

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

Highlights of consolidated statement of comprehensive income

For the year ended 31 December

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	+ / (-) %
Revenue	155,405	114,644	35.6%
Gross profit	21,145	26,269	(19.5%)
(Loss)/profit before income tax	(2,804)	8,313	(133.7%)
(Loss)/profit for the year	(2,821)	6,290	(144.8%)
Total comprehensive income for the year	394	3,770	(89.5%)
Basic and diluted (loss)/earnings per share (<i>HK cents per share</i>)	<u>(0.4) cents</u>	<u>0.8 cents</u>	<u>(144.8%)</u>

Highlights of consolidated balance sheet

As at 31 December

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	+ / (-) %
Non-current assets	32,556	22,879	42.3%
Current assets	120,071	145,088	(17.2%)
Current liabilities	(15,696)	(30,375)	(48.3%)
Net current assets	104,375	114,713	(9.0%)
Net assets	<u>135,824</u>	<u>135,430</u>	<u>0.3%</u>

ANNUAL RESULTS

The board (“**Board**”) of Directors (the “**Directors**”) of Best Linking Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	155,405	114,644
Cost of sales	4	<u>(134,260)</u>	<u>(88,375)</u>
Gross profit		21,145	26,269
Other income		444	1,222
Other losses, net		(2,989)	(136)
Selling and distribution expenses	4	(3,557)	(2,056)
Administrative expenses	4	<u>(17,363)</u>	<u>(17,453)</u>
Operating (loss)/profit		<u>(2,320)</u>	<u>7,846</u>
Finance income		829	788
Finance cost		<u>(1,313)</u>	<u>(321)</u>
Finance (cost)/income, net		<u>(484)</u>	<u>467</u>
(Loss)/profit before income tax		(2,804)	8,313
Income tax expense	5	<u>(17)</u>	<u>(2,023)</u>
(Loss)/profit for the year attributable to owners of the Company		<u>(2,821)</u>	<u>6,290</u>
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<u>3,215</u>	<u>(2,520)</u>
Total comprehensive income for the year		<u>394</u>	<u>3,770</u>
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company for the year			
Basic and diluted (loss)/earnings per share (<i>HK cents per share</i>)	6	<u>(0.4)</u>	<u>0.8</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		18,368	20,875
Investment in life insurance contracts		11,605	–
Intangible assets		1,277	1,603
Prepayments and deposits		166	166
Deferred tax assets		1,140	235
		32,556	22,879
Current assets			
Inventories		44,870	35,157
Trade receivables	7	29,481	24,764
Prepayments, deposits and other receivables		3,430	8,305
Current income tax recoverable		161	2,334
Pledged bank deposit		–	15,076
Cash and cash equivalents		42,129	59,452
		120,071	145,088
Total assets		152,627	167,967
Equity			
Equity attributable to owners of the Company			
Share capital	8	4,000	4,000
Reserves		131,824	131,430
Total equity		135,824	135,430
Liabilities			
Non-current liabilities			
Lease liabilities		958	1,731
Deferred tax liabilities		149	431
		1,107	2,162
Current liabilities			
Trade payables	9	2,440	11,576
Bank borrowings	10	9,361	9,854
Contract liabilities		32	4,084
Accruals and other payables		2,469	3,841
Current income tax liabilities		228	–
Lease liabilities		1,166	1,020
		15,696	30,375
Total liabilities		16,803	32,537
Total equity and liabilities		152,627	167,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 October 2018 as an exempted company with limited liability under the Companies Act (2022 Revision) (as consolidated or revised from time to time) of the Cayman Islands. Its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 31 October 2019 and are transferred to the listing on the Main Board of the Stock Exchange on 28 September 2023. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ultimate holding company of the Company is C Centrum Holdings Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chan Yuk Pan.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of slewing rings, mechanical parts and components, and trading of machineries, mechanical parts and minerals. (the “**Business**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under historical cost convention. The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the 2025 annual report.

2.1 Amended standards adopted by the Group

The Group has applied the following amended standards issued for its annual reporting period beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)
-----------------------------------	--------------------------------------

The adoption of the above amended standards did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 New and amended standards and interpretations which have been issued but are not yet effective and have not been early adopted by the Group

Certain new and amendments to standards and interpretations have been published that are not mandatory for financial year beginning on or after 1 January 2025 and have not been early adopted by the Group. These are:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Contracts Referencing Nature – dependent Electricity (amendments) Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 and amendments to HK Int 5	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

The Group is in the process of making an assessment of the impact of these amended standards and interpretations of HKFRS Accounting Standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position except for HKFRS 18 which expected to affect the presentation of the statement of profit or loss and disclosures in the Group's consolidated financial statements. The Group is in the process assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3 REVENUE AND SEGMENT INFORMATION

(a) **Revenue from major customers who had individually contributed 10% or more of total revenue of the Group**

For the year ended 31 December 2025, there were three customers (2024: four), which individually contributed over 10% of our Group's total revenue. Revenue contributed from our major customers were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	37,426	N/A**
Customer B*	26,278	–
Customer C	23,901	N/A**
Customer D	N/A**	15,120
Customer E	N/A**	14,284
Customer F	N/A**	13,465
Customer G	N/A**	12,327

* The corresponding customer is a new customer for the year ended 31 December 2025.

** The corresponding customers did not contribute over 10% of total revenue of the Group for the respective years.

(b) **Segment revenue by customers' geographical location**

Our Group is domiciled in the PRC and Hong Kong. Our Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The Philippines	64,707	22,978
Hong Kong	53,662	59,402
The PRC	12,216	4,785
Singapore	8,892	19,200
The Netherlands	5,767	–
The USA	3,999	2,279
Taiwan	3,317	311
Vietnam	1,550	1,796
New Zealand	406	185
Canada	377	1,142
Japan	159	188
Malaysia	145	2,174
Others (<i>Note</i>)	208	204
	<u>155,405</u>	<u>114,644</u>

Note:

Others include Saudi Arabia, Ireland and Thailand.

(c) **Non-current assets by geographical location**

The total of non-current assets other than deferred tax assets, broken down by location of the assets, is shown in the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The PRC	16,139	16,271
Hong Kong	15,277	6,373
	<u>31,416</u>	<u>22,644</u>

4 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials and consumables used	126,939	92,473
Changes in inventories of finished goods and work in progress	(9,656)	(14,480)
Provision for slow moving inventories, net	343	1,038
Employee benefit expenses, including directors' emoluments	15,189	14,347
Depreciation – Property, plant and equipment	6,049	4,938
Fright-out charges	7,728	1,213
Amortisation – Intangible assets	326	27
Legal and professional fees	1,013	2,111
Auditors' remuneration		
– Audit services	1,000	1,000
– Non-audit services	131	207
Donation	16	31
Utilities	717	835
Other expenses	5,385	4,144
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses and administrative expenses	155,180	107,884
	<hr/> <hr/>	<hr/> <hr/>

5 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax		
– The PRC enterprise income tax (“EIT”)	35	641
– Withholding tax	486	–
– Hong Kong profits tax	741	638
– Over provision of prior periods	(94)	(24)
	<hr/>	<hr/>
Total current income tax	1,168	1,255
	<hr/>	<hr/>
Deferred income tax	(1,151)	768
	<hr/>	<hr/>
Income tax expense	<u>17</u>	<u>2,023</u>

(i) Hong Kong profits tax

In accordance with the two-tiered profits tax rates regime effective from 1 January 2018, Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000, and 16.5% on the remaining balance of the estimated assessable profits of an operating subsidiary for the years ended 31 December 2024 and 2025.

(ii) The PRC EIT

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”), the applicable income tax rate for Kyoei Seiki Co., Limited (“**Kyoei Seiki**”) and Best Linking Import & Export (Shenzhen) Co., Limited (“**Import & Export**”), the subsidiaries in the PRC are 25%.

Pursuant to the New EIT Law, with respect to a new and high technology enterprise, the tax levied on its income will be charged at a preferential rate of 15% after obtaining the High New Technology Enterprise Certificate (the “**Certificate**”) and completing the tax reduction and exemption filing with the tax authorities. Kyoei Seiki renewed the Certificate when it expired on 8 November 2023 and the renewed Certificate will expire on 28 December 2026. As a result of Kyoei Seiki qualifying for High New Technology Enterprise status, the applicable tax rate of Kyoei Seiki is 15% for the years ended 31 December 2024 and 2025. With respect to small low-profit enterprise, the tax levied on its income will be charged at a preferential rate of 5%. Import & Export is qualified to be treated as a small low-profit enterprise and the applicable tax rate of Import & Export is 5%.

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit before income tax	<u>(2,804)</u>	<u>8,313</u>
Tax calculated at tax rates applicable to profits of the respective subsidiaries	(471)	1,145
Income not subject to tax	(127)	(547)
Expenses not deductible for tax purposes	589	1,848
Research and development tax credit (<i>Note</i>)	(225)	(373)
Over provision of prior periods	(94)	(24)
Tax exemption	(141)	(26)
Withholding tax on dividend paid by a subsidiary in the PRC	<u>486</u>	<u>–</u>
Income tax expense	<u><u>17</u></u>	<u><u>2,023</u></u>

Note:

According to relevant laws and regulations promulgated by the State Tax Bureaus of the PRC, enterprises engaging in research and development activities are entitled to claim 100% of the research and development expenses. The aggregate research and development expenses charged to statement of comprehensive income amounted to HK\$1,500,000 during the year ended 31 December 2025 (2024: HK\$2,487,000).

6 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	2025	2024
(Loss)/profit attributable to equity holders of the Company (<i>HK\$'000</i>)	(2,821)	6,290
Weighted average number of shares in issue (<i>thousand</i>)	<u>800,000</u>	<u>800,000</u>
Basic (loss)/earnings per share (<i>HK cents per share</i>)	<u>(0.4)</u>	<u>0.8</u>

Diluted (loss)/earnings per share for the years ended 31 December 2025 were the same as the basic earnings per share as there was no potentially dilutive instrument outstanding during the years (2024: Same).

7 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold and delivered in the ordinary course of business.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	28,684	23,653
Amount due from a related party	<u>797</u>	<u>1,111</u>
	<u>29,481</u>	<u>24,764</u>

As at 31 December 2025, due to the short-term nature of the trade receivables, their carrying amounts of trade receivables were considered to be the same as their fair values.

The Group's sales were on credit terms primarily from 60 days to 120 days.

The ageing analysis of the trade receivables by due date, was as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	15,951	13,058
1 – 30 days past due	3,103	1,491
31 – 60 days past due	3,329	2,350
61 – 90 days past due	134	1,582
Over 90 days past due	6,964	6,283
	<u>29,481</u>	<u>24,764</u>

The carrying amounts of the Group's trade receivables were denominated in the following currencies:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	10,301	10,383
USD	16,258	14,152
RMB	571	229
JPY	23	–
EUR	2,328	–
	<u>29,481</u>	<u>24,764</u>

The maximum exposure to credit risk as at 31 December 2024 and 2025 was the carrying value of the receivables mentioned above.

Trade receivables are generally due for settlement from 60 days to 120 days and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies are provided in the 2025 annual report.

As at 31 December 2024 and 2025, no provision of impairment for trade receivables was made as the expected loss rate was minimal.

8 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary share <i>HK\$'000</i>
Authorised:		
At 1 January 2024	10,000,000,000	100,000
Share Subdivision of authorized share capital on 21 May 2024 (<i>Note a</i>)	<u>10,000,000,000</u>	<u>–</u>
As at 31 December 2024 and 2025	<u><u>20,000,000,000</u></u>	<u><u>100,000</u></u>
	Number of ordinary shares	Nominal value of ordinary share <i>HK\$'000</i>
	<i>Note</i>	<i>HK\$'000</i>
Issued and paid:		
At 1 January 2024	400,000,000	4,000
Share Subdivision on 21 May 2024	<i>(a)</i> <u>400,000,000</u>	<u>–</u>
At 31 December 2024 and 2025	<u><u>800,000,000</u></u>	<u><u>4,000</u></u>

Notes:

- (a) On 17 May 2024, the Shareholders in the annual general meeting of the Company approved the Share Subdivision of which every issued and unissued existing ordinary share of a par value of HK0.01 each in the share capital of the Company was subdivided into two ordinary shares of a par value of HK0.005 each in the share capital of the Company. Upon the Share Subdivision becoming effective, 800,000,000 ordinary shares are in issue and fully paid or credited as fully paid. The authorised share capital of the Company of HK\$100,000,000 is divided into 20,000,000,000 Subdivided Shares of par value of HK0.005 each. Details are set out in the Company's circular dated 15 April 2024. The Share Subdivision was effective on 21 May 2024.

9 TRADE PAYABLES

Trade payables at the end of each reporting period comprise amounts outstanding to contract creditors and suppliers. The average credit period taken for trade purchase is generally from 0-90 days.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	2,440	4,982
Amount due to a related party	–	6,694
	<u>2,440</u>	<u>6,694</u>
Trade payables	<u><u>2,440</u></u>	<u><u>11,576</u></u>

As at 31 December 2025, the ageing analysis of the trade payables, based on invoice date, were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 30 days	87	160
31 – 60 days	114	161
61 – 90 days	29	–
Over 90 days	2,210	11,255
	<u>2,440</u>	<u>11,255</u>
	<u><u>2,440</u></u>	<u><u>11,576</u></u>

The carrying amounts of trade payable were denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
RMB	2,382	2,332
HK\$	58	6,635
USD	–	2,609
	<u>2,440</u>	<u>11,576</u>
	<u><u>2,440</u></u>	<u><u>11,576</u></u>

As at 31 December 2025, the carrying amounts of trade payables approximated their fair values (2024: Same).

10 BANK BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank borrowings – import loans	3,868	9,854
Bank borrowings – life insurance loan	<u>5,493</u>	<u>–</u>
	<u>9,361</u>	<u>9,854</u>

As at 31 December 2025, the interest rates of the bank borrowings were ranged from 1.5% to 5.25% (2024: 4.79 to 6.88%) per annum. The carrying amounts of bank borrowings were approximated to the fair values.

At 31 March 2025, the Group's borrowings were repayable as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	3,868	9,854
Over 5 years	<u>5,493</u>	<u>–</u>
	<u>9,361</u>	<u>9,854</u>

The above amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

The carrying amounts of bank borrowings were denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	5,493	–
RMB	983	7,183
USD	<u>2,885</u>	<u>2,671</u>
	<u>9,361</u>	<u>9,854</u>

The exposure of the Group's bank borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
Within 6 months	3,868	9,854
Over 5 years	5,493	–
	9,361	9,854

Banking facilities

As at 31 December 2025, the Group had aggregate banking facilities of approximately HK\$45,800,000 (2024: HK\$56,000,000) for import loans. There were undrawn facilities of approximately HK\$36,439,000 (2024: HK\$46,146,000) as at 31 December 2025.

As at 31 December 2025, the banking facilities were secured by the following:

- (i) The carrying amounts of investment in life insurance contracts of approximately HK\$11.6 million were pledged to banks; and
- (ii) Unlimited guarantee provided by the Company.

The Group has complied with the financial covenants of its bank borrowings during the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading premium slewing ring manufacturer in the PRC. We are also a comprehensive products provider for mechanical parts and components and machineries which are used mainly in construction and mining sites.

We manufacture slewing rings that conform to the JIS, which is regarded as a standard with higher quality control requirements than that produced in many other countries in the world. Since 2020, the Group has developed new products and a wider range of servicing by manufacturing other mechanical parts and components for machineries besides slewing rings to seize the business opportunities and to satisfy the need of our customers. The machineries and mechanical parts supplied by the leading suppliers in Japan were fit for the Group's sourcing needs and with specifications not commonly supplied by other market suppliers.

With a well-established presence of over 18 years in the industry, the Group has demonstrated remarkable risk resilience, underpinned by a wealth of industry expertise, substantial capital financials and a base of international and local customers. We expanded our capability to include manufacturing of mechanical parts and components such as sprocket, track shoes, recoil spring and rollers, which are commonly sought by our customers alongside our slewing rings, on ODM basis. We also source other mechanical parts and components for our customers. Further, as a supplier of slewing rings under OEM basis to leading suppliers in Japan for over 10 years, we are in a position to source excavators and other heavy duty machineries directly. We further extend our heavy duty machineries offering other types of machineries such as pile drivers, wheel loaders and trucks.

The year 2025 was filled with challenges. The lack of momentum for economic recovery in certain countries, compounded by the looming shadow of high interest rates, posed challenges to the global business environment. The global economic situation has continued to deteriorate in 2025. U.S. tax and trade policies have significantly impacted import and export activities. The economic development in China continued to face headwinds due to a number of factors, such as the default in the repayment of debts of renowned property developers and the protracted slump of the property market. As a result, despite the Covid-19 pandemic tapered off and the cross border activities between Hong Kong and the PRC resumed, the degree of economic rebound in Hong Kong and the PRC in recent years fell short of the initial expectation.

The Group's principal business faced challenges posed by the keen competition in the market and economic uncertainties. The Directors are well aware of the importance for the Group to continue identifying new business opportunities. Since last year in 2024, the Group decided to expand its products coverage in sourcing to include minerals and related products. Since the Company's transfer of listing to the Main Board of the Stock Exchange (the "**Transfer of Listing**"), the Group's customers have increasingly made enquiries on whether the Group could provide a wider scope of products, most notably in connection with the excavation machineries used for mining. Our Group sees opportunities in the trading of minerals, and wishes to capture such business opportunity and synergies in broadening its business scope. It will also create more opportunities for the Group to sell more mechanical parts and components and machineries directly to the mine owners, thus strengthening the business and profitability of the Group. The Group has established a network of supply of minerals excavated from such mines, for resale to customers of the Group.

Despite the Group's revenue for the Reporting Period increased by approximately 35.6% or HK\$40.8 million to HK\$155.4 million for the reporting period, as compared to HK\$114.6 million for the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$2.8 million for the Reporting Period, representing a decrease of approximately 144.8% in profit as compared to the net profit of approximately HK\$6.3 million for the financial year ended 31 December 2024. The Board considers that the decrease in net profit for the Reporting Period was mainly attributable to the following factors, (i) the decrease in gross profit margin was attributable to the change in product mix, marked by the decrease in the sales of slewing rings (which has a higher profit margin), and the increase in the sales of brand new machineries and minerals (which has a lower profit margin); (ii) changes in the surrender value of investment in life insurance plans resulted in a loss of approximately HK\$2.9 million; and (iii) increase in the expenses of sale and distribution by approximately HK\$1.5 million including but not limited to marketing expenses incurred for developing our OEM business in Japan and the PRC during the Reporting Period.

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on ODM, OEM and OBM basis. Meanwhile, the Group also sources slewing rings not manufactured by the Group for its customers. The Group's business leverages on its in-depth market knowledge and know-how accumulated through years of experience since the Group's inception. The Group is able to produce a diverse range of slewing rings for its customers. The Group can also manufacture slewing rings which have already ceased production for its customers.

Our business is primarily focused on manufacturing slewing rings for local and overseas customers on an ODM basis. Our ODM customers include companies engaged in the wholesale and trading of heavy duty machineries and their related parts and components. They re-sell the products supplied by the Group to end-users in the market. We work out the design as well as all technical specifications from start to finish for our ODM customers, based on their preliminary inputs. The products we sold are used to replace worn out slewing rings of existing machineries under usage, or for assembly of new machineries. In the case of slewing rings used for replacement purposes, we are able to customise our production process to manufacture slewing rings which have already ceased production to suit machineries which are not in production any more. Being in a position to produce slewing rings up to the premium standard under JIS is of significant importance to our ODM customers and this standard is hence applicable to our slewing rings sold to our customers on an ODM basis.

In addition, the Group manufactures for some overseas customers on an OEM basis. Our OEM customers include leading Japanese manufacturers of various machineries and equipments or their affiliates. Since 2024 and during the Reporting Period, the Group has increased its efforts to promote the OEM business. Our current market share remains modest and there is considerable potential for improvement. The Group is actively developing its OEM business in the PRC and Japan market. Our OEM business involves the manufacture and sale of products based on customers' specifications and guidelines. In respect of our OEM customers, we are usually provided with technical drawings and we are not required to participate in the design of these products. Our OEM customers normally provide us with all specifications and standards they require and we have to strictly adhere to the standards required during the production process. Slewing rings so produced will be applied by our OEM customers directly on their heavy duty machineries. Most of our OEM customers are Japanese manufacturers or their affiliates, which require us to produce slewing rings in conformity to the JIS.

The Group also derives its revenue from the sales of our proprietary branded products under OBM basis. We sold our OBM products under our own brands to customers located in eight locations namely the PRC, Hong Kong, Taiwan, Malaysia, the Philippines, Thailand, USA and Japan. Our OBM customers are mainly wholesalers or traders. For slewing rings manufactured under the OBM basis, we are in-charge of the product packaging including its design. Similar to our ODM products, the level of our participation in the design of slewing rings so produced depends on whether our OBM customers will provide us with the technical details. The slewing rings sold to our OBM customers commonly adopt a quenching standard of JIS.

The Group sources slewing rings not manufactured by the Group for its customers. These slewing rings are mainly models which we do not manufacture currently as (i) they maybe of lower quality and their production may require raw materials which we do not possess; or (ii) they are of small quantity and not commercially justifiable for us to spend efforts on product development for such small scale productions; or (iii) they are of sizes which we do not manufacture.

The Group has an international customer base and is able to produce slewing rings which on one hand conform to the JIS, and at the same time meet the requirements of both ODM and OBM customers. Because of the Group's edge over other suppliers, the Group attracted several new ODM customers which contributed to the increasing revenue of both the manufacturing and the sourcing business since 2021. These new customers included a nominated supplier of a theme park and resort in Hong Kong, which the Group sourced slewing rings for and delivered to the theme park as instructed by such nominated supplier and a subsidiary of a then listed company on the Singapore Exchange Limited which has been the Group's customer for over 15 years. Such group was principally engaged in the distribution of heavy machineries and diesel engine parts and has an international customer base. Furthermore, two of our largest customers, both wholesalers, have expanded their customer bases in recent years and increased the demand of our larger size slewing rings. This development has the potential to drive future increases in our revenue and profits as global economic conditions improve.

Mechanical parts and components

To implement our business strategy to expand our slewing rings business, we have utilised part of the net proceeds from the listing on GEM to acquire a number of new equipments which enabled us to expand our production capability to include manufacturing of mechanical parts and components such as sprocket, track shoes, recoil spring and rollers, which are commonly sought by our customers alongside our slewing rings. These mechanical parts and components are manufactured on ODM basis where our customers require mechanical parts and components to fulfil specific functions and specifications to suit their needs. The manufacturing of these mechanical parts and components requires production techniques and multiple production processes which are similar to the production of slewing rings. Depending on the quantities, our capabilities and availability of machines as well as marketing strategies, we may either fulfil customer's orders by procuring semi-finished parts and components for further manufacturing or sourcing the finished products from the market.

The expansion of our business into the sale of mechanical parts and components is complementary to our principal business of manufacturing and sales of slewing rings. It enables us to offer a comprehensive line of products to our customers which had further strengthened our business relationships with our customers, resulting in recurring purchase orders being placed with us. The mechanical parts and components we sourced were broad in range, including telescopic boom, clamshell, bolts, oil seal kits, etc. We sold over 10 different kinds of mechanical parts and components. Similar to slewing rings, these mechanical parts and components are consumable parts which require routine replacement over a period of usage.

Machineries

As a supplier of slewing rings under OEM basis to a leading machinery and parts supplier in Japan for over 10 years, we have developed a long term business relationship with this leading Japanese heavy duty machinery brand and are in a position to source excavators and heavy duty machineries directly from its affiliates. We have also developed a long term business relationship with a long established second-hand heavy equipment wholesaler, for over five years. To cater the needs of our customers, upon receiving their requests, we will source both brand new or used Japanese brand excavators for them for construction and/or mining purposes.

With the expansion of our customer and supplier base alongside our business operations over the years and as a supplier of slewing rings to a number of Japanese brand machinery manufacturers, we received requests from our customers from time to time when they were in need of other machineries such as pile drivers, trucks and wheel loaders. Depending on the availability of such products from our suppliers, we may procure these machineries for them on an ad-hoc basis.

On 1 November 2024, the Group entered into an agreement (the “**Purchase Frameworks Agreement**”) regarding the purchase of heavy duty machineries from South Wing Machinery Company Limited (“**South Wing**”), which is a connected person of the Group. For details of the continuing connected transaction, please refer to the announcement of the Company published on 1 November 2024 and Report of the Directors of this announcement. Given South Wing has over 25 years of experience with vast and established connections in the sales of heavy duty machineries, as well as having acted as a distributor of brand new construction machineries from the brands of Sumitomo, IHI, Nippon Sharyo and Kubota for resale in the South-East Asia region, including in particular Hong Kong, Japan, South Korea and Singapore, the Group intends to purchase brand new excavators and generators from South Wing. The Directors consider that the Purchase Framework Agreement will facilitate the Group to acquire a range of products for resale to the Group’s customers, thus implementing the business development plan of broadening the range of products offered by the Group and diversifying the suppliers network.

Minerals

In the beginning of 2024, the Group decided to expand its products coverage in sourcing to include minerals and related products. Since the Transfer of Listing, the Group’s customers have increasingly made enquiries on whether the Group could provide a wider scope of products, most notably in connection with the excavation machineries used for mining. The Group sees opportunities in the trading of minerals, and wishes to capture such business opportunity and synergies in broadening its business scope. It will also create more opportunities for the Group to sell more mechanical parts and components and machineries directly to the mine owners, thus strengthening the business base and profitability of the Group. The minerals we sold during the Reporting Period included nickel ore, a natural mineral which is extensively used in alloying. During the Reporting Period and FY2024, the Group has established a network of supply of minerals excavated from such mines, for resale to customers of the Group.

FINANCIAL REVIEW

REVENUE

The Group's revenue increased by 35.6% to HK\$155.4 million for the Reporting Period, as compared to HK\$114.6 million for FY2024.

The following table sets forth the breakdown of quantities of products sold under different segments for the years ended 31 December 2025 and 2024:

	For the year ended 31 December					
	2025		2024		+/(-)	
	<i>Sets</i>	<i>(%)</i>	<i>Sets</i>	<i>(%)</i>	<i>Sets</i>	<i>(%)</i>
Revenue						
Slewing rings						
– ODM	1,190	0.9	1,758	2.0	(568)	(32.3)
– OEM	686	0.5	173	0.2	513	296.5
– OBM	98	0.1	126	0.1	(28)	(22.2)
– Others	3,274	2.6	330	0.4	2,944	892.1
	<u>5,248</u>	<u>4.2</u>	<u>2,387</u>	<u>2.7</u>	<u>2,861</u>	<u>119.9</u>
Mechanical parts and components						
– ODM	4,188	3.3	25,085	27.9	(20,897)	(83.3)
– Others	116,258	92.4	62,194	69.3	54,064	86.9
	<u>120,446</u>	<u>95.7</u>	<u>87,279</u>	<u>97.2</u>	<u>33,167</u>	<u>38.0</u>
Machineries						
– Machineries	174	0.1	109	0.1	65	59.6
	<u>174</u>	<u>0.1</u>	<u>109</u>	<u>0.1</u>	<u>65</u>	<u>59.6</u>
Total	<u><u>125,868</u></u>	<u><u>100.0</u></u>	<u><u>89,775</u></u>	<u><u>100.0</u></u>	<u><u>36,093</u></u>	<u><u>40.2</u></u>

	For the year ended 31 December					
	2025		2024		+/(-)	
	<i>Tonnes'000</i>	<i>(%)</i>	<i>Tonnes'000</i>	<i>(%)</i>	<i>Tonnes'000</i>	<i>(%)</i>
Minerals						
– NICKEL ORE	322	100.0	211	100.0	111	52.6
Total	<u><u>322</u></u>	<u><u>100.0</u></u>	<u><u>211</u></u>	<u><u>100.0</u></u>	<u><u>111</u></u>	<u><u>52.6</u></u>

The following table sets forth the breakdown of our revenue by product segments for the years ended 31 December 2025 and 2024:

	For the year ended 31 December					
	2025		2024		+ / (-)	
	<i>HK\$'000</i>	(%)	<i>HK\$'000</i>	(%)	<i>HK\$'000</i>	(%)
Revenue						
Slewing rings						
– ODM	13,995	9.0	23,629	20.6	(9,634)	(40.8)
– OEM	2,099	1.4	353	0.3	1,746	494.6
– OBM	1,543	1.0	2,039	1.8	(496)	(24.3)
– Others	906	0.6	1,040	0.9	(134)	(12.9)
	18,543	11.9	27,061	23.6	(8,518)	(31.5)
Mechanical parts and components						
– ODM	2,506	1.6	5,321	4.6	(2,815)	(52.9)
– Others	20,313	13.1	10,989	9.6	9,324	84.8
	22,819	14.7	16,310	14.2	6,509	39.9
Machineries						
– Machineries	73,934	47.6	46,878	40.9	27,056	57.7
	73,934	47.6	46,878	40.9	27,056	57.7
Minerals						
– NICKEL ORE	40,109	25.8	24,395	21.3	15,714	64.4
	40,109	25.8	24,395	21.3	15,714	64.4
Total	155,405	100.0	114,644	100.0	40,761	35.6

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on ODM, OEM and OBM basis, and sources slewing rings not manufactured by the Group for its customers. Revenue from slewing rings decreased by approximately HK\$8.5 million from HK\$27.1 million to HK\$18.6 million for the Reporting Period, as compared to FY2024, representing a decrease of 31.5%.

The decrease in revenue was mainly attributed to the decrease in sales of slewing rings in the ODM business, of approximately HK\$9.6 million from HK\$23.6 million in FY2024 to HK\$14.0 million for the Reporting Period, offset by revenue generated in value of the OEM of slewing rings for customers which increased by HK\$1.7 million from HK\$0.4 million in FY2024 to HK\$2.1 million for the Reporting Period, while the revenue generated in the sales of slewing rings under OBM basis remained stable.

The decrease in ODM business was caused by a decline in the sales of products to Japan and the Association of Southeast Asian Nations (ASEAN) region by approximately HK\$15.5 million during the Reporting Period. Despite strong tourism activity from many countries, the downturn in manufacturing, construction, mining and property market caused by high interest rates and impact from tight monetary policy, led to the drop in the sales of ODM products by 568 units, and the total number of ODM customers decreased from 21 in FY2024 to 18 during the Reporting Period.

During the Reporting Period, the Group tried to broaden the sources of revenue to further develop its business, and to ultimately promote its goals and maximise the contribution of revenue in slewing rings. The Group has increased its efforts to promote the OEM and OBM business. Our current market share remains modest and there is considerable potential for improvement. The increase in OEM business was mainly attributed by the PRC market, by HK\$1.7 million. Meanwhile, during the Reporting Period, Kyoei HK, an indirect wholly-owned subsidiary of the Company incorporated Kyoei JP, a wholly-owned subsidiary of Kyoei HK, in Japan. The Group is actively developing its OEM business in Japan.

The sales of slewing rings accounted for approximately 11.9% and 23.6% of our total revenue for the Reporting Period and FY2024, respectively, and approximately 28.4% and 50.7% of the Group's total gross profit for the Reporting Period and FY2024, respectively. The overall quantities of the slewing rings sold during the Reporting Period increased by 2,861 units, representing an increase of 119.9% as compared to FY2024. The increase was due to increase in sales of slewing rings sourced but not manufactured by the Group.

Mechanical parts and components

The Group manufactures and sources mechanical parts and components for customers. Such machineries and mechanical parts and components included but not limited to excavators and undercarriage parts such as track chains, rollers, recoil spring and track shoes. It complements the main line of our business which enables our customers to enjoy a comprehensive line of products. Revenue from the mechanical parts and components increased by approximately 39.9% year-on-year or HK\$6.5 million, from HK\$16.3 million for FY2024 to HK\$22.8 million for the Reporting Period.

The increase in revenue was mainly attributed by the increase of sales in sourcing business, of approximately HK\$9.3 million, net off by the decrease in ODM business, of approximately HK\$2.8 million. The increase in revenue of sourcing mechanical parts and components was mainly attributable to the increase in the sales to customers in the Philippines, as the customers in Philippines are mainly contractors, caused mainly by the increase in demand from the construction and mining business, it led to an increase in the need of the mechanical parts and components for machineries used in construction and mining sites. Construction and mining activities in the Philippines returned to normal in 2025, following disruptions caused by strong rains and winds, due to an early onset of the rainy season in 2024. The revenue of mechanical parts and components sourced for the Filipino market amounted to approximately HK\$17.5 million and HK\$4.1 million for the Reporting Period and FY2024, respectively.

The revenue from the sales of mechanical parts and components on ODM basis amounted to approximately HK\$2.5 million and HK\$5.3 million for the Reporting Period and FY2024, respectively. The drop in revenue for ODM mechanical parts was mainly attributable to the decrease in order from the customers in Singapore. Most of the mechanical parts imported into Singapore are eventually re-exported to other regions such as the U.S. and Malaysia etc.

The sales for the mechanical parts and components accounted for approximately 14.7% and 14.2% of the total revenue of the Group for the Reporting Period and FY2024, respectively, and amounting to approximately 31.8% and 21.2% of the Group's total gross profit for the Reporting Period and FY2024, respectively.

Machineries

We source heavy duty machineries, which are mainly excavators, for our customers. Revenue from the sales of machineries increased by approximately HK\$27.0 million or 57.7% from HK\$46.9 million to HK\$73.9 million for FY2024 and the Reporting Period, respectively.

The increase was mainly attributable to the increase in the orders placed by contractor customers in the Philippines, with the sales in machineries amounted to HK\$47.0 million during the Reporting Period as compared to HK\$15.2 million in FY2024. Similar to the increase in demand of mechanical parts and components, the increase in demand of machineries especially the used construction machinery was mainly attributable to the resumption of the usual level of the mining and construction activities in Philippines in 2025. On the other hand, the decline in orders placed by contractor customers in local markets such as Hong Kong region, the decline of revenue of both new and used machineries including excavators and other machineries by approximately HK\$2.7 million from HK\$27.0 million in FY2024 to HK\$24.3 million for the Reporting Period due to the postponement in the commencement of new construction projects and completion of the existing construction projects experienced by a number of our customers, including but not limited to the construction projects concerning the third runway of the Hong Kong International Airport.

The sales of new machineries that we sourced for our customers increased by approximately HK\$24.7 million, or 125.4%, from approximately HK\$19.7 million for FY2024 to approximately HK\$44.4 million for the Reporting Period. Since 2024, we were able to purchase heavy duty machineries from South Wing, a connected person of the Group. Benefiting from this arrangement, we secured stable orders resulting from the purchase of new excavators of the Sumitomo brand, with the total transactions amounted to approximately HK\$21.8 million (including purchases from South Wing and other suppliers). These excavators were supplied to various customers, including a construction contractor involved in an industrial landfill construction project in Hong Kong. Meanwhile, our machinery exporting business also benefited from the arrangement, contributing an increase in sales during the year. Nevertheless, the gross profit margin from the sales of machineries decreased from 10.4% in FY2024 to 7.9% during the Reporting Period. The decrease in gross profit margin was attributed to the much lower profit margin in the sales of new machineries when compared with the sales of used machineries.

The sales of machineries accounted for approximately 47.6% and 40.9% of our total revenue for the Reporting Period and FY2024, respectively, and approximately 27.5% and 18.6% of the Group's total gross profit for the Reporting Period and FY2024, respectively.

Minerals

Our revenue from sales of minerals amounted to approximately HK\$40.1 million and HK\$24.4 million for the Reporting Period and FY2024, respectively. Since 2024, the Group had undergone negotiations with several mine owners based in the Southeast Asia region and we were able to secure the supply of minerals excavated from such mines, for resale to our customers. The minerals we sold during the Reporting Period included nickel ore, a natural mineral which is extensively used in alloying – particularly with chromium and other metals to produce stainless and heat-resisting steel.

The sales of a minerals accounted for approximately 25.8% and 21.3% in the total revenue of the Group for the Reporting Period and FY2024, respectively, amounting to approximately 12.3% and 9.5% of the Group's total gross profit for the Reporting Period and FY2024, respectively.

Geographical location

The following table sets forth a breakdown of our revenue by geographical location of our customers for the Reporting Period and FY2024:

	For the year ended 31 December					
	2025		2024		+ / (-)	
	HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
The Philippines	64,707	41.6	22,978	20.0	41,729	181.6
Hong Kong	53,662	34.5	59,402	51.8	(5,740)	(9.7)
The PRC	12,216	7.9	4,785	4.2	7,431	155.3
Singapore	8,892	5.7	19,200	16.7	(10,308)	(53.7)
The Netherlands	5,767	3.7	–	–	5,767	N/A
The USA	3,999	2.6	2,279	1.9	1,720	75.5
Taiwan	3,317	2.2	311	0.3	3,006	966.6
Vietnam	1,550	1.0	1,796	1.6	(246)	(13.7)
New Zealand	406	0.3	185	0.2	221	119.5
Canada	377	0.2	1,142	1.0	(765)	(67.0)
Japan	159	0.1	188	0.2	(29)	(15.4)
Malaysia	145	0.1	2,174	1.9	(2,029)	(93.3)
Others (Note)	208	0.1	204	0.2	4	2.0
	155,405	100	114,644	100.0	40,761	35.6

Note: Others include Ireland and Thailand

Association of Southeast Asian Nations (ASEAN) countries continue to be the key market for the Group, in particular the Singaporean, the Filipino and Malaysian markets where the Group has footprints for over 15 years. While recent years have seen high interest rates and tight monetary policies weigh on the manufacturing, construction and property sectors. Singapore, as an international trading centre with well-established networking is experiencing rapid urbanisation and there is a growing demand for smart machinery. Similarly, Malaysia also serves as an entrepot in Southeast Asia. Most of the slewing rings and mechanical parts imported into Singapore and Malaysia are eventually re-exported to other regions such as the U.S, Europe, the Middle East, etc. We have built a strong foundation with customers in these countries. At the same time, the traditional demand for natural resources from forestry and mining activities for construction and heavy equipments also benefited our Group. Furthermore, the construction and mining business in the Philippines has grown in recent years, along with the country serving as an entrepot in re-exporting the slewing rings to other economies.

2025 was a year filled with challenges for our slewing rings business. In addition to the downturn in the Singaporean and Malaysian markets, the lack of momentum in economic recovery across other countries – compounded by the persistent pressure of high interest rates – created a difficult global business environment. The global economic situation continued to deteriorate throughout 2025, together with U.S. tax and trade policies further weighed on international trade, significantly affecting import and export activities.

The decrease in revenue mainly in ODM business was attributed from Singapore, Malaysia and other major countries in the ASEAN region (excluding Philippines) and the sales to customers of the region decreased by approximately HK\$12.7 million from HK\$23.4 million in FY2024 to HK\$10.7 million during the Reporting Period. Despite strong tourism activity from many countries, the downturn in manufacturing, construction forestry and property market were affected by high interest rates and impact from tight monetary policy, leading to the decrease in revenue mainly in ODM business.

The Singaporean market has been one of the Group's largest markets for years, with two customers out of our top 10 customers being located in Singapore. They are mostly traders, when most of our slewing rings were sold onward to other countries such as the United States and the Europe through these customers. The manufacturing sectors in the European markets suffered contraction and weak performance in recent years. This downturn resulted in a sharp decline in new orders from the international markets. In addition, U.S. tax and trade policies have significantly impacted import and export activities for our customers in the trading business. Revenue generated from the Singaporean market decreased from approximately HK\$19.2 million for FY2024 by approximately 53.7% or HK\$10.3 million to HK\$8.9 million for the Reporting Period. The decrease was mainly attributed to a significant drop of HK\$13.7 million in the sales of slewing rings manufactured by us.

Despite the decline in sales to the ASEAN countries especially in our slewing rings business, there was an upturn in the orders placed the customers in the Philippines and Taiwan, which are mainly contractors and wholesalers during the Reporting Period. The increase in demand from the construction and mining business has led to an increase in the need of the mechanical parts and components for machineries used in construction and mining sites. Construction and mining activities in the Philippines returned to normal in 2025, following disruptions caused by strong rains and winds due to an early onset of the rainy season in 2024. The revenue generated from the Filipino and Taiwanese markets increased from HK\$23.0 million and HK\$0.3 million for FY2024, by approximately 181.6% and 966.6% or HK\$41.7 million and HK\$3.0 million to HK\$64.7 million and HK\$3.3 million for the Reporting Period, respectively.

The Group is fully aware of the importance of continuously identifying new business opportunities. Leveraging its global footprint, the Group has optimized resource allocation and focused on high-potential markets to support resilient business development across regions. Through strong customer relationships and referrals, the Group has in recent years gained opportunities to expand its network beyond the ASEAN region into markets such as the United States and Europe. Supported by our knowledgeable and experienced technical team, we are able to provide direct pre-sale consultations and technical specification advice as part of our value-added services. As a result, revenue generated from the United States markets and European markets increased from approximately HK\$2.3 million and HK\$nil million, respectively, for FY2024 to approximately HK\$4.0 million and HK\$5.8 million, respectively, for the Reporting Period.

Furthermore, there was an increase in revenue generated from the local markets including Hong Kong and the PRC, from approximately HK\$64.2 million for FY2024 to approximately HK\$65.9 million for the Reporting Period, which was mainly attributable to (i) the increase in sales of minerals amounted to approximately HK\$40.1 million and HK\$24.4 for the Reporting Period and FY2024, respectively and (ii) the increase in sales of OEM slewing rings of approximately HK\$1.7 million from HK\$0.4 million in FY2024 to HK\$2.1 million for the Reporting Period.

COST OF SALES

The following table sets out the breakdown of our costs of sales for the years ended 31 December 2025 and 2024:

	For the year ended 31 December					
	2025		2024		+ / (-)	
	<i>HK\$'000</i>	<i>(%)</i>	<i>HK\$'000</i>	<i>(%)</i>	<i>HK\$'000</i>	<i>(%)</i>
Cost of sales						
Cost of inventories and consumables	117,283	87.4	77,993	88.3	39,290	50.4
Depreciation	2,881	2.1	2,859	3.2	22	0.8
Overheads	8,602	6.4	2,494	2.8	6,108	244.9
Direct labour costs	5,494	4.1	5,029	5.7	465	9.2
Total	134,260	100.0	88,375	100.0	45,885	51.9

The cost of sales primarily consists of costs of inventories and consumables, depreciation on plant and machinery, overheads and direct labour costs relating to its production. The Group's cost of sales increased from approximately HK\$88.4 million for FY2024 by approximately 51.9% or HK\$45.9 million to HK\$134.3 million for the Reporting Period, which was primarily due to the change in product mix, marked by a decrease in the sales of slewing rings (which incurred lower cost of sales), despite there was an increase in the sales of brand new machineries and minerals (which incurred higher cost of sales).

GROSS PROFIT MARGIN

Gross profit margin for the Reporting period was 13.6%, representing a decrease of 9.3% as compared to 22.9% for FY2024. This was mainly attributable to the change in product mix, marked by a decrease in the sales of slewing rings (which has a higher profit margin) despite there was an increase in the sales of brand new machineries and minerals (which have a lower profit margin).

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group decreased slightly from HK\$17.5 million for FY2024 by approximately 0.5% or HK\$0.1 million to approximately HK\$17.4 million for the Reporting Period. Such decrease was attributed to a decrease in the legal and professional fee for the corporate actions such as the share subdivision and continuing connected transactions conducted in 2024 of approximately HK\$1.3 million, offsetted by the increase in depreciation charges of approximately HK\$1.2 million, as compared to FY2024.

Other administrative expenses primarily comprise provisions for auditor's remuneration as well as legal and professional fees, in addition to the items mentioned above, which supported the Group in enhancing its corporate governance and compliance functions.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses of the Group increased from HK\$2.1 million for FY2024 by approximately 73.0% or HK\$1.5 million to approximately HK\$3.6 million for the Reporting Period. Such increase was mainly attributed to marketing expenses incurred for developing our OEM business in Japan and the PRC during the Reporting Period.

OTHER LOSSES, NET

Changes in surrender value of investment in life insurance plans

The Group recognised a loss in a reduction in the surrender value of investment in life insurance plans of approximately HK\$2.9 million during the Reporting Period and nil for FY2024. The investment in insurance contract was initially recognised at the amount of the premium paid and subsequently carried at the amount that could be realised under the insurance contract (guaranteed cash value) at the end of each reporting period, with changes in value recognised as profit or loss.

LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Loss attributable to owners of the Company was approximately HK\$2.8 million for the Reporting Period, as compared to profit attributable to owners of the Company which was approximately HK\$6.3 million for FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through a combination of cash flow from operations and borrowings. As at 31 December 2025, the Group's cash and cash equivalents and pledged bank deposit were HK\$42.1 million, decreased by approximately 43.5% or HK\$32.5 million, as compared with HK\$74.6 million as at 31 December 2024. The decrease was mainly attributable to loss recorded and the partial payments of investment in insurance contracts during the Reporting Period. Bank deposits and cash were principally denominated in Hong Kong dollars, United States dollars, Japanese Yen, Euro and Renminbi. The Group will continue to use the internally generated cash flows and borrowings as a source of funding for future developments.

As at 31 December 2025, the Group's total current assets and current liabilities were approximately HK\$120.1 million (as at 31 December 2024: HK\$145.1 million) and HK\$15.7 million (as at 31 December 2024: HK\$30.4 million) respectively, representing a current ratio of 7.6 times (as at 31 December 2024: 4.8 times). As at 31 December 2025, the Group had bank borrowings of approximately HK\$9.4 million (31 December 2024: HK\$9.9 million) and the gearing ratio of the Group was 8.5% (as at 31 December 2024: 9.3%). The gearing ratio was calculated by dividing total debt by total equity. Total debt is defined as bank borrowings and lease liabilities of the Group.

CAPITAL STRUCTURE

Share Subdivision in 2024

On 17 May 2024, the Shareholders in the annual general meeting of the Company approved the share subdivision of which each issued and unissued existing ordinary share of a par value of HK \$0.01 each in the share capital of the Company was subdivided into two ordinary shares of a par value of HK0.005 each in the share capital of the Company (the “**Share Subdivision**”). Upon the Share Subdivision became effective, 800,000,000 Subdivided Shares were in issue and were fully paid or credited as fully paid. The authorised share capital of the Company has become HK\$100,000,000 divided into 20,000,000,000 Subdivided Shares of the par value of HK\$0.005 each. Details are set out in the Company’s circular dated 15 April 2024. The Share Subdivision became effective on 21 May 2024.

As at 31 December 2025, the share capital of the Group comprised only ordinary shares. The capital structure of the Group mainly consisted of bank borrowings, obligations under finance leases and equity attributable to owners of the Group, comprising issued share capital, share premium, retained profits and other reserves.

SIGNIFICANT INVESTMENTS

As at 31 December 2025, save for the investment in life insurance contracts (details please refer to the announcement of the Company published on 15 January 2025 and 2 July 2025, respectively), the Group did not hold any significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group made no material acquisition or disposal of subsidiaries, associates or joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 89 employees (as at 31 December 2024: 84 employees). Remuneration is determined with reference to the prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The emoluments of the Directors are recommended by the Remuneration Committee of the Company, with reference to their respective contribution of time, effort and expertise on the Company's matters. In addition, employees are entitled to performance and discretionary year-end bonuses.

CHARGES ON ASSETS

As at 31 December 2024, the Group was required to maintain an aggregate amount of bank deposits of at least HK\$20,000,000 for the Group's banking facilities of which HK\$15,000,000 was charged pursuant to the terms of the banking facilities. These requirements had been fully released during the Reporting Period.

As at 31 December 2025, the carrying amounts of investment in life insurance contracts of approximately HK\$11.6 million were pledged to banks to secure bank borrowings and banking facilities granted by these banks to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk of loss due to changes in foreign exchange rates. The Group operates in Hong Kong, Japan and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, RMB, JPY, and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in these currencies. Currently, the Group has not entered into any agreement or arrangement to hedge the Group's exchange rate risks.

Any material fluctuation in the exchange rates of HKD or RMB may have an impact on the operating results of the Group. The exchange rate of RMB to HKD is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

With respect to USD, the management considers that the foreign exchange risk is not significant as HKD is pegged to USD and transactions denominated in USD are mainly carried out by entities with the same functional currency.

The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (as at 31 December 2024: Nil).

DIVIDEND

During the year, no interim dividend was paid. (2024: no interim dividend).

The Board does not recommend the payment of final dividend for the Reporting Period to the shareholders (2024: no final dividend).

PROSPECTS

The Company has successfully transferred its listing from GEM to the Main Board of the Stock Exchange in 2023. This remarkable achievement has increased the profile and raised the public awareness of our Group as well as our recognition to existing and new customers. The Group has achieved business growth and expanded sources of income since the listing on GEM. The Directors consider that the Main Board generally enjoys a premium status and recognition by the public investors and customers and that the Transfer of Listing will further promote the Group's corporate profile and position in the industry which will assist the Company in obtaining outside financing and on better commercial terms. It has also greatly assisted the Group in its business development.

The Group's goal is to strengthen its position as a premium slewing rings manufacturer, and to leverage on its competitive advantages as a provider of other mechanical parts and components and machineries so as to expand the scale of its operation and increase profit margin. To bolster competitiveness and respond swiftly to evolving market demand, the Group is strategically optimising resource allocation to drive cost reduction and improve operational efficiency. The Group will focus resources on high-demand and high-value models to strengthen its brand presence and marketing position. The Group also aims to increase its competitiveness in the fragmented slewing ring manufacturing industry by (i) increasing the Group's efficiency and productivity; (ii) raising the quality of the Group's products; and (iii) reducing the Group's costs of production and the Group's reliance on manpower.

The Group is also positioned as one of the fastest growing "comprehensive products" providers in the field. Despite lingering uncertainties in the global economy including high interest rate, slow down of development in China and the U.S. tax and trade policies, the Directors anticipate the Group's sourcing business will pick up its momentum in the near future. With a proven track record and strong foothold in the industry, the Group will remain prudent in its approach while striving to maintain a steady growth in its sourcing business and continue to broaden its business scope to maximize the return for the Company's shareholders in the present challenging environment. In the foreseeable future, the Group intends to broaden the sources of revenue to further develop its business, including but not limited to continue increasing its efforts to promote the OEM and OBM business, and also to continue expanding its products coverage in sourcing to include more minerals and related products to enhance revenue and profitability.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**Annual General Meeting**") is scheduled to be held on Friday, 5 June 2026. A notice convening the Annual General Meeting will be issued and dispatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting ("**AGM**") to be held on Friday, 5 June 2026, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 1 June 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be Friday, 5 June 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code regulating the securities transactions of Directors and executive officers named in this announcement, on terms no less exacting than the required standard of dealing as set out in the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules.

Specific enquiry had been made to all Directors and relevant employees. They confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also established written guidelines regulating the transactions of securities of the Company by senior management and employees who are likely to be in possession of any inside information of the Company.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in 2025 annual report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding company was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted in the year ended 31 December 2025 or at any time during the year.

PURCHASE, SALES AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2025 and up to the date of this announcement.

LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

Reference is made to the announcements dated 14 July 2022 and 2 July 2025 issued by the Company with regard to a trading facility granted by DBS Bank (Hong Kong) Limited (“**DBS**”) (“**Facility Letter A**”).

On 2 July 2025, DBS has pursuant to its periodic review agreed to increase the trading facility of up to HK\$20,000,000 for Best Linking, which is an indirect wholly-owned subsidiary of the Company. Best Linking and the Company, as borrower and corporate guarantor respectively, entered into Facility Letter A on terms and conditions contained therein, including right of DBS to review the facility from time to time, customary overriding right of DBS to demand repayment any time, as well as the right to call for cash cover on demand for prospective or contingent liability.

Pursuant to the terms of Facility Letter A, among other things, during the term of Facility Letter A, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. YP Chan to remain as the director of the Company and Best Linking; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% of the beneficial interest of the Company and Best Linking. As at the date of this announcement, Mr. YP Chan’s beneficial interest in each of the Company and Best Linking is 75%.

It is the intention of the Company that the facility will be used to maintain the working capital of the Company and to facilitate Best Linking to settle payments to its suppliers.

On 2 July 2025, Best Linking took out a life insurance policy with Manulife (International) Limited, (“**Manulife**”) and placed an initial single premium, together with an initial single levy, in the sum of approximately US\$770,015 in aggregate (equivalent to approximately HK\$6,006,117) with Manulife. The Policy is a life insurance of Mr. LP Chan as the insured person. Best Linking is the policyholder and the beneficiary.

Please refer to the announcement of the Company dated 2 July 2025 for more details.

Reference is made to the announcements dated 28 February 2023 and 15 January 2025 issued by the Company with regard to a trading facility granted by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) (“**Facility Letter B**”).

On 15 January 2025, HSBC has pursuant to its periodic review agreed to revise the facility available under Facility Letter B with an increased trading facility including the finance loan and combined financing for the Group's operation and a packing loan of up to an aggregate maximum amount of HK\$25,800,000 for Best Linking. Best Linking and the Company, as borrower and corporate guarantor respectively, accepted Facility Letter B, on the terms and conditions contained therein, including HSBC's right to review the facility from time to time, HSBC's customary overriding right to demand repayment any time, as well as the right to call for cash cover on demand for prospective or contingent liability.

It is the intention of the Company that Facility letter B will be used to maintain the working capital of the Company and to facilitate Best Linking to settle payments to its suppliers.

Pursuant to the terms of Facility Letter B, among other things, during the term of Facility Letter B, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. YP Chan to remain as the director of the Company and Best Linking; and (iii) Mr. YP Chan shall continue to be the major shareholder holding more than 50% of the beneficial interest of the Company and Best Linking. As at the date of this announcement, Mr. YP Chan's beneficial interest in each of the Company and Best Linking is 75%.

On 15 January 2025, Best Linking, as the policyholder took out the life insurance policy with HSBC Life (International) Limited, ("**HSBC Life**") and placed an initial single premium, together with an initial single levy, in the sum of approximately US\$1,093,177.5 in aggregate (equivalent to approximately HK\$8,526,785). The policy is a life insurance policy of Mr. YP Chan as the insured person. Best Linking is the policyholder and the beneficiary.

Please refer to the announcement of the Company dated 15 January 2025 for more details.

CODE ON CORPORATE GOVERNANCE

The Company recognises that good corporate governance is vital to the success of the Group and to sustain the development of the Group. The Company aims at complying with, where appropriate, all code provisions (“**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

The Company’s corporate governance practices are based on the principles and the Code Provisions set out in the CG Code of the Listing Rules. Throughout the Reporting Period, the Company has complied, to the extent applicable and permissible, with all Code Provisions set out in CG Code with the exception of Code Provision C.2.1. Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YP Chan currently holds both positions during the Reporting Period and up to the date of this announcement. As Mr. YP Chan has been responsible for the overall management of the Group, including strategic planning as well as sales and business development, the Board considered that Mr. YP Chan is the most suitable candidate to hold these two positions.

AUDIT COMMITTEE

The Company’s annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee.

SCOPE OF WORK OF PRICE WATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant event after the end of the Reporting Period and up to the date of this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Stock Exchange of Hong Kong Limited website at www.hkexnews.hk and the Company's website at www.blg.hk. Printed version of the 2025 annual report of Company containing the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above respective websites in due course in accordance with the requirements under the Listing Rules.

By order of the Board
Best Linking Group Holdings Limited
Chan Yuk Pan
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the executive Directors are Mr. Chan Yuk Pan and Mr. Chan Lung Pan; and the independent non-executive Directors are Mr. Chan Wan Tsun Adrian Alan, Ms. Tsang Hau Lam and Mr. Leung Wai Lim.

This announcement will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at www.blg.hk.