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*(Incorporated in the British Virgin Islands and re-domiciled and continued in Bermuda with limited liability)*  
(Stock code: 396)

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the “Board”) of Hing Lee (HK) Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 with comparative figures for the corresponding year ended 31 December 2024.

The results of the Group have been reviewed by the Company’s audit committee and the Board.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>76,757</b>	113,869
Cost of sales		<u>(67,039)</u>	<u>(98,172)</u>
<b>Gross profit</b>		<b>9,718</b>	15,697
Gain on disposal of subsidiaries		–	13,930
Other net income	5	<b>1,306</b>	1,325
Selling and distribution expenses		<b>(3,747)</b>	(4,682)
Administrative expenses		<u>(6,329)</u>	<u>(8,776)</u>
<b>Profit from operations</b>		<b>948</b>	17,494
Finance costs	6(a)	<u>(161)</u>	<u>(2,170)</u>
<b>Profit before taxation</b>	6	<b>787</b>	15,324
Income tax expense	7	<u>–</u>	<u>–</u>
<b>Profit for the year</b>		<u><b>787</b></u>	<u>15,324</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings per share</b>	8		
– Basic and diluted		<u><b>0.10</b></u>	<u>1.90</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<u>787</u>	<u>15,324</u>
<b>Other comprehensive income/(loss) for the year</b>		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	370	(245)
– Exchange reserve reclassified to profit or loss upon disposal of subsidiaries, net of nil tax	<u>–</u>	<u>(9,565)</u>
	<u>370</u>	<u>(9,810)</u>
<b>Total comprehensive income for the year</b>	<u><u>1,157</u></u>	<u><u>5,514</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*as at 31 December 2025*

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,012</b>	1,146
Right-of-use assets		<b>3,942</b>	1,883
Goodwill		—	—
		<u><b>4,954</b></u>	<u>3,029</u>
<b>Current assets</b>			
Inventories		<b>2,595</b>	3,721
Trade and other receivables	<i>10</i>	<b>19,197</b>	32,619
Cash and cash equivalents		<b>34,956</b>	26,948
		<u><b>56,748</b></u>	<u>63,288</u>
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>12,795</b>	11,903
Lease liabilities		<b>2,740</b>	2,247
		<u><b>15,535</b></u>	<u>14,150</u>
<b>Net current assets</b>		<u><b>41,213</b></u>	<u>49,138</u>
<b>Total assets less current liabilities</b>		<u><b>46,167</b></u>	<u>52,167</u>
<b>Non-current liabilities</b>			
Lease liabilities		<b>914</b>	—
Provision for long service payments		<b>178</b>	168
		<u><b>1,092</b></u>	<u>168</u>
<b>NET ASSETS</b>		<u><b>45,075</b></u>	<u>51,999</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>12(a)</i>	<b>8,081</b>	8,081
Reserves		<b>36,994</b>	43,918
<b>TOTAL EQUITY</b>		<u><b>45,075</b></u>	<u>51,999</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. COMPANY INFORMATION**

Hing Lee (HK) Holdings Limited (the “Company”) was incorporated in the British Virgin Islands (“BVI”) on 20 April 2004 and re-domiciled in Bermuda on 30 March 2007. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 1101, 11th Floor, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activity of the Company is investment holding. The principal activities of the Group are the design, manufacture, sale and marketing of home furniture products, provision of general business consultancy services, provision of promotional services relating to layout design, fitting and display of products and licensing of its own brands and product designs.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise indicated, which is also the functional currency of the Company.

### **2. BASIS OF PREPARATION**

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together the “Group”).

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

### **3. CHANGES IN ACCOUNTING POLICIES**

The Group has applied amendments to HKAS 21, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability issued by the HKICPA to these consolidated financial statements for the current accounting period. The amendments do not have a material impact on these consolidated financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### 4. REVENUE

The principal activities of the Group are the design, manufacture, sale and marketing of home furniture products, provision of general business consultancy services, provision of promotional services relating to layout design, fitting and display of products and licensing of its own brands and product designs.

Revenue within the scope of HKFRS 15 “Revenue from Contracts with Customers” comprises:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sale of goods	76,257	111,139
Provision of services	500	2,730
	<u>76,757</u>	<u>113,869</u>
Disaggregated by timing of revenue recognition:		
Point in time	76,257	111,139
Over time	500	2,730
	<u>76,757</u>	<u>113,869</u>

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue contracts for not disclosing information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under those contracts as all of the Group’s revenue contracts had an original expected duration of one year or less.

#### 5. OTHER NET INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	562	744
Government grants	131	200
Others	613	381
	<u>1,306</u>	<u>1,325</u>

Government grants mainly include funds and subsidies received from local government authorities for the Group’s development and business activities.

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>(a) Finance costs</b>		
Interest on bank loans	–	1,907
Interest on lease liabilities	<u>161</u>	<u>263</u>
	<u>161</u>	<u>2,170</u>
<b>(b) Staff costs</b>		
Directors' remuneration	2,318	1,318
Salaries, wages and other benefits	11,456	14,296
Retirement scheme contributions	1,475	1,454
Expense recognised/(reversed) in respect of long service payments	<u>10</u>	<u>(23)</u>
	<u>15,259</u>	<u>17,045</u>
<b>(c) Other items</b>		
Auditor's remuneration	650	700
Cost of inventories sold <sup>#</sup>	67,039	98,172
Depreciation of:		
– property, plant and equipment	515	2,024
– right-of-use assets	3,061	3,814
Expense relating to short-term leases	77	75
Foreign exchange loss/(gain), net	27	(1,438)
Reversal of impairment losses on:		
(included in administrative expenses)		
– trade receivables	(5,420)	(3,529)
– other deposits and receivables	(2)	(422)
Loss on disposal of property, plant and equipment, net	<u>3</u>	<u>–</u>

<sup>#</sup> Cost of inventories sold includes HK\$8,386,000 (2024: HK\$12,027,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

## 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss

Pursuant to the income tax rules and regulations, the Group is not subject to income tax in Bermuda and the BVI.

No provision for Hong Kong Profits Tax has been made for both years as the Company and subsidiaries incorporated or domiciled in Hong Kong either have no assessable profits or have sufficient tax losses brought forward to set off against current year's estimated assessable profit for the years.

The subsidiaries incorporated in The People's Republic of China (the "PRC") are subject to the PRC Enterprise Income Tax.

No provision for the PRC Enterprise Income Tax has been made for both years as the subsidiaries incorporated in the PRC either have no assessable profits or have sufficient tax losses brought forward to set off against current year's estimated assessable profit for the years.

### (b) Reconciliation between tax expense and accounting profit at applicable tax rate:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation	<u>787</u>	<u>15,324</u>
Tax on profit before taxation, calculated at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	130	2,528
Tax effect of non-deductible expenses	15	131
Tax effect of non-taxable income	(1,086)	(3,670)
Tax effect of different tax rates of subsidiaries	(23)	48
Tax effect of temporary differences not recognised	132	(541)
Tax effect of utilisation of tax losses not recognised previously	(66)	(138)
Tax effect of unused tax losses not recognised	905	1,656
Others	<u>(7)</u>	<u>(14)</u>
Actual tax expense	<u>–</u>	<u>–</u>

## **8. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$787,000 (2024: HK\$15,324,000) and the weighted average of 808,096,025 (2024: 808,096,025) ordinary shares in issue during the year.

As the Company does not have any potential dilutive ordinary shares during the years ended 31 December 2025 and 2024, basic and diluted earnings per share are the same.

## **9. SEGMENT REPORTING**

### **(a) Operating segment information**

The Group is principally engaged in furniture business, which includes the design, manufacture and sale and marketing of home furniture products, provision of general business consultancy services, provision of promotional services relating to layout design, fitting, display of products and licensing of its own brands and product designs. All of the Group's products and services are of a similar nature and subject to similar risk and returns.

For the purposes of resources allocation and performance assessment, the senior executive management of the Group, being the chief operating decision makers, review the Group's consolidated results and financial position when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and only entity-wide disclosures are presented.

**(b) Geographic information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and right-of-use assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or to which the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and right-of-use assets.

	2025		2024	
	Revenue from external customers <i>HK\$'000</i>	Specified non-current assets <i>HK\$'000</i>	Revenue from external customers <i>HK\$'000</i>	Specified non-current assets <i>HK\$'000</i>
Asia (excluding the PRC)	52,374	1,336	72,127	419
Africa	470	–	–	–
Australia	158	–	–	–
Europe	5,444	–	4,314	–
The PRC	3,599	3,618	6,826	2,610
The United States	14,712	–	30,602	–
	<u>76,757</u>	<u>4,954</u>	<u>113,869</u>	<u>3,029</u>

Asia mainly covers Japan, Middle East and Southeast Asia; and Europe mainly covers France and Poland; Africa mainly covers Republic of the Congo and Republic of Cote d'Ivoire.

**(c) Major customers**

Revenue from the major customers that accounted for 10% or more of the Group's total revenue are set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	34,870	50,176
Customer B	9,110	N/A*
Customer C	11,481	28,473

\* The corresponding revenue did not contribute 10% or more of the total revenue for the year.

## 10. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	16,853	36,284
Less: Loss allowance	<u>(318)</u>	<u>(5,713)</u>
	<u>16,535</u>	<u>30,571</u>
Deposits paid to suppliers	13	73
Value added tax recoverable	659	382
Other deposits, prepayments and receivables	<u>2,012</u>	<u>1,616</u>
	2,684	2,071
Less: Loss allowance	<u>(22)</u>	<u>(23)</u>
	<u>2,662</u>	<u>2,048</u>
	<u><u>19,197</u></u>	<u><u>32,619</u></u>

The amount of deposits and prepayments expected to be recovered or recognised as expense after more than one year is HK\$1,034,000 (2024: HK\$1,032,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	7,306	18,947
3 to 6 months	1,562	3,737
6 to 9 months	4,562	6,717
9 months to 1 year	3,105	171
Over 1 year	<u>–</u>	<u>999</u>
	<u><u>16,535</u></u>	<u><u>30,571</u></u>

Trade receivables are normally due within 30 to 90 days (2024: 30 to 90 days) from the date of billing.

## 11. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<u>10,454</u>	<u>7,304</u>
Accrued charges	1,445	2,301
Trade deposits received	751	1,148
Other payables	<u>145</u>	<u>1,150</u>
	<u>2,341</u>	<u>4,599</u>
	<u><b>12,795</b></u>	<u><b>11,903</b></u>

All trade and other payables are expected to be settled within one year.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	8,437	6,670
3 months to 1 year	2,010	628
Over 1 year	<u>7</u>	<u>6</u>
	<u><b>10,454</b></u>	<u><b>7,304</b></u>

## 12. SHARE CAPITAL, DIVIDENDS AND RESERVES

### (a) Share capital

	2025		2024	
	Number of ordinary shares of HK\$0.01 each	Amount <i>HK\$'000</i>	Number of ordinary shares of HK\$0.01 each	Amount <i>HK\$'000</i>
Authorised:				
At 31 December	<u><b>3,000,000,000</b></u>	<u><b>30,000</b></u>	<u>3,000,000,000</u>	<u>30,000</u>
Issued and fully paid:				
At 31 December	<u><b>808,096,025</b></u>	<u><b>8,081</b></u>	<u>808,096,025</u>	<u>8,081</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) **Dividends**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend declared and paid during the year, of HK\$0.01 (2024: HK\$Nil) per ordinary share	8,081	–
Special dividend declared and paid during the year, of HK\$Nil (2024: HK\$0.0751) per ordinary share	–	60,688
	<u>8,081</u>	<u>60,688</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK\$0.015 (2024: HK\$Nil) per ordinary share, in an aggregate amount of approximately HK\$12,121,000 (2024: HK\$Nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

(c) **Nature and purpose of reserves**

(i) *Share premium*

The application of the share premium account is governed by section 40 of the Bermuda Companies Act 1981. Pursuant to the approval of the special resolution on 16 August 2024, the Company has cancelled the entire amount of share premium and applied part of the credit arising from share premium cancellation to eliminate the accumulated losses of the Company and credited the remaining balance to contributed surplus account of the Company.

(ii) *Contributed surplus*

Contributed surplus represented the excess of cancellation of share premium of HK\$176,627,000 and elimination of accumulated loss of the Company amounting to HK\$108,484,000 on 16 August 2024.

(iii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which are dealt with in accordance with the accounting policies adopted by the Company.

(iv) *Statutory reserve fund*

Subsidiaries in the PRC are required to transfer 10% of the net profits, as determined in accordance with the PRC accounting rules and regulations, to statutory reserve fund until the reserve balance reaches 50% of the registered capital. The transfer of this fund must be made before distribution of dividends to equity holders.

The statutory reserve fund can be used to make good of previous years' losses, if any, and may be converted into capital provided that the balance of the general reserve fund after such conversion is not less than 25% of their registered capital.

**(c) Nature and purpose of reserves (continued)**

*(v) Merger reserve*

The Group's merger reserve represents the difference between the aggregate net assets of the subsidiaries acquired by the Group and the nominal amount of the Company's shares issued under the reorganisation since 2004.

*(vi) Capital reserve*

The capital reserve represents the excess of the fair value of consideration paid for acquisition of additional interest in a non-wholly owned subsidiary over the decrease in the carrying amount of the non-controlling interest.

**(d) Distributability of reserves**

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$23,350,000 (2024: HK\$32,023,000), being the aggregate of the contributed surplus and retained profits of the Company.

**(e) Capital management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through maintaining healthy capital ratio.

The capital structure of the Group consists of net reserves, which includes cash and cash equivalents net of lease liabilities, and equity attributable to equity shareholders of the Company, comprising issued share capital, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

The directors review the capital structure on an annual basis. As a part of this review, management considers the cost of capital, the changes in economic conditions and the risk characteristics of each class of capital. The directors will balance the Group's overall capital structure through the payment of dividends and new share issues.

The Group's overall strategy remained unchanged during the year.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The principal business activities of the Group are the design, manufacture, sale and marketing of home furniture products, provision of general business consultancy services, provision of promotional services relating to layout design, fitting and display of products and licensing of its own brands and product designs.

During the year under review, the industry faced higher international trade barriers and uncertainties due to frequent changes in U.S. tariff policy. Additionally, the Group's overseas business encountered further challenges in the second half of the year due to rising political tensions between Japan and China, which negatively impacted the demand for the Group's furniture products in both the United States and Japan.

The Group has been engaged in continuous business transformation to streamline operations and enhance overall performance. Its focus has been on design, quality control, branding, and improving distribution channels for its wood-based furniture, along with strengthening after-sales services. Currently, the Group has outsourced its wood-based furniture production to other manufacturers to boost production efficiency and flexibility. The Group has been particularly prudent in managing risks, emphasizing the timely collection of trade receivables and careful screening in order acceptance by avoiding high-risk projects. As a result of these efforts and its asset-light business model, the Group achieved a profit in the year under review.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue decreased by approximately 32.6% from about HK\$113.9 million for the year ended 31 December 2024 ("Year 2024") to approximately HK\$76.8 million for the year ended 31 December 2025.

During the year under review, a series of extreme trade policies and tariff measures introduced by the United States triggered significant shocks and created considerable uncertainties in the global business environment. Additionally, in the second half of 2025, political tensions between Japan and China posed further challenges, leading to a decrease in consumer demand in the industry and, consequently, a reduction in demand for our products in both the United States and Japan. As a result, the Group's business has been adversely affected.

#### **Gross Profit**

The Group's gross profit and gross profit margin decreased to approximately HK\$9.7 million and 12.7% respectively for the year ended 31 December 2025, against approximately HK\$15.7 million and 13.8% respectively for the year ended 31 December 2024. The decrease in gross profit was mainly attributable to the decrease in revenue as a result of the challenging market conditions.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses amounted to about HK\$3.7 million for the year ended 31 December 2025 (2024: HK\$4.7 million). The decrease in selling and distribution expenses was mainly attributable to the lower level of transportation costs as compared to the year ended 31 December 2024.

### **Administrative Expenses**

For the year ended 31 December 2025, the Group's administrative expenses were approximately HK\$6.3 million as compared to about HK\$8.8 million for the year ended 31 December 2024.

In Year 2024, the Group disposed of the entire equity interest in Success Profit International Limited and its subsidiaries (together "SP Group"). The decrease in administrative expenses was mainly attributable to the decrease in the costs associated with the SP Group, including headcount and other fixed costs.

### **Results for the Year**

On 21 August 2024, the Group disposed of the entire equity interest in the SP Group, recording a gain on disposal of approximately HK\$13.9 million. The Group's profit attributable to equity shareholders of the Company decreased from approximately HK\$15.3 million in 2024 to approximately HK\$0.8 million for the year ended 31 December 2025. The decrease was primarily due to (i) the absence of any gain on disposal in 2025; and (ii) the decrease in sales revenue of the products of the Group.

### **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2025, the Group employed approximately 90 employees (31 December 2024: approximately 125). The staff costs for the year ended 31 December 2025 were approximately HK\$15.3 million (2024: HK\$17.0 million).

Salaries are reviewed annually and discretionary bonuses are paid on annual basis with reference to individual performance appraisals, inflation and prevailing market conditions. Other benefits available to eligible employees include retirement benefits and medical insurance schemes. Share options may also be granted to eligible employees of the Group and other eligible participants.

Apart from regular on-the-job training, the Group also engages professional parties to provide training to its staff to ensure that they can obtain updated job related knowledge and enhance their quality of work.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's overall funding and treasury activities are currently managed and controlled by the senior management. There is no significant change in respect of treasury and financing policies from those of last year. The Group maintained cash and bank balances of approximately HK\$35.0 million as at 31 December 2025 (2024: HK\$26.9 million). As at 31 December 2025 and 2024, the Group did not have any bank loans. As at 31 December 2025, the gearing ratio (total debt/total equity) was about 0.4 (2024: 0.3). As at 31 December 2025, the current ratio (current assets/current liabilities) was about 3.7 (2024: 4.5) and the net current assets amounted to approximately HK\$41.2 million (2024: HK\$49.1 million). The ageing analysis of trade and other payables and lease liabilities are set out in the notes to the consolidated financial statements of the annual report to be published by the Company.

## **SEGMENT INFORMATION**

Segment information is set out in note 9 to the consolidated financial statements of this annual results announcement.

## **ENVIRONMENTAL POLICY**

The Group's commitment to protect the environment is well reflected by its continuous efforts in promoting green measures and awareness in its daily business operations. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. The Group adheres to the principle of Recycling and Reducing. It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting the use of recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.

The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses to move towards adhering the 3Rs – Reduce, Recycle and Reuse and enhance environmental sustainability.

Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 December 2025 to be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hingleehk.com.hk](http://www.hingleehk.com.hk)).

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong.

During the year ended 31 December 2025 and up to the date of this annual results announcement, to the best of knowledge of the Company, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong which have a significant impact on the business and operations of the Group, and there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

## **RELATIONSHIPS WITH STAKEHOLDERS**

The Company recognises that employees are its valuable assets. Thus the Group provides competitive remuneration package to attract and motivate its employees. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, the senior management of the Group kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year ended 31 December 2025, there was no material and significant dispute between the Group and its business partners or bank enterprises.

## **KEY RISKS AND UNCERTAINTIES**

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. The list below is not exhaustive and there may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future. Besides, this annual results announcement does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

### **Market Risks**

Market risk is the risk that deteriorates the Group's profitability or affects the Group's ability to meet business objectives and it arises from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### **Foreign Currency Risk**

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollar, Renminbi and United States dollar. As most of the transactions are denominated and settled in the same currency, the Group's foreign currency risk is considered to be minimal by the Directors at the reporting date. The Group does not hold or issue material derivative financial instruments for trading purposes or for hedging against fluctuations in foreign exchange rates, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### **Interest Rate Risk**

The Group's interest-rate risk arises from bank deposits which are at variable rates, which expose the Group to cash flow interest-rate risk, and the Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate through a variety of means.

### **Liquidity Risk**

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and cash equivalents to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

### **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The senior management of the Group identifies and assesses key operational exposures regularly so that appropriate risk response can be taken. However, accidents may happen even though systems and procedures were set up for their prevention, which may lead to financial loss, litigation or damage in reputation.

### **Investment Risk**

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

### **Manpower and Retention Risk**

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel based on factors such as market rates, responsibility, job complexity as well as the Group's performance. The Group has also adopted share option scheme to recognize and reward the contribution of the employees for the growth and development of the Group.

### **Business Risk**

Performance of our Group's core business will be affected by various factors, including but not limited to economic conditions, performance of property markets in regions where its customers locate, which would not be mitigated even with careful and prudent investment strategy and strict procedure.

### **CHARGE OF ASSETS**

As at 31 December 2025 and 2024, the Group did not have any pledged assets.

### **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

There were no significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures by the Group during the year and up to the date of this annual results announcement.

### **CONTINGENT LIABILITIES**

As at 31 December 2025 and 2024, the Group did not have any significant capital commitments and contingent liabilities.

### **PROSPECTS**

The Group has been focusing on the overseas markets by exporting its wood-based furniture, sofa and mattress products to overseas countries mainly in Asia, Europe and the United States. The Group will put more effort in research, development and promoting the new products by participating in trade fairs and will make frequent contact with customers to keep them updated on the Group's latest offerings and share the market trend information with the customers to assist them in making favourable procurement decisions. The management of the Group will closely monitor the on-going market trends and customer preferences to ensure that the design and quality of the home furniture products remain aligned with market expectations.

Looking ahead, the world economy is expected to face increasing challenges due to uncertainties arising from persistent geopolitical tensions, heightened volatility in interest rates, and potential escalations in trade conflicts, particularly among the US, Japan, and Mainland China. These factors could significantly disrupt the Group's export business. In response to these conditions, the Group will continue to adopt a prudent and conservative approach. This strategy includes selective project engagement, stringent cost management, risk mitigation measures, and robust financial oversight to ensure that operations remain sustainable and resilient.

Additionally, the Group will prioritize cultivating long-term client relationships and securing repeat business, as these will provide more predictable cash flows and reduce exposure to market volatility. Overall, the Group remains committed to maintaining financial stability, operational discipline, and long-term resilience in a competitive and evolving market. By carefully balancing risk and opportunity, the Group is well-positioned to navigate the challenges of the furniture industry and sustain its operations while fostering a steady, measured growth over time.

## **CORPORATE GOVERNANCE**

The directors of the Company (the "Directors" and each a "Director") recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors continuously observe the principles of good corporate governance in the interests of shareholders and devote considerable effort to identifying and formalizing best practice.

For the year ended 31 December 2025 and up to the date of this annual results announcement, the Company complied with all the code provisions, where applicable, as set out in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except for the deviation mentioned below.

### **Code provision C.2.1**

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sung Kai Hing is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same individual provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

## **CORPORATE CULTURE AND STRATEGY**

The Company recognises the importance of corporate culture which is essential to our operations and long-term success. The Company's culture is moulded by our values. The Board has established the following values that are integrated throughout the Company's vision, mission, and policies, to guide employees' conduct and behaviors, as well as business operation and strategies:

- (i) Expertise – we supply quality home furniture products and furnish professional services;
- (ii) Dependable – we cherish our strategic partnerships with our clients and business partners, striving to deliver our high-quality products and premium services; and
- (iii) Integrity – we strive to do what is right.

The Company will conduct regular review of and adjust (if necessary) our strategies, and diligently monitor the evolving market conditions to ensure prompt and proactive measures will be taken in response to the changes and market needs, thereby fostering the Group's sustainability.

The Board has satisfied itself that the Company's established purpose, values and strategies and the Company's cultures are aligned. The Directors will continue to act with integrity, lead by example, and promote the desired culture of the Group.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the year under review.

## **AUDIT COMMITTEE REVIEW**

The audit committee of the Company (the "Audit Committee") has three members comprising Mr. Kong Hing Ki (Chairman), Ms. Leung Yuen Man, and Mr. Feng Jianzhong, all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated financial results of the Group for the year ended 31 December 2025.

## **DIVIDENDS**

On 9 September 2025, an interim dividend of HK1 cent per share was paid to shareholders of the Company whose names appear on the register of members of the Company on 2 September 2025 (2024: Nil).

The Board has recommended a final dividend of HK1.5 cents per share for the year ended 31 December 2025 (2024: Nil) payable on or around Friday, 22 May 2026 to the shareholders whose names appear on the register of members of the Company on Thursday, 14 May 2026, subject to approval by the shareholders at the 2026 annual general meeting of the Company.

## **CLOSURE OF REGISTER OF MEMBERS**

### **For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company (“AGM”):**

The AGM is scheduled to be held on Wednesday, 6 May 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 30 April 2026 to Wednesday, 6 May 2026, both dates inclusive, during which period no transfer of shares of the Company will be effected. The record date will be Wednesday, 6 May 2026 and in order to be eligible to attend and vote at the AGM, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 29 April 2026.

### **For determining the entitlement to the final dividend:**

For determining the entitlement to the final dividend, the register of members of the Company will be closed from Wednesday, 13 May 2026 to Thursday, 14 May 2026, both dates inclusive, during which period no transfer of shares of the Company will be effected. The record date will be Thursday, 14 May 2026 and in order to be eligible to the entitlement to the final dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 12 May 2026.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company’s listed securities.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no significant event after the reporting period.

## **PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT**

The annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hingleehk.com.hk](http://www.hingleehk.com.hk)). The annual report of the Company for the year ended 31 December 2025 will be despatched to the shareholders and published on both websites in due course.

By Order of the Board of  
**Hing Lee (HK) Holdings Limited**  
**Sung Kai Hing**  
*Chairman and Chief Executive Officer*

Hong Kong, 20 March 2026

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sung Kai Hing and Mr. Cheung Kong Cheung and three independent non-executive Directors, namely, Mr. Kong Hing Ki, Ms. Leung Yuen Man and Mr. Feng Jianzhong.*