4 to 5 of this annual report and the Sustainability Report 2025 of the Company to be published in accordance with the Listing Rules. An analysis of the Group's performance during the year using key financial information is set out in the Financial Highlights on page 3 of this annual report. In addition, the Group has implemented certain environmental policies to regulate its performance and has complied with relevant laws and regulations that have had a significant impact on the Group, further details of which are set out in the Sustainability Report 2025 to be published in accordance with the Listing Rules.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements on pages 65 to 147 of this annual report.

The Board has recommended to pay Shareholders a final dividend of HK24.5 cents (approximately US3.1 cents) per ordinary share for the year ended 31 December 2025. Subject to the approval of the proposed final dividend by Shareholders at the AGM to be held on Friday, 29 May 2026, the proposed final dividend is expected to be paid on 3 July 2026.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**"), which was approved by the Board on 5 December 2018. According to the Dividend Policy, the Company may distribute dividends by way of cash or other means that the Board considers appropriate. Any proposed distribution of dividends would be subject to the discretion of the Board and the approval of Shareholders, if necessary, taking into account the Group's results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other considerations that the Board may deem relevant. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that the Company and its subsidiaries have entered into or may enter into in the future.

CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO ATTEND AND VOTE AT THE AGM AND TO RECEIVE THE FINAL DIVIDEND AND RECORD DATE

The forthcoming AGM will be held on Friday, 29 May 2026. Notice of the AGM will be made available (and sent, where applicable) to Shareholders in due course. For the purpose of determining Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the Shareholders' eligibility to attend and vote at the AGM is Friday, 29 May 2026. In order to qualify to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 22 May 2026.

For the purpose of ascertaining Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 18 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the Shareholders' entitlement to the final dividend is Tuesday, 23 June 2026. To qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 17 June 2026.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five years is set out on page 148 of this annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 39 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2025, the reserves of the Company available for distribution to its Shareholders amounted to approximately US\$629 million (2024: US\$639 million).

DONATIONS

Charitable donations made by the Group during the year ended 31 December 2025 amounted to US\$0.6 million (2024: US\$0.7 million).

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2025.

SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2025 are set out in note 37 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, sales to the Group's five largest customers accounted for approximately 64.2% of the Group's total sales for the year (of which sales to the Group's largest customer accounted for approximately 36.9%). Purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year.

During the year ended 31 December 2025, each of Mr. Kenneth LO (Chairman and an Executive Director) and Mrs. Yvonne LO (Vice Chairman and an Executive Director) was indirectly interested in 0.004% of equity interest (i.e. 12,500 shares) in one of the Group's five largest customers, Fast Retailing Co., Ltd.. Save as disclosed above, none of the Directors nor any of their close associates nor any shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares (excluding treasury shares) of the Company) had any interest in any of the Group's five largest customers at 31 December 2025.

RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The Group also participates in defined contribution retirement schemes organised by the relevant local government authorities in the PRC and other jurisdictions where the Group operates. In addition, the Group operates one defined benefit retirement scheme (that is closed to new members) in the U.K.. Particulars of the retirement benefit schemes are set out in note 27 to the consolidated financial statements.

Report of the Directors

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this annual report are:

Executive Directors

Mr. LO Lok Fung Kenneth (*Chairman*)
Mrs. LO CHOY Yuk Ching Yvonne (*Vice Chairman*)
Mr. LO Ching Leung Andrew (*Vice Chairman and Chief Executive Officer*)
Mr. WONG Sing Wah
Mr. LO Howard Ching Ho

Non-executive Directors

Mr. WONG Chi Fai
Mr. LEE Kean Phi Mark

Independent Non-executive Directors

Mr. CHANG George Ka Ki
Mr. MAK Wing Sum Alvin
Mr. WONG Siu Kee
Mrs. MAK TANG Pik Yee Agnes

In accordance with Article 16.18 of the Articles of Association, Mrs. Yvonne LO, Mr. Frankie WONG, Mr. MAK and Mrs. MAK shall retire at the AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the forthcoming AGM.

The Company considers all the Independent Non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

DIRECTORS', SENIOR MANAGEMENT'S AND COMPANY SECRETARY'S PROFILES

Profiles of the Directors, the senior management and the Company Secretary are set out on pages 12 to 19 of this annual report.

Report of the Directors

DIRECTORS' SERVICE AGREEMENTS

The service agreements with each Executive Director and the letters of appointment given to each Non-executive Director and Independent Non-executive Director were entered into for a fixed term of one year that commenced on 6 October 2025. The service agreements and the letters of appointment are subject to termination in accordance with their respective terms. The service agreements and the letters of appointment may be renewed in accordance with the Articles of Association and the applicable Listing Rules. In addition, Mr. Mark LEE also entered into an agreement with Crystal SL Global Pte. Ltd., a wholly-owned subsidiary of the Company, for provision of consultancy services to the Group. A consultancy agreement was entered into between a wholly-owned subsidiary of the Company and a company wholly owned by Mr. Frankie WONG for his consultancy services to the Group.

The emoluments of Directors have been determined with reference to their skills, knowledge and involvement in the Company's affairs, the performance of each Director and prevailing market conditions during the year.

Save as disclosed above, none of the Directors has entered, or has proposed to enter, into a service agreement with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

SHARE AWARD SCHEME

On 7 April 2017, the Company passed a resolution of the Board to further adopt the Share Award Scheme B and appointed an independent professional trustee to assist with the administration and vesting of the Share Awards. The following is a summary of the principal terms of the Share Award Scheme B:

1. Purpose of the Scheme

The purpose of the Share Award Scheme B is to recognise the past and existing executives, consultants or officers of the Company or any of its subsidiaries for their past service and contribution to the Group, to motivate and retain skilled and experience personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

2. Eligible Participants

The Share Award Scheme B Eligible Persons include existing and past executives, consultants or officers of the Group. The Scheme B Participants are the Share Award Scheme B Eligible Persons selected by the Board or the Designated Management Team at its discretion.

Report of the Directors

3. Maximum Number of Shares Available

The maximum number of Share Awards that may be granted under the Share Award Scheme B in aggregate (excluding Share Awards that have lapsed or been cancelled in accordance with the rules of the Share Award Scheme B) shall be such number of Shares held by the Trustee from time to time.

4. Maximum Entitlement for Each of the Scheme B Participants

There is no limit on the maximum number of Share Awards to be granted to each Scheme B Participant under Share Award Scheme B.

5. Vesting of the Share Awards

On 3 November 2019, all of the Share Awards held by the Scheme B Participants were vested.

6. Payment on Acceptance of the Share Awards

The price of the Share Awards will be specified in the Share Award Grant Letter in such form as the Board may determine. The vested Share Awards were granted to the grantees of Share Award Scheme B for nil consideration pursuant to the Share Award Grant Letters.

7. Remaining Life

The Share Award Scheme B shall be valid and effective for a period of ten years commencing on the date of the first grant of the Share Awards being 12 October 2017, subject to any prior termination of the Share Award Scheme B by the Board or the Designated Management Team at any time before the expiry of the Scheme Period.

No scheme mandate or service provider sublimit on share grant has been set under the Share Award Scheme B. The number of Share Awards available for grant at the beginning and at the end of the year ended 31 December 2025 is the number of shares held by the Trustee at the respective time, which was nil and nil, respectively. As at the date of this report, no shares were held by the Trustee. There was no unvested Share Award at the beginning and at the end of the year ended 31 December 2025. All Share Awards held by the Group's employees under Share Award Scheme B were vested on 3 November 2019. No Share Awards were granted, vested, cancelled or lapsed under the Share Award Scheme B during the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

Report of the Directors

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save for the related party transactions disclosed in note 35 to the consolidated financial statements, no Director and Controlling Shareholder and/or any of his/her connected entities had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party at the end of the year or at any time during the year.

NON-EXEMPT CONNECTED TRANSACTIONS

A number of agreements and arrangements with connected persons (as defined under Chapter 14A of the Listing Rules) have been entered into in the ordinary and usual course of business. The transactions disclosed under this section constituted non-exempt connected transactions under Chapter 14A of the Listing Rules.

The Group did not enter into any non-exempt connected transactions during the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions undertaken by the Group in its normal course of business are set out in note 35 to the consolidated financial statements. During the year ended 31 December 2025, certain related party transactions, as disclosed in notes 35(a) and 35(d) to the consolidated financial statements, constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

At 31 December 2025, none of the Directors was interested in any business, apart from the Group's businesses, which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES AND EQUITY-LINKED AGREEMENTS

Save as otherwise disclosed in this annual report, at no time during the year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or were deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Company

Name of Director	Nature of Interest	Number of shares (note a)	Approximate percentage of shareholding in the Company (%)
Mr. Kenneth LO (note b)	Beneficial owner	306,610,590	10.75
	Interest of spouse	308,505,590	10.81
	Interests held jointly with another person	1,569,052,100	55.00
Mrs. Yvonne LO (note c)	Beneficial owner	306,610,590	10.75
	Interest of spouse	306,610,590	10.75
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	1,895,000	0.07
	Interests held jointly with another person	1,569,052,100	55.00
Mr. Andrew LO	Beneficial owner	68,074,080	2.39
Mr. Dennis WONG	Beneficial owner	7,497,360	0.26
Mr. Frankie WONG	Beneficial owner	4,806,000	0.17
Mr. Howard LO	Beneficial owner	41,345,680	1.45
Mr. Mark LEE	Beneficial owner	591,000	0.02

Notes:

- (a) All positions are long positions.
- (b) Under the SFO, Mr. Kenneth LO, as the spouse of Mrs. Yvonne LO, was deemed to be interested in the 308,505,090 shares in which Mrs. Yvonne LO was interested. Mr. Kenneth LO and Mrs. Yvonne LO were interested in a total of 1,569,052,100 shares jointly held by Mr. Kenneth LO and Mrs. Yvonne LO.
- (c) Under the SFO, Mrs. Yvonne LO, as the spouse of Mr. Kenneth LO, was deemed to be interested in the 306,610,590 shares in which Mr. Kenneth LO was interested. Mrs. Yvonne LO was interested in a total of 1,895,000 shares held by The Incorporated Trustees of Yuk Ching Charity Trust of which Mrs. Yvonne LO is a founder and chairman. Mrs. Yvonne LO and Mr. Kenneth LO were interested in a total of 1,569,052,100 shares jointly held by Mrs. Yvonne LO and Mr. Kenneth LO.

Report of the Directors

Save as disclosed above, at 31 December 2025, none of the Directors or chief executive of the Company had any interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or were deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2025, the Directors are not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

PUBLIC FLOAT

At the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float as agreed with the Stock Exchange during the year ended 31 December 2025 and up to the date of this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

Report of the Directors

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report section on pages 30 to 56 of this annual report.

AUDIT COMMITTEE

The Audit Committee, together with the management of the Company and the external auditor of the Company, conducted a review of the accounting principles and policies adopted by the Group and the financial statements for the year ended 31 December 2025.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Messrs. Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Messrs. Deloitte Touche Tohmatsu as the independent auditor of the Company will be proposed at the forthcoming AGM.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

In 2025, the Group has complied with the mandatory disclosure requirements, the “comply or explain” provisions and the applicable climate-related disclosures contained in the Environmental, Social and Governance Reporting Code. For details, please refer to the Sustainability Report 2025 to be published in accordance with the Listing Rules.

On behalf of the Board
LO Lok Fung Kenneth
Chairman
19 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE FRAMEWORK

The Group believes that good corporate governance can enhance its overall effectiveness thus creating additional value for its shareholders. The Group is committed to maintaining high standards and has applied the Principles that are set out in the CG Code in Appendix C1 to the Listing Rules. The Group's corporate governance practices are based on these Principles. The Board believes that good corporate governance standards are essential in contributing to the provision of a framework for the Group to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies and enhance transparency and accountability.

The Group has complied with the code provisions set out in Part 2 of the CG Code contained in Appendix C1 to the Listing Rules for the year ended 31 December 2025, including both the version effective up to 30 June 2025 and the Latest CG Code, except for the following deviation:

Code provision B.3.5 of the Latest CG Code provides that issuers should appoint at least one director of a different gender to the nomination committee.

Although the Nomination Committee currently comprises members of single gender, the Company has put in place the Board Diversity Policy and the workforce diversity policy to promote greater diversity and inclusion (including gender diversity) in its recruitment, and the Nomination Committee also takes into consideration the Board Diversity Policy when reviewing the Board composition, appointing and re-appointing Directors and making recommendations for succession planning to facilitate the development of a diverse talent pipeline. In addition, the Board is satisfied that its overall composition has already reflected strong diversity, with a balanced mix of professional expertise, industry experience and backgrounds, and the inclusion of two female Directors. All members of the Board bring extensive senior management experience, supporting effective governance and strategic oversight. Therefore, the Board considers that the deviation from code provision B.3.5 of the Latest CG Code is appropriate. The Board will continue to review the composition of the Nomination Committee, and will consider appointing a director of a different gender to the Nomination Committee at a time when it is appropriate and suitable by taking into account the circumstances of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. Upon specific enquiry being made of all Directors, each of them has confirmed their compliance with the required standards set out in the Model Code for the year ended 31 December 2025 and up to the date of this annual report.

Corporate Governance Report

BOARD OF DIRECTORS

Roles and Responsibilities

The Group endeavours to enhance corporate efficiency and profitability through the Board. The Directors recognise their collective and individual responsibility to the Shareholders and perform their duties diligently to contribute to positive results for the Group and maximise returns for Shareholders.

The functions and duties of the Board include convening general meetings, reviewing and monitoring the training and continuous professional development of the Directors and senior management, reviewing the Group's compliance with the CG Code and disclosures in the Corporate Governance Report, implementing the resolutions passed at general meetings, determining strategies, business and investment plans, formulating the annual financial budget, reviewing and approving the financial accounts and formulating proposals for profit distributions as well as exercising other powers, functions and duties conferred by the Articles of Association. Responsibilities relating to the implementation of decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the senior management.

The Board is responsible for performing the functions set out in code provision A.2.1 in Part 2 of the CG Code. During the year, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code, the Group's code of conduct and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

Board Composition

The Board continuously seeks to enhance its effectiveness and maintain the highest standards of corporate governance. It recognises diversity at Board level as an essential element in maintaining competitive advantage and sustainable development. The Board considers it vital to have the appropriate balance of skills, experience and diversity of perspectives to support the execution of its business strategies.

At 31 December 2025 and up to the date of this report, the Board comprised five Executive Directors, two Non-executive Directors and four Independent Non-executive Directors, whose biographical details and family relationships among certain Directors are set out in the section headed "Directors and Senior Management" on pages 12 to 19 of this annual report. There are no other material financial, business or other relevant relationships among the Directors.

	Name of Directors	Relevant Board Committees
Executive Directors	Mr. Kenneth LO (<i>Chairman</i>) Mrs. Yvonne LO (<i>Vice Chairman</i>) Mr. Andrew LO (<i>Vice Chairman and Chief Executive Officer</i>) Mr. Dennis WONG Mr. Howard LO	RC NC PC SC
Non-executive Directors	Mr. Frankie WONG Mr. Mark LEE	SC SC
Independent Non-executive Directors	Mr. CHANG Mr. MAK Mr. Kent WONG Mrs. MAK	AC RC AC RC NC AC RC NC PC AC RC PC

The Company considers all Independent Non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

Board Diversity

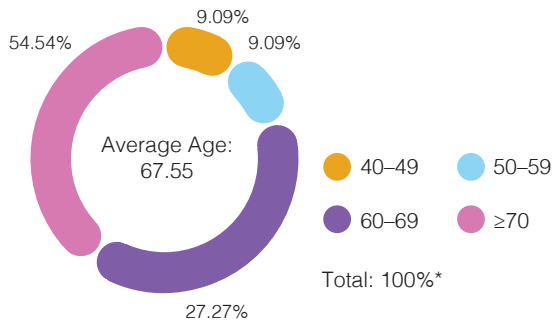
The Group has reviewed the Board Diversity Policy during the year ended 31 December 2025. The Board recognises diversity at board level as an essential element in maintaining the Company's competitive advantage and sustainable development. In designing, reviewing and assessing the Board's composition, board diversity is considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of service and time to be devoted to being a Director. The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and enhance its effectiveness.

The Board reflects a spectrum of diversity, having successfully achieved a rich blend of backgrounds and professional expertise. Each member of the Board brings a wealth of senior management experience to the table. A significant 81.82% of the Directors boast experience in manufacturing, with 63.64% possessing specific expertise in the garment industry. Additionally, a substantial 36.36% of the Directors come from professional backgrounds that span accounting, banking, finance, taxation and investment. Community engagement, as well as public and governmental affairs, are well-represented, with 18.18% of Directors holding experience in these areas. The breadth of knowledge is further enriched by one Director specialising in IT and telecommunications and another one Director with a background in jewellery and retail, ensuring a comprehensive and multifaceted governance approach.

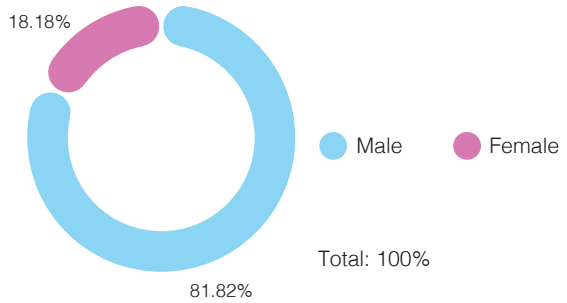
Corporate Governance Report

Board Composition & Diversity Mix

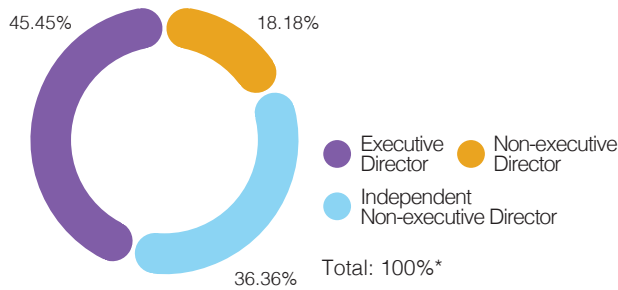
Age Group



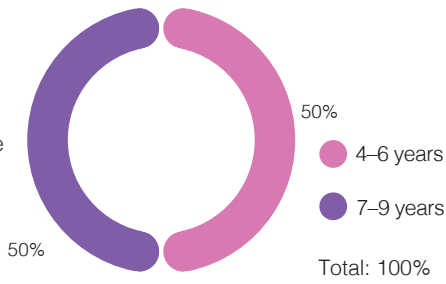
Gender



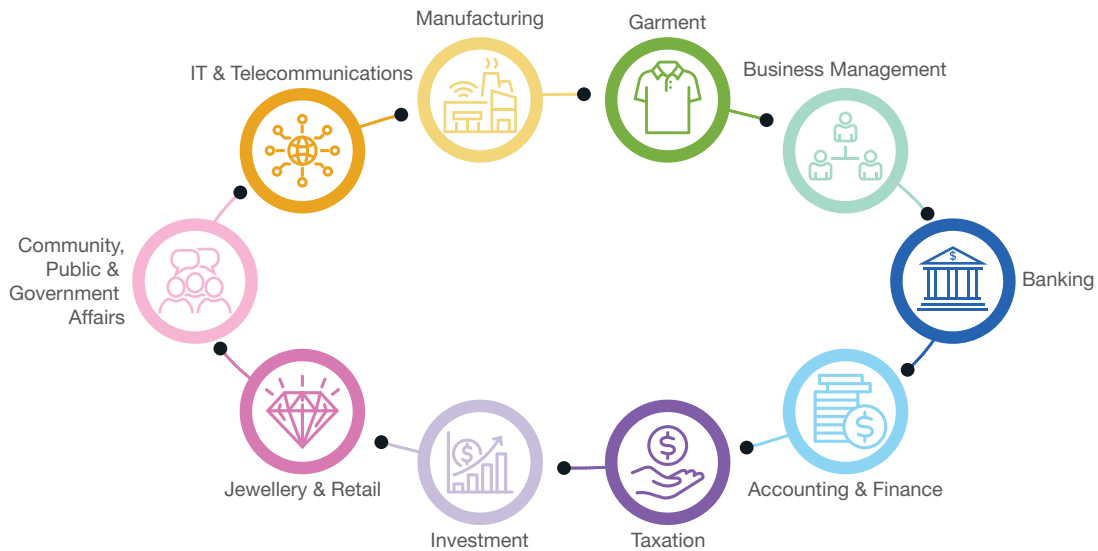
Designation



Length of Services of Existing Non-executive Directors and Independent Non-executive Directors (since initial public offering)



Board Expertise



* To the nearest whole number.

Corporate Governance Report

Gender Diversity

At 31 December 2025, Crystal employed around 81,000 people, being 31.7% male and 68.3% female. Our female representation within the workforce continues to be maintained at a high level and amongst other listed companies. The Company has achieved gender diversity at the Board and senior management level with two female Directors on the Board. The female representation at the Board and senior management level is 15.4% at 31 December 2025 (2024: 15.4%). Appropriate emphasis on maintaining gender diversity has been placed in the reviews of board composition, board diversity and succession planning to ensure a pipeline of potential successors in achieving and maintaining gender diversity.

The following table sets out the percentage of workforce by region and gender at 31 December 2025:

Region	Percentage of Workforce		
	Total	Male	Female
Vietnam	52.8%	32.0%	68.0%
China	15.4%	31.8%	68.2%
Bangladesh	12.5%	44.0%	56.0%
Cambodia	13.1%	20.7%	79.3%
Sri Lanka	5.7%	26.6%	73.4%
Hong Kong and other regions in Asia	0.5%	40.6%	59.4%
Total	100%	31.7%	68.3%

Chairman and CEO

The Chairman of the Board is Mr. Kenneth LO, and the CEO is Mr. Andrew LO. The roles of Chairman and CEO are performed by separate individuals, and there is clear division of responsibilities between the Chairman and the CEO to ensure a balance of power and authority.

Board Independence

The Board has established mechanisms to ensure that a strong independent element on, and independent views and input are available to, the Board.

(a) Composition of the Board and Board Committees

- Independent Non-executive Directors enhance the effectiveness and decision-making of the Board by providing objective judgement and constructive challenge to the management. The Board should ensure the appointment of at least three Independent Non-executive Directors and at least one-third of its members being Independent Non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time).
- Apart from complying with the requirements prescribed by the Listing Rules as to the composition of certain Board committees, Independent Non-executive Directors will be appointed to other Board committees as far as practicable to ensure independent views are available.

Corporate Governance Report

(b) Assessment of Independence

- The Nomination Committee adheres to the Nomination Policy, its terms of reference and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of Independent Non-executive Directors.
- Each of the Independent Non-executive Directors is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence.
- The Nomination Committee is mandated to assess annually the independence of all Independent Non-executive Directors by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.

(c) Compensation

- According to the CG Code, no equity-based remuneration (e.g. share options or grants) with performance related elements will be granted to Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

(d) Board Decision-Making

- All of the Directors are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the Company Secretary and, where necessary, independent advice from external professional advisers at the Company's expense.
- All of the Directors shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.
- The Chairman shall, at least annually, hold meetings with the Independent Non-executive Directors without the presence of other Directors to discuss major issues and any concerns.

(e) Review of the Mechanisms Implementation

- The Board shall, or may designate a board committee to, make an annual review of the implementation and effectiveness of these mechanisms.

During the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of Independent Non-executive Directors as mentioned in item (a) above. During the year, the Board reviewed the implementation and effectiveness of the mechanisms and was satisfied that the relevant measures and mechanisms were robust and implemented effectively.

Appointment and Re-election of Directors

There is a written nomination policy and process (that is formal, considered and transparent) for the selection and appointment of new Directors and a plan for orderly succession of appointments. All of the Directors are subject to retirement by rotation at least once every three years.

The Non-executive Directors and Independent Non-executive Directors have entered into letters of appointment from the Company for a fixed term of one year that commenced on 6 October 2025. They are subject to retirement by rotation and are eligible for re-election at the AGM.

Corporate Governance Report

BOARD COMMITTEES

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board currently possesses five Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the People Committee and the Sustainability Committee. The Audit Committee comprises only Independent Non-executive Directors as members in order to ensure its independence, while the Remuneration Committee and the Nomination Committee comprise a majority of Independent Non-executive Directors to ensure the exercise of effective independent judgement.

The reports of the Audit Committee, the Remuneration Committee, the Nomination Committee, the People Committee and the Sustainability Committee for the year under review are set out on pages 36 to 48 of this report. Details of the committees members' attendance at committees meetings are set out on page 51.

In order to comply with the Listing Rules and the CG Code, the terms of reference of each of the Audit Committee, the Remuneration Committee and the Nomination Committee and the list of Directors and their roles and functions are regularly revised, updated and published on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE REPORT

Committee Composition and Meetings

The Audit Committee comprised four members, each of whom is an Independent Non-executive Director:

- Mr. CHANG George Ka Ki (*Chairman*) – Independent Non-executive Director
- Mr. MAK Wing Sum Alvin – Independent Non-executive Director
- Mr. WONG Siu Kee – Independent Non-executive Director
- Mrs. MAK TANG Pik Yee Agnes – Independent Non-executive Director

The Board considers the Audit Committee to have appropriate, relevant financial experience and each member is independent as required by the Listing Rules. The Audit Committee met four times during the year and, all members attended all four meetings by either virtual means, or whenever possible, in person. The Chief Financial Officer and the Head of Internal Audit attended the meetings of the Audit Committee by invitation. There was active contact between the members of the Audit Committee between meetings.

Corporate Governance Report

Committee Purpose

There was no revision of the terms of reference of the Audit Committee during the year. In accordance with its current terms of reference (available on the websites of the Stock Exchange and the Company), the main focus of the Audit Committee continue to be:

- reviewing the financial results and reports;
- monitoring the internal control environment;
- assessing the state of the Group's risk management process;
- receiving reports from the external and internal auditors; and
- reviewing continuing connected transactions.

Reviewing the Financial Results and Reports

During the year ended 31 December 2025, the Audit Committee reviewed the Group's audited consolidated financial statements and reports relating to the year ended 31 December 2024 together with the external auditor, and was satisfied as to the extent of the work done by the external auditor, the consistent application of the Group's accounting policies, the appropriateness of the financial judgements applied, and compliance with Board approved limits of connected transactions. Similar work was conducted in respect of the unaudited condensed consolidated financial statements and reports prepared by the Group for the six months ended 30 June 2025. The Audit Committee was satisfied with the outcome of its various reviews set out here.

The Audit Committee reviewed the Group's audited consolidated financial statements and reports relating to the year ended 31 December 2025 on 16 March 2026 and noted the considerable efforts made by both the Group's finance and accounting staff and the staff of the external auditor to complete their work in time for the Audit Committee's review to take place as scheduled.

Monitoring the Internal Control Environment

The Audit Committee reviewed reports from the Internal Audit Department, all of which were related to the application of internal controls in different parts of the Group and the management response to the points made in the reports. The focus in 2025 was (a) review of the enterprise risk framework; (b) the nature and effectiveness of the Group's risk management, focusing particularly on cybersecurity; (c) governance and compliance review and (d) climate-related risks. The Audit Committee was generally satisfied by the responses given and remedial action taken. The Audit Committee required the Internal Audit Department to follow up on the proposed action to ensure it has been and will continue to be applied. During the year, the Audit Committee reviewed the follow-up conducted in regard to the audits conducted by the Internal Audit Department. When the Audit Committee considers it appropriate, relevant senior management members are invited to meet the Audit Committee for further clarification, discussion and agreement of programmes for additional action. The Audit Committee continued the practice in prior years of advising the Board of its major findings and the areas it considered required action by the Board. The risk management and internal controls of the Group were reviewed at each Audit Committee meeting. The resources, staff qualifications and experience, training programmes, budget of the internal audit functions, and of the accounting and financial reporting functions of the Group were reviewed and considered to be adequate.

Corporate Governance Report

The Audit Committee reviewed the functioning of the Internal Audit Department and was satisfied that effective reviews were undertaken.

Assessing the State of the Group's Risk Management Process and Major Risks Reviewed

The Group's risk management process is overseen and supervised by the executive committee of the Company that has delegated operational oversight to the Chief Financial Officer. With the assistance of the Internal Audit Department, the Audit Committee checks to see whether the process is actively in place, and in 2025 it received a written report from the Chief Financial Officer on the system, the classification and assessed impact of identified risks, and the action taken, where required. At every meeting, the Audit Committee reviews the log of complaints made by whistleblowers and satisfies itself as to the appropriateness of action taken by management in response to the complaints. The Audit Committee, noting that two complaints were made during the year, had reported accordingly to the Board.

The Audit Committee had determined previously that cybersecurity was an area of prevailing risk to the Group, and this has also been reflected in the Group's risk management process. Accordingly, the Audit Committee met with the Chief Information Officer during the year, and received written reports from time to time to review the cyber protection systems in place, the frequency, location and types of attacks that had occurred, and their impact, together with remedial action taken to improve cyber protection. Various assessments of the Group's IT environment had been undertaken to identify any potential vulnerability in cybersecurity. The rolling out of further improvements to all systems operated within the Group and the education of all employees of the Group on cybersecurity measures continued during the year.

The Audit Committee would stay vigilant to the ongoing guidance of the Stock Exchange on the rollout of climate-related audit requirements.

Reports from the External and Internal Auditors

External Auditor

The Audit Committee met the external auditor three times during 2025, once without management present. The external auditor's work, in particular the areas of key focus, was discussed and understood, as were the points recorded in the external auditor's management letter issued after the audit of the annual consolidated financial statements for the year ended 31 December 2024. The Audit Committee was satisfied regarding the action taken and proposed to be taken by management to resolve the points raised by the external auditor. As part of its terms of reference, the Audit Committee reviewed the independence of the external auditor and was satisfied in that respect. The Audit Committee received management's comments on the fees proposed by the external auditor and was satisfied that they were reasonable for the scope of work being undertaken. Consequently, the Audit Committee recommended to the Board that the external auditor be reappointed, and its recommendation was endorsed by the Board and confirmed at the AGM in 2025.

Internal Audit

At the beginning of each year, the Audit Committee reviews the work planned by the Head of Internal Audit for the Internal Audit Department for the year to ensure that over a number of years, all parts of the Group are audited as regards financial and material internal controls, in addition to key risk mitigation. As the work is carried out, detailed reports are submitted to the Audit Committee for review and comment before being released more generally. The Audit Committee satisfies itself as to the quality and focus of the work done by the internal auditors, that it has been given appropriate access and co-operation in conducting its work, and that senior management is overseeing the implementation of any remedial action required. Occasionally, the CEO or the Board may require the Internal Audit Department to focus on a short-term, urgent matter, and the agreement of the Audit Committee is sought. From time to time, the Audit Committee makes proposals to the CEO regarding the structure and staffing of the Internal Audit Department.

Corporate Governance Report

Other Meetings

It is customary for the Audit Committee to meet the Chairman of the Board annually in its own right to discuss its work and observations during the year, as well as the major issues encountered by the Group in implementing its strategies. The focus of such meetings is on risk, specific areas of concern, and the adequacy of the resources applied to managing these areas and concerns. The discussions include the performance of the CEO. In addition, the Audit Committee meets the CEO annually to discuss its observations and any concerns it has regarding the internal control system of the Group, together with the effectiveness of the risk management process. These discussions include the performance of the Internal Audit Department and its Head.

Connected Transactions

The Group has certain transactions with companies controlled by Directors. The anticipated annual limit for each transaction for the following year is reported to Shareholders annually by public notice, if necessary. The Audit Committee is kept informed of the value of each connected transaction on a regular basis throughout the year so that it can ensure the limit that has been approved by the Board and notified to Shareholders is not exceeded. Towards the end of the year, it reviews the current year's transactions to ensure the limit for each of them is unlikely to be exceeded and also to assess whether the limit proposed for the following year has been determined on an arm's length basis and is in the best interests of all Shareholders. It may determine that an adjustment to the limit is necessary before recommending the following year's connected transaction limit to the Board for approval. In March 2026, the Audit Committee reviewed the position of connected transaction in 2025 and certified this outcome to the Board.

CHANG George Ka Ki

On behalf of the Audit Committee
19 March 2026

Corporate Governance Report

REMUNERATION COMMITTEE REPORT

Committee Composition and Meetings

The Remuneration Committee comprises five members:

- Mr. MAK Wing Sum Alvin (*Chairman*) – Independent Non-executive Director
- Mr. CHANG George Ka Ki – Independent Non-executive Director
- Mr. WONG Siu Kee – Independent Non-executive Director
- Mrs. MAK TANG Pik Yee Agnes – Independent Non-executive Director
- Mr. LO Lok Fung Kenneth – Executive Director and Chairman of the Board

The Remuneration Committee met three times in 2025. All members attended the meetings, except for one member who was absent from one meeting.

Committee Purpose

There was no revision of the terms of reference of the Remuneration Committee during the year. In accordance with its current terms of reference (available on the websites of the Stock Exchange and the Company), the Remuneration Committee was established to:

- establish and review the policy and structure of the remuneration for Directors and senior management;
- make recommendations to the Board on the remuneration packages of individual Directors and senior management; and
- review and/or approve matters relating to share schemes under the Listing Rules, if any.

Directors and Senior Management Remuneration Policy

The Directors and Senior Management Remuneration Policy sets out the general principles which guide the Group to deal with remuneration matters of Directors and senior management of the Company.

Directors and Senior Management Remuneration and Benefits

The Group's Directors and Senior Management Remuneration Policy aims (i) to provide a fair market level of remuneration, (ii) to retain and motivate Directors and senior management, and (iii) to attract experienced people of high calibre to oversee the business and development of the Group. Remuneration of Directors and senior management is reviewed by the Remuneration Committee annually with reference to companies of comparable business or scale, the Group's corporate goals and objectives.

The Remuneration Committee would consult the Chairman and the CEO about remuneration proposals for other Executive Directors. The Remuneration Committee would be provided with sufficient resources when deciding on any remuneration proposals and have access to independent professional advice if necessary. The Remuneration Committee would ensure that no Director or any of their associates shall be involved in deciding the Director's own remuneration.

Corporate Governance Report

(a) *Executive Directors and Senior Management*

Executive Directors and senior management are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talents, the Directors and Senior Management Remuneration Policy is built upon the principles of providing equitable and market-competitive remuneration package. The Remuneration Policy is, therefore, aiming at being fair with equal opportunity, competitive but not excessive.

Remuneration packages of Executive Directors and senior management shall comprise various components linking to individual and the Group's performance and comparable to other key market players in the same or similar industries.

(b) *Non-executive Directors (including Independent Non-executive Directors)*

Non-executive Directors shall receive fixed remuneration/fee to be set at an appropriate level to attract and retain capable talents by reference to the relevant time commitment and the size and complexity of the Group and benchmarked against other comparable key market players.

The Remuneration Committee of the Company reviews the Directors and Senior Management Remuneration Policy from time to time as appropriate, and in any event, annually. In 2025, the Remuneration Committee reviewed the Directors and Senior Management Remuneration Policy and was satisfied that it was implemented effectively.

Work of the Committee

The Remuneration Committee conducts annual reviews of the salaries, bonuses and benefits of Directors and senior management in accordance with the Directors and Senior Management Remuneration Policy. It recommends to the Board proposals for overall rewards and appropriate remuneration for Directors and senior management. In addition to the Group's financial performance in the relevant years, the Remuneration Committee makes reference to various other factors in setting the remuneration for Directors and senior management to ensure they are fairly rewarded with regards to the size and complexity of the operations and their individual contribution, as well as to retain high calibre management.

Comprehensive market benchmarking was conducted to compare the remuneration of Directors and senior management with compensation figures for senior executives of comparable companies. The Head of Human Resources met the Remuneration Committee three times during the year to provide information to facilitate the Committee's review in respect of 2025:

- structuring the bonus payout plan;
- recommendations for bonus awards;
- development of the total compensation position and changes in total compensation;
- industry compensation benchmarking of the Directors and senior management;
- review of the Directors and Senior Management Remuneration Policy;
- recruitment governance; and
- bonus scheme revamp and redesign of the long-term incentives scheme.

Corporate Governance Report

The Remuneration Committee was satisfied that this reward setting mechanism was robust and flexible in motivating Directors and senior management to pursue successful achievement of the organisational goals.

During the year ended 31 December 2025, the Remuneration Committee discussed and agreed on its recommendations in respect of fees and annual salaries of individual Independent Non-executive Directors, Non-executive Directors, Executive Directors and senior management.

During 2025, the Remuneration Committee continued to review the design and framework of the long-term share award incentives scheme, following its initial approval by the Board in December 2024. The Remuneration Committee monitored ongoing developments in the scheme, ensuring alignment with market benchmarks, the Group's strategic objectives, and full compliance with the Listing Rules. The Remuneration Committee will make recommendations to the Board as appropriate regarding the scheme to effectively incentivise and retain talent while aligning with the interests of shareholders. Save as disclosed above, no material matters relating to the Company's share schemes were reviewed and/or approved by the Remuneration Committee during the year.

MAK Wing Sum Alvin

On behalf of the Remuneration Committee

19 March 2026

Corporate Governance Report

NOMINATION COMMITTEE REPORT

Committee Composition and Meetings

The Nomination Committee comprises three members:

- Mr. LO Lok Fung Kenneth (*Chairman*) – Executive Director and Chairman of the Board
- Mr. MAK Wing Sum Alvin – Independent Non-executive Director
- Mr. WONG Siu Kee – Independent Non-executive Director

The Nomination Committee met once in 2025, and all members attended the meeting.

Committee Purpose

The Nomination Committee's terms of reference was revised in July 2025 to align with related amendments to the CG code, which became effective that same month. In accordance with its current terms of reference (available on the websites of the Stock Exchange and the Company), the Nomination Committee was established to examine and review for the Company:

- Board composition
- Board diversity
- Board succession
- Board effectiveness

and to make recommendations to the Board in these areas for its consideration.

Work of the Committee

The Nomination Committee works in accordance with its terms of reference, which can be found on the websites of the Stock Exchange and the Company. It continuously reviews the composition of the Board, including its diversity and succession.

The Nomination Committee has a written nomination policy and process for selecting and appointing new Director(s). The Nomination Committee makes recommendations to the Board on the Board composition, the key profiles of new Independent Non-executive Directors, and the Board's role and responsibilities.

At least annually, the Nomination Committee reviews the present and future skills, experience, expertise, character and gender diversity the Board needs for the Company to achieve its long-term strategic objectives and business plans. If the Nomination Committee feels there are gaps in the collective skills, experience, expertise and character of the Board, it notifies the Board of its views and reasoning, as well as its recommendations as to what, if any, action needs to be taken and when.

To assess the composition of the Board and its needs to perform effectively, the Nomination Committee developed working papers on the skills and attributes needed on the Board and by individual Directors.

Corporate Governance Report

A preliminary review of succession on the Board was made. The Nomination Committee recommended to the Board the re-appointment of various Directors at the AGM. The Nomination Committee adopted and applied the skills and attributes papers in its assessment of the Board composition, developing medium-term succession plans for discussion with the Board, and arranging a further review of the effectiveness of the performance of the Board and its committees. In this regard, the Nomination Committee commenced the process of identifying suitable successors for the current Independent Non-executive Directors to be effected within the next three years to allow proper time for acclimatisation and effective handover for the positions.

The Nomination Committee reviewed the training and development programmes for certain Directors and senior management to assist in developing the management's readiness over time to be appointed to top management positions and to fulfil the needs of Director on overseeing and executing the Group's strategies. The Nomination Committee was satisfied with the progress made.

During the year, the Board continued its evaluation process with significant progress. Following the external board evaluation facilitated by a specialised consultant in 2023, an internal evaluation was conducted in-house during 2025 to support ongoing monitoring and enable meaningful comparison with prior results. The evaluation, which commenced in September 2025 and was completed by the end of the year, involved structured questionnaires to gather comprehensive insights from Directors. Feedback was summarised, with key observations drawn from the responses and comparisons to past evaluations. Key areas identified for enhancement from the ongoing process and prior reviews include Board succession planning, strengthening Board training and development programmes, and strategies to future-proof the Group. Additional focus areas involve refining reporting and performance measures, bolstering crisis management capabilities, addressing geopolitical influences, and enhancing relationships with local government. These matters remain critical to the Group's long-term success and resilience in a rapidly evolving technological landscape, and initiatives to address them have been initiated and are being progressed.

In addition, the independence of each of the Independent Non-executive Directors was reviewed by the Nomination Committee and found to be satisfactory.

LO Lok Fung Kenneth

On behalf of the Nomination Committee

19 March 2026

Corporate Governance Report

PEOPLE COMMITTEE REPORT

Committee Composition and Meetings

The People Committee was a new Board committee established on 1 January 2025 and comprised three members:

- Mr. LO Ching Leung Andrew (*Chairman*) – Executive Director, Vice Chairman of the Board and Chief Executive Officer
- Mr. WONG Siu Kee – Independent Non-executive Director
- Mrs. MAK TANG Pik Yee Agnes – Independent Non-executive Director

The People Committee met twice in 2025, and all members attended the meetings.

Committee Purpose

In accordance with the People Committee's terms of reference, the People Committee is established to:

- support the Board in achieving its strategic objectives by providing oversight and guidance on the effective human capital management and organisational development;
- foster a positive corporate culture;
- enhance organisational efficiency; and
- maintain a competitive edge in people management.

Corporate Governance Report

Work of the Committee

During the year ended 31 December 2025, the People Committee started preparation work and engagement with relevant parties to:

- oversee the formulation and implementation of comprehensive compensation strategies, including recruitment packages, market pay benchmarking, and benefits administration, to ensure competitive and equitable employee remuneration;
- ensure employees are well-prepared for their roles by overseeing talent development initiatives, enhancing people readiness, facilitating essential training, and promoting career growth and progression within the Group; evaluate the effectiveness of talent development programs to ensure they meet organisational goals;
- review and enhance the organisational structure, succession planning, and human resource cost efficiency to support the Group's strategic goals; benchmark against industry leaders to identify best practices and upskilling of leaders' capabilities; and
- guide the execution of staff surveys, the development of a strong employer brand, and the implementation of effective retention strategies to maintain a stable and motivated workforce; enhance recruitment efficiency and effectiveness while setting and reviewing retention targets to ensure alignment with the Group's goals.

LO Ching Leung Andrew

On behalf of the People Committee
19 March 2026

Corporate Governance Report

SUSTAINABILITY COMMITTEE

Committee Composition and Meetings

The Sustainability Committee comprises three members:

- Mr. LO Ching Leung Andrew (*Chairman*) – Executive Director, Vice Chairman of the Board and Chief Executive Officer
- Mr. WONG Chi Fai – Non-executive Director
- Mr. LEE Kean Phi Mark – Non-executive Director

The Sustainability Committee met twice in 2025, and all members attended the meetings.

Committee Purpose

In accordance with the Sustainability Committee's terms of reference, the Sustainability Committee is established to oversee and make recommendations to the Board on the following matters:

- The sustainability vision, strategies, frameworks and policies to ensure alignment with the Group's business strategies.
- Relevant sustainability risks and opportunities.
- The Group's sustainability impact on shareholder value and the Group's reputation.

Corporate Governance Report

Work of the Committee

Throughout the year, the Sustainability Committee has diligently executed its responsibilities, which included reviewing and granting approval for the Sustainability Report 2024. The Sustainability Committee meticulously examined and endorsed the objectives, framework and progress of Crystal Sustainability Vision 2030. Discussions regarding Crystal's decarbonisation roadmap were a focal point, alongside the review of the energy management and efficiency improvement plans. The progress of solar PV installations across our factories in the countries of our operations was also evaluated. The Sustainability Committee closely monitored advancements toward the net zero vision and scrutinised the carbon intensity performance of our factories, providing valuable comments and recommendations to guide further actions. Additionally, the Sustainability Committee remains vigilant in overseeing the Company's ongoing preparation and implementation efforts to align with the enhanced climate-related financial disclosure requirements under the Environmental, Social and Governance Reporting Code. This alignment ensures the Company's sustainability efforts remain proactive and compliant. The disclosures will be included in the Sustainability Report 2025, which will be published in accordance with the Listing Rules. The resources, staff qualifications and experience, training programmes, budget of the Environmental, Social and Governance performance and reporting function of the Group were reviewed and considered to be adequate. The Sustainability Committee kept the Board regularly informed on important sustainability issues and the conclusions drawn from its discussions, ensuring that the Board remained fully apprised of the Sustainability Committee's activities and insights.

LO Ching Leung Andrew

On behalf of the Sustainability Committee
19 March 2026

Corporate Governance Report

DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the Directors during the year ended 31 December 2025 are:

	Fees US\$'000	Salaries and allowances US\$'000	Performance- based bonuses (note iii) US\$'000	Retirement benefit schemes contributions US\$'000	Total US\$'000
For the year ended 31 December 2025					
Executive Directors ^(note i) :					
Mr. Kenneth LO	–	707	–	–	707
Mrs. Yvonne LO	–	367	–	–	367
Mr. Andrew LO ^(note iv)	–	879	928	19	1,826
Mr. Dennis WONG	–	826	806	44	1,676
Mr. Howard LO	–	474	478	26	978
Non-executive Directors ^(note ii) :					
Mr. Mark LEE ^(note vi)	40	–	–	–	40
Mr. Frankie WONG ^(note v)	40	–	–	–	40
Independent Non-executive Directors ^(note ii) :					
Mr. CHANG	61	–	–	–	61
Mr. MAK	71	–	–	–	71
Mr. Kent WONG	69	–	–	–	69
Mrs. MAK	63	–	–	–	63
	344	3,253	2,212	89	5,898

Notes:

- (i) The Executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.
- (ii) The Non-executive Directors' and Independent Non-executive Directors' emoluments shown above were for their services as Directors.
- (iii) The amounts represent performance-based bonuses paid to the Directors to reward their contributions to the Group, based on the performance of the Group.
- (iv) Mr. Andrew LO is also the Vice Chairman and the CEO during the year ended 31 December 2025.
- (v) Mr. Frankie WONG's wholly-owned company entered into an agreement with a wholly-owned subsidiary of the Company as a consultant of the Group with an annual fee of HK\$2,990,000 (equivalent to approximately US\$384,000). During the year ended 31 December 2025, Mr. Frankie WONG's wholly-owned company received consultation fee of HK\$2,990,000 (equivalent to approximately US\$384,000) from the Group.
- (vi) Mr. Mark LEE entered into an agreement with a wholly-owned subsidiary of the Company as a consultant of the Group with an annual fee of SGD432,000 (equivalent to approximately US\$330,000). During the year ended 31 December 2025, Mr. Mark LEE received consultation fee of SGD432,000 (equivalent to approximately US\$330,000) from the Group.

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year ended 31 December 2025. None of the Directors has waived any emoluments during the year ended 31 December 2025.

Corporate Governance Report

FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

The five individuals with the highest emoluments in the Group include three Directors. The emoluments of the five highest paid individuals are:

	2025 US\$'000
Salaries and allowances	3,441
Performance-based bonuses ^(note)	2,958
Retirement benefit schemes contributions	127
	6,526

Note: The amounts represent performance-based bonuses paid to the five highest paid individuals to reward their contributions to the Group.

Their emoluments were within the following bands (presented in HK\$):

	Number of Directors 2025	Number of employees 2025
HK\$7,000,001 to HK\$7,500,000	–	1
HK\$7,500,001 to HK\$8,000,000	1	–
HK\$8,000,001 to HK\$8,500,000	–	1
HK\$13,000,001 to HK\$13,500,000	1	–
HK\$14,000,001 to HK\$14,500,000	1	–
	3	2

During the year ended 31 December 2025, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

SENIOR MANAGEMENT REMUNERATION BY BANDS

The remuneration of the Company's senior management, whose profiles are set out on page 19 of this annual report, for the year ended 31 December 2025 were within the following bands (presented in HK\$):

	Number of senior management
HK\$2,500,001 to HK\$3,000,000	–
HK\$6,000,001 to HK\$6,500,000	1
HK\$8,000,001 to HK\$8,500,000	1

Corporate Governance Report

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to participate in continuous professional training at the Company's expenses. Directors participated in appropriate continuous professional development activities, including the Company's in-house update training for Directors, during the year ended 31 December 2025 and relevant training records have been maintained by the Company for accurate and comprehensive record keeping.

DIRECTORS' ATTENDANCE AND DEVELOPMENT

Details of Director's attendance at the Board meetings, board committee meetings, AGM and development programme held during the year ended 31 December 2025 are set out in the table below:

Name of Directors	Board	Audit		Nomination Committee	People Committee	Sustainability Committee	2025 AGM	Development	
	(note 1)	Committee	Remuneration Committee					Programme	
		(note 2)						(note 3)	
	Number of Meetings Attended/Held								
Executive Directors									
Mr. Kenneth LO	6/6*		3/3		1/1*			1/1	2/2
Mrs. Yvonne LO	6/6							1/1	2/2
Mr. Andrew LO	6/6		3/3 (note 4)			2/2*	2/2*	1/1	2/2
Mr. Dennis WONG	6/6							1/1	2/2
Mr. Howard LO	6/6							1/1	2/2
Non-executive Directors									
Mr. Mark LEE	6/6						2/2	1/1	2/2
Mr. Frankie WONG	5/6						2/2	1/1	2/2
Independent Non-executive Directors									
Mr. CHANG	6/6	4/4*	2/3					1/1	2/2
Mr. MAK	6/6	4/4	3/3*	1/1				1/1	2/2
Mr. Kent WONG	6/6	4/4	3/3	1/1	2/2			1/1	2/2
Mrs. MAK	5/6	4/4	3/3		2/2			1/1	2/2
Approximate average duration per meeting (HH:MM)	2:26	2:05	0:45	0:30	2:30	1:45	0:30		-

* representing chairman of the Board or relevant board committees.

Corporate Governance Report

Notes:

- (1) The above figures exclude resolutions in writing signed by all Directors and meetings between the Chairman and Independent Non-executive Directors without the presence of Executive Directors and Non-executive Directors.
- (2) Excluding meetings with the Chairman, the CEO, the relevant Executive Directors and the line presidents of the operating divisions.
- (3) In-house update training sessions as continuing professional development programme for the Directors.
- (4) Although Mr. Andrew LO is not a member of the Remuneration Committee, he (being the CEO) was invited to attend meetings of that committee and was prohibited from voting or being counted as part of the quorum.

EXTERNAL AUDITOR

The Group's independent external auditor is Messrs. Deloitte Touche Tohmatsu. The external auditor is responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements.

The Audit Committee reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process. It receives a report from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

For the year ended 31 December 2025, the total fees paid/payable in respect of services provided by Messrs. Deloitte Touche Tohmatsu were US\$1.4 million, comprising fees for audit services US\$0.9 million and for non-audit services (including tax filing and advice) US\$0.5 million.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility to present a balanced, clear and understandable assessment of the financial affairs of the Group in the consolidated financial statements of the annual and interim reports, other price sensitive announcements and other financial disclosures required under the Listing Rules, and to report to the regulators as well as to disclose information required pursuant to statutory requirements. The statement of the external auditor about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report. The Group has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. When the Directors become aware of material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, such uncertainties would be set out and discussed in details in this Corporate Governance Report.

The statement of the independent auditor of the Company about its reporting responsibilities and opinion on the consolidated financial statements of the Company for the year ended 31 December 2025 is set out in the Independent Auditor's Report on pages 61 to 64 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems.

The Board's oversight of the Company's risk management and internal control systems, both directly and via the Audit Committee, is ongoing, and the effectiveness of the Company's risk management and internal control systems is reviewed at least annually to cover the period since the last annual review and reported to the Shareholders pursuant to the requirements of the Listing Rules.

During the year under review, the Board conducted its annual review of the effectiveness of the system of internal control (including financial, operational and compliance control) and risk management, discovered no material defect in internal control and considered the existing system to be both effective and adequate. The adequacy of resources, staff qualifications and experience, training courses and budgets in its accounting, internal audit and financial reporting functions and the relevant environmental, social and governance performance and reporting of the Group were also reviewed. This was achieved primarily through:

- approving the work plan for the risk management function;
- reviewing the periodical risk management activity reports;
- reviewing the risks register and updating the relevant risks; and
- reporting movements in key risks.

The Company also had adequate resources, qualified staff, training courses and budgets in the abovementioned functions.

The Board acknowledges that it is responsible for the risk management and internal control systems and for reviewing their effectiveness. Such systems have been designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

INTERNAL AUDIT

Reporting to the Audit Committee, the Internal Audit Department provides necessary information to assist management and the Audit Committee to assess the effectiveness of the risk management and internal control systems in order to achieve the business objectives and corporate governance requirements of the Group. Internal auditors conduct or support investigations, as required or directed from time to time by the Board or the Audit Committee. Further details related to internal audit are set out in the Audit Committee Report on pages 36 to 39 of this annual report.

Corporate Governance Report

INSIDE INFORMATION

The Group has reviewed the policy and procedures for the handling and dissemination of inside information during the year ended 31 December 2025. The policy provides a general guide to Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and replying to enquiries. Control procedures are implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

COMPANY SECRETARY

During the year under review, Mr. Edmund NG is the Company Secretary. The Company Secretary reports directly to the Board and is responsible for providing updated and timely information to all Directors.

During the year ended 31 December 2025, Mr. Edmund NG complied with all the required qualifications, experience and training requirements under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Group aims to establish fair and transparent procedures to afford all shareholders an equal opportunity to exercise their rights in an informed manner and communicate efficiently with the Group. Under the Articles of Association and the relevant policies and procedures of the Group, shareholders have, among others, the following rights:

Convene an Extraordinary General Meeting

General meetings shall be convened on the written requisition of one or more members (including a recognised clearing house (or its nominees)) deposited at the principal office of the Company in Hong Kong (5-7/F., AXA Tower, Landmark East, No.100 How Ming Street, Kowloon, Hong Kong) or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings (on a one vote per share basis) in the share capital of the Company and such member(s) may also add resolutions to the agenda of a meeting. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company. The Company will take appropriate action and make all necessary arrangements in accordance with the requirements of Article 12.3 of the Articles of Association once a valid requisition is received.

Propose a Person for Election as a Director

The Company has adopted the procedures for shareholders to propose a person for election as a Director with effect from the Listing Date. The procedures are available on the Group's website.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

Pursuant to the CG Code, the Company has invited representatives of the external auditor of the Company to attend the AGM to be convened on 30 May 2025 to answer shareholders' questions relating to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The Board recognises the importance of communication with its shareholders and investors. The Company has established an Investor Relations Department to communicate with research analysts, institutional investors and shareholders in an on-going and timely manner, providing them necessary information, data and services to understand the Company's operations, strategies and development. The Company also issues press releases from time to time. Current information about the Company including the annual report, announcements, circulars and press releases can be downloaded from the Company's website (www.crystalgroup.com). Enquiries may be put to the Board by either contacting the Investor Relations Department through email at ir@crystalgroup.com or raising questions at a general meeting. The shareholders' communication policy was reviewed during the year. The Board is of the view that there are sufficient channels for Shareholders to communicate their views on various matters affecting the Company and steps have been taken to solicit and understand the views of Shareholders and stakeholders. The implementation of the policy and the communication with shareholders were considered effective. The shareholders' communication policy is available on the Group's website.

CONSTITUTIONAL DOCUMENT

There has been no change to the M&A during the year ended 31 December 2025 and a copy of the M&A are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report

AWARDS AND RECOGNITIONS

The Board is pleased to list out some of the major awards presented by renowned organisations to the Group during 2025:

Organisation	Recognition/Award
The Hong Kong Management Association	Hong Kong Sustainability Award 2025: <ul style="list-style-type: none"> • Distinction Award (Large Organisations Category)
Hong Kong ESG Reporting Awards (HERA) Limited	Hong Kong ESG Reporting Awards (HERA) 2025: <ul style="list-style-type: none"> • Commendation for the Best ESG Report – Mid-cap • Commendation for the Excellence in Environmental Positive Impact • Commendation for the Carbon Neutral Award • GBA Outstanding ESG Disclosure List
Standard Chartered	Standard Chartered Corporate Achievement Awards 2025 – Sustainable Corporate Leadership Award
CDP	Climate A-list 2025
MerComm, Inc.	International ARC Awards 2025: <ul style="list-style-type: none"> • Specialized A.R.: Sustainability Report: Asia/Pacific – Silver Winner • Interior Design: Sustainability Report: Asia/Pacific – Bronze Winner
Human Resources Online	Employee Experience Awards 2025 Singapore – Most Innovative and Sustainable Office Design – Silver Award
HR Asia	Best Companies to Work for in Asia 2025
Federation of Hong Kong Industries	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024: 10 Years+ EcoPioneer and EcoChallenger

The recognition provided by these awards further inspires the Board to ensure the complete compliance of the Group’s products and service with the most stringent benchmarks and specifications demanded by key customers. They also contribute towards the Group’s ability to benefit from consolidating its base of suppliers, as the Group complies with the tightening regulations and more requirements relating to corporate sustainability in the fast-changing apparel industry.

Glossary

"AGM"	the annual general meeting of the Company
"Articles of Association"	the third amended and restated articles of association of the Company adopted on 3 June 2024
"Audit Committee" or "AC"	the Audit Committee of the Company
"Board"	the board of directors of the Company
"Board Diversity Policy"	the policy on board diversity of the Company
"CG Code"	the Corporate Governance Code
"Chairman"	the chairman of the Board (unless the context requires otherwise)
"Chief Executive Officer" or "CEO"	the chief executive officer of the Group
"Chief Financial Officer"	the chief financial officer of the Group
"Company Secretary"	the company secretary of the Company
"Controlling Shareholders"	collectively refers to Mr. Kenneth LO and Mrs. Yvonne LO
"Crystal International" or "Company", or "we", or "our", or "us"	Crystal International Group Limited, a company incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Designated Management Team"	a designated management team led by CEO
"Director(s)"	the director(s) of the Company
"Directors and Senior Management Remuneration Policy"	the Directors and Senior Management Remuneration Policy of the Company
"Executive Directors"	the executive directors of the Company (unless the context requires otherwise)
"Group" or "Crystal" or "Crystal Group"	the Company and/or its subsidiaries
"HK\$"	Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

Glossary

"Independent Non-executive Directors"	independent non-executive directors of the Company (unless the context requires otherwise)
"Latest CG Code"	the latest version of the CG Code effective from 1 July 2025
"Listing Date"	3 November 2017
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"M&A"	the memorandum and articles of association of the Company (as amended from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"MPF Scheme"	Mandatory Provident Fund Scheme in Hong Kong
"Mr. Andrew LO"	Mr. LO Ching Leung Andrew
"Mr. CHANG"	Mr. CHANG George Ka Ki
"Mr. Dennis WONG"	Mr. WONG Sing Wah
"Mr. Eddie LO"	Mr. LO Wing Sing Eddie
"Mr. Edmund NG"	Mr. NG Tsz Yeung
"Mr. Frankie WONG"	Mr. WONG Chi Fai
"Mr. Howard LO"	Mr. LO Howard Ching Ho
"Mr. Kenneth LO"	Mr. LO Lok Fung Kenneth
"Mr. Kent WONG"	Mr. WONG Siu Kee
"Mr. LI"	Mr. LI Wai Kwan
"Mr. MAK"	Mr. MAK Wing Sum Alvin
"Mr. Mark LEE"	Mr. LEE Kean Phi Mark
"Mr. YEW"	Mr. YEW Cheng Teik
"Mrs. MAK"	Mrs. MAK TANG Pik Yee Agnes
"Mrs. Yvonne LO"	Mrs. LO CHOY Yuk Ching Yvonne

Glossary

“Nomination Committee” or “NC”	the Nomination Committee of the Company
“Non-executive Directors”	non-executive directors of the Company (unless the context requires otherwise)
“Ordinary Share”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“People Committee” or “PC”	the People Committee of the Company
“PRC” or “China”	the People’s Republic of China
“Principles”	the principles of good corporate governance (unless the context requires otherwise)
“Remuneration Committee” or “RC”	the Remuneration Committee of the Company
“Scheme B Participants”	the participants of the Share Award Scheme B
“Scheme Period”	a period of ten years commencing on the date of the first grant of the Share Awards being 12 October 2017
“SFO”	the Securities and Futures Ordinance of Hong Kong
“SGD”	Singapore dollars
“Share Awards”	the share awards granted under the Share Award Scheme B
“Share Award Grant Letter”	the grant letter of Share Awards
“Share Award Scheme B”	the Company’s share award scheme adopted in April 2017
“Share Award Scheme B Eligible Persons”	the persons eligible of receiving Share Awards under the Share Award Scheme B
“Shareholder(s)”	the holder(s) of ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Stock Exchange” or “Hong Kong Stock Exchange” or “HKEx”	The Stock Exchange of Hong Kong Limited
“Sustainability Committee” or “SC”	the Sustainability Committee of the Company

Glossary

"Trustee"	The Core Trust Company Limited, an independent professional trustee of Share Award Scheme B
"U.K."	the United Kingdom
"US\$"	United States dollars
"United States" or "USA" or "U.S." or "US"	the United States of America
"Vice Chairman"	the vice chairman of the Board

Independent Auditor's Report

Deloitte.

德勤

TO THE SHAREHOLDERS OF CRYSTAL INTERNATIONAL GROUP LIMITED

(incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)

OPINION

We have audited the consolidated financial statements of Crystal International Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 65 to 147, which comprise the consolidated statement of financial position at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the “**IESBA Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Assessment of the net realisable value of inventories</i></p> <p>We identified the assessment of the net realisable value of inventories as a key audit matter due to the significance of the balance to the consolidated statement of financial position as a whole and the management judgment involved in the determination of the net realisable value.</p> <p>As disclosed in notes 4 and 19 to the consolidated financial statements, inventories are carried at US\$321,605,000, which represent approximately 27% and 15% of the Group's current assets and total assets at 31 December 2025, respectively. An expense of US\$17,359,000 was recognised in profit or loss to write down the cost of inventories to their net realisable value during the year ended 31 December 2025.</p> <p>As disclosed in note 4 to the consolidated financial statements, the management identified slow-moving and obsolete inventories based on the aged analysis of inventory and recent or subsequent usage/sales and determined the write-down of inventories based on latest selling prices at the end of the year.</p>	<p>Our procedures in relation to the assessment of the net realisable value of inventories included:</p> <ul style="list-style-type: none">• Obtaining an understanding of the management's process in identifying slow-moving and obsolete inventories and determining the net realisable value of inventories;• Engaging our internal IT specialists to test the accuracy of the inventories aging list in the system generated report;• Assessing whether slow-moving and obsolete inventories were properly identified after taking into account subsequent sales of finished goods and subsequent usage and consumption of raw materials and work in progress; and• Comparing the actual selling prices of finished goods subsequent to year end, on a sample basis, to their carrying amounts to check whether the finished goods are stated at the lower of cost and net realisable value.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is LEUNG, Chui Shan (practising certificate number: P05731).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 US\$'000	2024 US\$'000
Revenue	5	2,641,179	2,469,629
Cost of sales		(2,115,482)	(1,983,406)
Gross profit		525,697	486,223
Other income, gains or losses		21,585	30,360
Impairment losses reversed (recognised)			
– under expected credit loss model, net	8	4,742	(3,255)
Selling and distribution expenses		(43,807)	(39,209)
Administrative expenses		(183,515)	(181,390)
Research and development expenses		(34,560)	(32,441)
Finance costs		(12,477)	(11,238)
Share of results of associates		854	(940)
Profit before tax	6	278,519	248,110
Income tax expense	9	(53,684)	(47,282)
Profit for the year		224,835	200,828
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(1,848)	(13,667)
Fair value changes on trade receivables at fair value through other comprehensive income		173	(978)
Impairment loss on trade receivables at fair value through other comprehensive income under expected credit loss model	8	4	55
		(1,671)	(14,590)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Surplus on revaluation of properties		3,611	10,718
Deferred tax expense arising on revaluation of properties		(773)	(2,586)
		2,838	8,132
Other comprehensive income (expense) for the year		1,167	(6,458)
Total comprehensive income for the year		226,002	194,370

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTE	2025 US\$'000	2024 US\$'000
Profit for the year attributable to:			
Owners of the Company		224,658	200,498
Non-controlling interests		177	330
		224,835	200,828
Total comprehensive income for the year attributable to:			
Owners of the Company		225,825	194,040
Non-controlling interests		177	330
		226,002	194,370
Basic earnings per share for profit attributable to the owners of the Company (US cents)	10	7.87	7.03

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 US\$'000	2024 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	686,315	599,409
Right-of-use assets	13	118,083	115,174
Deposits paid for acquisition of property, plant and equipment	14	19,910	22,295
Goodwill	15	74,941	74,941
Intangible assets	16	61,274	66,191
Interests in associates	17	12,339	11,793
Loan receivables	18	485	686
Deferred taxation assets	26	2,513	3,627
		975,860	894,116
Current assets			
Inventories	19	321,605	281,434
Right-of-use assets	13	3,042	1,465
Trade, bills and other receivables	20	142,882	206,086
Trade receivables at fair value through other comprehensive income	21	355,792	294,586
Amounts due from related companies	30	217	218
Loan receivables	18	954	227
Tax recoverable		2,305	2,862
Short-term bank deposits	22	–	146,744
Bank balances and cash	22	382,310	426,715
		1,209,107	1,360,337
Total assets		2,184,967	2,254,453

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 US\$'000	2024 US\$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	3,654	3,654
Reserves		1,604,470	1,527,002
Equity attributable to owners of the Company		1,608,124	1,530,656
Non-controlling interests		3,561	4,790
Total equity		1,611,685	1,535,446
Non-current liabilities			
Other payables	24	–	352
Lease liabilities	25	22,388	17,415
Deferred taxation liabilities	26	35,241	36,308
		57,629	54,075
Current liabilities			
Trade and other payables	24	469,087	477,694
Lease liabilities	25	13,253	10,313
Amounts due to associates	29	10,859	6,663
Tax liabilities		22,454	23,291
Bank borrowings	28	–	146,971
		515,653	664,932
Total equity and liabilities		2,184,967	2,254,453

The consolidated financial statements on pages 65 to 147 were approved and authorised for issue by the board of directors on 19 March 2026 and are signed on its behalf by:

Mr. LO Lok Fung Kenneth
DIRECTOR

Mrs. LO CHOY Yuk Ching Yvonne
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital	Share premium	Property revaluation reserve	Exchange reserve	Financial instruments		Retained profits	Subtotal	Non-controlling interests	Total
					Capital reserve	revaluation reserve				
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 January 2024	3,654	505,677	70,882	(126,759)	9,903	(1,133)	972,218	1,434,442	4,460	1,438,902
Profit for the year	-	-	-	-	-	-	200,498	200,498	330	200,828
Exchange difference arising on translation of foreign operations	-	-	-	(13,667)	-	-	-	(13,667)	-	(13,667)
Surplus on revaluation of properties	-	-	10,718	-	-	-	-	10,718	-	10,718
Deferred tax expense arising on revaluation of properties	-	-	(2,586)	-	-	-	-	(2,586)	-	(2,586)
Fair value changes on trade receivables at fair value through other comprehensive income	-	-	-	-	-	(978)	-	(978)	-	(978)
Impairment loss on trade receivables at fair value through other comprehensive income under expected credit loss model	-	-	-	-	-	55	-	55	-	55
Total comprehensive income (expense) for the year	-	-	8,132	(13,667)	-	(923)	200,498	194,040	330	194,370
Dividend paid (note 11)	-	-	-	-	-	-	(97,826)	(97,826)	-	(97,826)
At 31 December 2024	3,654	505,677	79,014	(140,426)	9,903	(2,056)	1,074,890	1,530,656	4,790	1,535,446
Profit for the year	-	-	-	-	-	-	224,658	224,658	177	224,835
Exchange difference arising on translation of foreign operations	-	-	-	(1,848)	-	-	-	(1,848)	-	(1,848)
Surplus on revaluation of properties	-	-	3,611	-	-	-	-	3,611	-	3,611
Deferred tax expense arising on revaluation of properties	-	-	(773)	-	-	-	-	(773)	-	(773)
Fair value changes on trade receivables at fair value through other comprehensive income	-	-	-	-	-	173	-	173	-	173
Impairment loss on trade receivables at fair value through other comprehensive income under expected credit loss model	-	-	-	-	-	4	-	4	-	4
Total comprehensive income (expense) for the year	-	-	2,838	(1,848)	-	177	224,658	225,825	177	226,002
Dividend paid (note 11)	-	-	-	-	-	-	(148,357)	(148,357)	-	(148,357)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,406)	(1,406)
Release of property revaluation reserve	-	-	(47)	-	-	-	47	-	-	-
At 31 December 2025	3,654	505,677	81,805	(142,274)	9,903	(1,879)	1,151,238	1,608,124	3,561	1,611,685

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
OPERATING ACTIVITIES		
Profit before tax	278,519	248,110
Adjustments for:		
Interest income	(15,846)	(23,020)
Finance costs	12,477	11,238
Depreciation of property, plant and equipment	60,231	63,065
Depreciation of right-of-use assets	21,007	16,439
Amortisation of intangible asset	4,917	4,917
Net loss arising from changes in fair value of derivative financial instruments	–	154
Gain on disposals of property, plant and equipment	(43)	(515)
Loss on termination of leases	13	–
Share of results of associates	(854)	940
Write-down of inventories	17,359	15,244
Impairment loss on interest in an associate	–	125
Impairment loss reversed in respect of property, plant and equipment	(2,127)	–
Impairment losses (reversed) recognised under expected credit loss model	(4,742)	3,255
Operating cash flows before movements in working capital	370,911	339,952
Increase in inventories	(58,498)	(61,202)
Decrease (increase) in trade, bills and other receivables	68,362	(88,474)
Increase in trade receivables at fair value through other comprehensive income	(60,796)	(129,840)
(Decrease) increase in trade and other payables	(3,001)	91,033
Increase (decrease) in amounts due to associates	4,196	(1,362)
Cash generated from operations	321,174	150,107
Profits tax paid	(54,751)	(44,569)
NET CASH FROM OPERATING ACTIVITIES	266,423	105,538

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
INVESTING ACTIVITIES		
Withdrawal of short-term bank deposits	273,068	99,913
Placement of short-term bank deposits	(126,523)	(182,957)
Payment on settlement of derivative financial instruments	–	(154)
Loan receivables advanced	(1,929)	(928)
Interest received	15,846	23,020
Loan receivables received	1,365	214
Proceeds on disposals of property, plant and equipment	2,221	3,808
Payment for property, plant and equipment	(146,235)	(108,787)
Settlement of consideration payable in relation to acquisition of a subsidiary	–	(2,058)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	17,813	(167,929)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(338,427)	(97,291)
Dividend paid	(149,763)	(97,826)
Repayment of lease liabilities	(19,327)	(27,221)
Interest paid	(12,477)	(11,238)
New bank borrowings raised	192,027	179,729
NET CASH USED IN FINANCING ACTIVITIES	(327,967)	(53,847)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,731)	(116,238)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(674)	(491)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	426,715	543,444
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	382,310	426,715

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Crystal International Group Limited (the “**Company**”) was previously incorporated in Bermuda as an exempted company with limited liability and registered by way of continuation in the Cayman Islands as an exempted company with limited liability. The Company is directly held by its controlling shareholders, Mr. LO Lok Fung Kenneth and Mrs. LO CHOY Yuk Ching Yvonne, both executive directors of the Company. The address of the registered office of the Company is Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company is 5-7/F., AXA Tower, Landmark East, No. 100 How Ming Street, Kowloon, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 3 November 2017.

The consolidated financial statements are presented in United States dollars (“**US\$**”), which is also the functional currency of the Company.

The Company is an investment holding company and the principal activities of its principal subsidiaries and associates are set out in notes 37 and 17 respectively.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”)

IFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements” (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 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 IFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 “Share-based Payment” (“**IFRS 2**”), leasing transactions that are accounted for in accordance with IFRS 16 “Leases” (“**IFRS 16**”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 “Inventories” or value in use in IAS 36 “Impairment of Assets” (“**IAS 36**”).

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of the acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination, which represents the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A CGU or groups of CGUs to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU or groups of CGUs to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGU or groups of CGUs.

On disposal of the relevant CGU or any of the CGUs within the groups of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU or a CGU within the groups of CGUs, the amount of goodwill disposed of is measured on the basis of the relative values of the operation or the CGU disposed of and the portion of the CGU or the groups of CGUs retained.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using accounting policies that are uniform with those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes result in changes in ownership interest held by the Group. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is objective evidence that the interests in associates may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies IFRS 9 "Financial Instruments" ("**IFRS 9**"), including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 "Investments in Associates and Joint Ventures" ("**IAS 28**") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposal of the interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a goods or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, that better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group adopts the practical expedient or not separating non-lease components from the lease component, instead accounting for the lease component and any associated non-lease components as a single lease component.

Right-of-use assets

The costs of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight line basis over the shorter of their estimated useful lives and the lease terms.

The Group presents right-of-use assets as a separate line item in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include:

- fixed payments (including in-substance fixed payments which are payments that may, in form, contain variability but that, in substance, are unavoidable) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option that is reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the Group considers it will probably exercise the termination option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) when there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option, or a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications"). When lease liabilities are remeasured, corresponding adjustments are made to the carrying amount of the right-of-use assets.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a modification is made to a lease that is not accounted for as a separate lease, the Group remeasures the lease liability less any lease incentives receivable based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from a lessor by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress) and are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold land is not depreciated and is measured at cost less subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for such assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, similarly to other property assets, commences when the assets are ready for their intended use.

When the Group pays for ownership interests in properties, including both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, an interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between the non-lease building element and the undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

The Group performs revaluations of the properties with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of reporting period. Any increase arising on/from revaluation of leasehold land and owned properties is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the deficit previously charged. A decrease in net carrying amount arising on revaluation of an item of property, plant and equipment is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, any attributable revaluation surplus is transferred to retained profits.

Depreciation is recognised to write off the cost or revalued amounts of items of property, plant and equipment (other than construction in progress and freehold land) less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is recognised as an expense in the period in which it is incurred when it results in no internally-generated intangible asset.

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication that they may be impaired.

The recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or groups of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or groups of CGUs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or a portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of groups of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to those groups of CGUs, with the recoverable amount of the groups of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or groups of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or groups of CGUs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or groups of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU or groups of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Bank balances and cash

Bank balances and cash presented in the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation of which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in the foreign operation.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. US\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented in the "other income, gains or losses" line item.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme ("**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to have the contributions made.

For the defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, the Group remeasures the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions in valuing plan liabilities and the consequent plan surplus or deficit before and after the plan amendment, curtailment or settlement, no consideration being given to the effect of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. If the Group remeasures the net defined benefit liability or asset before the plan amendment, curtailment or settlement, the Group determines the net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement. In doing so, the Group uses the plan liabilities and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest on the net defined benefit liability or asset and remeasurement of the net defined benefit liability or asset in other comprehensive income.

The retirement benefit obligation or asset recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plan. Any such surplus is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Termination benefits

Termination benefits result from either the Group's decision to terminate an employee's employment or an employee's decision to accept the Group's offer of benefits in exchange for termination of employment. The Group recognises a liability for benefits at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees render the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers, which are initially measured in accordance with IFRS 15 “Revenue from Contracts with Customers” (“**IFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“**FVTPL**”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date or settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Interest income recognised on financial assets at amortised cost and FVTOCI

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Receivables classified at FVTOCI

Subsequent changes in the carrying amounts for receivables classified at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt receivables had been measured at amortised cost. All other changes in the carrying amount of these receivables are recognised in other comprehensive income. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. The amounts that are recognised in profit or loss are the same amounts that would have been recognised in profit or loss if these receivables had been measured at amortised cost. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other income, gains or losses" line item.

Impairment of financial assets and a financial guarantee contract

The Group performs impairment assessment under the expected credit loss ("**ECL**") model on financial assets (including trade, bills and other receivables, loan advanced to an associate, trade receivables at FVTOCI, loan receivables, amounts due from related companies, short-term bank deposits and bank balances) and a financial guarantee contract which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are made based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables without any significant financing component. The ECL on these assets is assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and a financial guarantee contract (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and a financial guarantee contract (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the reporting period. A financial asset is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" in accordance with globally understood definitions.

For the financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of corporate guarantee, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the Group is able to identify significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above assessment, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and a financial guarantee contract (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed in liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For the financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and a financial guarantee contract (Continued)

(v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost of the financial asset.

Except for trade receivables that are measured at FVTOCI and the financial guarantee contract, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amounts, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account. For trade receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income without reducing the carrying amount of these receivables. Such amount represents the changes in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income, gains or losses” line item as part of the net foreign exchange gains or losses;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the “other income, gains or losses” line item as part of the net foreign exchange gains or losses. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income under the heading of financial instruments revaluation reserve.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables classified at FVTOCI, the cumulative gain or loss previously accumulated in the financial instruments revaluation reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities other than derivatives (including trade and other payables, amounts due to associates and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Corporate guarantee liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income, gains or losses" line item in profit or loss as part of net foreign exchange gains or losses for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is credited or charged to profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Assessment of the net realisable value of inventories

Inventories are stated at the lower of cost and net realisable values. The management of the Group is required to exercise judgment in identifying slow-moving and obsolete inventories and to determine the write-down of inventories based on the latest selling prices and market conditions at the end of the year. The identification of slow-moving and obsolete inventories is based on the aged analysis of inventory and recent or subsequent usages/sales. Actual net realisable value being lower than expectation will impact the carrying amounts of inventories.

At 31 December 2025, the carrying amount of inventories is US\$321,605,000 (2024: US\$281,434,000) (see note 19). During the year ended 31 December 2025, an expense of US\$17,359,000 (2024: US\$15,244,000) was recognised in profit or loss to write down the cost of inventories to their net realisable value.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the manufacturing and trading of garments. All revenue generated by the Group is recognised at the point when control of the goods has transferred to the customers, being when the goods have arrived at the specific location (delivery).

The Group sells garments directly to its customers and revenue is recognised when control of the goods has transferred, being when the goods have arrived at the specific location (delivery). Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on-selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group allows credit periods ranging from 14 to 120 days to its trade customers. The Group allows certain of its trade customers an early settlement discount when the trade customers settle the consideration before the credit period granted. The sales to these trade customers are recognised as revenue when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group considers the early settlement discount is a form of cash discount and, accordingly the amount of consideration is adjusted for the effect of the expected early settlement discount for each sales transaction based on the settlement pattern of the trade customers.

The contracts for sales of garments are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

Information reported to the chief executive officer of the Group, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performances, focuses on types of products.

- (i) Lifestyle wear
- (ii) Sportswear and outdoor apparel
- (iii) Denim
- (iv) Intimate
- (v) Sweater

These operating segments also represent the Group’s reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating segments:

Year ended 31 December 2025

	Lifestyle wear US\$'000	Sportswear and outdoor apparel US\$'000	Denim US\$'000	Intimate US\$'000	Sweater US\$'000	Total US\$'000
SEGMENT REVENUE						
External sales	743,895	598,963	539,964	466,260	292,097	2,641,179
Segment profit	151,390	125,176	90,311	94,416	64,404	525,697
Other income, gains or losses						21,585
Impairment losses reversed under expected credit loss model, net						4,742
Selling and distribution expenses						(43,807)
Administrative expenses						(183,515)
Research and development expenses						(34,560)
Finance costs						(12,477)
Share of results of associates						854
Profit before tax						278,519

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

Year ended 31 December 2024

	Lifestyle wear US\$'000	Sportswear and outdoor apparel US\$'000	Denim US\$'000	Intimate US\$'000	Sweater US\$'000	Total US\$'000
SEGMENT REVENUE						
External sales	694,237	554,603	518,920	434,782	267,087	2,469,629
Segment profit	134,591	114,490	85,047	90,473	61,622	486,223
Other income, gains or losses						30,360
Impairment losses recognised under expected credit loss model, net						(3,255)
Selling and distribution expenses						(39,209)
Administrative expenses						(181,390)
Research and development expenses						(32,441)
Finance costs						(11,238)
Share of results of associates						(940)
Profit before tax						248,110

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of other income, gains or losses, impairment losses reversed (recognised) under expected credit loss model, net, selling and distribution expenses, administrative expenses, research and development expenses, finance costs and share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Certain amounts of depreciation of property, plant and equipment and right-of-use assets are included in the measure of segment results in each segment. No further analysis is presented for certain items included or excluded in the measure of segment results as such information is not regularly provided to the CODM.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Revenue from major customers

Revenue from a customer individually contributing over 10% of the Group's revenue is as follows:

Segment		2025 US\$'000	2024 US\$'000
Customer A	Lifestyle wear, Sportswear and outdoor apparel, Denim, Intimate and Sweater	973,848	898,614

Geographical information

Information about the Group's revenue is presented below by geographical location based on port of discharge:

	2025 US\$'000	2024 US\$'000
Asia Pacific (note i)	1,060,193	982,088
North America	988,109	942,461
Europe (note ii)	511,744	480,265
Other countries/regions	81,133	64,815
	2,641,179	2,469,629

Notes:

- (i) Asia Pacific primarily includes Japan, the People's Republic of China (the "PRC") and South Korea.
- (ii) Europe primarily includes the United Kingdom (the "U.K."), France, Germany and the Netherlands.

Information about the Group's non-current assets other than deferred taxation, and financial instruments is presented below by geographical location of the assets:

	2025 US\$'000	2024 US\$'000
Asia Pacific (note i)	959,883	876,766
Europe (note ii)	79	137
	959,962	876,903

Notes:

- (i) Asia Pacific primarily includes Bangladesh, Cambodia, Hong Kong, the PRC, Singapore, Sri Lanka and Vietnam.
- (ii) Europe primarily includes the U.K..

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. PROFIT BEFORE TAX

	2025 US\$'000	2024 US\$'000
Profit before tax has been arrived at after charging (crediting):		
Directors' emoluments (note 7)	5,898	6,460
Other staff costs	584,257	530,846
Retirement benefit schemes contributions for other staff	66,380	57,692
Total staff costs (note a)	656,535	594,998
Auditors' remuneration:		
– audit services	864	824
– non-audit services	460	214
Cost of inventories recognised as expenses (including write-down of inventories amounting to US\$17,359,000 (2024: US\$15,244,000)) (note a)	2,117,609	1,983,406
Depreciation of property, plant and equipment (note a)	60,231	63,065
Depreciation of right-of-use assets (note a)	21,007	16,439
Amortisation of intangible asset (included in selling and distribution expenses)	4,917	4,917
Impairment loss on interest in an associate	–	125
Impairment loss reversed in respect of property, plant and equipment (included in cost of sales) (note 12)	(2,127)	–
Gain on disposals of property, plant and equipment	(43)	(515)
Loss on termination of leases	13	–
Net loss arising from changes in fair value of derivative financial instruments	–	154
Interest income	(15,846)	(23,020)
Net foreign exchange loss	8,453	7,022
Government grants (note b)	(4,578)	(5,913)
Finance costs:		
– interest expense on lease liabilities	1,501	1,364
– interest on bank borrowings	3,733	3,131
– interest on factoring arrangement	7,243	6,743

Notes:

- (a) Cost of inventories recognised as expenses include staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets used for production, which amounts are also included in the respective total amounts disclosed separately above.
- (b) During the year ended 31 December 2025, the Group recognised government grants of US\$4,578,000 (2024: US\$5,913,000) from government authorities in different countries to support the operations of subsidiaries of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' emoluments

Details of the emoluments paid or payable to the directors of the Company during the current year are as follows:

	Fees US\$'000	Salaries and allowances US\$'000	Performance- based bonuses US\$'000 (note iii)	Retirement benefit schemes contributions US\$'000	Total US\$'000
For the year ended 31 December 2025					
Executive directors (note i):					
Mr. LO Lok Fung Kenneth	–	707	–	–	707
Mrs. LO CHOY Yuk Ching Yvonne	–	367	–	–	367
Mr. LO Ching Leung Andrew (note iv)	–	879	928	19	1,826
Mr. WONG Sing Wah	–	826	806	44	1,676
Mr. LO Howard Ching Ho	–	474	478	26	978
Non-executive directors (note ii):					
Mr. LEE Kean Phi Mark (note v)	40	–	–	–	40
Mr. WONG Chi Fai (note vi)	40	–	–	–	40
Independent non-executive directors (note ii):					
Mr. CHANG George Ka Ki	61	–	–	–	61
Mr. MAK Wing Sum Alvin	71	–	–	–	71
Mr. WONG Siu Kee	69	–	–	–	69
Mrs. MAK TANG Pik Yee, Agnes	63	–	–	–	63
	344	3,253	2,212	89	5,898

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' emoluments (Continued)

	Fees US\$'000	Salaries and allowances US\$'000	Performance- based bonuses US\$'000 (note iii)	Retirement benefit schemes contributions US\$'000	Total US\$'000
For the year ended 31 December 2024					
Executive directors (note i):					
Mr. LO Lok Fung Kenneth	–	706	–	–	706
Mrs. LO CHOY Yuk Ching Yvonne	–	366	–	–	366
Mr. LO Ching Leung Andrew (note iv)	–	846	1,223	17	2,086
Mr. WONG Sing Wah	–	793	1,076	43	1,912
Mr. LO Howard Ching Ho	–	441	557	24	1,022
Non-executive directors (note ii):					
Mr. LEE Kean Phi Mark (note v)	46	–	–	–	46
Mr. WONG Chi Fai (note vi)	46	–	–	–	46
Independent non-executive directors (note ii):					
Mr. CHANG George Ka Ki	67	–	–	–	67
Mr. MAK Wing Sum Alvin	77	–	–	–	77
Mr. WONG Siu Kee	69	–	–	–	69
Mrs. MAK TANG Pik Yee, Agnes	63	–	–	–	63
	368	3,152	2,856	84	6,460

Notes:

- (i) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (ii) The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (iii) The amounts represent performance-based bonuses paid to the directors to reward their contributions to the Group, based on the performance of the Group.
- (iv) Mr. LO Ching Leung Andrew is also the Vice Chairman of the board and Chief Executive Officer (2024: Chief Executive Officer) of the Company during the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' emoluments (Continued)

Notes: (Continued)

- (v) Mr. LEE Kean Phi Mark entered into an agreement with a wholly owned subsidiary of the Company as a consultant of the Group with an annual fee of Singapore dollars ("**SGD**") 432,000 (equivalent to US\$330,000) (2024: SGD432,000 (equivalent to US\$324,000)). During the year ended 31 December 2025, Mr. LEE Kean Phi Mark received consultation fee of SGD432,000 (equivalent to US\$330,000) (2024: SGD432,000 (equivalent to US\$324,000)) from the Group.
- (vi) Mr. Wong Chi Fai's wholly owned company entered into an agreement with a wholly owned subsidiary of the Company as a consultant of the Group with an annual fee of HK\$2,990,000 (equivalent to US\$384,000) (2024: HK\$2,990,000 (equivalent to US\$383,000)). During the year ended 31 December 2025, Mr. Wong Chi Fai's wholly owned company received consultation fee of HK\$2,990,000 (equivalent to US\$384,000) (2024: HK\$2,990,000 (equivalent to US\$383,000)) from the Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

The Group has been providing accommodation, which is leased from companies controlled by certain directors of the Company, for directors and their family members at no charge. The estimated money value of the benefit in kind is US\$1,266,000 (2024: US\$1,262,000).

Five highest paid individuals' emoluments

The five individuals with the highest emoluments in the Group include 3 (2024: 3) directors of the Company. The emoluments of the five highest paid individuals are as follows:

	2025 US\$'000	2024 US\$'000
Salaries and allowances	3,441	3,055
Performance-based bonuses (note)	2,958	3,831
Retirement benefit schemes contributions	127	123
	6,526	7,009

Note: The amounts represent performance-based bonuses paid to the five highest paid individuals to reward their contributions to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Five highest paid individuals' emoluments (Continued)

Their emoluments were within the following bands (presented in Hong Kong dollars ("HK\$")):

	Number of directors		Number of employees	
	2025	2024	2025	2024
HK\$7,000,001 to HK\$7,500,000	–	–	1	1
HK\$7,500,001 to HK\$8,000,000	1	1	–	–
HK\$8,000,001 to HK\$8,500,000	–	–	1	1
HK\$13,000,001 to HK\$13,500,000	1	–	–	–
HK\$14,000,001 to HK\$14,500,000	1	–	–	–
HK\$14,500,001 to HK\$15,000,000	–	1	–	–
HK\$16,000,001 to HK\$16,500,000	–	1	–	–
	3	3	2	2

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any emoluments during the years ended 31 December 2025 and 2024.

8. IMPAIRMENT LOSSES REVERSED (RECOGNISED) UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025 US\$'000	2024 US\$'000
Impairment losses reversed (recognised) in respect of		
– trade and other receivables at amortised cost	4,746	25
– trade receivables at FVTOCI	(4)	(55)
– loan advanced to an associate	–	(3,225)
	4,742	(3,255)

Details of the impairment assessment are set out in note 32.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. INCOME TAX EXPENSE

	2025 US\$'000	2024 US\$'000
The income tax expense comprises:		
Hong Kong Profits Tax		
– current year	25,204	24,593
– over-provision in prior years	(190)	(121)
Overseas taxation		
– current year	28,142	25,094
– (over) under-provision in prior years	(160)	112
Income tax under Pillar Two Rules	1,664	–
	54,660	49,678
Deferred taxation (note 26)	(976)	(2,396)
	53,684	47,282

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

The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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.

Certain subsidiaries incorporated in Cambodia are exempted from tax on profit in both years while they fulfil certain requirements pursuant to the relevant laws and regulations in Cambodia.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules have become effective in certain jurisdictions, where the annual effective income tax rate is also estimated to be below 15%. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognised a current tax expense of US\$1,664,000 related to the top-up tax for the year ended 31 December 2025 which is expected to be levied on the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 US\$'000	2024 US\$'000
Profit before tax	278,519	248,110
Tax at the Hong Kong Profits Tax rate of 16.5%	45,956	40,938
Tax effect of expenses not deductible for tax purpose	6,545	6,057
Tax effect of income not taxable for tax purpose	(3,017)	(3,391)
Tax effect of deductible temporary differences not recognised	–	616
Tax effect of tax losses not recognised	246	820
Utilisation of deductible temporary differences previously not recognised	(351)	–
Utilisation of tax losses previously not recognised	–	(287)
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,431	937
Effect of withholding tax on dividend declared and undistributed earnings of the PRC subsidiaries	560	1,601
Over-provision in prior years	(350)	(9)
Top-up tax under Pillar Two Rules	1,664	–
Income tax expense for the year	53,684	47,282

Details of deferred taxation are set out in note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. EARNINGS PER SHARE

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

	2025 US\$'000	2024 US\$'000
Earnings:		
Profit for the year attributable to the owners of the Company for the purpose of calculating basic earnings per share	224,658	200,498
	'000	'000
Number of shares:		
Number of ordinary shares for the purpose of calculating basic earnings per share	2,852,822	2,852,822

No diluted earnings per share was presented for the years ended 31 December 2025 and 2024 as there were no potential dilutive ordinary shares in issue during both years.

11. DIVIDENDS

	2025 US\$'000	2024 US\$'000
Final, paid – HK19.0 cents per ordinary share for 2024 (2024: HK13.0 cents per ordinary share for 2023)	69,055	47,434
Interim, paid – HK16.3 cents per ordinary share for 2025 (2024: HK13.8 cents per ordinary share for 2024)	59,312	50,392
Special, paid – HK5.5 cents per ordinary share for 2024 (2024: nil for 2023)	19,990	–
	148,357	97,826

A final dividend of HK24.5 cents (2024: HK19.0 cents) per ordinary share in total of HK\$698,941,000 (equivalent to US\$89,814,000) (2024: HK\$542,036,000 (equivalent to US\$69,055,000)), in respect of the year ended 31 December 2025 has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and owned properties US\$'000	Leasehold improvements US\$'000	Plant and machinery US\$'000	Furniture, fixtures and office equipment US\$'000	Motor vehicles US\$'000	Computer equipment and software US\$'000	Construction in progress US\$'000	Total US\$'000
COST OR VALUATION								
At 1 January 2024	360,814	55,000	458,211	101,593	6,407	47,920	47,993	1,077,938
Exchange realignment	(11,433)	(700)	(10,409)	(2,601)	(89)	(755)	(5,050)	(31,037)
Additions	16,913	3,887	35,636	7,102	884	3,375	55,214	123,011
Transfers	22,071	1,588	15,032	3,278	216	258	(42,443)	-
Disposals	(2,102)	(4,675)	(8,583)	(3,139)	(441)	(773)	(223)	(19,936)
Deficit on revaluation through other comprehensive income	(4,575)	-	-	-	-	-	-	(4,575)
At 31 December 2024	381,688	55,100	489,887	106,233	6,977	50,025	55,491	1,145,401
Exchange realignment	(3,004)	790	(3,887)	(20)	(15)	17	(1,109)	(7,228)
Additions	17,579	4,054	41,631	6,978	1,220	5,305	72,505	149,272
Transfers	11,441	2,146	21,448	4,285	-	111	(39,431)	-
Disposals	(663)	-	(11,760)	(2,186)	(1,166)	(2,479)	-	(18,254)
Deficit on revaluation through other comprehensive income	(9,858)	-	-	-	-	-	-	(9,858)
At 31 December 2025	397,183	62,090	537,319	115,290	7,016	52,979	87,456	1,259,333
Comprising:								
At cost	11,825	62,090	537,319	115,290	7,016	52,979	87,456	873,975
At valuation	385,358	-	-	-	-	-	-	385,358
At 31 December 2025	397,183	62,090	537,319	115,290	7,016	52,979	87,456	1,259,333
Comprising:								
At cost	11,641	55,100	489,887	106,233	6,977	50,025	55,491	775,354
At valuation	370,047	-	-	-	-	-	-	370,047
At 31 December 2024	381,688	55,100	489,887	106,233	6,977	50,025	55,491	1,145,401
DEPRECIATION AND IMPAIRMENT								
At 1 January 2024	1,999	47,353	344,936	86,865	5,187	41,008	-	527,348
Exchange realignment	320	(216)	(9,407)	(2,449)	(80)	(653)	-	(12,485)
Provided for the year	16,798	2,365	33,352	6,653	461	3,436	-	63,065
Eliminated on disposals	(945)	(4,011)	(7,412)	(3,091)	(439)	(745)	-	(16,643)
Eliminated on revaluation	(15,293)	-	-	-	-	-	-	(15,293)
At 31 December 2024	2,879	45,491	361,469	87,978	5,129	43,046	-	545,992
Exchange realignment	153	664	(2,341)	(16)	(7)	14	-	(1,533)
Provided for the year	13,917	2,922	32,106	7,067	653	3,566	-	60,231
Impairment loss reversed in profit or loss (note i)	-	-	(1,322)	(652)	-	(153)	-	(2,127)
Eliminated on disposals	(148)	-	(10,192)	(2,096)	(1,166)	(2,474)	-	(16,076)
Eliminated on revaluation	(13,469)	-	-	-	-	-	-	(13,469)
At 31 December 2025	3,332	49,077	379,720	92,281	4,609	43,999	-	573,018
CARRYING VALUES								
At 31 December 2025	393,851	13,013	157,599	23,009	2,407	8,980	87,456	686,315
At 31 December 2024	378,809	9,609	128,418	18,255	1,848	6,979	55,491	599,409

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (i) For the year ended 31 December 2025, as a result of the operating performance and favourable market circumstances of production sites in Sri Lanka, the Group carried out a review of the recoverable amount of the related property, plant and equipment based on a value in use calculation and an impairment loss of US\$2,127,000 was reversed in profit or loss.
- (ii) At 31 December 2025, for buildings with carrying values of US\$2,845,000 (2024: US\$3,300,000), no real estate title certificate has been issued. The Group is in the process of applying for the building ownership certificates.

The above items of property, plant and equipment, except for freehold land and construction in progress, are depreciated on a straight line basis at the following rates per annum:

Owned properties	1 – 5%
Leasehold improvements	5 – 20% or over the term of the relevant lease, if shorter
Plant and machinery	10 – 50%
Furniture, fixtures and office equipment	12 ¹ / ₂ – 50%
Motor vehicles	20 – 25%
Computer equipment and software	20 – 33 ¹ / ₃ %

Fair value measurement of the Group's owned properties

Certain of the Group's owned properties were valued on 31 December 2025 and 2024 by independent firms of professional property valuers not related to the Group. The fair values of certain owned properties in Bangladesh, Cambodia and Singapore were determined based on the market comparable approach reflecting recent transaction prices for similar properties, adjusted for differences in the nature, location and condition of certain owned properties under review. The fair values of certain owned properties in the PRC, Cambodia and Vietnam were determined based on the depreciated replacement cost approach by estimating the current gross replacement costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. The fair values of certain owned properties in the Sri Lanka were determined based on the income capitalisation approach by converting expected income for owned properties to current value in accordance with relevant discount rates.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

For the market comparable approach, the key unobservable input used in valuing the owned properties was the price per square metre, which ranged from US\$25 to US\$1,716 (2024: US\$23 to US\$1,543). A slight increase in the price per square metre used would result in a significant increase in the fair value measurement of the owned properties, and vice versa.

For the depreciated replacement cost approach, the key unobservable input used in valuing the owned properties was the replacement cost per square metre, which ranged from US\$57 to US\$299 (2024: US\$49 to US\$265). A slight increase in the replacement cost per square metre used would result in a significant increase in the fair value measurement of the owned properties, and vice versa.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Fair value measurement of the Group's owned properties (Continued)

For the income capitalisation approach, the two key unobservable inputs used are the capitalisation rates and monthly market rent, which ranged from 8.5% to 10.0% (2024: 8.5% to 9.0%) and US\$6,000 to US\$36,000 (2024: US\$6,000 to US\$33,000), respectively. A slight increase in the capitalisation rate or decrease in monthly market rent would result in a significant decrease in the fair value measurement, and vice versa.

Details of the Group's owned properties at revalued amount and information about the fair value hierarchy at 31 December 2025 and 2024 are as follows:

	Level 3 US\$'000	Fair value at 31.12.2025 US\$'000	Level 3 US\$'000	Fair value at 31.12.2024 US\$'000
Owned properties outside Hong Kong	385,358	385,358	370,047	370,047

The reconciliation of the fair value changes of the Group's owned properties:

	US\$'000
At 1 January 2024	350,519
Addition	16,913
Transfer from construction in progress	22,071
Disposal	(1,157)
Depreciation provided for the year	(15,919)
Increase in fair value recognised in other comprehensive income	10,718
Exchange realignment	(13,098)
At 31 December 2024	370,047
Addition	17,579
Transfer from construction in progress	11,441
Disposal	(515)
Depreciation provided for the year	(13,461)
Increase in fair value recognised in other comprehensive income	3,611
Exchange realignment	(3,344)
At 31 December 2025	385,358

There were no transfers into or out of Level 3 during both years.

Had owned properties at valuation been carried at cost less accumulated depreciation, the aggregate carrying values of owned properties would have been US\$292,920,000 (2024: US\$282,445,000).

At 31 December 2025, property, plant and equipment with carrying values of US\$1,559,000 (2024: US\$1,574,000) have been pledged to banks to secure general banking facilities granted to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. RIGHT-OF-USE ASSETS

	Leasehold land US\$'000	Leasehold buildings US\$'000	Plant and machinery US\$'000	Office equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
At 31 December 2025						
Carrying amount	88,233	32,133	14	425	320	121,125
At 31 December 2024						
Carrying amount	94,633	21,657	7	186	156	116,639
For the year ended 31 December 2025						
Depreciation charge	8,051	12,373	244	215	124	21,007
For the year ended 31 December 2024						
Depreciation charge	4,220	11,611	413	94	101	16,439
				2025		2024
				US\$'000		US\$'000
Analysed for reporting purposes as:						
Non-current assets				118,083		115,174
Current assets				3,042		1,465
				121,125		116,639

During the year ended 31 December 2025, the total cash outflows for leases (representing payments of principal and interest) and additions to right-of-use assets were US\$20,828,000 and US\$28,464,000 (2024: US\$28,585,000 and US\$34,994,000), respectively.

For both years, the Group has leased various offices, factories, warehouses, equipment, staff quarters and vehicles for its operations. Lease contracts are entered into for fixed terms of 1 month to 60 years (2024: 1 month to 60 years), but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. RIGHT-OF-USE ASSETS (Continued)

The Group has extension and/or termination options for several leases of factories and staff quarters. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

At the lease commencement date, the Group assesses whether it is reasonably certain to exercise the extension options or not to exercise the termination options. The potential exposures to these future lease payments for (i) extension options which the Group is not reasonably certain to exercise and (ii) termination options which the Group is not reasonably certain not to exercise is summarised below:

	2025		2024	
	Lease liabilities recognised US\$'000	Potential future lease payments not included in lease liabilities (undiscounted) US\$'000	Lease liabilities recognised US\$'000	Potential future lease payments not included in lease liabilities (undiscounted) US\$'000
Leasehold buildings	2,972	6,370	4,904	6,385

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2025 and 2024, there was no such triggering event.

Restrictions on leases

In addition, lease liabilities of US\$35,641,000 (2024: US\$27,728,000) were recognised with related right-of-use assets of US\$36,932,000 (2024: US\$26,125,000) at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in note 25.

14. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment and the related capital commitments are disclosed in note 33.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. GOODWILL

	US\$'000
COST	
At 1 January 2024, 31 December 2024 and 31 December 2025	74,941

Note:

For the purpose of impairment testing, goodwill and brand name (note 16) of US\$74,941,000 (2024: US\$74,941,000) and US\$31,777,000 (2024: US\$31,777,000), respectively, have been allocated to the cash-generating unit of SLH Pte. Ltd. ("**SLH CGU**") representing Vista Corp Holdings Limited ("**Vista**").

The recoverable amount of the SLH CGU of Vista at 31 December 2025 has been determined based on its value in use calculation. That calculation uses cash flow projections based on financial projections approved by management of the Group covering a five-year period with a pre-tax discount rate of 12.1% (2024: 13.4%), yearly growth rate of revenue of 3% (2024: 3%) and gross margins of 15.5% (2024: 15.5%). Cash flows beyond the five-year period are extrapolated using a steady 3% (2024: 3%) growth rate. Management believes that the growth rate does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculation relate to the estimation of cash flows, which includes projected sales. The estimation of the key assumptions is based on the past performance of Vista and management's expectations of market conditions. The Group has not recognised an impairment loss during the year ended 31 December 2025 (2024: nil) based on the impairment assessment performed.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the SLH CGU of Vista to exceed the recoverable amount of the SLH CGU of Vista. The recoverable amount of the SLH CGU of Vista exceeds its carrying amount by US\$306,095,000 (2024: US\$133,241,000) at 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INTANGIBLE ASSETS

	Customer relationship US\$'000	Brand name US\$'000	Total US\$'000
COST			
At 1 January 2024, 31 December 2024 and 31 December 2025	73,750	31,777	105,527
AMORTISATION			
At 1 January 2024	34,419	–	34,419
Provided for the year	4,917	–	4,917
At 31 December 2024	39,336	–	39,336
Provided for the year	4,917	–	4,917
At 31 December 2025	44,253	–	44,253
CARRYING VALUES			
At 31 December 2025	29,497	31,777	61,274
At 31 December 2024	34,414	31,777	66,191

For the purpose of impairment testing, brand name has been allocated to the SLH CGU representing Vista (note 15).

Customer relationship and brand name acquired in the business combination are identified and recognised as intangible assets.

Customer relationship is amortised over the estimated useful life of 15 years on a straight line basis. Brand name is treated as having an indefinite useful life because it is expected to contribute to net cash inflows to the Group indefinitely. Therefore, it is not amortised until its useful life is determined to be finite.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. INTERESTS IN ASSOCIATES

	2025 US\$'000	2024 US\$'000
Cost of unlisted investments in associates, less impairment (note a)	–	–
Share of post-acquisition loss and other comprehensive expense, net of dividend received	(561)	(1,107)
	(561)	(1,107)
Deemed contribution to an associate, net (notes b and c)	12,900	12,900
	12,339	11,793

Notes:

- (a) At 31 December 2025, an accumulated impairment loss of US\$125,000 (2024: US\$125,000) was recognised.
- (b) At 31 December 2025 and 2024, deemed contribution to an associate of US\$16,125,000 represents a loan advanced to an associate which is unsecured, interest-free and without fixed repayment terms. In the opinion of the directors of the Company, the loan in substance forms part of the investment in the associate.
- (c) At 31 December 2024, the management has performed impairment assessment under ECL model on loan advanced to an associate and an impairment loss of US\$3,225,000 (2025: nil) was recognised and charged to profit or loss. Details of the loss allowance for loan advanced to an associate are set out in note 32.

At 31 December 2025 and 2024, the Group has interests in the following associates:

Name of entities	Place of incorporation/ operation	Class of shares held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activity
PCGT Limited	Hong Kong	Ordinary	25%	25%	Trading of textile products
PC Textiles Trading Limited	Hong Kong	Ordinary	25%	25%	Trading of textile products

The above associates are accounted for using the equity method in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. INTERESTS IN ASSOCIATES (Continued)

Information of associates that is not individually material

	2025 US\$'000	2024 US\$'000
The Group's share of profit (loss) for the year	854	(940)
The Group's share of other comprehensive expense for the year	(308)	(866)
The Group's share of total comprehensive income (expense) for the year	546	(1,806)
The Group's share of the net liabilities of the associates	(436)	(982)

18. LOAN RECEIVABLES

Except for the amounts of US\$1,439,000 (2024: US\$896,000) which carry interest rate at 3.8% (2024: 3.8%) per annum, the amounts are unsecured, interest-free. These amounts are repayable by instalments until 2026 and 2029 (2024: until 2025 and 2029). Details of the impairment assessment are set out in note 32.

19. INVENTORIES

	2025 US\$'000	2024 US\$'000
Raw materials	113,822	102,920
Work in progress	184,203	158,254
Finished goods	23,580	20,260
	321,605	281,434

At 31 December 2025, US\$3,270,000 (2024: US\$3,333,000) of the Group's inventories have been pledged to banks to secure general banking facilities granted to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE, BILLS AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Trade receivables – contracts with customers	86,325	159,209
Less: allowance for expected credit losses	(517)	(4,801)
	85,808	154,408
Bills receivable	7,758	1,473
Temporary payments to suppliers	10,817	13,988
Other receivables, deposits and prepayments	38,499	36,217
	142,882	206,086

At 1 January 2024, trade receivables from contracts with customers amounted to US\$83,029,000.

The Group allows credit periods ranging from 14 to 120 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for credit losses, based on invoice dates.

	2025 US\$'000	2024 US\$'000
Within 60 days	78,497	121,978
61 to 90 days	5,907	31,242
91 to 120 days	780	1,077
Over 120 days	624	111
	85,808	154,408

At 31 December 2025, total bills received amounting to US\$7,758,000 (2024: US\$1,473,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period and details are disclosed in note 32. All bills received by the Group have a maturity period of less than one year.

Before accepting any new customer, the Group uses an internal credit assessment process to assess the potential customers' credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

At 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of US\$1,862,000 (2024: US\$1,294,000) which is past due at the end of the reporting period. Of the past due balances, there are no trade receivables past due over 90 days (2024: US\$110,000) and there are not considered as in default because the trade receivables are of good credit quality and those debtors do not have any default payment history. The Group holds no collateral over these balances.

Details of the impairment assessment of trade, bills and other receivables are set out in note 32.

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For the year ended 31 December 2025

21. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As part of the Group's cash flow management, the Group factors certain trade receivables to financial institutions before the receivables are due for payment. The factored trade receivables are derecognised on the basis that the Group has transferred substantially all the risks and rewards to the relevant counterparties. Such trade receivables that are held for the collection of contractual cash flows and sale of financial assets, have been classified as trade receivables at FVTOCI.

The following is an aged analysis of trade receivables at FVTOCI based on invoice dates.

	2025 US\$'000	2024 US\$'000
Within 60 days	240,205	236,485
61 to 90 days	107,253	45,972
91 to 120 days	7,237	9,834
Over 120 days	1,097	2,295
	355,792	294,586

At 31 December 2025, included in the Group's trade receivables at FVTOCI balance are debtors with an aggregate carrying amount of US\$2,935,000 (2024: US\$4,057,000), which is past due at the end of the reporting period. Of the past due balances, US\$64,000 (2024: US\$458,000) has been past due over 90 days and is not considered as in default because the trade receivables are of good credit quality and those debtors do not have any default payment history. The Group holds no collateral over these balances.

Details of the valuation techniques and key inputs adopted for their fair value measurements are disclosed in note 32c.

Details of the impairment assessment of trade receivables at FVTOCI are set out in note 32.

22. SHORT-TERM BANK DEPOSITS/BANK BALANCES AND CASH

At 31 December 2024, the short-term bank deposits carried interest at fixed rates ranging from 3.99% to 4.27% per annum. The short-term bank deposits were deposits placed with a bank that had more than three months to maturity when deposited which would become mature within 12 months from the end of the reporting period and were therefore classified as a current asset.

Bank balances and cash include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0% to 4.93% (2024: 0% to 5.82%) per annum.

Details of the impairment assessment of short-term bank deposits and bank balances are set out in note 32.

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For the year ended 31 December 2025

23. SHARE CAPITAL

	Number of shares '000	Share capital US\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	3,500,000	4,482
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	2,852,822	3,654

24. TRADE AND OTHER PAYABLES

	2025 US\$'000	2024 US\$'000
Trade payables	198,612	176,404
Bills payable (Note)	4,295	3,476
	202,907	179,880
Accrued staff cost	111,815	122,280
Other payables	58,639	66,348
Other accruals	95,726	109,538
Total trade and other payables	469,087	478,046

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension.

Analysed for reporting purposes as:

	2025 US\$'000	2024 US\$'000
Current	469,087	477,694
Non-current	–	352
	469,087	478,046

The credit period of trade payables is from 14 to 90 days.

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24. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade and bills payables based on invoice dates.

	2025 US\$'000	2024 US\$'000
Within 60 days	162,810	160,336
61 to 90 days	26,284	17,689
91 to 120 days	12,254	1,140
Over 120 days	1,559	715
	202,907	179,880

25. LEASE LIABILITIES

	2025 US\$'000	2024 US\$'000
Lease liabilities payable:		
Within one year	13,253	10,313
Within a period of more than one year but not more than two years	7,883	6,882
Within a period of more than two years but not more than five years	5,682	4,836
Within a period of more than five years	8,823	5,697
	35,641	27,728
Less: Amounts due for settlement within 12 months shown under current liabilities	(13,253)	(10,313)
Amounts due for settlement after 12 months shown under non-current liabilities	22,388	17,415

The incremental borrowing rates applied to lease liabilities were 2.12% to 15.00% (2024: 2.12% to 10.50%) per annum.

At 31 December 2025, lease liabilities of US\$1,273,000 (2024: US\$1,273,000) were due to companies controlled by certain directors of the Company. During the current year, interest expense of US\$38,000 (2024: US\$44,000) has been charged to profit or loss and repayment of principal and interest of US\$1,301,000 (2024: US\$1,299,000) has been made in relation to the lease liabilities with the related companies. Certain directors of the Company, namely Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne and Mr. LO Ching Leung Andrew, have control in these companies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and their movements during the current and prior years:

	Fair value adjustment on business combination US\$'000	Accelerated tax depreciation US\$'000	ECL provision US\$'000	Revaluation of properties US\$'000	Undistributed earnings of the PRC subsidiaries US\$'000	Tax losses US\$'000	Total US\$'000
At 1 January 2024	9,442	1,167	(865)	22,289	4,727	(3,888)	32,872
Exchange realignment	-	-	(5)	(375)	-	(1)	(381)
Charge to other comprehensive income	-	-	-	2,586	-	-	2,586
(Credit) charge to profit or loss	(979)	(161)	92	202	(2,590)	1,040	(2,396)
At 31 December 2024	8,463	1,006	(778)	24,702	2,137	(2,849)	32,681
Exchange realignment	-	-	4	246	-	-	250
Charge to other comprehensive income	-	-	-	773	-	-	773
(Credit) charge to profit or loss	(1,340)	270	688	18	(1,034)	422	(976)
At 31 December 2025	7,123	1,276	(86)	25,739	1,103	(2,427)	32,728

For the presentation purposes on the consolidated statement of financial position, certain deferred taxation liabilities (assets) have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

	2025 US\$'000	2024 US\$'000
Deferred taxation assets	(2,513)	(3,627)
Deferred taxation liabilities	35,241	36,308
	32,728	32,681

At 31 December 2025, the Group had unused tax losses of US\$23,360,000 (2024: US\$24,139,000) available for offset against future profits. A deferred tax asset has been recognised in respect of US\$9,106,000 (2024: US\$11,045,000) of such loss. No deferred tax asset has been recognised in respect of the remaining US\$14,254,000 (2024: US\$13,094,000) due to the unpredictability of future profit streams. Except for unrecognised tax losses of US\$6,852,000 (2024: US\$6,935,000) that can be used to offset against taxable profits up to 5 years from the year in which the loss is incurred, other losses may be carried forward indefinitely.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. At 31 December 2025, the aggregate amount of temporary differences associated with undistributed earnings of the PRC subsidiaries was US\$12,216,000 (2024: US\$42,740,000). A deferred tax liability has been recognised in respect of US\$1,103,000 (2024: US\$2,137,000) of such temporary differences.

Notes to the Consolidated Financial Statements

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27. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The Group also participates in defined contribution retirement schemes organised by the relevant local government authorities in the PRC and other jurisdictions where the Group operates. Certain employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at percentages that are specified by the local government authorities.

The total expense recognised in profit or loss of US\$66,469,000 (2024: US\$57,776,000) represents contributions paid/payable to these plans by the Group at rates specified in the rules of the plans. All contributions due in respect of the years ended 31 December 2025 and 2024 have been paid/are payable to the plans.

Defined benefit plan

The Group operates a funded defined benefit scheme for qualifying employees of its subsidiaries in the U.K. that has been closed to new members since 1999. Under the scheme, the employees are entitled to retirement benefits as a percentage of final salary on attainment of the retirement age. No other post-retirement benefits are provided.

The plan in the U.K. exposes the Group to actuarially calculated risks, such as investment risk, interest rate risk, inflation risk and longevity risk.

Investment risk

The present value of the defined benefit plan liability is measured by discounting the best estimate of future cash flows to be paid out by the plan using the projected unit credit method; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced portfolio in equity investments, diversified growth funds, debt investments and liability driven investment funds. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that the plan assets should be invested in the portfolio to obtain the return generated by the funds.

Interest rate risk

A decrease in the interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's corporate bonds and liability driven investment funds.

Inflation risk

The plan allows for rates of inflation experienced in the U.K. to apply to prospective benefits. The amounts of inflation adjustments are calculated in accordance with indices set out in the plan deed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS (Continued)

Defined benefit plan (Continued)

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

The most recent actuarial valuation of plan assets and the assessment of the present value of the defined benefit obligations was carried out at 31 December 2025 by an actuary who is a fellow of the Institute and Faculty of Actuaries employed by Mercer Limited, located at 1 Tower Place West, Tower Place, London EC3R 5BU. The present value of plan liabilities is measured by discounting the best estimate of future cash flows to be paid out by the plan using the projected unit credit method.

The trustees of the defined benefit scheme entered an agreement with an insurance company towards the end of 31 December 2021 to assume full responsibility for the scheme. The agreement comprises principally two parts: the buy-in and the buy-out. In December 2021, a buy-in transaction was completed whereby the assets of the plan were invested in a bulk purchase annuity policy with an insurance company under which the benefit payable to defined benefit members became fully insured. The insurance policy was purchased using the existing assets of the plan and further contribution from the Group. The legally binding agreement is for the plan to move to a full buy-out as soon as practical, following which the insurance company will become directly responsible for pension payments. Various details need to be fully checked and confirmed before buy-out can occur. That is expected to take place during the coming year. Following buy-out and the subsequent winding up of the scheme, the Group will cease to have any responsibility to fund the scheme.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2025	2024
Discount rate	5.4%	5.4%
Future pension increases	3.0%	3.3%
Inflation rate	3.2%	3.5%
Revaluation rate for deferred pensioners	3.0%	3.2%

The actuarial valuation showed that the market value of plan assets was US\$31,660,000 (2024: US\$29,631,000) and that the actuarial value of these assets represented 100% (2024: 100%) of the benefits that had accrued to members.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS (Continued)

Defined benefit plan (Continued)

Amounts recognised in profit or loss and other comprehensive income in respect of this defined benefit plan are as follows:

	2025 US\$'000	2024 US\$'000
Service cost		
Loss on settlement	–	–
Net interest income recognised in profit or loss	–	–
Components of defined benefit costs recognised in profit or loss	–	–
Remeasurement of the net defined benefit assets:		
Return on plan assets (excluding amounts included in net interest expense)	(125)	(1,716)
Actuarial gains arising from changes in financial assumptions	427	1,639
Actuarial (losses) gains arising from experience adjustments	(50)	4
Actuarial (losses) gains arising from changes in demographic assumptions	(252)	73
Components of defined benefit costs recognised in other comprehensive income	–	–
Total	–	–

The adjustment arising from the remeasurement of the net defined benefit assets is included in other comprehensive income.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plan is as follows:

	2025 US\$'000	2024 US\$'000
Present value of funded defined benefit obligations	31,660	29,631
Fair value of plan assets	(31,660)	(29,631)
Net asset arising from defined benefit obligations	–	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS (Continued)

Defined benefit plan (Continued)

Movements in the present value of the defined benefit obligations in both years were as follows:

	2025 US\$'000	2024 US\$'000
At beginning of the year	29,631	32,151
Exchange realignment	2,147	(433)
Interest cost	1,633	1,507
Benefits paid	(1,626)	(1,878)
Actuarial gains	(125)	(1,716)
At end of the year	31,660	29,631

Movements in the fair value of the plan assets in both years were as follows:

	2025 US\$'000	2024 US\$'000
At beginning of the year	29,631	32,151
Exchange realignment	2,147	(433)
Interest income	1,633	1,507
Return on plan assets	(125)	(1,716)
Benefits paid	(1,626)	(1,878)
At end of the year	31,660	29,631

The fair values of the plan assets at the end of the reporting period for each category are as follows:

	2025 US\$'000	2024 US\$'000
Cash and cash equivalents	31	1
Asset held by an insurance company	31,629	29,630
Total	31,660	29,631

The fair values of the above equity and debt investments are determined based on quoted market prices in active markets.

The actual return on plan assets was an approximate profit of US\$1,508,000 (2024: loss of US\$209,000).

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For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS (Continued)

Defined benefit plan (Continued)

Significant actuarial assumptions for the determination of the defined obligation are discount rate, inflation and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate decreases by 0.5% (2024: 0.5%), the defined benefit obligation would increase by 5.0% (2024: 5.1%).
- If the discount rate increases by 0.5% (2024: 0.5%), the defined benefit obligation would decrease by 4.6% (2024: 4.7%).
- If the inflation rate increases by 0.25% (2024: 0.25%), the defined benefit obligation would increase by 1.1% (2024: 1.1%).
- If the life expectancy increases by one year for both men and women, the defined benefit obligation would increase by 3.3% (2024: 3.3%).

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation from one another as some of the assumptions may be correlated.

In presenting the above sensitivity analyses, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is also applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

The average duration of the defined benefit obligation at 31 December 2025 is 10 years (2024: 10 years).

The contributions expected to be made by the Group to the defined benefit plan during the following 12 months at 31 December 2025 will be US\$2,194,000 (2024: US\$1,982,000).

28. BANK BORROWINGS

	2025 US\$'000	2024 US\$'000
Unsecured bank borrowings comprise:		
Bank loans	–	146,971
The carrying amounts of loans that contain a repayment on demand clause are repayable within one year shown under current liabilities	–	146,971

The effective interest rates (which are also equal to contracted interest rates) of the Group's variable-rate (based on Secured Overnight Financing Rate ("SOFR") or Hong Kong Interbank Offered Rate ("HIBOR")) borrowings range from 4.61% to 6.65% (2025: nil) per annum.

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29. AMOUNTS DUE TO ASSOCIATES

The amounts due to associates are trade in nature, unsecured, interest-free and repayable according to the credit period of 90 days. The amounts are aged within 90 days.

30. AMOUNTS DUE FROM RELATED COMPANIES

At 31 December 2025 and 2024, the Group had balances with the following related companies:

	2025 US\$'000	2024 US\$'000
Amounts due from related companies (note i)		
Companies controlled by certain directors of the Company (note ii)	217	218

Notes:

- (i) At 31 December 2025 and 2024, amounts due from related companies are non-trade in nature, unsecured, interest-free and repayable on demand. The maximum balances during the current year were US\$218,000 (2024: US\$218,000). The amount was aged within 30 days (2024: aged within 30 days).
- (ii) Certain directors of the Company, namely Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne and Mr. LO Ching Leung Andrew, have control in these companies.

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to the shareholders through the careful management of the debt to equity ratio. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net cash (2024: net cash), which includes lease liabilities and the borrowings disclosed in notes 25 and 28, respectively, less short-term bank deposits, bank balances and cash and equity attributable to the owners of the Company, comprising issued share capital, reserves, retained profits and non-controlling interests.

The directors of the Company review the capital structure on a regular basis.

Notes to the Consolidated Financial Statements

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32. FINANCIAL INSTRUMENTS

32a. Categories of financial instruments

	2025 US\$'000	2024 US\$'000
Financial assets		
Financial assets at amortised cost	497,528	751,242
Trade receivables at FVTOCI	355,792	294,586
Financial liabilities		
Financial liabilities at amortised cost	267,160	394,080

32b. Financial risk management objectives and policies

The Group's major financial instruments include trade, bills and other receivables, trade receivables at FVTOCI, loan advanced to an associate, amounts due from related companies, loan receivables, short-term bank deposits, bank balances and cash, trade and other payables, amounts due to associates, lease liabilities, bank borrowings and a financial guarantee contract. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

(i) Currency risk

Several entities in the Group have foreign currency sales and purchases, which expose the Group to significant foreign currency risk.

The carrying amounts of the Group's significant foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
HK\$	91	169	896	762
Renminbi ("RMB")	24	52,689	999	839

The management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Notes to the Consolidated Financial Statements

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32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the fluctuations in the HK\$ and the RMB. The foreign currency risk of the HK\$ is not significant as the HK\$ is pegged to the US\$.

The following table details the Group's sensitivity to a 5% increase and decrease in the RMB against the US\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rate. The sensitivity analysis includes bank balances, trade, bills and other receivables, trade and other payables and a bank borrowing in the RMB which is not the functional currency of the relevant group entities. A positive (negative) number below indicates an increase (a decrease) in profit where the US\$ weakens 5% against the RMB. For a 5% strengthening of the US\$ against the RMB, there would be an equal but opposite impact on the Group's post-tax profit.

	2025 US\$'000	2024 US\$'000
Increase (decrease) in post-tax profit	41	(2,165)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate short-term bank deposits and lease liabilities (see notes 22 and 25 for details). The Group's cash flow interest rate risks relate primarily to variable-rate bank balances and variable-rate bank borrowings (see notes 22 and 28). It is the Group's policy to keep its bank balances and borrowings at floating rates of interest to minimise the interest rate risk.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the HIBOR and SOFR arising from the Group's bank borrowings.

Total interest income from financial assets that are measured at amortised cost is as follows:

	2025 US\$'000	2024 US\$'000
Other income, gains or losses		
Financial assets at amortised cost	15,846	23,020

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32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Interest expense on financial liabilities not measured at FVTPL:

	2025 US\$'000	2024 US\$'000
Financial liabilities at amortised cost	12,477	11,238

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming these financial instruments outstanding at the end of the respective reporting period were outstanding for the whole year. A 0.5% increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The exposure to the interest rate risk for variable-rate bank balances is insignificant and therefore the sensitivity analysis is not presented.

If interest rates had been 0.5% (2024: 0.5%) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2024 would decrease/increase by US\$614,000 (2025: nil). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the financial guarantee contract. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets and the financial guarantee contract.

The Group assessed impairment to financial assets and the financial guarantee contract under the ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

Trade receivables at amortised cost and FVTOCI

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

Notes to the Consolidated Financial Statements

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32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables at amortised cost and FVTOCI (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team to be responsible for credit approvals and to ensure other monitoring procedures are in place to initiate follow-up action to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group assesses impairment under the ECL model on trade balances individually. Impairment losses of US\$4,182,000 (2024: US\$628,000) was reversed during the year ended 31 December 2025. Details of the quantitative disclosures are set out below in this note.

At 31 December 2025, trade receivables from the five largest customers represent approximately 78.4% (2024: 71.6%) of the Group's total trade receivables at amortised cost and FVTOCI.

For trade receivables at amortised cost and FVTOCI, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables at amortised cost and FVTOCI are assessed individually for impairment allowance based on the historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including the time value of money where appropriate.

Loan receivables

The management estimates the loss rates of loan receivables due from a few debtors based on historical credit loss experience of the debtors individually. Based on its assessment, the management considers the ECL for loan receivables is insignificant and thus no loss allowance is recognised.

Bank balances and short-term bank deposits

The credit risks on bank balances and short-term bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. For the years ended 31 December 2025 and 2024, the Group has assessed the impairment of bank balances and short-term bank deposits and has concluded that the probability of default of the counterparty banks is insignificant and, accordingly, no allowance for credit losses is provided.

Amounts due from related companies

The management of the Group considers that the credit risk on amounts due from related companies is limited because they can closely monitor repayments by the related companies. For the years ended 31 December 2025 and 2024, the Group has assessed the impairment of amounts due from related companies and has concluded that the probability of default of the related companies is insignificant. Accordingly, no allowance for credit losses is provided.

Notes to the Consolidated Financial Statements

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32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Loan advanced to an associate

For the years ended 31 December 2025 and 2024, the management of the Group estimates the estimated loss rates of loan advanced to an associate based on historical credit loss experience of the associate. Based on assessment by the management during the year ended 31 December 2024, the management considered that due to deterioration of the associate's financial performance, there was a significant increase in credit risk on the loan advanced to an associate. Thus, credit loss allowance of loan advanced to an associate are measured on lifetime ECL. For the year ended 31 December 2024, the Group has assessed the impairment of the loan advanced to an associate and ECL on loan advanced to an associate of US\$3,225,000 (2025: nil) was recognised in profit or loss.

Bills and other receivables

For bills and other receivables, the management makes periodic individual assessment of the recoverability of bills and other receivables based on historical settlement records, past experience, quantitative and qualitative information that is reasonable and supportable forward-looking information. The management believes that there are no significant increases in the credit risk of these amounts since initial recognition and the Group has provided impairment based on 12m ECL. For the years ended 31 December 2025 and 2024, the Group has assessed the ECL for bills and other receivables individually. During the year ended 31 December 2025, impairment of other receivables of US\$560,000 was reversed (2024: impairment of US\$658,000 was recognised) in profit or loss and no ECL was recognised for bills receivables as amount involved is insignificant. Details of the quantitative disclosures are set out below in this note.

Financial guarantee contract

The maximum amount that the Group has guaranteed under the financial guarantee contract is US\$5,000,000 at 31 December 2025 (2024: US\$5,000,000). The Group assessed that the fair value at initial recognition of the financial guarantee was insignificant. At the end of the reporting period, the management has assessed impairment and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for the financial guarantee contract issued by the Group is measured at an amount equal to 12m ECL. For the year ended 31 December 2025, the Group has assessed that the ECL for the financial guarantee contract is insignificant and thus no loss allowance is recognised. Details of the financial guarantee contract are set out in note 35(a).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Category	Description	Trade receivables	Other financial assets and other item
Performing	The counterparty has a low risk of default and has no default record	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating that the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The estimated loss rates are determined based on historically observed default rates over the expected lives of the debtors and are adjusted for forward-looking information, including but not limited to the general economic conditions, that is available without undue cost or effort.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
				2025 US\$'000	2024 US\$'000
Trade receivables	20	Performing	Lifetime ECL – not credit-impaired	86,325	153,363
– contracts with customers		In default	Lifetime ECL – credit-impaired	–	5,846
Trade receivables at FVTOCI	21	Performing	Lifetime ECL – not credit-impaired	355,792	294,586
Bills and other receivables	20	Performing	12m ECL	14,854	7,773
		In default	Lifetime ECL – credit-impaired	1,011	1,571
Loan advanced to an associate	17	Doubtful	Lifetime ECL – not credit-impaired	16,125	16,125
Loan receivables	18	Performing	12m ECL	1,439	913
Amounts due from related companies	30	Performing	12m ECL	217	218
Short-term bank deposits	22	Performing	12m ECL	–	146,744
Bank balances	22	Performing	12m ECL	381,933	424,486
Financial guarantee contract*	35(a)	Performing	12m ECL	5,000	5,000

* The gross carrying amount represents the maximum amount the Group has guaranteed under the respective contract.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables at amortised cost under the simplified approach.

	Lifetime ECL – not credit-impaired US\$'000	Lifetime ECL – credit-impaired US\$'000	Total US\$'000
At 1 January 2024	209	5,199	5,408
Impairment losses recognised [#]	53	–	53
Impairment losses reversed	(209)	(527)	(736)
Exchange realignment	71	5	76
At 31 December 2024	124	4,677	4,801
Impairment losses recognised [#]	123	–	123
Impairment losses reversed [*]	(4,309)	–	(4,309)
Transfer [*]	4,677	(4,677)	–
Exchange realignment	(98)	–	(98)
At 31 December 2025	517	–	517

[#] The amount arises from the new trade receivables recognised during the years ended 31 December 2024 and 2025.

^{*} In view of the settlements from the debtor, management reassessed the related trade receivables no longer credit-impaired and a transfer in the above table. A reversal of lifetime ECL for trade receivables is mainly due to the subsequent settlements of trade debtors with a gross carrying amount of US\$4,677,000.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, or when the trade receivables are over two years past due, whichever occurs earlier.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for other receivables.

	Lifetime ECL – credit-impaired US\$'000
At 1 January 2024	913
Impairment losses recognised	658
At 31 December 2024	1,571
Impairment losses reversed	(560)
At 31 December 2025	1,011

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as significant sources of liquidity, details of which are set out in note 28.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks not choosing to exercise their rights within one year after the end of the reporting period. The maturity analysis for other non-derivative financial liabilities is based on the scheduled repayment dates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on the management's best estimates at the end of the reporting period, taking into consideration the interest rate curve, if available.

2025

	Weighted average effective interest rate %	On demand or less than 1 month US\$'000	2 – 3 months US\$'000	4 months to 1 year US\$'000	Over 1 year US\$'000	Total undiscounted cash flows US\$'000	Carrying amount at 31.12.2025 US\$'000
Non-derivative financial liabilities							
Trade and other payables	–	203,574	39,582	12,728	417	256,301	256,301
Lease liabilities	6.30	2,074	1,699	11,482	33,954	49,209	35,641
Amounts due to associates	–	10,859	–	–	–	10,859	10,859
Financial guarantee contract (note)	–	5,000	–	–	–	5,000	–
		221,507	41,281	24,210	34,371	321,369	302,801

2024

	Weighted average effective interest rate %	On demand or less than 1 month US\$'000	2 – 3 months US\$'000	4 months to 1 year US\$'000	Over 1 year US\$'000	Total undiscounted cash flows US\$'000	Carrying amount at 31.12.2024 US\$'000
Non-derivative financial liabilities							
Trade and other payables	–	160,878	59,146	17,753	2,669	240,446	240,446
Lease liabilities	5.54	1,622	1,595	8,365	25,723	37,305	27,728
Amounts due to associates	–	6,663	–	–	–	6,663	6,663
Bank borrowings – variable rate	3.39	146,971	–	–	–	146,971	146,971
Financial guarantee contract (note)	–	5,000	–	–	–	5,000	–
		321,134	60,741	26,118	28,392	436,385	421,808

Note: The amount included above for the financial guarantee contract is the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty, which are guaranteed, suffer credit losses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. The aggregate undiscounted principal amount of these bank loans amounted to US\$146,971,000 at 31 December 2024 (2025: nil). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid after the end of the reporting period in accordance with the scheduled repayment dates contained in the loan agreements, details of which are set out in the table below.

	Maturity analysis-bank borrowings with a repayment on demand clause based on scheduled repayments				
	On demand or less than 1 month US\$'000	1 – 3 months US\$'000	3 months to 1 year US\$'000	Total undiscounted cash outflow US\$'000	Carrying amount US\$'000
2024	–	–	150,700	150,700	146,971

The amounts included above for variable interest rate instruments within the non-derivative financial liabilities are subject to change if variable interest rates change differently from the estimates of interest rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (Continued)

32c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of financial assets and financial liabilities

- (i) Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and key inputs used).

	Fair value hierarchy at				Valuation techniques and key inputs
	31 December 2025		31 December 2024		
	Level 2 US\$'000	Total US\$'000	Level 2 US\$'000	Total US\$'000	
Financial asset					
Trade receivables at FVTOCI	355,792	355,792	294,586	294,586	Note

Note: A discounted cash flow method is used to assess the present value of the cash flows to be derived from the receivables using the discount rates from the factoring arrangements.

There were no transfers into or out of Level 2 during both years.

- (ii) For the fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of these financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

33. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had capital commitments as follows:

	2025 US\$'000	2024 US\$'000
Contracted for but not provided for in the consolidated financial statements in relation to the acquisition of property, plant and equipment	80,355	51,952

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets pledged to banks as security for general banking facilities granted to the Group:

	2025 US\$'000	2024 US\$'000
Property, plant and equipment (note 12)	1,559	1,574
Inventories (note 19)	3,270	3,333
	4,829	4,907

35. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the year, the Group entered into transactions with the following related parties:

Relationship	Nature of transaction	2025 US\$'000	2024 US\$'000
Associates	Purchase of materials	(39,384)	(35,457)
Companies controlled by certain directors of the Company (note i)	Interest expense on lease liabilities	(38)	(44)
	Handling fee received	52	55
	Lease liabilities (note ii)	(1,266)	(1,262)

At 31 December 2025, the Group has provided a corporate guarantee to an associate of the Group to secure the bank facilities granted to an associate to the extent of US\$5,000,000 (2024: US\$5,000,000). The Group is required to pay immediately if the associate is unable to meet its obligation. Such corporate guarantee falls within the definition of a financial guarantee contract under IFRS 9. Details of impairment assessment are set out in note 32.

At 31 December 2025 and 2024, the Company has provided a corporate guarantee to its subsidiaries to fully secure the bank facilities granted to its subsidiaries. The Company is required to pay immediately if its subsidiaries are unable to meet their obligation.

At 31 December 2025, the Company has provided a corporate guarantee to its subsidiary incorporated in the U.K. to secure its obligation and liabilities in relation to the defined benefits scheme set out in note 27 to the extent of US\$10,769,000 (2024: US\$10,040,000). The Company is required to pay immediately if its subsidiary incorporated in the U.K. is unable to meet its obligation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. RELATED PARTY TRANSACTIONS (Continued)

(a) Related party transactions (Continued)

Notes:

- (i) Certain directors of the Company, namely Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne and Mr. LO Ching Leung Andrew, have control in these companies.
- (ii) During the years ended 31 December 2025 and 2024, the Group renewed several lease agreements for the use of warehouse and living quarters with companies controlled by certain directors of the Company. The lease terms were 1 year (2024: 1 year). The Group accounted for the renewal of lease agreements as lease modification under IFRS 16 and remeasured the right-of-use assets and the corresponding lease liabilities. As a result, US\$1,266,000 (2024: US\$1,262,000) of right-of-use assets and lease liabilities were recognised on the date of lease modification.

(b) Emoluments of key management personnel

Emoluments of executive directors, who are also the key management personnel, during the year are set out in note 7.

The emoluments of directors are recommended to the Board by the Remuneration Committee of the Company having regard to the performance of each individual and comparable market statistics.

(c) Balances with related companies

The Group's outstanding balances with related companies at 31 December 2025 and 2024 are set out in the consolidated statement of financial position and the corresponding notes thereto.

(d) Licence agreement entered into with a related company

The Group entered into a licence agreement on 12 October 2022 with a related company controlled by Mr. LO Lok Fung Kenneth and Mrs. LO CHOY Yuk Ching Yvonne who are executive directors of the Company, pursuant to which the related company agreed to grant to the Group a licence to use certain trademarks and domain names in connection with its business and operations in various territories for three years commencing 1 January 2023. The consideration is HK\$1.00.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2025 US\$'000	Financing cash flows US\$'000	Other changes US\$'000	At 31 December 2025 US\$'000
Bank borrowings (notes i and ii)	146,971	(150,133)	3,162	–
Lease liabilities (notes iii and iv)	27,728	(20,828)	28,741	35,641
Interest on factoring arrangement	–	(7,243)	7,243	–
	174,699	(178,204)	39,146	35,641

	At 1 January 2024 US\$'000	Financing cash flows US\$'000	Other changes US\$'000	At 31 December 2024 US\$'000
Bank borrowings (notes i and ii)	63,700	79,307	3,964	146,971
Lease liabilities (notes iii and iv)	26,186	(28,585)	30,127	27,728
Interest on factoring arrangement	–	(6,743)	6,743	–
	89,886	43,979	40,834	174,699

Notes:

- (i) Other changes of bank borrowings include the effect of foreign exchange rate changes and interest expense on bank borrowings.
- (ii) The cash flows from bank borrowings comprise the net amount of new bank borrowings raised and repayment of bank borrowings and interest paid.
- (iii) Other changes of lease liabilities include the effect of foreign exchange rate changes, interest expense on lease liabilities and the addition/modification/termination of lease liabilities.
- (iv) The cash flows from lease liabilities comprise the amount of repayment of lease liabilities and interest paid.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

The following table lists the principal subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of subsidiaries	Place of incorporation/ operation	Issued and paid capital	Proportion of nominal value of issued share/registered capital held by the Company				Principal activities
			2025		2024		
			Directly %	Indirectly %	Directly %	Indirectly %	
Amigo Bangladesh Ltd.	Bangladesh	Bangladesh Taka 4,196,561,000	-	100	-	100	Manufacture of garments
Crystal Apparel Limited	Hong Kong	HK\$2,000,000	-	100	-	100	Trading of garments
Crystal Martin Apparel Bangladesh Limited	Bangladesh	Bangladesh Taka 488,491,900	-	100	-	100	Manufacture of garments
Crystal Knitters Limited	Hong Kong	HK\$7,502,000	100	-	100	-	Provision of corporate services
Crystal Martin Ceylon (Private) Limited	Sri Lanka	Sri Lanka Rupee 1,792,466,900	-	100	-	100	Manufacture of garments
Crystal Martin (Hong Kong) Limited	Hong Kong	HK\$1,970,497	-	100	-	100	Trading of garments
Crystal Martin (Vietnam) Company Limited	Vietnam	US\$2,000,000	-	100	-	100	Manufacture of garments
Crystal Sweater Limited	Hong Kong	HK\$5,000,000	-	100	-	100	Trading of garments
Crystal Elegance Industrial Limited	Hong Kong	HK\$1,500,020	-	100	-	100	Trading of garments
Regent Garment Factory Limited	Vietnam	US\$39,800,000	-	100	-	100	Manufacture of garments
Crystal SL Global Pte. Ltd.	Singapore	SGD6,052,605	-	100	-	100	Trading of garments
Yi Da Manufacturer Co., Ltd.	Cambodia	US\$1,000,000	-	100	-	100	Manufacture of garments
中山益達服裝有限公司*	The PRC	HK\$247,400,000	-	100	-	100	Manufacture of garments
東莞晶苑毛織製衣有限公司*	The PRC	HK\$436,320,000	-	100	-	100	Manufacture of garments

* The company is registered in the form of wholly foreign owned enterprise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

None of the subsidiaries has issued any debt security at the end of the year or at any time during the year.

No financial information of the non-wholly owned subsidiaries is disclosed in the consolidated financial statements as the non-controlling interests are not individually material to the Group.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 US\$'000	2024 US\$'000
ASSETS		
Non-current asset		
Investments in subsidiaries	116,258	116,258
Current assets		
Other receivables	214	441
Amounts due from subsidiaries	522,572	442,501
Bank balances and cash	6,709	88,668
	529,495	531,610
Total assets	645,753	647,868
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	3,654	3,654
Reserves (note 39)	628,833	639,078
Total equity	632,487	642,732
Current liabilities		
Other payables	1,806	2,730
Amount due to a subsidiary	11,460	2,406
	13,266	5,136
Total equity and liabilities	645,753	647,868

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For the year ended 31 December 2025

39. RESERVES OF THE COMPANY

	Share premium US\$'000	Capital reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2024	505,677	9,903	142,891	658,471
Profit and total comprehensive income for the year	–	–	78,433	78,433
Dividend paid (note 11)	–	–	(97,826)	(97,826)
At 31 December 2024	505,677	9,903	123,498	639,078
Profit and total comprehensive income for the year	–	–	138,112	138,112
Dividend paid (note 11)	–	–	(148,357)	(148,357)
At 31 December 2025	505,677	9,903	113,253	628,833

40. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into new lease agreements for the use of land, office, factories, warehouses, equipment, staff quarters and vehicles ranging from 1 month to 43 years (2024: 1 month to 43 years). During the year ended 31 December 2025, the Group recognised US\$28,464,000 (2024: US\$34,994,000) of right-of-use assets and US\$28,224,000 (2024: US\$29,890,000) of lease liabilities.

41. EVENT AFTER THE REPORTING PERIOD

On 18 January 2026, a direct wholly owned subsidiary of the Company (the "**Buyer**") has entered into an industrial land reservation form with an independent third party (the "**Seller**"), pursuant to which the Seller agrees to sell a land parcel located in the New October Industrial Zone in New October city, Egypt. Upon the execution of the industrial land reservation form, the Buyer shall pay a consideration of US\$30,400,000 to the Seller.

As of the date these consolidated financial statements were authorised for issuance, the consideration of US\$30,400,000 was paid to the Seller and no binding sale and purchase agreement was entered into with the Seller.

The land acquisition remains subject to the approval of the Egyptian local government. If the required approval is obtained, the Buyer and the Seller are expected to proceed to enter into a binding sale and purchase agreement. If such approval is not obtained, the consideration paid will be refunded.

Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out below:

RESULTS

	Year ended 31 December				
	2021 US\$'000	2022 US\$'000	2023 US\$'000	2024 US\$'000	2025 US\$'000
Revenue	2,341,432	2,490,966	2,177,329	2,469,629	2,641,179
Profit before tax	191,849	212,696	195,085	248,110	278,519
Income tax expense	(28,558)	(39,467)	(30,963)	(47,282)	(53,684)
Profit for the year	163,291	173,229	164,122	200,828	224,835
Attributable to:					
Owners of the Company	163,106	172,726	163,479	200,498	224,658
Non-controlling interests	185	503	643	330	177
	163,291	173,229	164,122	200,828	224,835

ASSETS AND LIABILITIES

	At 31 December				
	2021 US\$'000	2022 US\$'000	2023 US\$'000	2024 US\$'000	2025 US\$'000
Total assets	1,959,495	1,894,965	1,974,562	2,254,453	2,184,967
Total liabilities	(666,176)	(549,666)	(535,660)	(719,007)	(573,282)
Total equity	1,293,319	1,345,299	1,438,902	1,535,446	1,611,685
Attributable to:					
Owners of the Company	1,288,856	1,341,482	1,434,442	1,530,656	1,608,124
Non-controlling interests	4,463	3,817	4,460	4,790	3,561
	1,293,319	1,345,299	1,438,902	1,535,446	1,611,685

