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KEEN OCEAN INTERNATIONAL HOLDING LIMITED
僑洋國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8070)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Keen Ocean International Holding Limited (the “**Company**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, refer to as the “**Group**” or “**We**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	388,467	287,213
Cost of sales		<u>(293,633)</u>	<u>(230,810)</u>
Gross profit		94,834	56,403
Interest revenue		2,413	3,046
Other income		2,103	1,434
Other losses, net		(3,684)	(1,354)
Selling and distribution expenses		(9,391)	(6,893)
Administrative expenses		<u>(36,726)</u>	<u>(30,164)</u>
Profit from operations		49,549	22,472
Finance costs		<u>(932)</u>	<u>(1,792)</u>
Profit before tax		48,617	20,680
Income tax expense	4	<u>(7,661)</u>	<u>(3,134)</u>
Profit for the year	5	40,956	17,546
Other comprehensive income after tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>539</u>	<u>(945)</u>
Total comprehensive income for the year		<u>41,495</u>	<u>16,601</u>
Profit for the year attributable to:			
Owners of the Company		40,955	17,550
Non-controlling interests		<u>1</u>	<u>(4)</u>
		<u>40,956</u>	<u>17,546</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		41,494	16,605
Non-controlling interests		<u>1</u>	<u>(4)</u>
		<u>41,495</u>	<u>16,601</u>
Earnings per share			
Basic and diluted (HK cents)	7	<u>20.48</u>	<u>8.78</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		As at 31 December 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	8	45,045	36,973
Right-of-use assets		1,505	3,009
		<u>46,550</u>	<u>39,982</u>
Current assets			
Inventories		42,462	34,434
Trade and other receivables and prepayments	9	105,947	71,882
Amount due from a related party		178	1,113
Pledged bank deposits		10,443	26,913
Short-term deposits		59,675	37,200
Bank and cash balances		13,680	6,130
		<u>232,385</u>	<u>177,672</u>
Current liabilities			
Trade and other payables and accruals	10	99,551	62,581
Contract liabilities		28,812	42,627
Bank loans and overdrafts	11	13,479	20,173
Lease liabilities		1,577	3,080
Current tax liabilities		9,284	4,456
		<u>152,703</u>	<u>132,917</u>
Net current assets		<u>79,682</u>	<u>44,755</u>
NET ASSETS		<u><u>126,232</u></u>	<u><u>84,737</u></u>

		As at 31 December 2025	As at 31 December 2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves			
Share capital	<i>12</i>	2,000	2,000
Reserves		124,257	82,763
		<hr/>	<hr/>
Equity attributable to owners of the Company		126,257	84,763
Non-controlling interests		(25)	(26)
		<hr/>	<hr/>
TOTAL EQUITY		126,232	84,737
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Keen Ocean International Holding Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 3702, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of the Group are the manufacture and sale of transformers, switching mode power supplies, electronic parts and components and electric healthcare products.

In the opinion of the directors of the Company, as at 31 December 2025, Century Lead International Limited, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability, is the immediate parent company of the Company and Mr. Chung Chi Wah is the ultimate controlling party of the Company.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

For the current reporting period, the Group has applied the following amendments to HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual reporting period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

The application of the amendments to HKFRS Accounting Standards for the current reporting period had no material impact on the Group’s financial positions and performance for the current and prior reporting periods and/or on the disclosures set out in these consolidated financial statements.

New and amended HKFRS Accounting Standards in issue but not yet effective

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

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

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

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that the application of all new and amended to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

The Group's operation is derived from the manufacture and sale of transformers, switching mode power supply, electronic parts and components during the year. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

An analysis of the Group's revenue from its major products is as follows:

	2025	2024
	HK\$'000	HK\$'000
Sales of transformers	151,354	119,202
Sales of switching mode power supply	3,806	3,228
Sales of electronic parts and components	233,307	164,783
Revenue from contracts with customers	388,467	287,213

Disaggregation of revenue from contracts with customers:

Geographical information

The Group's operation is located in the PRC. Information about the Group's revenue is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	2,981	2,760	21,180	21,502
PRC	50,707	55,121	25,370	18,480
Europe	212,537	139,289	–	–
United States	25,887	23,128	–	–
India	81,178	52,638	–	–
Others	15,177	14,277	–	–
	<u>388,467</u>	<u>287,213</u>	<u>46,550</u>	<u>39,982</u>

All timing of revenue recognition is at a point of time for the years ended 31 December 2025 and 2024.

Revenue from major customers individually accounting for 10% or more of total revenue are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A (sales of transformers)	81,150	52,537
Customer B (sales of electronic parts and other products)	<u>181,502</u>	<u>108,534</u>

Sales of transformers, switching mode power supply, electronic parts and components

The Group manufactures and sells transformers, switching mode power supply, electronic parts and components. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 15 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	3,629	1,531
Current tax – PRC enterprise income tax		
Provision for the year	4,032	1,603
	<u>7,661</u>	<u>3,134</u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the years ended 31 December 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, He Yuan Sky Wealth Electronic and Plastic Co. Ltd., an indirect wholly-owned subsidiary of the Company, has successfully obtained “High and New Technology Enterprise” (“HNTE”) qualification under EIT Law during the year ended 31 December 2023 and as a result, He Yuan Sky Wealth Electronic and Plastic Co. Ltd. enjoys a preferential tax rate of 15% from 1 January 2023 to 31 December 2025. Therefore, the applicable tax rate for He Yuan Sky Wealth Electronic and Plastic Co. Ltd. was 15% for the year ended 31 December 2025 (2024: 15%).

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before tax	48,617	20,680
Tax at Hong Kong Profits Tax rate	8,022	3,412
Tax effect of income not taxable and expenses not deductible	(54)	(321)
Effect of different tax rates of subsidiaries	(395)	(137)
Tax effect of temporary differences not recognised	(148)	(97)
Tax effect of tax loss not recognised	236	277
Income tax expense	<u>7,661</u>	<u>3,134</u>

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiary. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiary because the amount is insignificant.

No unused tax losses have been recognised by the Group for the years ended 31 December 2025 and 2024.

5. PROFIT FOR THE YEAR

The Group's profit for the year has been arrived at after charging/(crediting) the following:

	2025	2024
	HK\$'000	HK\$'000
Auditor's remuneration	530	510
Cost of inventories sold (including depreciation and direct labor costs)	292,409	229,593
Depreciation of property, plant and equipment	4,138	3,621
Depreciation of right-of-use assets	1,504	1,505
Loss/(gain) on disposals of property, plant and equipment	161	(9)
Provision/(reversal) of loss allowance on trade receivables	610	(47)
Research and development expenses	14,823	11,499
Directors' remuneration	2,041	1,801
Staff costs (not including directors' emoluments)		
Salaries, bonus and allowances	46,915	41,844
Retirement benefits scheme contributions	6,220	4,954
Total staff costs (including directors' emoluments)	55,176	48,599

6. DIVIDENDS

	2025	2024
	HK\$'000	HK\$'000
Interim dividends declared and paid	–	30,000

The Board did not recommend the payment of any dividend for the year ended 31 December 2025.

Pursuant to the Board meeting on 19 August 2024, the Directors resolved to declare a special interim dividend for the six months ended 30 June 2024 of HK\$0.15 per ordinary share totalling HK\$30,000,000.

7. EARNINGS PER SHARE

	2025	2024
	HK\$'000	HK\$'000
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of calculating basic earnings per share	40,955	17,550
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	200,000	200,000

No diluted earnings per share for the current and prior year was presented as there were no potential ordinary shares in issue.

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST						
At 1 January 2024	21,680	4,731	24,695	1,543	2,347	54,996
Additions	–	557	5,231	170	155	6,113
Disposals	–	–	(13)	–	(107)	(120)
Exchange differences	–	(108)	(839)	(41)	(39)	(1,027)
At 31 December 2024 and 1 January 2025	21,680	5,180	29,074	1,672	2,356	59,962
Additions	–	3,325	7,261	225	701	11,512
Disposals	–	–	(749)	(17)	(955)	(1,721)
Exchange differences	–	242	1,413	64	53	1,772
At 31 December 2025	21,680	8,747	36,999	1,944	2,155	71,525
ACCUMULATED DEPRECIATION						
At 1 January 2024	217	3,326	13,064	1,355	2,067	20,029
Charge for the year	433	762	2,242	106	78	3,621
Eliminated on disposals	–	–	(9)	–	(101)	(110)
Exchange differences	–	(79)	(410)	(34)	(28)	(551)
At 31 December 2024 and 1 January 2025	650	4,009	14,887	1,427	2,016	22,989
Charge for the year	434	690	2,728	145	141	4,138
Eliminated on disposals	–	–	(571)	(16)	(932)	(1,519)
Exchange differences	–	135	656	51	30	872
At 31 December 2025	1,084	4,834	17,700	1,607	1,255	26,480
CARRYING AMOUNTS						
At 31 December 2025	20,596	3,913	19,299	337	900	45,045
At 31 December 2024	21,030	1,171	14,187	245	340	36,973

At 31 December 2025, the carrying amount of land and buildings pledged as security for the Group's bank loans amounted to HK\$20,596,000 (2024: HK\$21,030,000).

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	86,227	63,775
Less: allowance for doubtful receivables	<u>(5,177)</u>	<u>(4,567)</u>
	81,050	59,208
Deposits	5,870	5,336
Prepayments	4,701	1,857
Other tax recoverable	10,658	3,124
Other receivables	<u>3,668</u>	<u>2,357</u>
	<u>105,947</u>	<u>71,882</u>

During the year, the Group discounted certain trade receivables to a bank for cash proceeds. If the trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing (see note 11 and 13). The carrying amount of the trade receivables at 31 December 2025 that have been transferred but have not been derecognised amounted to HK\$6,334,000 (31 December 2024: HK\$6,480,000) and the carrying amount of the associated liability is HK\$2,269,000 (31 December 2024: HK\$1,924,000).

The Group allows an average credit period of 15 to 90 days to its trade customers. The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	67,391	56,898
91 to 180 days	12,531	1,546
181 to 365 days	1,128	7
Over 1 year	<u>–</u>	<u>757</u>
	<u>81,050</u>	<u>59,208</u>

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. The trade receivables that are neither past due nor impaired have no default payment history.

Included in the trade receivable balance are debtors with aggregate amount of HK\$26,425,000 as at 31 December 2025 (31 December 2024: HK\$17,990,000) which is past due as at the reporting date for which the Company has not provided for impairment loss because the status of subsequent settlement of the debtors is satisfactory. The Company does not hold any collateral over these balances.

Reconciliation of allowance for trade receivables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At the beginning of the year	4,567	4,614
Change in impairment losses, net	<u>610</u>	<u>(47)</u>
At the end of the year	<u><u>5,177</u></u>	<u><u>4,567</u></u>

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	1-30 days Current	31-60 days past due	61-120 days past due	121 days- 1 year past due	Over 1 year past due	Total
At 31 December 2025						
Weighted average expected loss rate	2%	2%	2%	2%	2%	100%
Receivable amount (<i>HK'000</i>)	55,769	18,808	5,685	1,684	838	86,227
Loss allowance (<i>HK'000</i>)	1,144	414	122	36	18	3,443
At 31 December 2024						
Weighted average expected loss rate	2%	2%	2%	2%	2%	82%
Receivable amount (<i>HK'000</i>)	41,990	13,768	3,804	18	–	4,195
Loss allowance (<i>HK'000</i>)	772	280	77	1	–	3,437

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	88,480	51,892
Accrued expenses and other payables	11,071	10,689
	<u>99,551</u>	<u>62,581</u>

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	88,214	51,566
91 to 180 days	98	133
181 to 365 days	91	15
Over 1 year	77	178
	<u>88,480</u>	<u>51,892</u>

The average credit period on purchases of goods is 90 days.

11. BANK LOANS AND OVERDRAFTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank loans	10,493	18,199
Factoring loans (<i>note 9</i>)	2,269	1,924
Bank overdrafts	717	50
	<u>13,479</u>	<u>20,173</u>
Bank loans, trust receipt loans, factoring loans and bank overdrafts which are secured by assets held by the Group (<i>note 13</i>)	11,683	11,908
Bank loans which are secured by assets held by a connected person/related party (<i>note 14</i>)	785	8,190
Unsecured bank loans	1,011	75
	<u>13,479</u>	<u>20,173</u>
The borrowings are repayable as follows:		
On demand or within one year	13,479	20,173
	13,479	20,173
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(13,479)</u>	<u>(20,173)</u>
Amount due for settlement after 12 months	<u>–</u>	<u>–</u>

Included in bank loans and overdrafts are the following amounts denominated in a currency other than the functional currency of the corresponding group entity which it relates:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	<u>10,131</u>	<u>10,034</u>

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank loans and overdrafts as at 31 December 2025 and 2024, respectively, are as follows:

	2025	2024
Effective interest rates (per annum): Variable interest rates	<u>3.12% to 6.60%</u>	<u>3.40% to 6.60%</u>

12. SHARE CAPITAL

	Number of shares	Share capital HK\$
Authorised:		
Ordinary shares of HK\$0.01 (2024: HK\$0.01) each		
At 1 January 2024, 31 December 2024		
1 January 2025 and 31 December 2025	<u>1,000,000,000</u>	<u>10,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 (2024: HK\$0.01) each		
At 1 January 2024, 31 December 2024		
1 January 2025 and 31 December 2025	<u>200,000,000</u>	<u>2,000,000</u>

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 shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include bank loans and overdrafts and amount due to a related party, disclosed in notes 11 and 14, and equity of the Group, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Company will balance its overall capital structure through new share issues, the issue of new debt or the redemption of existing debt.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2025, 30% (2024: 30%) of the shares were in public hands.

13. PLEDGE OF ASSETS

The following assets of the Group were pledged at end of the reporting period for certain banking facilities granted to the Group:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Land and buildings	20,596	21,030
Pledged bank deposits	10,443	26,913
Trade receivables	6,334	6,480
	<u>37,373</u>	<u>54,423</u>

14. CONNECTED AND RELATED PARTY TRANSACTIONS

- a. The Group had the following balances with connected and related parties at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amount due from a related party:		
Sure Win Garment Limited*	<u>178</u>	<u>1,113</u>
Amount due to a related party/connected person (included in other payables):		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd.**	3,933	2,639
Yield Speed Limited***	<u>4</u>	<u>–</u>

* The beneficial owner of Sure Win Garment Limited is Mr. Chung Chi Wah, a director of the Company. The amount is trade in nature, unsecured, interest-free and repayable on demand.

** The beneficial owner of T-Lab Electronics & Plastics (He Yuan) Co., Ltd. is Mr. Chung Chi Hang, Larry, a former executive director of the Company, and Mr. Chung Tin Shing is the common director of T-Lab Electronics & Plastics (He Yuan) Co., Ltd. and the Company. The amount is trade in nature, unsecured, interest-free and repayable on demand.

*** The beneficial owner of Yield Speed Limited is Mr. Chung Chi Hang, Larry, a former executive director of the Company, and Mr. Chung Tin Shing and Mr. Chung Chi Wah is the common director of Yield Speed Limited and the Company. The amount is trade in nature, unsecured, interest-free and repayable on demand.

- b. The Group entered into the following transaction with a related party/connected person during the year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Rental paid to a related party/connected person		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd.	<u>1,617</u>	<u>1,617</u>

- c. The Group's bank loans have been guaranteed and secured by a related party/connected person at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amount of bank loans guaranteed and secured by assets held by a related party/connected person:		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd.	<u>785</u>	<u>8,190</u>

- d. **Key management personnel emoluments**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including certain directors of the Company and other key management of the Group. The key management personnel compensations are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Basic salaries and allowances	2,827	2,602
Retirement benefit contributions	<u>81</u>	<u>81</u>
	<u>2,908</u>	<u>2,683</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group principally engaged in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products, other electronic parts and components and other products. The Group sells its products domestically as well as overseas. Customers are mainly manufacturers and trading entities.

Most of the transformers and power supply products were manufactured and sold under the Group's brand name "Keen Ocean", while all electronic parts and components as well as electric healthcare products were sold on an original equipment manufacturer (OEM) basis. Among the products manufactured and sold, transformers remained the Group's flagship products and represented approximately 39.0% of the Group's sales for the year ended 31 December 2025 (for the year ended 31 December 2024: approximately 41.5%). The switching mode power supply represented approximately 1.0% of the Group's sales for the year ended 31 December 2025 (for the year ended 31 December 2024: approximately 1.1%). The electronic parts and components and other products represented approximately 60.0% of the Group's sales for the year ended 31 December 2025 (for the year ended 31 December 2024: approximately 57.4%).

Revenue generated by the Group increased during the year as compared to the corresponding period in the previous year. This was mainly driven by an uptick in customer demand during the year.

Cost of sales has increased during the year in line with the increase in sales.

The operating margin has increased during the year. This was mainly attributable to a shift in product mix towards high margin offering.

During the year, the management of the Group stayed connected with existing customers and closely followed up with the revised delivery schedule in order to maintain and solidify business relationships. The Group continued to place advertisements in renowned industrial magazines. To further promote its products, the Group has been attending trade exhibitions, physical marketing events and face to face meetings with existing and potential customers.

An analysis of the Company's revenue from its major products is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of transformers	151,354	119,202
Sales of switching mode power supply	3,806	3,228
Sales of electronic parts and components	233,307	164,783
	388,467	287,213

Geographical information

Information about the Group's revenue is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	2,981	2,760	21,180	21,502
PRC	50,707	55,121	25,370	18,480
Europe	212,537	139,289	–	–
United States	25,887	23,128	–	–
India	81,178	52,638	–	–
Others	15,177	14,277	–	–
	388,467	287,213	46,550	39,982

Information about major customers

Revenues from customers during the year contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A (sales of transformers)	81,150	52,537
Customer B (sales of electronic parts and other products)	181,502	108,534

FINANCIAL REVIEW

The Group's revenue increased by approximately HK\$101.3 million, or 35.3%, from approximately HK\$287.2 million for the year ended 31 December 2024 to approximately HK\$388.5 million for the year ended 31 December 2025. Such increase was primarily due to the increase in demand of customers.

Cost of sales increased by approximately HK\$62.8 million, or 27.2%, from approximately HK\$230.8 million for the year ended 31 December 2024 to approximately HK\$293.6 million for the year ended 31 December 2025. The increase was in line with the increase in revenue and was primarily due to the increase in production costs during the period under review.

As a result, the Group's gross profit increased by approximately HK\$38.4 million, or 68.1%, from approximately HK\$56.4 million for the year ended 31 December 2024 to approximately HK\$94.8 million for the year ended 31 December 2025, while gross profit margin increased from 19.6% for the year ended 31 December 2024 to 24.4% for the year ended 31 December 2025. Such increase was mainly attributable to the product mix shift towards high margin offering during the period under review.

Interest revenue decreased by approximately HK\$0.64 million, or 21.0% from approximately HK\$3.05 million for the year ended 31 December 2024 to HK\$2.41 million for the year ended 31 December 2025. Such decrease was mainly attributable to the decrease in bank interest income. Other income increased by approximately HK\$0.67 million, or 46.9%, from approximately HK\$1.43 million for the year ended 31 December 2024 to approximately HK\$2.10 million for the year ended 31 December 2025. Such increase was mainly attributable to the increase in government incentive in 2025.

Other loss net increased by approximately HK\$2.33 million, or 172.6%, from approximately loss of HK\$1.35 million for the year ended 31 December 2024 to approximately loss of HK\$3.68 million for the year ended 31 December 2025. Such increase was mainly attributable to an increase in exchange differences compared with the corresponding period in 2024 due to increase in translating intercompany operations.

Selling and distribution expenses were approximately HK\$9.4 million for the year ended 31 December 2025 and increased by approximately HK\$2.5 million, or 36.2% as compared to approximately HK\$6.9 million for the year ended 31 December 2024. Such increase was mainly attributable to the increase in revenue.

Administrative expenses increased by approximately HK\$6.5 million, or 21.5%, from approximately HK\$30.2 million for the year ended 31 December 2024 to approximately HK\$36.7 million for the year ended 31 December 2025. Such increase was mainly attributable to inflation.

Finance costs decreased by approximately HK\$0.86 million, or 48%, from approximately HK\$1.79 million for the year ended 31 December 2024 to approximately HK\$0.93 million for the year ended 31 December 2025. Such decrease was mainly attributable to the decrease in bank loans due to improved cash collection on accounts receivable during the period under review.

Income tax expenses increased by approximately HK\$4.53 million or 144.7% from approximately HK\$3.13 million for the year ended 31 December 2024 to approximately HK\$7.66 million for the year ended 31 December 2025. Such increase was mainly attributable to the increase of taxable profit for profits tax for the period under review.

As a result of the above, the Group recorded a profit of approximately HK\$41.0 million for the year ended 31 December 2025 (for the year ended 31 December 2024: approximately HK\$17.5 million).

PROSPECT

The Group had experienced business challenges including volatile demand patterns, inconsistent shipment timeline as well as inflated delivery costs and material costs.

The management of the Group is determined to rise to these challenges. The production team maintains sufficient inventory buffer to cope with the demand and supply chain uncertainties. The management also strives to sustain the Group's competitive advantages through solidifying business relationships.

In addition, the management spotted a rising demand for clean energy appliances and electric vehicle, and had captured the opportunities to produce products and components for these two markets. Moreover, the Group has continuously delivered products with high quality, we expect that we will continue to obtain new orders from our developed customer base.

The Group has built up surplus cash funds from its business operations and to improve the Group's overall capital efficiency, the management has deemed it appropriate to modify the Group's existing treasury policy by allowing it to invest more in short-term and low-risk investments in listed securities in Hong Kong as well as other related investment products or commodities products offered by banks and other financial institutions subject to certain conditions. Such conditions include, but are not limited to, all securities invested by the Group should not exceed an investment period of twelve months; the aggregate amount of funds to be invested in any securities should not exceed the cashflow needs of the Group for the next six months at any material time and detailed descriptions of the securities should be submitted for consideration and prior approval at the meetings of the Board. As funding for these investments will come from idle funds, there will not be an impact to the Group's operational liquidity and fund security.

The Group's management is aware of and is closely monitoring the development of the Russia-Ukraine war, Israel-Iran war and the U.S. Tariff on China and accordingly evaluates any possible impact to its financial position and performance. The Group's management believes that the impact of these conflicts to its current operations, supply chain and financial performance is minimal. The Group's management is also aware of the US restrictions on the export of chips and chipmaking equipment to the PRC and believes that the impact of such restrictions to its current operations, supply chain and financial performance is minimal.

In the long run, the Group is confident that it shall explore the opportunities and lay the foundations for a durable and sustainable growth with its continuous effort and solid customer base.

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's source of funds was primarily from the cash generated from operating activities. The Group also utilised bank borrowings to finance its operations. As at 31 December 2025, the Group had a financial position with net assets amounting to approximately HK\$126.2 million (31 December 2024: approximately HK\$84.7 million). Net current assets stood at approximately HK\$79.7 million (31 December 2024: approximately HK\$44.8 million).

As at 31 December 2025, equity attributable to owners of the Company amounted to approximately HK\$126.3 million (31 December 2024: approximately HK\$84.8 million). Current assets amounted to approximately HK\$232.4 million (31 December 2024: approximately HK\$177.7 million), mainly comprising inventories, trade and other receivables and prepayments, pledged bank deposits, short-term deposits and cash balance. Current liabilities amounted to approximately HK\$152.7 million (31 December 2024: approximately HK\$132.9 million), mainly comprising trade and other payables and accruals, contract liabilities, bank borrowings and overdrafts.

As at 31 December 2025, the Group's bank and cash balance amounted to approximately HK\$13.7 million (31 December 2024: approximately HK\$6.1 million). Net asset value per share was HK\$0.63 (31 December 2024: HK\$0.42).

As at 31 December 2025, the gearing ratio of the Group, which is based on the ratio of interest bearing borrowings net of bank and cash balance to total equity, was approximately zero (31 December 2024: approximately 0.17). The decrease in the gearing ratio is mainly due to the decrease in bank loans during the year under review.

The Group's source of funds can further be satisfied by using a combination of cash generated from operating activities, bank borrowings and net proceeds from other funds raised from the capital market from time to time.

CAPITAL EXPENDITURE

For each of the years ended 31 December 2025 and 31 December 2024, the Group incurred capital expenditures in respect of additions of property, plant and equipment in the amount of approximately HK\$11.5 million and HK\$6.1 million respectively. The following table sets out the financial capital expenditures during the years under review:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Plant and machinery	7,261	5,231
Leasehold improvements	3,325	557
Furniture, fixtures and other equipment	225	170
Motor vehicles	701	155
TOTAL	11,512	6,113

The Group funded capital expenditures primarily with the cash generated from operating activities.

CAPITAL STRUCTURE

The Group maintains a prudent funding and treasury policy and the management is responsible for monitoring its funding requirements and performing ongoing liquidity review. As at 31 December 2025, the issued share capital of the Company comprised only ordinary shares. The capital structure of the Group mainly consists of borrowings from bank and equity attributable to owners of the Group, comprising issued share capital and retained earnings respectively. Borrowings from bank were denominated in Hong Kong dollars which were secured by pledged bank deposits of the Group.

FOREIGN EXCHANGE EXPOSURE

The sales of the Group are mainly denominated in US dollars. However, the Group has certain foreign currency sales and purchases transactions denominated in Renminbi and Hong Kong dollars, which may expose the Group to foreign currency risk. The Group has no foreign currency hedging policy during the year 2025. The management closely monitors the movement of the foreign currency rates and will hedge significant foreign currency exposure should the need arise.

SIGNIFICANT INVESTMENT HELD

As at 31 December 2025, the Group did not have any significant investment held (31 December 2024: nil).

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENT

As at 31 December 2025, the Group had no capital commitments outstanding (31 December 2024: HK\$641,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had approximately 568 employees (31 December 2024: approximately 585 employees), including the Directors. Total staff costs excluding Directors' remuneration for the year ended 31 December 2025 amounted to approximately HK\$53.1 million (for the year ended 31 December 2024: approximately HK\$46.8 million). Remuneration packages including staff benefits are maintained at a competitive level and reviewed on a periodical basis. Employees' remunerations and related benefits are determined with reference to their performance, qualifications, experience, positions and the performance of the Group. Ongoing training on quality control and production facilities operations is provided to employees, with relevant procedural and operational guidelines formulated.

CHARGES ON THE GROUP'S ASSETS

The following assets of the Group were pledged at the end of the reporting period for certain banking facilities granted to the Group:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Land and buildings	20,596	21,030
Pledged bank deposits	10,443	26,913
Trade receivables	6,334	6,480
	<u>37,373</u>	<u>54,423</u>

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AFFILIATED COMPANIES AND JOINT VENTURES

During the year ended 31 December 2025, the Group did not have any material acquisitions nor disposals of subsidiaries, affiliated companies and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In view of the national economic recovery, the Group has surplus cash funds from its business operations. As a result, there is a growing need for treasury management to improve the Group's overall capital efficiency, hence the Group may invest not more than 30% of its cash-in-hand at any material time in short-term and low-risk investments in listed securities in Hong Kong as well as other related investment products or commodities products offered by banks and other financial institutions subject to certain conditions. Such conditions include, but are not limited to, all securities invested by the Group should not exceed an investment period of twelve months; the aggregate amount of funds to be invested in any securities should not exceed the cashflow needs of the Group for the next six months at any material time and detailed descriptions of the securities should be submitted for consideration and prior approval at the meetings of the Board. Funding for these investments will come from idle funds and will not impact the Group's operational liquidity and fund security.

Other than the above, the Group does not have any plans for material investments and capital assets.

EVENTS DURING AND AFTER THE REPORTING PERIOD

Save as disclosed above, the Group had no other significant events during and after the reporting period up to the date of this announcement which needs to be disclosed.

OTHER INFORMATION

DIVIDEND

The Company had not paid any dividend for the six months ended 30 June 2025. The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: HK\$0.15 per ordinary share of the Company with a total amount of HK\$30,000,000).

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help balance the interest of the shareholders, customers and employees of the Company. The Company has applied the principles of the Corporate Governance Code of Appendix C1 of the GEM Listing Rules (the “**CG Code**”) and adopted the code provisions set out in part 2 of the CG Code as its own code to govern its corporate governance practices to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner.

During the year ended 31 December 2025, the Company has complied with all code provisions set out in the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors, and all of them confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares of the Company.

AUDITORS

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

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") on 2 February 2016, which operates under terms of reference approved by the Board. The primary duties of the Audit Committee are to assist the Board by providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the policies of the Group and to perform other duties and responsibilities as assigned by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan (the chairman of the Audit Committee), Ms. Fu Jingyan and Mr. Lam Chon Loi. The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2025.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Board (the “**Risk Management Committee**”) was established on 2 February 2016, with specific written terms of reference for assisting the Board in overseeing (i) risk governance structure; and (ii) hedging policies including its activities in forward purchases of copper and entering into the relevant contracts. The Risk Management Committee currently comprises a total of three members, being two executive Directors, namely Mr. Chung Tin Shing (the chairman of the Risk Management Committee) and Mr. Wong Shek Fai, Johnson, and one independent non-executive Director, namely Mr. Lam Chon Loi. Following the adoption of the new set of hedging policy on 29 September 2021, the Risk Management Committee is responsible for reviewing and approving the hedging policies as formulated by the hedging team of the Company and reporting to the Board as to whether the hedging policies have been duly followed by the management of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.keenocan.com.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the GEM Listing Rules will be dispatched (if necessary) to the Company’s shareholders and posted on the above websites in due course.

By order of the Board
Keen Ocean International Holding Limited
Chung Chi Wah
Chairman

Hong Kong, 23 March 2026

As at the date of this announcement, the executive Directors are Mr. Chung Chi Wah, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Cheung Yee Tak, Jonathan, Mr. Lam Chon Loi and Ms. Fu Jingyan.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.keenocan.com.hk.