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# Goodbaby

International

## Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

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

Financial Highlights	For the year ended 31 December		Year-on-year change
	2025	2024	
	<i>(HK\$ in millions, unless specified)</i>		
Revenue	<b>8,659.2</b>	8,765.9	-1.2%
Gross profit	<b>4,434.0</b>	4,507.9	-1.6%
Operating profit <sup>1</sup>	<b>419.5</b>	500.0	-16.1%
Non-GAAP <sup>2</sup> operating profit	<b>463.3</b>	544.3	-14.9%
Profit for the year	<b>218.4</b>	356.2	-38.7%
Non-GAAP profit for the year	<b>252.5</b>	390.6	-35.4%
Profit for the year attributable to owners of the parent	<b>218.6</b>	355.9	-38.6%
Earnings per share (HK\$)			
– basic and diluted	<b>0.13</b>	0.21	-38.1%

<sup>1</sup> Operating profit represents the total sum of gross profit, other income and gains, less selling and distribution expenses, administrative expenses and other expenses.

<sup>2</sup> We adopted non-GAAP financial measures in order to more clearly illustrate our financial results, and to be more consistent with what we believe to be the industry practice. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies. Please see "Non-GAAP Financial Measures" for details.

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present below the consolidated results of the Group for the year ended 31 December 2025 (the “**Period**”), together with the comparative figures for the year ended 31 December 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
Revenue	4	<b>8,659,207</b>	8,765,905
Cost of sales		<b>(4,225,216)</b>	(4,258,005)
Gross profit		<b>4,433,991</b>	4,507,900
Other income and gains	4	<b>62,053</b>	34,432
Selling and distribution expenses		<b>(2,475,819)</b>	(2,456,521)
Administrative expenses		<b>(1,598,393)</b>	(1,568,300)
Other expenses		<b>(2,298)</b>	(17,590)
Finance income	5	<b>13,003</b>	26,732
Finance costs	6	<b>(108,809)</b>	(155,491)
Share of profits and losses of:			
Joint ventures		<b>500</b>	8,408
<b>PROFIT BEFORE TAX</b>	7	<b>324,228</b>	379,570
Income tax expense	8	<b>(105,877)</b>	(23,354)
<b>PROFIT FOR THE YEAR</b>		<b>218,351</b>	356,216
Attributable to:			
Owners of the parent		<b>218,597</b>	355,846
Non-controlling interests		<b>(246)</b>	370
		<b>218,351</b>	356,216
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE</b>			
<b>PARENT:</b>	10		
Basic and diluted			
For profit for the year (HK\$)		<b>0.13</b>	0.21

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 (HK\$'000)	2024 (HK\$'000)
<b>PROFIT FOR THE YEAR</b>	<b>218,351</b>	<b>356,216</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges		
Effective portion of changes in fair value of hedging instruments arising during the year	34,991	36,524
Reclassification adjustments for income included in the consolidated statement of profit or loss	(29,699)	(8,545)
Income tax effect	(695)	(4,004)
	<b>4,597</b>	<b>23,975</b>
Exchange differences on translation of foreign operations	<b>293,473</b>	<b>(198,698)</b>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>298,070</b>	<b>(174,723)</b>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Actuarial income of defined benefit plans	<b>61</b>	<b>819</b>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<b>61</b>	<b>819</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b>298,131</b>	<b>(173,904)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>516,482</b>	<b>182,312</b>
Attributable to:		
Owners of the parent	516,728	181,918
Non-controlling interests	(246)	394
	<b>516,482</b>	<b>182,312</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>31 December 2025 (HK\$'000)</b>	31 December 2024 (HK\$'000)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		824,981	819,179
Right-of-use assets		333,356	281,486
Goodwill		2,638,490	2,532,832
Other intangible assets		2,054,183	2,000,469
Investment in the joint venture		6,847	4,958
Deferred tax assets		107,443	125,553
Other long-term assets		4,132	4,015
		<hr/>	<hr/>
Total non-current assets		5,969,432	5,768,492
<b>CURRENT ASSETS</b>			
Inventories	<i>11</i>	1,508,605	1,712,437
Trade and bills receivables	<i>12</i>	883,012	1,084,452
Prepayments and other receivables		709,164	691,184
Due from related parties		1,339	545
Cash and cash equivalents		1,296,365	1,099,358
Pledged deposits		27,057	26,684
Time deposits		111,289	–
Derivative financial instruments	<i>13</i>	30,533	20,430
		<hr/>	<hr/>
Total current assets		4,567,364	4,635,090
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>14</i>	1,378,778	1,457,628
Other payables and accruals		1,131,942	1,037,527
Income tax payable		50,952	77,990
Provision		43,662	46,637
Interest-bearing bank loans and other borrowings	<i>15</i>	336,906	475,886
Lease liabilities		119,403	95,981
Derivative financial instruments	<i>13</i>	22,260	12,063
Due to related parties		2,908	1,909
Defined benefit plan liabilities		230	240
		<hr/>	<hr/>
Total current liabilities		3,087,001	3,205,861
<b>NET CURRENT ASSETS</b>		<hr/> <b>1,480,363</b>	<hr/> <b>1,429,229</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>7,449,795</b>	<hr/> <b>7,197,721</b>

	<i>Notes</i>	<b>31 December 2025 (HK\$'000)</b>	31 December 2024 (HK\$'000)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank loans and other borrowings	15	<b>820,467</b>	979,171
Provision		<b>21,504</b>	21,338
Defined benefit plan liabilities		<b>1,891</b>	2,034
Other liabilities		<b>981</b>	971
Lease liabilities		<b>196,038</b>	164,468
Deferred tax liabilities		<b>215,148</b>	214,122
		<hr/>	<hr/>
Total non-current liabilities		<b>1,256,029</b>	1,382,104
		<hr/>	<hr/>
<b>Net assets</b>		<b>6,193,766</b>	5,815,617
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>16,726</b>	16,680
Reserves		<b>6,171,582</b>	5,773,175
		<hr/>	<hr/>
		<b>6,188,308</b>	5,789,855
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>5,458</b>	25,762
		<hr/>	<hr/>
<b>Total equity</b>		<b>6,193,766</b>	5,815,617
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 July 2000 as an exempted company 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 Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 November 2010.

The Group is principally engaged in design, research and development ("R&D"), manufacturing, marketing and distribution of products for children.

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries as at the reporting date are as follows:

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Goodbaby (Hong Kong) Limited ("GBHK")	Hong Kong, 23 July 1999	100%	–	Hong Kong Dollar ("HK\$") 1,001	Investment holding and sales agent company
Goodbaby Child Products Co., Ltd. ("GCPC") (Note (a), (b) and (c))	The People's Republic of China ("PRC/Chinese mainland"), 18 November 1994	–	100%	United States Dollar ("US\$") 66,660,000	Manufacture, distribution and sale of safety belts, cloth sets, car safety seats, car components for children, infant strollers and bicycles
Pingxiang Goodbaby Child Products Co., Ltd. ("GCPX") (Note (a) and (b))	PRC/Chinese mainland, 26 December 2011	–	100%	RMB2,000,000	Manufacture, distribution and sale of child cloth beds, infant strollers, bath chairs for children and stadium chairs
EQO Testing and Certification Services Co., Ltd. ("EQTC") (Note (a) and (b))	PRC/Chinese mainland, 30 November 2012	–	100%	RMB50,000,000	Testing of children's products, tools, electronic products and advisory service for risk valuation of product quality
Serena Merger Co., Inc. ("SERE")	The United States ("U.S."), 28 May 2014	–	100%	US\$1,000	Investment holding
Evenflo Company, Inc. ("EFCD")	U.S., 1 October 1992	–	100%	US\$86,500	Manufacture, distribution and sale of car safety seats, infant strollers and baby related products
Muebles Para Ninos De Baja, S.A. De C.V. ("EFMX")	Mexico, 29 June 1987	–	100%	Mexican Peso ("MXN") 1,720,000	Manufacture of baby related products
Goodbaby Canada Inc. ("EFCA")	Canada, 18 March 1991	–	100%	US\$7,000	Distribution and sale of baby related products

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Columbus Trading-Partners GmbH & Co. KG (“CTPE”)	Germany, 26 February 2016	–	100%	Euro (“EUR”) 100	Distribution and sale of car safety seats, infant strollers and other parenting products
Goodbaby Czech Republic s.r.o. (“GBCZ”)	Czech Republic, 8 February 2016	–	100%	Czech Koruna (“CZK”) 200,000	IT services and a share service centre
Goodbaby (Europe) GmbH & Co KG (“GEGC”)	Germany, 28 January 2014	–	100%	EUR100	Investment holding
Cybex GmbH (“CBGM”)	Germany, 5 March 2014	–	100%	EUR33,400	Purchase, sale, holding and management of participating interests and development and production of child car-seats, strollers, child carrying systems, pushchairs, high chairs and other products for children
GB GmbH (“GBGM”)	Germany, 21 August 2015	–	100%	EUR25,000	Purchase, sale, holding and management of participating interests and development and production of child car-seats, strollers, child carrying systems, pushchairs, high chairs and other products for children
Columbus Trading Partners USA Inc. (“CBUS”)	U.S., 24 November 2014	–	100%	US\$1	Distribution and sale of car safety seats, infant strollers and other parenting products
Columbus Trading Partners Japan Limited (“CBJP”)	Japan, 20 February 2018	–	100%	Japanese Yen (“JPY”) 2,200,000	Distribution and sale of car safety seats, infant strollers and other parenting products
Cybex Retail GmbH (“CBRG”)	Germany, 20 October 2021	–	100%	EUR25,000	Wholesale and retail of children’s products
CYBEX Retail Store Paris (“CBRF”)	France, 29 May 2024	–	100%	EUR20,000	Wholesale and retail of children’s products
Goodbaby (China) Retail & Service Company (“GRCN”) (Note (a), (b) and (c))	PRC/Chinese mainland, 11 May 2016	–	100%	RMB50,000,000	Wholesale and retail of children’s products

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Shanghai Goodbaby Children Fashion Co., Ltd. (“SHFS”) <i>(Note (a) and (b))</i>	PRC/Chinese mainland, 20 January 1998	–	100%	RMB22,000,000	Distribution and retail business of children’s products
Goodbaby Nantong Fashion Co., Ltd. (“NTFS”) <i>(Note (a) and (b))</i>	PRC/Chinese mainland, 19 March 2015	–	80%	RMB10,000,000	Wholesale and retail of children’s products
Goodbaby E-commerce (Kunshan) Co., Ltd. (“GECL”) <i>(Note (a) and (b))</i>	PRC/Chinese mainland, 12 April 2024	–	100%	RMB50,000,000	E-commerce of children’s products

*Note (a)* Limited liability companies established in the PRC

*Note (b)* English names for identification only

*Note (c)* Registered as wholly-foreign-owned enterprises in the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for call and put options over non-controlling interests, derivative financial instruments and wealth management products which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Wheeled goods segment, which engages in the research, design, manufacture and sale of wheeled goods, and accessories, including strollers, jogging strollers and other child conveyances that move on wheels, and accessories under the Group's own brands and third parties' brands. Products in this segment require a same set of technology and manufacturing know-how and infrastructure;
- (b) Car seats segment, which engages in the research, design, manufacture and sale of car safety seats and accessories for child under the Group's own brands and third parties' brands; and
- (c) Other categories segment, which engages in the research, design, manufacture, outsource and sale of other children's products, including apparels, personal care and sanitary products, home textiles, toys, activities, kids ride-on products, home furniture for child and other similar products under the Group's own brands and third parties' brands.

In addition, the Group has defined the geographical areas, namely Europe, Middle East, India and Africa ("EMEIA"), "Americas" and Asia Pacific ("APAC"), to reflect global market strategies.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment revenue.

**Year ended 31 December 2025**

	<b>Wheeled goods</b> <i>(HK\$'000)</i>	<b>Car seats</b> <i>(HK\$'000)</i>	<b>Other categories</b> <i>(HK\$'000)</i>	<b>Consolidated</b> <i>(HK\$'000)</i>
<b>Segment revenue</b>				
Sales to external customers	3,638,030	4,016,004	1,005,173	8,659,207
<b>Segment results</b>				
Other income and gains	1,914,252	2,116,648	403,091	4,433,991
Corporate and other unallocated expenses				62,053
Other expenses				(4,084,812)
Finance income				(2,298)
Finance costs (other than interest on lease liabilities)				13,003
Share of profits and losses of the joint venture				(98,209)
				500
<b>Profit before tax</b>				<b>324,228</b>
<b>Other segment information:</b>				
Impairment losses recognised/(reversed) in the statement of profit or loss	4,625	6,265	(194)	10,696
Depreciation and amortisation	187,500	204,733	78,231	470,464

**Year ended 31 December 2024**

	<b>Wheeled goods</b> <i>(HK\$'000)</i>	<b>Car seats</b> <i>(HK\$'000)</i>	<b>Other categories</b> <i>(HK\$'000)</i>	<b>Consolidated</b> <i>(HK\$'000)</i>
<b>Segment revenue</b>				
Sales to external customers	3,671,942	3,873,957	1,220,006	8,765,905
<b>Segment results</b>				
Other income and gains	1,962,189	2,051,555	494,156	4,507,900
Corporate and other unallocated expenses				34,432
Other expenses				(4,033,563)
Finance income				(17,590)
Finance costs (other than interest on lease liabilities)				26,732
Share of profits and losses of joint ventures				(146,749)
				8,408
<b>Profit before tax</b>				<b>379,570</b>
<b>Other segment information:</b>				
Impairment losses recognised/(reversed) in the statement of profit or loss	9,823	9,955	(3,584)	16,194
Depreciation and amortisation	186,486	186,511	89,433	462,430

## Geographical information

### (a) Revenue from external customers

	EMEIA market (HK\$'000)	Americas market (HK\$'000)	APAC market (HK\$'000)	Total (HK\$'000)
<b>Year ended 31 December 2025</b>				
<b>Segment revenue:</b>				
Sales to external customers	<u>3,984,561</u>	<u>2,876,838</u>	<u>1,797,808</u>	<u>8,659,207</u>
<b>Year ended 31 December 2024</b>				
<b>Segment revenue:</b>				
Sales to external customers	<u>3,772,373</u>	<u>3,169,593</u>	<u>1,823,939</u>	<u>8,765,905</u>

The revenue information above is based on the locations of the customers.

### (b) Non-current assets

	2025 (HK\$'000)	2024 (HK\$'000)
APAC	<b>3,668,518</b>	3,593,925
Americas	<b>1,155,174</b>	1,147,712
EMEIA	<u><b>1,027,318</b></u>	<u>892,329</u>
Total non-current assets	<u><b>5,851,010</b></u>	<u>5,633,966</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets, other non-current assets, investment in a joint venture.

### Information about a major customer

During the year ended 31 December 2025, revenue from sales to a major third-party customer was HK\$1,045,173,000 (2024: revenue from sales to a major third-party customer was HK\$1,273,107,000). The revenue from sales to the customers was derived from sales by wheeled goods, car seats and other categories segments, including sales to a group of entities which are known to be under common control with the customers.

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
<i>Revenue from contracts with customers</i>		
Sale of goods	<b>8,632,093</b>	8,734,457
Rendering of testing services	<b>27,114</b>	31,448
Total	<b><u>8,659,207</u></b>	<u>8,765,905</u>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

##### For the year ended 31 December 2025

Segments	Wheeled goods <i>(HK\$'000)</i>	Car seats <i>(HK\$'000)</i>	Other categories <i>(HK\$'000)</i>	Total <i>(HK\$'000)</i>
<b>Type of goods or services</b>				
Sale of goods	3,638,030	4,016,004	978,059	8,632,093
Rendering of testing services	–	–	27,114	27,114
Total	<u>3,638,030</u>	<u>4,016,004</u>	<u>1,005,173</u>	<u>8,659,207</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	3,638,030	4,016,004	978,059	8,632,093
Services transferred at a point in time	–	–	27,114	27,114
Total	<u>3,638,030</u>	<u>4,016,004</u>	<u>1,005,173</u>	<u>8,659,207</u>
<b>Revenue from contracts with customers</b>				
External customers	<u>3,638,030</u>	<u>4,016,004</u>	<u>1,005,173</u>	<u>8,659,207</u>

**For the year ended 31 December 2024**

Segments	Wheeled Goods (HK\$'000)	Car seats (HK\$'000)	Other categories (HK\$'000)	Total (HK\$'000)
<b>Type of goods or services</b>				
Sale of goods	3,671,942	3,873,957	1,188,558	8,734,457
Rendering of testing services	–	–	31,448	31,448
Total	<u>3,671,942</u>	<u>3,873,957</u>	<u>1,220,006</u>	<u>8,765,905</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	3,671,942	3,873,957	1,188,558	8,734,457
Services transferred at a point in time	–	–	31,448	31,448
Total	<u>3,671,942</u>	<u>3,873,957</u>	<u>1,220,006</u>	<u>8,765,905</u>
<b>Revenue from contracts with customers</b>				
External customers	<u>3,671,942</u>	<u>3,873,957</u>	<u>1,220,006</u>	<u>8,765,905</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 (HK\$'000)	2024 (HK\$'000)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<u>148,126</u>	<u>138,626</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of goods and payment is generally due with 90 days from delivery.

Rendering of testing services

The performance obligation is satisfied upon completion of service and short-term advances are normally required before rendering the services.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2025 are as follows:

	2025 (HK\$'000)	2024 (HK\$'000)
Amounts expected to be recognised as revenue:		
Within one year	<u>148,540</u>	<u>148,126</u>

All the remaining performance obligations are expected to be satisfied within one year.

## Other income and gains

	2025 (HK\$'000)	2024 (HK\$'000)
Other income and gains:		
Government grants ( <i>note (a)</i> )	20,478	17,740
Gain on sales of scrap materials ( <i>note (b)</i> )	5,613	8,973
Compensation income	2,315	3,325
Service fee income	281	1,732
Net gain on disposal of property, plant and equipment and right-of-use assets ( <i>note (c)</i> )	1,884	–
Net foreign exchange gain	27,840	–
Gain on wealth investment products	601	–
Others	3,041	2,662
Total	<u>62,053</u>	<u>34,432</u>

*Note (a):* The amount represents subsidies received from local government authorities in connection with certain financial support to local business enterprises. These government subsidies mainly comprised subsidies for export activities, subsidies for development and other miscellaneous subsidies and incentives for various purposes.

*Note (b):* The amount represents the gain on sales of aluminium, plastics, cloth and other scrap materials.

*Note (c):* Included in the net gain on disposal of items of property, plant and equipment and right-of-use assets:

- 1) a gain with an amount of HK\$23,177,000 (2024: Nil) arising from the exchange of a factory building and its associated land use rights in Ninghai for minority of equity interests of Ningbo Goodbaby Child Products Co., Ltd. held by Ninghai Shengsheng Investment Consulting Co., Ltd;
- 2) an expense with an amount of HK\$14,539,000 (2024: Nil) resulting from the payment of land appreciation tax arising from factory demolition compensation;
- 3) other gain or loss on disposal of property, plant and equipment and right-of-use assets.

## 5. FINANCE INCOME

	2025 (HK\$'000)	2024 (HK\$'000)
Interest income on bank deposits	<u>13,003</u>	<u>26,732</u>

## 6. FINANCE COSTS

	2025 (HK\$'000)	2024 (HK\$'000)
Interest on bank loans, overdrafts and other loans	98,209	146,749
Interest on lease liabilities	<u>10,600</u>	<u>8,742</u>
Total	<u>108,809</u>	<u>155,491</u>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
Cost of inventories sold*		<b>4,209,710</b>	4,241,202
Cost of services provided		<b>15,506</b>	16,803
Depreciation of property, plant and equipment		<b>266,736</b>	271,760
Depreciation of right-of-use assets		<b>122,560</b>	108,634
Amortisation of intangible assets		<b>81,168</b>	82,036
Research and development costs **		<b>445,002</b>	430,483
Lease payments not included in the measurement of lease liabilities		<b>13,210</b>	9,856
Auditors' remuneration		<b>7,598</b>	9,479
Employee benefit expense (including directors' remuneration):			
Wages, salaries and other benefits		<b>1,848,216</b>	1,814,887
Share option expense		<b>5,787</b>	5,572
Pension scheme costs (defined benefit plans) (including administrative expense)		<b>109</b>	161
Pension scheme contributions***		<b>99,339</b>	97,538
		<b>1,953,451</b>	1,918,158
Foreign exchange (gain)/loss		<b>(27,840)</b>	2,382
Impairment of trade receivables, net	12	<b>9,566</b>	(1,289)
Provision for inventories		<b>1,130</b>	17,483
Product warranties and liabilities		<b>13,187</b>	14,137
Gain on wealth investment products		<b>(601)</b>	–
Net (gain)/loss on disposal of property, plant and equipment and right-of-use assets		<b>(1,884)</b>	8,209
Loss on disposal of intangible assets		<b>46</b>	447
Bank interest income		<b>(13,003)</b>	(26,732)

\* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff remuneration, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\* Research and development costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INCOME TAX

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands (“BVI”), respectively, are exempted from taxation.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

State income tax and federal income tax of the Group’s subsidiary in the United States have been provided for at the rates of state income tax and federal income tax on the estimated assessable profits of the subsidiary during the year. The state income tax rates are 1% to 12% in the respective states in which the subsidiary operates, and the applicable tax rates of the Group’s subsidiary in the United States are 1% (Arkansas) to 9.8% (Minnesota). The federal income tax rate was lowered to 21% effective from 1 January 2018, as a result of U.S. tax reform enacted in December 2017.

The Group’s subsidiary registered in Japan is subject to income tax based on the taxable income at rates ranging from 15% to 23.2% on a progressive basis.

The Group’s subsidiaries registered in Germany are subject to corporation tax based on the taxable income at the rate of 15.825% and trade income tax on the taxable income at rates ranging from 13.65% to 17.15%.

The Group’s subsidiary registered in the Czech Republic is subject to income tax based on the taxable income at the rate of 21%.

The Group’s subsidiary registered in Canada is subject to Federal income tax based on the taxable income at the rate of 15% and provincial income tax at the rate of 11.5% in Ontario for a total of 26.5%.

The Group’s subsidiary registered in the United Arab Emirates is subject to income tax at the rate of 9% for taxable income above AED375,000.

All of the Group’s subsidiaries registered in the People’s Republic of China (the “PRC”), which only have operations in the Chinese mainland, are subject to PRC enterprise income tax (“EIT”) on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws, at the rate of 25%.

Pursuant to relevant tax rules under the EIT Law and with the approval from the relevant tax authorities in the PRC, two of the Group’s subsidiaries, Goodbaby Child Products Co., Ltd. (“GCPC”) and EQO Testing and Certification Services Co., Ltd. (“EQTC”), are qualified as “High and New Technology Enterprises” and are entitled to a preferential tax rate of 15% from 2023 to 2026.

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007. If a foreign investor incorporated-in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Chinese mainland and Hong Kong, the relevant withholding tax rate will be 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable tax rate of the Group is 5%.

The major components of income tax of the Group are as follows:

	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
Current income tax	<b>93,684</b>	123,465
Deferred income tax	<b>12,193</b>	(100,111)
Income tax expense	<b>105,877</b>	23,354

A reconciliation of the tax expense applicable to profit before tax using the applicable rate for the jurisdiction in which the Company and its subsidiaries are domiciled and/or operate to the tax charge at the effective tax rate is as follows:

	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
Profit before tax	<b>324,228</b>	379,570
Tax calculated at the applicable income tax rate	<b>116,605</b>	53,187
Temporary difference and tax losses utilised from prior years	<b>(20)</b>	(1,861)
Temporary difference and tax losses not recognised	<b>2,663</b>	1,006
Tax credit arising from additional deduction of R&D expenditures of PRC subsidiaries	<b>(27,300)</b>	(25,083)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	<b>17,095</b>	–
Tax effect on non-taxable income	<b>(12,609)</b>	(12,203)
Tax effect on non-deductible expenses	<b>9,443</b>	8,308
Income tax expense	<b>105,877</b>	23,354

### **Pillar Two income taxes**

The Group is within the scope of the OECD Global Anti-Base Erosion (GloBE) Model Rules (hereinafter referred to as “**Pillar Two**”). If the Group is not eligible for the benefit of any applicable safe harbour mechanism under Pillar Two (such as the transitional Country-by-Country Reporting (CbCR) safe harbour), The Group will be subject to top-up tax in respect of any jurisdiction affected by Pillar Two where the effective tax rate on the Group's adjusted GloBE income in that jurisdiction is below the 15% minimum tax rate, in accordance with the top-up tax calculation set out in the Pillar Two Rules.

As at 31 December 2025, Pillar Two Rules has come into effect in certain jurisdictions in which the Group operates. Based on information currently available, the Group has assessed the potential exposure in respect of the financial performance for the year, and according to the assessment, the implementation of Pillar Two rules has no material impact on the Group's results of operations and financial position as of the current reporting period. The Group will continue to monitor legislative developments in the jurisdictions in which it operates and assess their potential future impact on the financial statements.

## 9. DIVIDENDS

The board recommended the payment of a dividend of HK\$0.05 per share for the year ended 31 December 2025 (2024: HK\$0.07 per share).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,669,040,573 outstanding during the year (2024: 1,668,031,166).

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of earnings per share is based on:

	2025 (HK\$'000)	2024 (HK\$'000)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>218,597</u>	<u>355,846</u>
	<b>Number of shares</b>	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u>1,669,040,573</u>	1,668,031,166
Effect of dilution – weighted average number of ordinary shares: Share options	<u>46,505,885</u>	<u>14,467,822</u>
Total	<u>1,715,546,458*</u>	<u>1,682,498,988</u>

\* The diluted earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent of HK\$218,597,000, and the weighted average number of ordinary shares of 1,715,546,458 in issue outstanding during the year.

## 11. INVENTORIES

	2025 (HK\$'000)	2024 (HK\$'000)
Raw materials	232,448	221,952
Work in progress	19,779	19,437
Finished goods	<u>1,256,378</u>	<u>1,471,048</u>
Total	<u>1,508,605</u>	<u>1,712,437</u>

## 12. TRADE AND BILLS RECEIVABLES

	2025 (HK\$'000)	2024 (HK\$'000)
Trade receivables	915,887	1,115,910
Bank acceptance notes	1,997	–
Impairment of trade receivables	<u>(34,872)</u>	<u>(31,458)</u>
Net carrying amount	<u><b>883,012</b></u>	<u><b>1,084,452</b></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is up to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables and bank acceptance notes of the Group, based on the invoice date net of provision, is as follows:

	2025 (HK\$'000)	2024 (HK\$'000)
Within 3 months	843,957	1,051,390
3 to 6 months	19,443	23,987
6 months to 1 year	18,467	6,225
Over 1 year	<u>1,145</u>	<u>2,850</u>
Total	<u><b>883,012</b></u>	<u><b>1,084,452</b></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 (HK\$'000)	2024 (HK\$'000)
At beginning of year	31,458	56,234
Impairment losses, net ( <i>note 7</i> )	9,566	(1,289)
Amount written off as uncollectible	(7,622)	(22,399)
Exchange realignment	<u>1,470</u>	<u>(1,088)</u>
At end of year	<u><b>34,872</b></u>	<u><b>31,458</b></u>

The bank acceptance notes were issued by reputable banks with short-term maturity. Accordingly, the identified impairment loss was not significant as at the end of the year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.



The Group holds the following foreign exchange forward contracts:

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	
As at 31 December 2025						
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	224,296	448,559	333,967	–	–	1,006,822
Average forward rate (EUR/RMB)	7.9040	8.3023	8.3016	–	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	10,136	10,747	8,273	5,775	1,935	36,866
Average forward rate (CZK/EUR)	0.0396	0.0398	0.0400	0.0402	0.0404	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	37,802	34,888	34,938	17,295	17,295	142,218
Average forward rate (JPY/EUR)	0.0063	0.0062	0.0063	0.0063	0.0063	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	23,346	23,346	23,346	23,346	–	93,384
Average forward rate (EUR/US\$)	1.0981	1.1018	1.1058	1.1094	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	35,833	33,302	23,506	13,906	4,588	111,135
Average forward rate (GBP/EUR)	1.1678	1.1576	1.1439	1.1278	1.1165	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	8,059	8,332	5,969	3,589	1,197	27,146
Average forward rate (CHF/EUR)	1.0870	1.0861	1.0891	1.0910	1.0919	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	53,714	52,164	37,330	24,863	7,528	175,599
Average forward rate (PLN/EUR)	0.2271	0.2276	0.2271	0.2269	0.2290	

The impacts of the hedging instruments on the statement of financial position are as follows:

	Notional amounts (HK\$'000)	Carrying amounts (HK\$'000)	Line item in the statement of financial position
<b>As at 31 December 2025</b>			
Foreign currency forward contracts	1,019,138	30,533	Derivative financial instruments (assets)
Foreign currency forward contracts	574,032	(22,260)	Derivative financial instruments (liabilities)

The impacts of the hedged items on the statement of financial position are as follows:

	<b>Change in fair value used for measuring hedge ineffectiveness for the year (HK\$'000)</b>	<b>Hedging reserve (HK\$'000)</b>
<b>As at 31 December 2025</b>		
Highly probable forecast sales	–	11,701

The effects of the cash flow hedge on the statement of profit or loss and the statement of comprehensive income are as follows:

	Total hedging gains/(losses) recognised in other comprehensive income			Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amounts reclassified from other comprehensive income to profit or loss			Line item (gross amount) in the statement of profit or loss
	Gross					Gross			
	amounts (HK\$'000)	Tax effects (HK\$'000)	Total (HK\$'000)			amounts (HK\$'000)	Tax effects (HK\$'000)	Total (HK\$'000)	
<b>As at 31 December 2025</b>									
Highly probable forecast sales	34,991	(5,150)	29,841	–	Other income and gains	(29,699)	4,455	(25,244)	Revenue

#### 14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2025 (HK\$'000)</b>	2024 (HK\$'000)
Within 3 months	<b>1,016,665</b>	1,156,016
3 to 12 months	<b>353,143</b>	291,761
1 to 2 years	<b>5,228</b>	3,658
2 to 3 years	<b>680</b>	1,568
Over 3 years	<b>3,062</b>	4,625
Total	<b>1,378,778</b>	1,457,628

The trade and bills payables are non-interest-bearing and normally settled on terms of 60 to 90 days. The carrying amounts of the trade and bills payables approximate to their fair values due to their short term maturity.

## 15. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

		As at 31 December 2025		As at 31 December 2024	
		Maturity	(HK\$'000)	Maturity	(HK\$'000)
Current					
Bank credits – secured	Note (a) and note (b)	On demand	38,297	On demand	225,659
Bank credits – unsecured	Note (a)	On demand	4,752	On demand	6,611
Current portion of long-term bank loans – secured	Note (b)	2026	173,197	2025	56,325
Bank borrowings – unsecured		2026	<u>120,660</u>	2025	<u>187,291</u>
Total – current			336,906		475,886
Non-current					
Bank borrowings – secured	Note (b)	2027	<u>820,467</u>	2026-2027	<u>979,171</u>
Total – non-current			820,467		979,171
Total			<u>1,157,373</u>		<u>1,455,057</u>

The carrying amounts of borrowings are denominated in the following currencies:

	2025 (HK\$'000)	2024 (HK\$'000)
RMB	111,289	85,101
US\$	993,665	1,036,057
EUR	44,964	326,441
JPY	<u>7,455</u>	<u>7,458</u>
Total	<u>1,157,373</u>	<u>1,455,057</u>

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2025 (HK\$'000)	2024 (HK\$'000)
Fixed interest rate	111,289	178,896
Variable interest rate	<u>1,046,084</u>	<u>1,276,161</u>
Total	<u>1,157,373</u>	<u>1,455,057</u>

At the end of respective reporting periods, bank borrowings and overdrafts were repayable as follows:

	<b>2025</b> <i>(HK\$'000)</i>	2024 <i>(HK\$'000)</i>
Within one year	<b>336,906</b>	475,886
In the second year	<b>820,467</b>	160,649
In the third year	–	818,522
<b>Total</b>	<b><u>1,157,373</u></b>	<b><u>1,455,057</u></b>

*Note (a):* The bank credit facilities amounted to HK\$367,447,000 of which HK\$43,049,000 had been utilised as at the end of the reporting period. The bank credit facilities are revolving facilities with no termination date.

*Note (b):* As at 31 December 2025, certain of the Group's bank loans are secured by:

- (i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and
- (ii) the guarantee from the Company.

As at 31 December 2024, certain of the Group's bank loans are secured by:

- (i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and
- (ii) the guarantee from the Company.

*Note (c):* The effective interest rates of the bank loans and other borrowings range from 1.15% to 6.21% (2024: 1.20% to 7.56%).

*Note (d):* The secured syndicated loan with carrying amount of US\$127,750,000 with maturity date in 2027 is subject to certain financial covenants, which are measured with reference to the financial performance of the Group and its certain subsidiary. The Group are required to conduct tests for these covenants assessment twice a year, at the end of each interim and annual period.

The Group regularly monitors its compliance with these covenants and as at 31 December 2024 and 2025, the Group have complied with all financial covenants' tests.

## 16. SHARE OPTION SCHEMES

The Company adopted a share option scheme on 5 November 2010 (the “**2010 Share Option Scheme**”), which was terminated and replaced by another share option scheme (the “**2020 Share Option Scheme**”) approved and adopted at the annual general meeting of the Company held on 25 May 2020.

In view of the amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which have taken effect from 1 January 2023 and the intention of the Company to provide more flexibility in its long-term planning of granting of share options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted a new share option scheme (the “**2025 Share Option Scheme**”) at the extraordinary general meeting of the Company held on 27 May 2025. No further share options could be granted under the 2010 Share Option Scheme or the 2020 Share Option Scheme following their respective termination, but the provisions of the 2010 Share Option Scheme and the 2020 Share Option Scheme would remain in force to the extent necessary to give effect to the exercise of any share option granted prior to their respective termination.

The purpose of the share option schemes is to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Eligible participants of the share option schemes include full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any Directors (including non-executive and independent non-executive Directors) of the Company or any of its subsidiaries and advisers, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries as described in the share option schemes. The 2010 Share Option Scheme, the 2020 Share Option Scheme and the 2025 Share Option Scheme all have a term of 10 years. Upon termination of the 2010 Share Option Scheme and the 2020 Share Option Scheme mentioned above, no further options may be granted thereunder but the provisions of the 2010 Share Option Scheme and 2020 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to their respective termination.

The maximum number of share options originally permitted to be granted under the 2010 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 28 May 2018. The maximum number of share options originally permitted to be granted under the 2020 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 25 May 2020. The maximum number of share options currently permitted to be granted under the 2025 Share Option Scheme, is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 27 May 2025 (excluding treasury shares, if any). The maximum number of shares issuable under share options to each eligible participant under the 2010 Share Option Scheme, 2020 Share Option Scheme and 2025 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue (excluding treasury shares, if any) as at the date on which the share options are granted to the relevant eligible participants. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors.

Under the 2020 Share Option Scheme, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of such grant or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

Under the 2025 Share Option Scheme, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue (excluding treasury shares, if any) on the date of such grant or such other percentage as may be from time to time provided under the Rules Governing the Listing of Securities on the Stock Exchange, on the offer dates, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a vesting period determined by the Directors, which shall not be less than 12 months from (and including) the offer date except for employee participants under specified conditions under the 2025 Share Option Scheme, and ends on a date which shall not be later than ten years from the date upon which the share options are deemed to be granted and accepted.

Under the 2020 Share Option Scheme, the exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as quoted on the Stock Exchange on the date of offer of the share options; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Under the 2025 Share Option Scheme, the exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as quoted on the Stock Exchange on the date of offer of the share options; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options that have not been exercised do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 19 June 2020, the Board announced that the Company shall allow holders of the existing share options (the "**Existing Share Options**") granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 under the 2010 Share Option Scheme to exchange their Existing Share Options for new share options to be granted under the 2020 Share Option Scheme. As at 19 June 2020, none of the above share options was vested.

A total of 96,650,000 Existing Share Options were cancelled under the 2010 Share Option Scheme and replaced by a total of 26,084,500 new share options with an exercise price of HK\$0.96 per share under the 2020 Share Option Scheme (the "**Replacement Options**").

The exchange ratio of the Replacement Options to Existing Share Options of the 2020 Share Option Scheme was based on their fair values on the modification date, i.e. 19 June 2020.

**(a) 2010 Share Option Scheme**

The following share options were outstanding under the 2010 Share Option Scheme during the year:

	<b>Weighted average exercise price</b> <i>HK\$ per share</i>	<b>Number of options</b> <i>'000</i>
At 1 January 2024	4.010	100,180
Forfeited during the year	3.878	<u>(35,680)</u>
At 31 December 2024 and 1 January 2025	4.083	64,500
Forfeited during the year	3.793	<u>(18,300)</u>
At 31 December 2025	4.198	<u>46,200</u>

No share options were exercised or cancelled during the years ended 31 December 2025 and 2024.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

## 2025

<b>Number of options</b> <i>'000</i>	<b>Exercise price</b> <i>HK\$ per share</i>	<b>Exercise period</b>
4,100	4.54	27 September 2020 to 27 March 2028
6,150	4.54	27 September 2021 to 27 March 2028
10,250	4.54	27 September 2022 to 27 March 2028
620	5.122	28 May 2021 to 27 May 2028
930	5.122	28 May 2022 to 27 May 2028
1,550	5.122	28 May 2023 to 27 May 2028
4,520	3.75	23 May 2022 to 22 May 2029
6,780	3.75	23 May 2023 to 22 May 2029
11,300	3.75	23 May 2024 to 22 May 2029
<hr/>		
46,200		
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## 2024

<b>Number of options</b> <i>'000</i>	<b>Exercise price</b> <i>HK\$ per share</i>	<b>Exercise period</b>
2,266	3.75	7 October 2018 to 6 October 2025
2,267	3.75	7 October 2019 to 6 October 2025
2,267	3.75	7 October 2020 to 6 October 2025
4,300	4.54	27 September 2020 to 27 March 2028
6,450	4.54	27 September 2021 to 27 March 2028
10,750	4.54	27 September 2022 to 27 March 2028
620	5.122	28 May 2021 to 27 May 2028
930	5.122	28 May 2022 to 27 May 2028
1,550	5.122	28 May 2023 to 27 May 2028
6,620	3.75	23 May 2022 to 22 May 2029
9,930	3.75	23 May 2023 to 22 May 2029
16,550	3.75	23 May 2024 to 22 May 2029
<hr/>		
64,500		
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(b) **2020 Share Option Scheme**

	<b>Weighted average exercise price</b> <i>HK\$ per share</i>	<b>Number of options</b> <i>'000</i>
At 1 January 2024	0.941	26,523
Granted during the year	0.485	113,594
Forfeited during the year	0.684	(8,182)
At 31 December 2024 and 1 January 2025	0.564	131,935
Exercised during the year	0.640	(4,576)
Forfeited during the year	0.531	(14,625)
		<hr/>
At 31 December 2025	0.566	112,734

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.640 per share (2024: No share options were exercised).

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

**2025**

<b>Number of options</b> <i>'000</i>	<b>Exercise price</b> <i>HK\$ per share</i>	<b>Exercise period</b>
46	0.96	28 August 2020 to 27 August 2027
47	0.96	28 August 2021 to 27 August 2027
47	0.96	28 August 2022 to 27 August 2027
1,296	0.96	27 September 2020 to 27 March 2028
1,944	0.96	27 September 2021 to 27 March 2028
3,240	0.96	27 September 2022 to 27 March 2028
132	0.96	28 May 2021 to 27 May 2028
198	0.96	28 May 2022 to 27 May 2028
330	0.96	28 May 2023 to 27 May 2028
2,027	0.96	23 May 2022 to 22 May 2029
3,041	0.96	23 May 2023 to 22 May 2029
5,069	0.96	23 May 2024 to 22 May 2029
461	1.01	11 December 2023 to 10 December 2030
692	1.01	11 December 2024 to 10 December 2030
1,200	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
55,628	0.485	2 July 2025 to 1 July 2034
8,792	0.485	2 July 2026 to 1 July 2034
15,915	0.485	2 July 2027 to 1 July 2034
8,044	0.485	2 July 2028 to 1 July 2034
4,085	0.485	2 July 2029 to 1 July 2034
<hr/>		
112,734		

**2024**

Number of options '000	Exercise price <i>HK\$ per share</i>	Exercise period
46	0.96	28 August 2020 to 27 August 2027
47	0.96	28 August 2021 to 27 August 2027
47	0.96	28 August 2022 to 27 August 2027
1,579	0.96	27 September 2020 to 27 March 2028
2,369	0.96	27 September 2021 to 27 March 2028
3,948	0.96	27 September 2022 to 27 March 2028
148	0.96	28 May 2021 to 27 May 2028
222	0.96	28 May 2022 to 27 May 2028
370	0.96	28 May 2023 to 27 May 2028
2,164	0.96	23 May 2022 to 22 May 2029
3,245	0.96	23 May 2023 to 22 May 2029
5,410	0.96	23 May 2024 to 22 May 2029
612	1.01	11 December 2023 to 10 December 2030
919	1.01	11 December 2024 to 10 December 2030
1,485	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
59,408	0.485	2 July 2025 to 1 July 2034
9,617	0.485	2 July 2026 to 1 July 2034
19,290	0.485	2 July 2027 to 1 July 2034
11,374	0.485	2 July 2028 to 1 July 2034
9,135	0.485	2 July 2029 to 1 July 2034
<hr/>		
131,935		
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No option was granted during the year ended 31 December 2025, and the Group recognised share option expenses of HK\$5,787,000 during the year ended 31 December 2025.

**(c) 2025 Share Option Scheme**

No option was granted during the year ended 31 December 2025.

The Group overall recognised a share option expense of HK\$5,787,000 (2024: HK\$5,572,000) for the year ended 31 December 2025.

At the end of the reporting period, the Company had 46,200,000 and 112,734,000 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme, respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 158,934,000 additional ordinary shares of the Company and additional share capital of HK\$1,589,000 and share premium of HK\$256,117,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 46,200,000 and 112,308,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme respectively, which represented approximately 2.76% and 6.71% of the Company's shares in issue as at that date.

**17. EVENTS AFTER THE REPORTING PERIOD**

During the period from the end of the reporting period to the date of approval of these financial statements, GBHK repaid a certain portion of a syndicated loan amounting to US\$80,250,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

#### **Business Performance Under Pressure in a Challenging Macro Environment**

During the Period, heightened turbulence and persistent uncertainties cast a significant shadow over the global economy: US tariff policies, coupled with widespread policy uncertainties, delivered a structural shock to the world economy, resulting in a broad-based slowdown in global demands, market confidence and business sentiment, while weighing on overall global economic efficiency. Intensified regional geopolitical conflicts further eroded consumer confidence. Meanwhile, the Group's major markets continued to experience a decline in birth rates, which was even worse than previously expected.

Against the backdrop of such fragile environment, the Group's business was under great pressure. Nevertheless, the Group recorded strong revenue growth in Europe and other regions backed by strong consumer demand for CYBEX products, while revenue decreased in the US and China market. The Group's net profit contracted mainly due to a decrease in gross profit and an increase in income tax. The decrease in gross profit was primarily attributable to a slight decrease in the Group's revenue while the Group's gross margin remained basically flat as gross margin improved in the second half against the first half. The increase in income tax was mainly attributable to more profits recorded in regions with higher tax rates and withholding tax incurred on dividends distributed between the Group's entities. Such negative impacts were partially offset by the Group's improved financial cost, driven by a lower level of loans and interest rates. During the Period, the Group continued to generate solid operating cash flow. The Group's financial resources and liquidity situation remained healthy.

The Group's global competitive edge as described below continued to support its navigation through macro turbulence and uncertainties:

1. The one-dragon vertically integrated platform of own diversified brands, globally balanced omni-channel distribution platforms, own manufacturing and operational services, which enabled the Group to minimize risks in any single territory and supported its agile and flexible reactions to market volatilities;
2. Continuing dedicated and strategic investments in brand building, product innovation, global omni-channel infrastructure and digital.

Our revenue for the Period slightly decreased by 1.2% to approximately HK\$8,659.2 million from approximately HK\$8,765.9 million for the corresponding period in 2024. Foreign exchange rates fluctuated between the Period and the corresponding period in 2024, particularly between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group's revenue change in the original currencies and the change in the Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 3.0% decrease as compared to the corresponding period in 2024. Reported gross profit decreased by 1.6% to approximately HK\$4,434.0 million for the Period from approximately HK\$4,507.9 million for the corresponding period in 2024. Reported operating profit decreased by 16.1% to approximately HK\$419.5 million for the Period from approximately HK\$500.0 million for the corresponding period in 2024 and on a non-GAAP basis, our operating profit decreased by 14.9% to approximately HK\$463.3 million for the Period from approximately HK\$544.3 million for the corresponding period in 2024. Reported net profit decreased by 38.7% to approximately HK\$218.4 million for the Period from approximately HK\$356.2 million for the corresponding period in 2024. On a non-GAAP basis, our net profit decreased by 35.4% to approximately HK\$252.5 million for the Period from approximately HK\$390.6 million for the corresponding period in 2024.

Summary of the Group's revenue:

<i>(HK\$ million)</i>	For the year ended 31 December				Change on a constant	
	2025		2024		Change (%)	currency basis (%)
<b>Group Revenue</b>	<b>\$8,659.2</b>		<b>\$8,765.9</b>		<b>-1.2%</b>	<b>-3.0%</b>
<b>By Brand</b>	<b>Amount</b>	<b>% of Revenue</b>	<b>Amount</b>	<b>% of Revenue</b>	<b>Change (%)</b>	<b>Change on a constant currency basis (%)</b>
<b>Strategic brands</b>	<b>7,911.0</b>	<b>91.4%</b>	<b>7,770.7</b>	<b>88.6%</b>	<b>1.8%</b>	<b>-0.3%</b>
CYBEX	5,047.4	58.3%	4,467.3	51.0%	13.0%	9.1%
Evenflo	2,118.1	24.5%	2,385.3	27.2%	-11.2%	-10.1%
gb	745.5	8.6%	918.1	10.5%	-18.8%	-20.2%
<b>Blue Chip and other business</b>	<b>748.2</b>	<b>8.6%</b>	<b>995.2</b>	<b>11.4%</b>	<b>-24.8%</b>	<b>-24.5%</b>

## EXECUTIVE SUMMARY

During the Period, the Group's strategic brands performed as follows:

- **CYBEX** achieved another record revenue and profit, celebrating its 20th anniversary in a challenging business environment marked by negative consumer sentiment, weak European economy, declining birthrates and worsening geopolitical conflicts. This demonstrated CYBEX's strong brand resilience and market influence. Backed by strong market demand for its products, CYBEX recorded robust revenue growth of 13.0% (a 9.1% increase on a constant currency basis) in the Period to approximately HK\$5,047.4 million from approximately HK\$4,467.3 million for the corresponding period of 2024. Such growth was recorded across CYBEX's core categories, channels and major markets. With the strong revenue momentum, CYBEX continued to outperform competitors and gain market shares globally. Due to positive operating leverage, CYBEX's operating profit growth outpaced its revenue growth, highlighting the brand's focus in continuously improving business profitability. The sustained outstanding performance was a result of CYBEX's very strong and continuously enhanced brand position, diversified and innovative product portfolio supported by strong operational infrastructure and supply chain, and further expansion and fortification of global omni-channel distribution network with industry leading self-owned wholesale, e-commerce and own offline flagship store infrastructure. During the Period, CYBEX opened two flagship stores in New York and Berlin respectively, further strengthening its leadership in "Strategic Key Cities" and enriching its omni-channel distribution network. Furthermore, CYBEX delivered solid progress in the North American market despite tariff policies and corresponding price increases, and this momentum was further strengthened particularly following the opening of the New York flagship store. During the Period, CYBEX proudly received multiple awards from prominent international organizations for its product fashion design, safety and functionality. The brand continued to reinforce its global leading position as the premium "technical-lifestyle" brand.
- **Evenflo** brand recorded revenue decrease of 11.2% (a 10.1% decrease on a constant currency basis) in the Period to approximately HK\$2,118.1 million from approximately HK\$2,385.3 million for the corresponding period of 2024. The decrease was mainly attributable to lower sales of the car seat category as well as low-priced and older products in other categories. Nevertheless, the brand recorded strong performance in the stroller category, supported by a record number of new launches, which partially mitigated the overall revenue decline. Furthermore, the brand continued to successfully implement digital strategy, leading to strong growth in its DTC channel. During the Period, the brand suffered from major profitability challenges arising from tariff policies and new product regulatory requirements. These factors resulted in additional tariff-related costs, higher compliance costs for car seat products to meet new regulatory standards, increased expenses for new product displays in retailers' stores, as well as elevated promotion and marketing expenditure for older product models. A prudentially conservative pricing strategy was adopted during the Period given the increased macroeconomic turbulence and uncertainties, and thus was not able to fully cover these additional costs. During the Period, the brand adopted stringent cost controls and streamlined organization structure, which effectively improved expense performance in the second half of the year.

- **gb** brand recorded a revenue decline of 18.8% (a 20.2% decrease on a constant currency basis) in the Period to approximately HK\$745.5 million from approximately HK\$918.1 million for the corresponding period of 2024. Revenue decline was mainly attributable to decline in the non-durables category as gb deepened strategic product portfolio upgrade and restructuring: it focused on the durables category to highlight its core competitiveness; at the same time, it intentionally reduced sales of low-priced and older products; integration of fashion design improved consumer experience; the brand further shifted from “selling SKUs” to “offering one-stop solutions”. As a result, gb recorded very strong growth in the car seats segment and overall, optimized its product mix. The brand also continued efforts to optimize the channel mix which prioritized self-owned channels and eliminated price disorders across channels: offline, gb kept adjusting its retail store network through closures of outdated stores as well as moderate opening of new stores; online, gb strengthened in-house management of retail stores and enhanced leadership in key durables products. These efforts also contributed to gross margin improvement.

During the Period, our Blue Chip and other business recorded revenue decrease of 24.8% (a 24.5% decrease on a constant currency basis) to approximately HK\$748.2 million in the Period as compared to approximately HK\$995.2 million for the corresponding period of 2024, mainly attributable to revenue decline of our Blue Chip business. After strong growth in the first quarter of 2025 due to front-loaded orders from customers, Blue Chip business was heavily impacted following the announcement of tariff policies starting from the second quarter. Nevertheless, the Group’s relationship with its Blue Chip customers remained healthy and stable, and it continued to provide efficient product and service delivery for its customers during the Period.

## **OUTLOOK**

Looking ahead to 2026, the global economy is expected to advance amid divergence and volatility, with differentiated global tariff policies disrupting supply chains and increasing trade compliance risks. Persistent geopolitical tensions, particularly the ongoing geopolitical conflicts in Europe and the Middle East, may continue to disrupt global energy supply and cross-regional logistics, triggering sharp fluctuations in energy prices, disrupting key transportation routes, and bringing significant cost pressures, supply chain disruptions and product availability issues, all of which will further dampen consumer confidence and suppress market demand. Notably, the ongoing decline in birth rates in our major markets will shrink our core consumer base, while sluggish consumer sentiment and rising household living costs will reduce spending power and willingness to purchase, adding downside risks. Additionally, deepening trade regionalization and industrial chain restructuring will exacerbate operational uncertainties. That said, the Group stands ready to adapt to the market environment, seize opportunities from challenges and industry restructurings by fully leveraging its competitive strengths, and strive to mitigate risks for sustainable development.

Overall, we remain very confident of and will continue our vertically integrated one-dragon, brand-driven strategy through sustained strategic investments to maintain and consolidate our global competitiveness, which will continue to inject momentum into the Group's business and enhance its resilience in the face of uncertainties. Under the strategy, focus will continue to be given to our strategic brands of CYBEX, Evenflo and gb and the ongoing development of our Blue Chip business:

- **CYBEX** will continue to leverage its strong brand momentum, diversified and innovative product portfolio and omni-channel infrastructure to grow globally with full speed ahead. The strong momentum will enable the brand to consequently continue to gain market shares across the globe among fierce competitions;
- **Evenflo** will focus on stabilizing business development under the new management team. Recovering revenue growth and profitability remains a top priority. The brand will continue new product launches, refine and strengthen channel relationships and continue strategic investment in brand, product and digital;
- **gb** will focus on turning around its overall business. It will catch up in content marketing to better connect with consumers, continue to focus on the core durables category to fully leverage the brand's competitiveness and better implement DTC strategy based on strict cost discipline; and
- **Blue Chip** business is expected to record moderate development. We remain the major supplier of our customers and continue to receive orders of new products from our major customers and have successfully developed new customers. The Group continues to deliver services that meet demands of both our existing and new customers.

On a global basis, we will continue brand building through the expansion and deepening of our omni-channel distribution network and infrastructure in existing and new markets to ensure that we maintain a direct relationship with our fans and consumers and provide them with a world-class omni-channel experience. We will continue to optimize and consolidate our global supply chain strategies as we embrace supplier partnerships and broaden our global footprint to ensure we are quicker to market and leverage regional capabilities through mother market operations.

Brand-driven strategy supported by world-class technology, manufacturing, supply chain excellence and agility, innovation, mother market operations, digital and cost optimization will remain the core of our vision of becoming an outstanding enterprise with global and future-ready competitiveness and achieving sustained profitable growth.

## **FINANCIAL REVIEW**

### **Revenue**

For the Period, the total revenue of the Group decreased by 1.2% to approximately HK\$8,659.2 million from approximately HK\$8,765.9 million for 2024. Foreign exchange rate fluctuated between the Period and the corresponding period in 2024, particularly between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group's overall revenue change in the original currencies and the change Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 3.0% decrease compared to 2024.

For the revenue breakdown analysis, please refer to the section headed "Management Discussion and Analysis – Overview" in this announcement.

### **Cost of Sales, Gross Profit and Gross Profit Margin**

Cost of sales decreased by 0.8% to approximately HK\$4,225.2 million for the Period from approximately HK\$4,258.0 million for 2024. Gross profit of the Group decreased to approximately HK\$4,434.0 million for the Period from approximately HK\$4,507.9 million for 2024, and the gross profit margin slightly decreased by 0.2 percentage points to 51.2% for the Period from approximately 51.4% for 2024. The decrease in gross profit was mainly due to the slight decrease in revenue.

### **Other Income and Gains**

Other income and gains of the Group increased by approximately HK\$27.7 million to approximately HK\$62.1 million for the Period as compared to approximately HK\$34.4 million for 2024, which was mainly attributable to the increase in foreign exchange gain and government grants, partially offset by the decrease in the gain on sales of scrap materials.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses primarily consisted of marketing expenses, personnel costs, rental and commission, and logistics costs. The selling and distribution expenses increased by approximately HK\$19.3 million to approximately HK\$2,475.8 million for the Period from approximately HK\$2,456.5 million for 2024. The increase was mainly attributable to the increase in personnel costs and logistics costs, partially offset by the decrease in marketing expenses.

### **Administrative Expenses**

The Group's administrative expenses primarily consisted of personnel costs, R&D costs, professional service expenses, depreciation and amortization cost and other office expenses. The administrative expenses increased by approximately HK\$30.1 million to approximately HK\$1,598.4 million for the Period from approximately HK\$1,568.3 million for 2024. The increase was mainly due to the increase in R&D costs and IT related expenses.

## **Other Expenses**

Other expenses of the Group decreased by approximately HK\$15.3 million to approximately HK\$2.3 million for the Period from approximately HK\$17.6 million for 2024, which was mainly attributable to the decrease in net loss on disposal of property, plant and equipment and in foreign exchange loss.

## **Operating Profit**

As a result of the foregoing, the Group's operating profit decreased by approximately 16.1%, or HK\$80.5 million, to approximately HK\$419.5 million for the Period from approximately HK\$500.0 million for 2024.

## **Finance Income**

For the Period, the Group's finance income decreased to approximately HK\$13.0 million from approximately HK\$26.7 million for 2024. The Group's finance income mainly represents interest income from bank deposits.

## **Finance Costs**

For the Period, the Group's finance costs decreased to approximately HK\$108.8 million from approximately HK\$155.5 million for 2024. The improvement in net financial cost was attributable to a lower level in both loan principles and interest rates.

## **Profit Before Tax**

As a result of the foregoing, the profit before tax of the Group decreased by 14.6% to approximately HK\$324.2 million for the Period from a profit before tax of approximately HK\$379.6 million for 2024.

## **Income Tax**

The Group's income tax expense was approximately HK\$105.8 million for the Period, as compared with income tax of HK\$23.4 million for 2024. The increase in income tax expense was mainly attributable to more profits recorded in regions with higher tax rates and withholding tax incurred on dividends distributed between Group entities.

## **Profit for the Year**

Profit of the Group for the Period decreased by 38.7% or approximately HK\$137.8 million to approximately HK\$218.4 million from approximately HK\$356.2 million for 2024.

The non-GAAP profit of the Group decreased by approximately 35.4% to approximately HK\$252.5 million for the Period from approximately HK\$390.6 million for 2024.

## Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain non-GAAP financial measures, including non-GAAP operating profit, non-GAAP operating margin, non-GAAP profit before tax, non-GAAP profit for the year and non-GAAP net margin, are presented. The Company's management believes that the non-GAAP financial measures provide investors with a more meaningful view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items, certain impact of merger and acquisition transactions and certain one-off bad debt provision and operating loss. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

The following tables set forth the reconciliations of the Company's non-GAAP financial measures for the year ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Year ended 31 December 2025			
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets (a) (HK\$ million)	
Operating profit	419.5	5.8	38.0	463.3
Profit before tax	324.2	5.8	38.0	368.0
Profit for the year	218.4	5.8	28.3	252.5
Operating margin	4.8%			5.4%
Net margin	2.5%			2.9%

	Year ended 31 December 2024			
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets (a) (HK\$ million)	
Operating profit	500.0	5.6	38.7	544.3
Profit before tax	379.6	5.6	38.7	423.9
Profit for the year	356.2	5.6	28.8	390.6
Operating margin	5.7%			6.2%
Net margin	4.1%			4.5%

Note:

(a) Amortization of intangible assets arising from acquisitions, net of related deferred tax.

## Working Capital and Financial Resources

	<b>As at 31 December 2025 (HK\$ million)</b>	As at 31 December 2024 (HK\$ million)
Trade and notes receivables (including trade receivables due from related parties)	<b>884.4</b>	1,085.0
Trade and notes payables (including trade payables due to related parties)	<b>1,381.7</b>	1,459.5
Inventories	<b>1,508.6</b>	1,712.4
	<b>For the year ended 31 December 2025</b>	For the year ended 31 December 2024
Trade and notes receivables turnover days <sup>(1)</sup>	<b>41</b>	47
Trade and notes payables turnover days <sup>(2)</sup>	<b>121</b>	117
Inventories turnover days <sup>(3)</sup>	<b>137</b>	134

### Notes:

- (1) Trade and notes receivables turnover days = Number of days in the reporting period x (average balance of trade and notes receivables at the beginning and at the end of the period)/revenue in the reporting period.
- (2) Trade and notes payables turnover days = Number of days in the reporting period x (average balance of the trade and notes payables at the beginning and at the end of the period)/cost of sales in the reporting period.
- (3) Inventories turnover days = Number of days in the reporting period x (average balance of inventories at the beginning and at the end of the period)/cost of sales in the reporting period.

The decrease in trade and notes receivables was mainly attributable to the relatively lower balance of trade and notes receivables at the current year-end of 31 December 2025 caused by the lower year-end monthly revenue than previous year. Trade and notes receivables turnover days continued to maintain stable, which was in line with the overall business operation status of the Group.

Trade and notes payables remained stable, and the turnover days of trade and notes payables continued to maintain stable, which was in line with the overall business operation status of the Group.

The decrease in inventories was mainly attributable to reduced in-transit inventory levels and Group's proactive scaling back of the safety stock reserves that were deliberately built up at the end of the previous year to mitigate potential logistics disruptions arising from the Red Sea crisis and potential supply chain shortages during the period of Chinese New Year. The inventory turnover days remained stable.

### **Liquidity and Financial Resources**

As at 31 December 2025, the Group's monetary assets, including cash and cash equivalents, time deposits, pledged deposits and financial assets designated at fair value through profit or loss, were approximately HK\$1,434.8 million (31 December 2024: approximately HK\$1,126.0 million).

As at 31 December 2025, the Group's interest-bearing bank loans and other borrowings were approximately HK\$1,157.4 million (31 December 2024: approximately HK\$1,455.1 million), including short-term bank loans and other borrowings of approximately HK\$336.9 million (31 December 2024: approximately HK\$475.9 million) and long-term bank loans and other borrowings with repayment terms ranging from one to two years of approximately HK\$820.5 million (31 December 2024: approximately HK\$979.2 million). Among the Group's interest-bearing bank loans and other borrowings, approximately HK\$111.3 million were at fixed interest rates (31 December 2024: approximately HK\$178.9 million) and approximately HK\$1,046.1 million were at variable interest rates (31 December 2024: approximately HK\$1,276.2 million).

As a result, as at 31 December 2025, the Group's net cash position was approximately HK\$277.4 million (31 December 2024: net debt position with an amount of approximately HK\$329.1 million).

### **Contingent Liabilities**

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

As at 31 December 2025, the Group had no material contingent liabilities (as at 31 December 2024: nil).

## **Exchange Rate Fluctuations**

The Group is a multinational enterprise with operations in different countries and the money that it used to conduct its business and transaction is denominated in various currencies, and the Group uses Hong Kong dollar (“**HK\$**”) as its reporting currency, which is pegged to US\$. The Group’s revenue is mainly denominated in US\$, RMB and EUR. The Group’s procurement and the Group’s operating expenses (“**OPEX**”) are mainly denominated in RMB, US\$ and EUR. The net exposures to foreign currency risks of the Group’s operating results are mainly the US\$ and EUR revenue against RMB procurement and OPEX. The Group would benefit from the appreciation of US\$ and EUR against RMB but would suffer losses if US\$ or EUR depreciates against RMB. The Group uses forward contracts to eliminate the foreign currency exposures.

## **Pledge of Assets**

Bank deposits of approximately HK\$24.6 million (31 December 2024: HK\$24.5 million) were pledged for interest reserve.

## **Gearing Ratio**

As at 31 December 2025, the Group’s gearing ratio (calculated by net debt divided by the sum of adjusted capital and net debt, whereas (i) net debt is calculated by the sum of trade and bills payables, other payables and accruals, payables due to related parties and interest-bearing bank loan and other borrowings (current and non-current), less monetary assets, including cash and cash equivalents, time deposits and pledge deposits, and financial assets designated at fair value through profit or loss; (ii) the amount of adjusted capital is calculated by equitable to owner of the parent minus hedging reserve) was approximately 26.6% (31 December 2024: approximately 32.8%) or 29.2% after taking into consideration the lease liabilities (current and non-current) impact of IFRS Accounting Standards 16 (as at 31 December 2024: approximately 34.8%).

## **Employees and Remuneration Policy**

As at 31 December 2025, the Group had a total of 5,817 full-time employees (as at 31 December 2024: 6,231). For the Period, costs of employees, excluding Directors’ emoluments, amounted to a total of approximately HK\$1,911.5 million (for 2024: approximately HK\$1,876.2 million). The Group determined the remuneration packages of all employees with reference to their position, competency, performance, value and market salary trend. The Group provides its employees in the PRC and other countries and regions with welfare schemes as required by applicable local laws and regulations.

The Company has adopted share option schemes to incentivize or reward eligible participants for their contribution to the Group for the purpose of motivating the eligible participants to optimize their performance efficiency for the benefit of the Group, and attracting and retaining or otherwise maintaining on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

The Company adopted a share option scheme on 5 November 2010 (the “**2010 Share Option Scheme**”), which was terminated and replaced by another share option scheme (the “**2020 Share Option Scheme**”) approved and adopted at the annual general meeting of the Company held on 25 May 2020. The 2020 Share Option Scheme was terminated, and in view of the amendments to Chapter 17 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) which have taken effect from 1 January 2023 and the intention of the Company to provide more flexibility in its long term planning of granting of share options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted a new share option scheme (the “**2025 Share Option Scheme**”) at the extraordinary general meeting of the Company held on 27 May 2025.

No further share options could be granted under the 2010 Share Option Scheme or the 2020 Share Option Scheme following their respective termination, but the provisions of the 2010 Share Option Scheme and the 2020 Share Option Scheme would remain in force to the extent necessary to give effect to the exercise of any share option granted prior to their respective termination.

A summary of the principal terms of the 2025 Share Option Scheme is set out in the Appendix to the Company’s circular dated 12 May 2025. No share option was granted since the adoption of the 2025 Share Option Scheme.

As at 31 December 2025, there were an aggregate of 158,933,500 outstanding share options under the 2010 Share Option Scheme and the 2020 Share Option Scheme (31 December 2024: 196,434,500 outstanding share options).

### **Significant Acquisition, Disposal or Investment**

During the Period, the Group did not have any material acquisition or disposals of subsidiaries and associated companies, or investments.

## **OTHER INFORMATION**

### **Annual General Meeting**

The annual general meeting of the Company (the “**AGM**”) will be held on Friday, 29 May 2026. A notice convening the AGM will be published and despatched to shareholders of the Company in the manner required by the Listing Rules in due course.

## **Important Events After the Reporting Period**

Save as disclosed above, there were no other important events that required additional disclosure or adjustments occurred after the end of the Period and up to the date of this announcement.

## **Final Dividend**

At the meeting of the Board held on 27 March 2026, the Board has resolved to declare the payment of a final dividend of HK\$0.05 per share for the year ended 31 December 2025 (for 2024: HK\$0.07 per share). Subject to the approval of the shareholders of the Company in the AGM, the final dividend will be paid on Tuesday, 23 June 2026 to the shareholders whose names appear on the register of members of the Company on Tuesday, 9 June 2026. The record date for determining the entitlement to the proposed final dividend is Tuesday, 9 June 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of ascertaining the shareholders' eligibility to attend and vote at the AGM, and the entitlement to the proposed final dividend for the Period, the Company's register of members will be closed in the manner set out below:

(i) For ascertaining the Shareholders' eligibility to attend and vote at the AGM:

- |   |  |
|---|--|
| – Latest time to lodge transfers documents for registration | 4:30 p.m. on Friday, 22 May 2026                                 |
| – Closure of register of members                            | Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive |
| – Record date   | Friday, 29 May 2026  |

(ii) For determining entitlement to the final dividend for the Period:

- |   |                                   |
|---|-----------------------------------|
| – Ex-dividend date  | 5 June 2026 (Friday)              |
| – Latest time to lodge transfers documents for registration | 4:30 p.m. on 8 June 2026 (Monday) |
| – Closure of register of members                            | Tuesday, 9 June 2026              |
| – Record date   | Tuesday, 9 June 2026              |

During the above closure periods, no transfer of shares will be registered in the Company's register of members. To be eligible to attend and vote at the AGM, and to qualify for the final dividend for the Period, all duly stamped instruments of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than the latest time(s) as stated above.

## **Corporate Governance**

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and formulate its business strategies and policies as well as to enhance corporate value and accountability.

The Company had complied with the applicable code provisions as set out in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**CG Code**”) during the Period, save for the deviation from code provision C.5.1 as explained below.

Code provision C.5.1 in Part 2 of the CG Code stipulates that, among others, the Board should meet at least four times a year at approximately quarterly intervals. The Board held two physical Board meetings during the Period. As members of the Board were located in various countries and time zones, to efficiently and timely deal with affairs of the Board and the Company, in lieu of physical meeting, consent of Directors on various issues was sought through circulating written Board resolutions as permitted under the articles of association of the Company. For the year ended 31 December 2025, in addition to the matters considered at physical Board meetings, all affairs of the Company had been properly dealt with by means of electronic communication and written Board resolutions, which have been carefully considered and approved by all the Directors.

Further information of the reasons for the deviation from the CG Code and the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2025. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

## **Purchase, Sale or Redemption of listed securities of the Company**

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

## **Model Code for Securities Transactions by Directors**

Since the listing of the Company on the Main Board of the Stock Exchange on 24 November 2010, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code for the dealings in securities transactions by the Directors. Having made specific enquires, all Directors have confirmed that they complied with the required standard of dealings set out in the Model Code for the Period.

## **Audit Committee**

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) consists of Ms. Chiang Yun, Mr. Wong Shun Tak and Mr. Ho Kwok Yin, Eric. The chairperson of the Audit Committee is Mr. Wong Shun Tak. The annual results and the consolidated financial information of the Group for the Period have been reviewed and considered by the Audit Committee.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary results announcement have been agreed by the Group’s independent auditor, Ernst & Young.

The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed risk management and internal control with senior management members.

## **Appreciation**

The chairman of the Group would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

## **Publication of Financial Results and Annual Report**

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gbinternational.com.hk>). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched (if necessary) to shareholders of the Company and made available for review on the same websites in due course.

By order of the Board  
**Goodbaby International Holdings Limited**  
**Song Zhenghuan**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Mr. SONG Zhenghuan, Mr. LIU Tongyou, Mr. Martin POS and Mr. XIA Xinyue; the non-executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the independent non-executive Directors are Ms. CHIANG Yun, Mr. WONG Shun Tak, and Mr. JIN Peng.*