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TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2182)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Tian Chang Group Holdings Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	4	518,781	539,611
Cost of goods sold		(410,773)	(429,488)
Gross profit		108,008	110,123
Other income	5	5,528	8,495
Other losses, net	6	(3,804)	(2,427)
Reversal of (Provision for) loss allowance on trade receivables		1,133	(1,854)
Selling and distribution costs		(5,140)	(5,606)
Administrative and other operating expenses		(112,349)	(116,719)
Finance costs	7	(1,331)	(2,802)
Loss before tax	7	(7,955)	(10,790)
Income tax expenses	8	(6,503)	(2,875)
Loss for the year attributable to equity holders of the Company		(14,458)	(13,665)
Loss per share attributable to equity holders of the Company (expressed in Hong Kong cents)			
Basic	10	(2.33)	(2.20)
Diluted	10	(2.33)	(2.20)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	(14,458)	(13,665)
Other comprehensive income (loss):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>23,312</u>	<u>(14,856)</u>
Total comprehensive income (loss) for the year attributable to equity holders of the Company	<u>8,854</u>	<u>(28,521)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		528,351	561,735
Financial assets at fair value through profit or loss (“FVPL”)		26,521	25,981
Rental deposits		480	551
Deferred tax assets		1,125	2,707
		<u>556,477</u>	<u>590,974</u>
Current assets			
Inventories		62,413	71,421
Trade and other receivables	<i>11</i>	122,370	132,435
Income tax recoverable		—	29
Cash and cash equivalents		132,241	129,454
		<u>317,024</u>	<u>333,339</u>
Current liabilities			
Trade and other payables	<i>12</i>	93,491	118,571
Payables for construction		29	101
Interest-bearing borrowings		—	31,221
Deferred income		1,487	1,449
Lease liabilities	<i>13</i>	1,998	2,153
Income tax payables		1,434	2,686
		<u>98,439</u>	<u>156,181</u>
Net current assets		<u>218,585</u>	<u>177,158</u>
Total assets less current liabilities		<u>775,062</u>	<u>768,132</u>
Non-current liabilities			
Payables for construction		2,332	2,248
Deferred income		5,661	6,966
Lease liabilities	<i>13</i>	4,469	6,146
Deferred tax liabilities		8,803	7,829
		<u>21,265</u>	<u>23,189</u>
NET ASSETS		<u>753,797</u>	<u>744,943</u>
Capital and reserves			
Share capital		62,000	62,000
Reserves		691,797	682,943
TOTAL EQUITY		<u>753,797</u>	<u>744,943</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 March 2018. The ultimate controlling party of the Group is Mr. Chan Tsan Lam, who is also the chairman and executive director of the Company. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is situated at Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in manufacturing and sales of electronic cigarettes products (“**e-cigarettes products**”) and medical consumable products, and providing integrated plastic solutions in Hong Kong and in the People’s Republic of China (the “**PRC**”).

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year as set out below.

Adoption of revised HKFRS Accounting Standard

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21	Lack of Exchangeability
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Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Future changes in HKFRS Accounting Standards

At the date of authorising these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ^[1]
Annual Improvements to HKFRS Accounting Standards	Volume 11 ^[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ^[1]
HKFRS 18	Presentation and Disclosure in Financial Statements ^[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ^[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ^[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2026

^[2] Effective for annual periods beginning on or after 1 January 2027

^[3] The effective date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. HKFRS 18 retains numbers of requirements of HKAS 1 and introduces the following new key requirements:

- a. presentation of new defined subtotals in the statement of profit or loss and other comprehensive income, i.e. operating profit and profit before financing and income taxes, and classifications of income and expenses into operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss and other comprehensive income, with some modifications for companies with specific business activities, e.g. banks, insurers and investment property companies;
- b. identification of management-defined performance measures (MPMs) which are defined as subtotals of income and expenses used in public communications outside financial statements to communicate management's view of an aspect of the financial performance for the company as a whole and are not listed or required by HKFRS Accounting Standards and disclosures about MPMs in a single note to the financial statements; and
- c. enhanced requirements for grouping (aggregation and disaggregation) of information in the primary financial statements and information disclosed in the notes to the financial statements.

Except for HKFRS 18, the directors of the Company anticipate that the application of these amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- 1) E-cigarettes products segment: manufacturing and sales of e-cigarettes products.
- 2) Integrated plastic solutions segment: manufacturing and sales of moulds and plastic products.
- 3) Medical consumable products segment: manufacturing and sales of medical consumable products.

Segment revenue and results

Segment revenue represents revenue derived from manufacturing and sales of e-cigarettes products, moulds and plastic products and medical consumable products.

Segment results represent the gross profit less selling and distribution costs, reversal of/provision for loss allowance on trade receivables, write-off of property, plant and equipment, loss on disposal of property, plant and equipment and write-off of trade receivables incurred by each segment without allocation of other income, other losses, net, administrative and other operating expenses, finance costs and income tax expenses. This is the information reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	E-cigarettes products HK\$'000	Integrated plastic solutions HK\$'000	Medical consumable products HK\$'000	Total HK\$'000
<u>Year ended 31 December 2025</u>				
Segment revenue	<u>48,554</u>	<u>467,555</u>	<u>2,672</u>	<u>518,781</u>
Gross profit (loss)	<u>5,830</u>	<u>105,423</u>	<u>(3,245)</u>	<u>108,008</u>
(Provision for) Reversal of loss allowance on trade receivables	(154)	1,287	—	1,133
Write-off of property, plant and equipment	—	(1)	—	(1)
Write-off of trade receivables	(1,972)	—	—	(1,972)
Selling and distribution costs	<u>(559)</u>	<u>(4,581)</u>	<u>—</u>	<u>(5,140)</u>
Segment results	<u>3,145</u>	<u>102,128</u>	<u>(3,245)</u>	<u>102,028</u>
<i>Unallocated income and expenses</i>				
Other income				5,528
Other losses, net				(1,831)
Administrative and other operating expenses				(112,349)
Finance costs				<u>(1,331)</u>
Loss before tax				(7,955)
Income tax expenses				<u>(6,503)</u>
Loss for the year				<u>(14,458)</u>
<u>Year ended 31 December 2024</u>				
Segment revenue	<u>90,989</u>	<u>445,558</u>	<u>3,064</u>	<u>539,611</u>
Gross profit	<u>11,132</u>	<u>98,546</u>	<u>445</u>	<u>110,123</u>
Provision for loss allowance on trade receivables	(154)	(1,700)	—	(1,854)
Write-off of property, plant and equipment	—	(17)	—	(17)
Loss on disposal of property, plant and equipment	(62)	(60)	—	(122)
Selling and distribution costs	<u>(56)</u>	<u>(5,550)</u>	<u>—</u>	<u>(5,606)</u>
Segment results	<u>10,860</u>	<u>91,219</u>	<u>445</u>	<u>102,524</u>
<i>Unallocated income and expenses</i>				
Other income				8,495
Other losses, net				(2,288)
Administrative and other operating expenses				(116,719)
Finance costs				<u>(2,802)</u>
Loss before tax				(10,790)
Income tax expenses				<u>(2,875)</u>
Loss for the year				<u>(13,665)</u>

4. REVENUE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<u>Revenue from contracts with customers within the scope of HKFRS 15</u>		
Sales of e-cigarettes products	48,554	90,989
Sales of moulds and plastic products	467,555	445,558
Sales of medical consumable products	2,672	3,064
	<u>518,781</u>	<u>539,611</u>

The revenue from contracts with customers within the scope of HKFRS 15 is recognised at a point in time.

5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	1,700	3,037
Government grants (<i>Note a</i>)	1,794	1,523
Rental and utilities recharge income	39	4
Sales of scrap materials	337	465
Sundry income	1,658	1,159
Gain on termination of leased properties (as lessee)	—	103
Write-back of other tax payables (<i>Note b</i>)	—	2,204
	<u>5,528</u>	<u>8,495</u>

Note:

- (a) Included in the amount is the amortisation of deferred government grant of approximately HK\$1,465,000 (2024: HK\$1,469,000) in relation to the acquisition of certain property, plant and equipment. In the opinion of the management of the Group, the remaining government grants recognised directly in profit or loss have no unfulfilled condition or contingency relating to the government grants.
- (b) During the year ended 31 December 2024, the Group negotiated and reached an agreement with the PRC tax authority, resulting in the waiver of related tax liabilities attributable to intra-company transactions conducted between the Company's subsidiaries in prior years. This led to a write-back of other tax payables amounting to approximately HK\$2,204,000.

6. OTHER LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Exchange loss, net	(2,304)	(1,551)
Changes in fair value of financial assets at FVPL	473	809
Realised gain from the disposal of financial assets at FVPL	—	48
Write-off of property, plant and equipment	(1)	(17)
Write-off of other receivables	—	(1,594)
Write-off of trade receivables	(1,972)	—
Loss on disposal of property, plant and equipment	—	(122)
	<u>(3,804)</u>	<u>(2,427)</u>

7. LOSS BEFORE TAX

This is stated after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance costs		
Interest on interest-bearing borrowings	965	2,428
Interest on payables for construction	105	101
Interest on lease liabilities	261	273
	<u>1,331</u>	<u>2,802</u>
Staff costs, including directors' emoluments		
Salaries, allowances and other benefits in kinds	128,972	138,555
Discretionary bonus	3,946	2,129
Contributions to defined contribution plans	8,272	11,119
	<u>141,190</u>	<u>151,803</u>
Other items		
Cost of inventories	410,773	429,488
Auditors' remuneration	1,394	1,419
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	48,943	50,899
Write-down of inventories (charged to "cost of goods sold")	4,735	3,589
Short-term lease payments	527	73
Research and development expenses	16,365	17,798
	<u>410,773</u>	<u>429,488</u>

8. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
Over provision in prior year	—	(79)
	<u>—</u>	<u>(79)</u>
PRC Enterprise Income Tax		
Current year	3,478	3,827
Under (Over) provision in prior year	936	(2,467)
	<u>4,414</u>	<u>1,360</u>
Deferred tax		
Origination and reversal of temporary differences	555	(73)
Write-down/Utilisation of tax losses recognised	1,534	1,667
	<u>2,089</u>	<u>1,594</u>
Total income tax expenses for the year	<u>6,503</u>	<u>2,875</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax under these jurisdictions.

Pursuant to the enactment of two-tiered profits tax rates regime by the Inland Revenue Department of Hong Kong from the year of assessment 2018/19 onwards, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) is subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%.

During the years ended 31 December 2025 and 2024, Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes in Hong Kong.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax ("EIT") at a statutory rate of 25%, except for Huizhou Tian Chang Industrial Company Limited (English translation of 惠州市天長實業有限公司 for identification purpose only) and Sun Leader Mould Industrial (Huizhou) Limited (English translation of 新利達模具實業(惠州)有限公司 for identification purpose only), which were reappraised and approved, respectively, to be a "New and High Technology Enterprise", in December 2025 with a valid period of 3 years (2024: *Huizhou Tian Chang Industrial Company Limited was approved to be a "New and High Technology Enterprise" since December 2022 with a valid period of 3 years*). The "New and High Technology Enterprise" is subject to a preferential rate of 15% during the valid period.

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of 2024 of Nil per ordinary share (2023: <i>HK1.5 cents</i>)	—	9,300

Note: The directors of the Company did not recommend the payment of a final dividend (2024: *Nil*).

10. LOSS PER SHARE

The calculation of the basic loss per share is based on loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Loss for the purpose of calculating basic and diluted loss per share:</i>		
Loss for the year attributable to equity holders of the Company	<u>(14,458)</u>	<u>(13,665)</u>
	<i>'000</i>	<i>'000</i>
<i>Number of shares:</i>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	620,000	620,000
Effect of dilutive potential ordinary shares:		
– Share options of the Company (<i>Note</i>)	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>620,000</u>	<u>620,000</u>
Basic loss per share (HK cents)	<u>(2.33)</u>	<u>(2.20)</u>
Diluted loss per share (HK cents)	<u>(2.33)</u>	<u>(2.20)</u>

Note: For the years ended 31 December 2025 and 2024, the Company's share option scheme had an anti-dilutive effect to the basic loss per share calculation. The conversion of the above dilutive potential shares is not assumed in the computation of diluted loss per share for the years ended 31 December 2025 and 2024. Therefore, the basic and diluted loss per share for the years ended 31 December 2025 and 2024 are the same.

11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables			
From third parties	<i>11(a)</i>	114,788	133,222
Loss allowance for ECL		(1,343)	(6,790)
		<hr/>	<hr/>
	<i>11(b)</i>	113,445	126,432
		<hr/>	<hr/>
Other receivables			
Deposits		302	535
Prepayment for suppliers		812	549
Prepayment for insurance		1,742	1,783
Other receivables		51	82
Value-added tax recoverable		4,654	1,514
Prepaid expenses		1,364	1,540
		<hr/>	<hr/>
		8,925	6,003
		<hr/>	<hr/>
		122,370	132,435
		<hr/> <hr/>	<hr/> <hr/>

11(a) Trade receivables from third parties

The Group grants credit period up to 90 days to its customers upon the issuance of invoices.

11(b) The ageing analysis of the trade receivables, net of loss allowance, by invoice date at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	68,403	84,288
31 to 60 days	34,391	28,977
61 to 90 days	6,615	11,370
Over 90 days	4,036	1,797
	<hr/>	<hr/>
	113,445	126,432
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Trade payables			
To third parties	<i>12(a)</i>	59,468	73,066
Other payables			
Contract liabilities		7,363	12,804
Salaries and bonus payables		16,267	16,238
Accruals and other creditors		10,393	16,463
		34,023	45,505
		93,491	118,571

12(a) Trade payables

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	22,977	33,849
31 to 60 days	22,101	23,255
61 to 90 days	7,529	12,321
Over 90 days	6,861	3,641
	59,468	73,066

The normal credit term on trade payables is up to 90 days.

13. LEASE LIABILITIES

	Present value of lease payments	
	2025 HK\$'000	2024 HK\$'000
Amounts payable:		
Within one year	1,998	2,153
More than one year but within two years	1,759	1,845
More than two years but within five years	2,710	4,301
Total lease liabilities	6,467	8,299
Less: Amount due for settlement within 12 months shown under current liabilities	(1,998)	(2,153)
Amount shown under non-current liabilities	4,469	6,146

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discount rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group operates its business through three segments, namely integrated plastic solutions segment, electronic cigarette (the “**e-cigarette**”) products segment and medical consumable products segment. The integrated plastic solutions segment engages in mould design and fabrication services as well as plastic component design and manufacturing services. The e-cigarette products segment engages in the manufacturing and sales of e-cigarette products. The Group’s medical consumable products segment engages in the manufacturing and sales of medical devices products and disposable face masks products. The Group distributes our products within the domestic market and to overseas markets, including Europe, Asia and the United States (the “**U.S.**”). The Group has also obtained the Authorised Economic Operator (“**AEO**”) Certificate issued by the China Customs, which could improve the operational efficiency of the Group.

In 2025, macroeconomic conditions, including global economic uncertainties, inflationary pressures, cautious consumer spending behaviour and the impact of U.S. tariffs continued to influence the operating environment. Consequently, consumer demand and order volumes were negatively impacted during the year, resulting the Group to record a decrease in revenue and a loss after tax during the year. In light of the prevailing external factors and market volatility, the Group continued to invest in research and development as part of its long-term growth strategy. A dedicated research and development centre was established at the Shenzhen office to support new product development for the integrated plastic solutions segment and to advance core e-cigarette technologies, including atomization and coil innovations, thereby strengthening the Group’s technological capabilities.

During the year ended 31 December 2025, the Group’s total revenue amounted to approximately HK\$518.8 million (2024: HK\$539.6 million), representing a decrease of approximately 3.9%. The Group recorded a gross profit of approximately HK\$108.0 million (2024: HK\$110.1 million) with a gross profit margin of approximately 20.8% (2024: 20.4%).

The Group recorded a loss for the year ended 31 December 2025 attributable to equity holders of the Company of approximately HK\$14.5 million (2024: HK\$13.7 million). Basic loss per share attributable to equity holders of the Company were approximately 2.33 HK cents (2024: 2.20 HK cents).

BUSINESS SEGMENT ANALYSIS

Integrated Plastic Solutions

Revenue from the integrated plastic solutions business division was mainly derived from (i) the design and fabrication of plastic injection moulds; and (ii) design and manufacturing of plastic components employing the plastic injection moulds fabricated internally or by our subcontractors.

The Group has the expertise to engineer and fabricate plastic injection molds with cavities, enabling the precise design and production of plastic components tailored to the desired and customised design, features and specifications. The Group has the technical capabilities to fabricate moulds that meet the MT1 precision level as defined by the “National Standard of the People’s Republic of China GB/T14486-2008-Dimensional Tolerances for Moulded Plastic Parts” (中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差) which is the highest precision level under the national guidelines. By utilising the plastic injection process and applying the plastic injection moulds fabricated by the Group or external subcontractors in limited cases, the Group manufactures plastic components for office furniture, office electronic products, home appliances, communication products, automobiles and solar energy system.

Manufacturing of e-cigarette products

The Group manufactures e-cigarette products as an original equipment manufacturer (“OEM”) and sells to overseas and the People’s Republic of China (the “PRC”). Such e-cigarette products include disposable e-cigarette, refillable e-cigarette, battery rods, clearomisers, liquidpods and heated tobacco device. The Group obtained the Tobacco Monopoly Production Enterprise License issued by the State Tobacco Monopoly Administration of the People’s Republic of China in respect of OEM with validity period up to 2026.

We established a research and development centre at our Shenzhen office to focus on the advancement of core e-cigarette technologies, including atomization technology and coil design. The centre supports product development initiatives and technological improvements within the e-cigarette segment, in line with the Group’s longer-term strategic direction.

Manufacturing of medical consumable products

The Group manufactures disposable face masks by utilising the cleanroom facilities in the Group’s production plant in Huizhou and acquiring disposable face mask production machines since 2020, as disclosed in the announcement of the Company dated 7 July 2020. Apart from this, the Group also engages in the manufacturing and sales of medical devices products.

The cleanroom facility in Huizhou has obtained the pharmaceutical industry standards of “YY/T 0033-2000 Good manufacture practice for sterile medical devices” issued by the National Medical Products Administration in the PRC. The manufacturing quality system has also fulfilled the standard of EN ISO13485:2016 Medical Devices-Quality Management Systems as certified by the Société Générale de Surveillance S.A. (“SGS”). In addition, the Group has been granted Medical Device Manufacturing Enterprise License (醫療器械生產許可證) on medical device production issued by the National Medical Products Administration in the PRC.

The procedure face masks have been tested and proved to have attained the standard of ASTM F2100 Level 3 in the U.S. and the standard of EN14683 Type IIR in Europe. Apart from the procedure face masks, the Group also developed face masks with higher level of protection, such as particulate face masks – KN95 and FFP2. The particulate face mask – KN95 has passed the requirements of GB2626-2019 standard in the PRC and NIOSH N95 – Pre-Certification Test issued by the ICS Laboratories in the U.S. In addition, the particulate face mask – FFP2 has also passed the requirements of EN 149:2001+A1:2009 standard, credited as FFP2 NR protective respirator, and certified with CE Mark (through SGS Fimko Oy, Notified Body #0598) granted by the SGS. Furthermore, the Group has obtained the Section 510(k) premarket notification (“PMN”) clearance from the United States Food and Drug Administration (“FDA”) in August 2022 on our surgical particulate face masks – N95 and FFP2, indicating that our particulate face mask products are both safe and effective for medical and surgical use, meeting all legal requirements for sale and marketing in the U.S..

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2025 was approximately HK\$518.8 million, representing a decrease of approximately HK\$20.8 million, or approximately 3.9%, from approximately HK\$539.6 million for the year ended 31 December 2024.

Revenue from the integrated plastic solutions segment for the year ended 31 December 2025 was approximately HK\$467.6 million, accounting for approximately 90.1% of our total revenue and representing an increase of approximately HK\$22.0 million, or approximately 4.9%, from segment revenue of approximately HK\$445.6 million for the year ended 31 December 2024. This was mainly attributable to increased order volumes from certain customers during the year ended 31 December 2025.

The e-cigarette products segment revenue for the year ended 31 December 2025 was approximately HK\$48.6 million, accounting for approximately 9.4% of our total revenue and representing a decrease of approximately HK\$42.4 million, or approximately 46.6%, from segment revenue of approximately HK\$91.0 million for the year ended 31 December 2024. This decrease was primarily due to a decrease in sales orders for e-cigarette products during the year ended 31 December 2025.

The medical consumable products segment revenue for the year ended 31 December 2025 was approximately HK\$2.7 million, accounting for approximately 0.5% of our total revenue and representing a decrease of approximately HK\$0.3 million, or approximately 10.0%, from segment revenue of approximately HK\$3.0 million for the year ended 31 December 2024.

Gross Profit

Gross profit for the year ended 31 December 2025 was approximately HK\$108.0 million (2024: HK\$110.1 million), representing a gross profit margin of approximately 20.8% (2024: 20.4%).

Segment gross profit for integrated plastic solutions for the year ended 31 December 2025 was approximately HK\$105.4 million (2024: HK\$98.6 million), representing a gross profit margin of 22.5% (2024: 22.1%). The increase was primarily driven by an improved product mix, with a higher proportion of high-margin products during the year ended 31 December 2025.

Segment gross profit for e-cigarette products for the year ended 31 December 2025 was approximately HK\$5.8 million (2024: HK\$11.1 million), representing a gross profit margin of 11.9% (2024: 12.2%). The decline in sales volume during the year ended 31 December 2025 led to higher fixed overhead per unit sold, which in turn reduced the gross profit margin.

Segment gross loss for medical consumable products for the year ended 31 December 2025 was approximately HK\$3.2 million (2024: gross profit HK\$0.4 million), representing a gross loss margin of approximately 118.5% (2024: gross profit margin 13.3%). The Group recorded a write-down of inventories on slow moving medical consumable products for the year ended 31 December 2025, and it resulted in a gross loss for medical consumable products. However, there was no such write-down for the year ended 31 December 2024.

Other Income

Other income for the year ended 31 December 2025 was approximately HK\$5.5 million, representing a decrease of approximately HK\$3.0 million, or approximately 35.3%, from approximately HK\$8.5 million for the year ended 31 December 2024. The decrease mainly resulted from a decrease in bank interest income received during the year ended 31 December 2025. In addition, for the year ended 31 December 2024, the Group recorded a write-back of other tax payables in respect of the waiver of tax liabilities arising from prior-year intra-group transactions. No such write-back was recognised for the year ended 31 December 2025.

Selling and Distribution Costs

Selling and distribution costs for the year ended 31 December 2025 were approximately HK\$5.1 million, representing a decrease of approximately HK\$0.5 million, or approximately 8.9%, from approximately HK\$5.6 million for the year ended 31 December 2024. The decrease was primarily caused by a lower sales volume from certain customers who required our delivery services during the year ended 31 December 2025.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the year ended 31 December 2025 were approximately HK\$112.3 million, which was similar to that for the year ended 31 December 2024 of approximately HK\$116.7 million.

Finance Costs

Finance costs for the year ended 31 December 2025 were approximately HK\$1.3 million, representing a decrease of approximately HK\$1.5 million, or approximately 53.6%, from approximately HK\$2.8 million for the year ended 31 December 2024. The decrease was primarily attributable to the repayment of secured bank borrowings during the year ended 31 December 2025.

Income Tax Expenses

Income tax expenses for the year ended 31 December 2025 were approximately HK\$6.5 million, representing an increase of approximately HK\$3.6 million, or approximately 124.1%, from approximately HK\$2.9 million for the year ended 31 December 2024. The increase in income tax expenses was primarily attributable to the recognition of an under-provision of taxation for the year ended 31 December 2025, whereas an over-provision was recognized for the year ended 31 December 2024.

Loss Attributable to Equity Holders of the Company

As a result of the foregoing, loss for the year ended 31 December 2025 was approximately HK\$14.5 million, representing an increase of approximately HK\$0.8 million, or approximately 5.8%, from the loss of approximately HK\$13.7 million for the year ended 31 December 2024.

FUTURE PLAN AND PROSPECTS

Looking ahead, the global economic outlook remains uncertain and may continue to be influenced by factors such as moderating economic growth, inflationary pressures and evolving trade and tariff measures. These conditions could continue to affect the operating environment and consumer confidence in the near future. Amid these uncertainties, the Group is prioritizing customer growth in markets that value high-quality e-cigarettes and plastics. By leveraging its R&D center, the Group aims to enhance core technologies and diversify its portfolio beyond its traditional segments, including exploring new production technologies as market conditions allow. Simultaneously, management is implementing cost-control and efficiency measures to remain competitive. The Group will continue to monitor market developments closely, seek potential opportunities within its existing business segments, and explore expansion in new business segments at an appropriate time to support future growth. The Group believes that ongoing business diversification will enhance its long term development and sustainability, ultimately delivering better returns for its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$132.2 million (*2024: HK\$129.5 million*). As at 31 December 2025, the Group had fully repaid the interest-bearing borrowings. (*2024: interest-bearing borrowings HK\$31.2 million; weighted average effective interest rate 3.76% per annum*). The Group's gearing ratio as at 31 December 2025, calculated based on the total borrowings to the equity attributable to owners of the Company, was 1.2% (*2024: 5.6%*).

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Hong Kong dollars, U.S. dollars and Renminbi. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into foreign currency forward contracts, if necessary. As at 31 December 2025, the Group did not have any outstanding foreign currency forward contracts. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

CONTINGENT LIABILITIES

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

CHARGE ON GROUP ASSETS

As at 31 December 2025, certain buildings and right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$168.0 million (*2024: HK\$168.1 million*) and key management insurance contracts with fair value of approximately HK\$4.2 million (*2024: HK\$13.9 million*) were pledged as security for bank facilities.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any other significant capital commitment (*2024: Nil*).

SUBSEQUENT EVENT

Subsequent to the end of the reporting period, with reference to the announcement made by the Company dated 23 March 2026, as part of the Group's strategy to support its future business development in the PRC, the subsidiary of the Group (the "Subsidiary") submitted a bid on 9 March 2026 for the acquisition of land use rights on a piece of land.

On 23 March 2026, the Subsidiary was notified by the relevant PRC authority that it has successfully won the bid for the land use rights through public auction. As at the date of this announcement, the formal Land Use Right Grant Contract has not yet been entered into.

The Directors consider that the proposed acquisition of land used rights is in line with the Group's long-term development strategy and is expected to provide a foundation for future expansion. The Group will make further announcements and comply with the applicable requirements under the Listing Rules as and when appropriate.

EMPLOYEE AND REMUNERATION POLICY

The Group has 770 employees as at 31 December 2025. Total staff costs during the year ended 31 December 2025 were approximately HK\$141.2 million, representing a decrease of approximately HK\$10.6 million, or approximately 7.0%, from approximately HK\$151.8 million for the year ended 31 December 2024. The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. Remuneration of employees includes basic salaries, performance bonus and share options. Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, share options, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

SHARE OPTION SCHEME

On 28 May 2019, the Company adopted a share option scheme (the “**Option Scheme**”) for the purpose of providing reward to selected participants for their contribution to the Group. Eligible participants of the Option Scheme include, without limitation, employees, executive directors, non-executive directors, shareholders, advisers and consultants.

For the year ended 31 December 2025, the Company has the following share options granted to the eligible participants under the Option Scheme:

Grantees	Date of grant	Exercise price (HK\$)	Outstanding as at 1 January 2025	Options lapsed during the year	Options outstanding at 31 December 2025	Exercisable at 31 December 2025
Directors, chief executives and substantial shareholders						
Chan Tsan Lam	13 May 2020	0.355	620,000	—	620,000	620,000
Chan Yin Yan	13 May 2020	0.355	6,200,000	—	6,200,000	6,200,000
Poon Po Han Lisa	13 May 2020	0.355	6,200,000	—	6,200,000	6,200,000
Hung Chun Leung	13 May 2020	0.355	500,000	—	500,000	500,000
Chan Bing Kai	13 May 2020	0.355	500,000	—	500,000	500,000
Employees	13 May 2020	0.355	16,000,000	—	16,000,000	16,000,000
Service providers	13 May 2020	0.355	2,000,000	—	2,000,000	2,000,000
			32,020,000	—	32,020,000	32,020,000
			32,020,000	—	32,020,000	32,020,000

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2025, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As disclosed in the “Subsequent Event” of this announcement, subsequent to the end of the reporting period, the Subsidiary submitted a bid on 9 March 2026 for the acquisition of land use rights on a piece of land in the PRC, and was notified on 23 March 2026 that it has successfully won the bid for the land use rights through public auction.

The proposed acquisition is currently intended to support the Group’s potential future business development in the PRC. As at the date of this announcement, the formal Land Use Right Grant Contract has not yet been entered into and the transaction is subject to the execution of the relevant agreement and fulfillment of any applicable conditions.

Save as disclosed above, as at the date of this announcement, the Group did not have any other specific plans for material investments or capital assets.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries have not purchased, redeemed or sold any of its listed securities during the year ended 31 December 2025.

CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to ensure that the Company’s business activities and decision making processes are regulated in a proper and prudent manner.

Mr. Chan Tsan Lam (“**Mr. Chan**”) is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Chan has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to continue to have Mr. Chan as chairman of the Board and as chief executive officer so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review its management structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the year ended 31 December 2025, the Company has complied with the CG Code.

AUDIT COMMITTEE

The Group has established an audit committee (the “**Audit Committee**”) on 8 February 2018 with its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board. Our audit committee consists of three members, being Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai. Mr. Ng Chi Wai currently serves as the chairman of our Audit Committee, who holds the appropriate professional qualification as required under rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed with the management the Group’s consolidated financial statements for the year ended 31 December 2025, the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditors, Forvis Mazars CPA Limited (“**Forvis Mazars**”), to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars in this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the year ended 31 December 2025.

FINAL DIVIDEND

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Group for the year ended 31 December 2025 is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hktcgroup.com.

An annual report for the year ended 31 December 2025, containing all the information required by the Listing Rules, will be dispatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board
TIAN CHANG GROUP HOLDINGS LTD.
Chan Tsan Lam
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Chan Tsan Lam, Ms. Poon Po Han Lisa and Ms. Chan Yin Yan, and the independent non-executive directors of the Company are Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai.