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## **Tailam Tech Construction Holdings Limited**

**泰林科建控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6193)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Tailam Tech Construction Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 with comparative figures for the year ended 31 December 2024.

The annual results of the Group for the year ended 31 December 2025 have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and the Board.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	3	244,057	185,332
Cost of sales	4	<u>(207,426)</u>	<u>(166,975)</u>
<b>Gross profit</b>		<b>36,631</b>	18,357
Selling and marketing expenses	4	(3,676)	(3,460)
Administrative expenses	4	(32,317)	(30,749)
Reversal of impairment losses on financial assets	4	5,158	2,379
Other income, other costs and other gains – net	5	<u>2,604</u>	<u>1,830</u>
<b>Operating profit/(loss)</b>		<b>8,400</b>	(11,643)
Finance income		230	286
Finance costs		<u>(1,047)</u>	<u>(114)</u>
Finance (costs)/income – net	6	<u>(817)</u>	<u>172</u>
<b>Profit/(loss) before income tax</b>		<b>7,583</b>	(11,471)
Income tax (expense)/credit	7	<u>(1,840)</u>	<u>451</u>
<b>Profit/(loss) for the year attributable to equity holders of the Company</b>		<b><u>5,743</u></b>	<b><u>(11,020)</u></b>
<b>Other comprehensive income/(loss)</b>			
<i>Item that may be reclassified to profit or loss</i>			
– Currency translation differences		<u>283</u>	<u>(93)</u>
<b>Total comprehensive income/(loss) for the year attributable to equity holders of the Company</b>		<b><u>6,026</u></b>	<b><u>(11,113)</u></b>
<b>Earnings/(loss) per share</b>			
<i>(expressed in RMB per share)</i>			
– Basic and diluted	8	<u>0.01</u>	<u>(0.03)</u>

## CONSOLIDATED BALANCE SHEET

As at 31 December 2025

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		100,320	108,092
Intangible assets		411	282
Deferred income tax assets		1,564	2,903
Financial assets at fair value through profit or loss (“FVTPL”)	9	16,094	15,578
		<u>118,389</u>	<u>126,855</u>
<b>Current assets</b>			
Inventories		16,912	17,985
Trade and other receivables and prepayments	10	112,187	108,021
Financial assets at fair value through other comprehensive income		14,489	10,299
Financial assets at FVTPL	9	781	1,721
Restricted cash		1,947	9,646
Cash and cash equivalents		56,041	6,003
		<u>202,357</u>	<u>153,675</u>
<b>Total assets</b>		<u><b>320,746</b></u>	<u><b>280,530</b></u>
<b>Equity</b>			
<b>Equity attributable to the Company’s equity holders</b>			
Share capital	11	3,584	3,584
Share premium	11	153,337	153,337
Other reserves	12	(15,869)	(16,152)
Retained earnings		60,921	55,178
		<u>60,921</u>	<u>55,178</u>
<b>Total equity</b>		<u><b>201,973</b></u>	<u><b>195,947</b></u>

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>4,550</b>	5,000
Borrowings		<b>4,900</b>	–
		<u><b>9,450</b></u>	<u>5,000</u>
<b>Current liabilities</b>			
Trade and other payables	13	<b>46,426</b>	75,954
Contract liabilities	3(b)	<b>459</b>	1,108
Current income tax liabilities		<b>2,838</b>	2,382
Lease liabilities		–	139
Borrowings		<b>59,600</b>	–
		<u><b>109,323</b></u>	<u>79,583</u>
<b>Total liabilities</b>		<u><b>118,773</b></u>	<u>84,583</u>
<b>Total equity and liabilities</b>		<u><b>320,746</b></u>	<u>280,530</u>

## NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1. GENERAL INFORMATION

Tailam Tech Construction Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 7 March 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of pre-stressed high-strength concrete piles (the “**PHC piles**”), ceramsite concrete block and commercial concrete in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is Apax Investment Holdings Limited (“**Apax Investment**”), which is beneficially owned as to 72.94% by Ms. Wong Han Yu Alice (“**Ms. Wong**”) and as to 27.06% by Mr. Wong Chiu Wai. Apax Investment is controlled by Ms. Wong as Ms. Wong is the sole director of Apax Investment. Ms. Wong is the ultimate controlling shareholder of the Company.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 18 December 2019.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. The consolidated financial statements were approved for issue by the board of directors of the Company on 27 March 2026.

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair values at the end of each reporting period.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### (a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group’s financial position or operating result and did not require retrospective adjustment.

<b>Standards</b>		<b>Effective for reporting periods beginning on or after</b>
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
Amendments to HKFRS Accounting Standards	Disclosures about Uncertainties in the Financial Statements	No effective date

**(b) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published but are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group. Other than HKFRS 18, these standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

<b>Standards</b>		<b>Effective for reporting periods beginning on or after</b>
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volumes 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The adoption of HKFRS 18 will not affect the recognition or measurement of items in the consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirement on management-defined performance measures within the consolidated financial statements. So far, the Group considers that the impact of these new and amended standards on the Group's results of operations and financial position will not be material.

### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### (a) Disaggregation of revenue from contracts with customers

The Group derived its revenue from the transfer of goods and provision of services at point in time of the following major products and services:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of PHC piles	135,448	115,594
Sales of commercial concrete	108,324	68,877
Sales of ceramsite concrete block	6	861
Commercial concrete processing fee income	279	–
	<u>244,057</u>	<u>185,332</u>

#### (b) Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
PHC piles	277	520
Commercial concrete	182	550
Ceramsite concrete block	–	38
	<u>459</u>	<u>1,108</u>

#### *Revenue recognised in relation to contract liabilities*

The following table shows the amount of revenue recognised in the respective years related to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>1,108</u>	<u>819</u>

(c) **Accounting policies of revenue recognition**

The Group manufactures and sells commercial concrete, PHC piles and ceramsite concrete blocks in the market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group provides commercial concrete processing services to external parties. Service income is recognised at a point in time when the services are provided and accepted by the customers.

**4. EXPENSES BY NATURE**

The total costs of costs of sales, other costs, selling and marketing expenses, administrative expenses and reversal of impairment losses on financial assets are set out below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables used	166,823	141,607
Changes in inventories of finished goods	878	953
Employee benefit expenses	14,304	15,211
Depreciation of property, plant and equipment	12,041	12,394
Outsourcing labour costs	13,455	9,332
Reversal of impairment losses on financial assets	(5,158)	(2,379)
Freight charges	16,877	8,565
Utilities	4,900	4,212
Travelling and entertainment expenses	2,975	2,602
Consulting fees	2,012	1,651
Expense relating to short term leases	2,076	1,230
Business tax and surcharges	1,944	1,190
Auditors' remuneration – audit services	920	959
Provision for/(reversal of) write-down of inventories	297	(262)
Amortisation charges	260	156
Repairs and maintenance	2,748	557
Others	2,598	2,752
	<u>239,950</u>	<u>200,730</u>

## 5. OTHER INCOME, OTHER COSTS AND OTHER GAINS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Other income:		
– Rental income	2,035	2,203
– Value-added tax super deduction	1,091	871
	<u>3,126</u>	<u>3,074</u>
Other costs	<u>(1,689)</u>	<u>(1,925)</u>
Other gains – net:		
– Exchange (losses)/gains – net	(368)	256
– Net fair value gains on financial assets at FVTPL ( <i>Note 9</i> )	1,346	114
– Net losses on disposals of property, plant and equipment	(59)	(64)
– Others	248	375
	<u>1,167</u>	<u>681</u>
	<u><b>2,604</b></u>	<u><b>1,830</b></u>

## 6. FINANCE (COSTS)/INCOME – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
– Interest income from bank deposits	217	286
– Interest income on loan to a related party	13	–
	<u>230</u>	<u>286</u>
Finance costs:		
– Interest expenses on bank borrowings	(1,034)	(98)
– Interest expense on leases	(13)	(16)
	<u>(1,047)</u>	<u>(114)</u>
Finance (costs)/income – net	<u><b>(817)</b></u>	<u><b>172</b></u>

## 7. INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax	951	–
Deferred income tax		
– PRC corporate income tax	889	(451)
	<u>1,840</u>	<u>(451)</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands and, is exempted from payment of Cayman Islands income tax.

The subsidiaries incorporated in British Virgin Islands under the International Business Companies Acts of the British Virgin Islands are exempted from payment of British Virgin Islands income tax.

Subsidiaries incorporated in Hong Kong are subject to income tax at the prevailing rates of 16.5% (2024: 16.5%). Hong Kong profits tax has not been provided as there is no estimated assessable profit arising in or derived from Hong Kong during the financial periods.

The PRC Corporate Income Tax (“CIT”) is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes. The applicable corporate income tax rate for Chinese Mainland subsidiaries is 25%, except for the subsidiary which is qualified as High and New technology Enterprise (“HNTE”). Tailam Technology (Jiangsu Nantong) Co., Ltd obtained the qualification of HNTE in 2023, and the applicable income tax rate is 15% for HNTE.

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their eligible research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction”). The additional tax deduction amount of the qualified research and development expenses have been increased from 150% to 175%, effective from 2018 to 2020, and further increased to 200%, particularly for manufacturing enterprise, effective since 2021, according to a new tax incentive policy promulgated by the State Tax Bureau of the PRC. The Group has considered the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits for the year ended 31 December 2025.

According to the CIT Law, starting from 1 January 2008, withholding tax of 10% will be levied on the holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied when the holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements under the tax treaty arrangement between the PRC and Hong Kong.

The Group provides for the deferred income tax liabilities on the unremitted earnings except for those amounts expected to be reinvested. Unremitted earnings for which deferred income tax liabilities have not been recognised totalled RMB50,537,000 at 31 December 2025 (2024: RMB41,155,000). As at 31 December 2025, deferred income tax liabilities of RMB5,054,000 (2024: RMB4,116,000) have not been recognised for the withholding tax that would be payable on such unremitted earnings of certain subsidiary.

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/(loss) of the group entities as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Profit/(loss) before income tax	<b>7,583</b>	(11,471)
Tax calculated at tax rates applicable to losses or profits of the respective subsidiaries	<b>1,556</b>	(1,312)
– Expenses not deductible for tax purposes	<b>494</b>	273
– Research and development expenditure super deduction	<b>(417)</b>	(480)
– Deferred tax not accounted for taxable losses	<b>445</b>	1,031
– Adjustments for income tax of prior year	<b>(233)</b>	37
– Reversal of effect of withholding tax on certain unremitted profits of subsidiary in the PRC	<b>(450)</b>	–
– Withholding tax on dividend declared by subsidiary in the PRC	<b>445</b>	–
	<b>1,840</b>	(451)

## 8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share for the years ended 31 December 2025 and 2024 is calculated by dividing the profit/(loss) of the Group attributable to the owners of the Company by the weighted average number of ordinary shares deemed to be in issue during the years.

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
Profit/(loss) attributable to equity holders of the Company (RMB'000)	<b>5,743</b>	(11,020)
Weighted average number of shares in issue ( <i>in thousands</i> )	<b>400,000</b>	400,000
Basic earnings/(loss) per share for loss attributable to shareholders of the Company during the year ( <i>expressed in RMB per share</i> )	<b>0.01</b>	(0.03)

The Company did not have any potential ordinary shares outstanding during the year. Diluted earnings/(loss) per share is equal to basic earnings/(loss) per share.

## 9. FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL include the following:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>		
Investment in unlisted equity securities	<u>16,094</u>	<u>15,578</u>
<b>Current assets</b>		
Investment in Hong Kong listed equity securities	781	949
Investment in Chinese Mainland listed equity securities	<u>-</u>	<u>772</u>
	<u>781</u>	<u>1,721</u>
	<u><b>16,875</b></u>	<u><b>17,299</b></u>

During the year, the following gains were recognised in profit or loss:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net fair value gains on financial assets at FVTPL recognised in other income, other costs and other gains – net	<u><b>1,346</b></u>	<u>114</u>

As unlisted equity securities are not traded in an active market, the applicable valuation techniques to be used to calculate their fair values are set out in Note 3.2(b) to the consolidated financial statements of the 2025 annual report to be published by the Company.

## 10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (a)		
– Third parties	112,205	107,262
Less: provision for impairment of trade receivables	<u>(8,042)</u>	<u>(13,119)</u>
	<u>104,163</u>	<u>94,143</u>
Other receivables (b)		
– Deposits	1,588	1,449
– Others	<u>110</u>	<u>333</u>
	1,698	1,782
Less: allowance for impairment of other receivables	<u>–</u>	<u>(81)</u>
	<u>1,698</u>	<u>1,701</u>
Prepayments for purchase of raw materials		
– Third parties	<u>6,326</u>	<u>12,177</u>
	<u><b>112,187</b></u>	<u><b>108,021</b></u>

### (a) Trade receivables

Trade receivables arise from sales of goods and are denominated in RMB. Trade receivables in respect of sale of goods are settled in accordance with the terms stipulated in the sales contracts. The settlement method of trade receivables granted by the Group are generally divided into three categories:

- (i) Monthly settlement based on an agreed percentage of goods delivered, and the remaining balance will be settled after the completion of the superstructure of the customer's project;
- (ii) Settlement from a strategic customer when the goods cumulatively delivered exceed an agreed amount; and
- (iii) Settlement based on the goods delivered.

An ageing analysis of trade receivables as at 31 December 2024 and 2025 based on sales occurrence date is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	<b>31,865</b>	26,536
1 month to 6 months	<b>44,941</b>	41,906
6 months to 1 year	<b>23,048</b>	16,583
1 year to 2 years	<b>4,405</b>	14,961
Over 2 years	<b>7,946</b>	7,276
	<b>112,205</b>	107,262

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the shared credit risk characteristics and the days past due of trade receivables to measure the expected credit losses. During the year, the expected credit loss rates are determined by the Group according to the provision matrix as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
Within 1 month	<b>1%</b>	2%
1 month to 6 months	<b>2%</b>	3%
6 months to 1 year	<b>5%</b>	9%
1 year to 2 years	<b>10%</b>	21%
Over 2 years	<b>22%</b>	43%

Movements in the provision for impairment of trade receivables are as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	<b>13,119</b>	15,498
Reversal of impairment recognised during the year	<b>(5,077)</b>	(2,379)
At the end of the year	<b>8,042</b>	13,119

(b) The carrying amounts of trade and other receivables and prepayments approximated their fair values as at the balance sheet date.

(c) **Accounting policies of impairment of trade receivables**

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses practical expedients when estimating lifetime expected losses on trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding.

## 11. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares <i>Shares</i>	Share capital <i>HK\$</i> <i>RMB'000</i>		Share premium <i>RMB'000</i>	Total <i>RMB'000</i>
Authorised:					
As at 31 December 2025 and 2024	<u>1,000,000,000</u>	<u>10,000,000</u>			
Issued and fully paid:					
As at 1 January 2025 and 31 December 2025	<u>400,000,000</u>	<u>4,000,000</u>	<u>3,584</u>	<u>153,337</u>	<u>156,921</u>
As at 1 January 2024 and 31 December 2024	<u>400,000,000</u>	<u>4,000,000</u>	<u>3,584</u>	<u>153,337</u>	<u>156,921</u>

## 12. OTHER RESERVES

	Statutory reserves <i>RMB'000</i>	Currency translation reserves <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 1 January 2025</b>	<b>15,753</b>	<b>(8,945)</b>	<b>(22,960)</b>	<b>(16,152)</b>
Currency translation differences	–	<u>283</u>	–	<u>283</u>
<b>As at 31 December 2025</b>	<u><b>15,753</b></u>	<u><b>(8,662)</b></u>	<u><b>(22,960)</b></u>	<u><b>(15,869)</b></u>
<b>As at 1 January 2024</b>	<b>15,753</b>	<b>(8,852)</b>	<b>(22,960)</b>	<b>(16,059)</b>
Currency translation differences	–	<u>(93)</u>	–	<u>(93)</u>
<b>As at 31 December 2024</b>	<u><b>15,753</b></u>	<u><b>(8,945)</b></u>	<u><b>(22,960)</b></u>	<u><b>(16,152)</b></u>

### Statutory reserves

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

### Other reserves

The other reserves mainly comprise of (i) the excess of consideration paid over the carrying amount being acquired from the equity transactions with non-controlling interests and (ii) the effect of the adsorption of listing business by the Company as part of the listing reorganisation of the Group, net of (iii) the effect of the waiver of loan from Ms. Wong.

### 13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
– Third parties	<u>39,344</u>	<u>61,746</u>
Notes payable	1,723	9,163
Accrued payroll	1,434	1,292
Other taxes payables	1,394	919
Other payables		
– Third parties	2,531	1,893
– Related parties	<u>–</u>	<u>941</u>
	<u><b>46,426</b></u>	<u><b>75,954</b></u>

An ageing analysis of trade payables as at 31 December 2024 and 2025 based on invoice date is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 1 month	15,224	38,042
1 month to 6 months	13,357	12,189
6 months to 1 year	7,853	8,772
1 year to 2 years	1,594	2,046
Over 2 years	<u>1,316</u>	<u>697</u>
	<u><b>39,344</b></u>	<u><b>61,746</b></u>

The carrying amounts of trade and other payables approximated their fair values as at the balance sheet date.

### 14. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2025 (2024: Nil).

On the board meeting of the Company held on 27 March 2026, the Board of Directors did not recommend to declare final dividend in respect of the year ended 31 December 2025 (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

We manufacture and sell PHC piles (i.e., pre-stressed high-strength concrete piles, a subset of tubular piles), commercial concrete and ceramsite concrete block in the PRC. We have a production plant in Qidong City, Nantong, Jiangsu Province, the PRC.

Our PHC piles are mainly sold to customers under our own trademark **TALAM** and all the PHC piles, commercial concrete and ceramsite concrete block are primarily used in buildings and infrastructure projects. During the year ended 31 December 2025, our products were mainly sold to property developers and construction companies in Jiangsu Province.

During the year, the Group recorded a turnaround from loss to profit, supported by improving demand conditions in its core regional markets and continued operational refinement.

Infrastructure-related activities in Nantong and surrounding areas showed progressive recovery during the year, with a number of construction projects being implemented. This led to increased demand for the Group's PHC piles and commercial concrete products and contributed to higher business volume compared with the previous year.

Revenue growth was particularly supported by improved performance in commercial concrete products. The commencement of strategic cooperation with subsidiaries of Anhui Conch Cement Company Limited enhanced the stability and quality of raw material supply, enabling more effective production scheduling and improved cost control.

During the year, the Group maintained a prudent approach to order selection, prioritising projects with sustainable margins. Cost control measures were implemented across production and administrative functions, and procurement and operational processes were further streamlined. These initiatives contributed to improved gross margin and overall financial performance.

Overall, the Group's improved operating performance during the year laid a more solid foundation for sustainable operations and future development.

### FINANCIAL REVIEW

#### Revenue

Our revenue increased by approximately RMB58.8 million, or approximately 31.7%, from approximately RMB185.3 million for the year ended 31 December 2024 to approximately RMB244.1 million for the year ended 31 December 2025. The increase in revenue was primarily attributable to improved demand for the Group's PHC piles and commercial concrete products amid the gradual recovery of infrastructure-related activities in Nantong and surrounding regions. Revenue growth was particularly supported by increased sales volume of commercial concrete products during the year.

## **Gross Profit**

Our gross profit increased by approximately RMB18.2 million, or approximately 98.9%, from approximately RMB18.4 million for the year ended 31 December 2024 to approximately RMB36.6 million for the year ended 31 December 2025. Our gross profit margin increased from approximately 9.9% for the year ended 31 December 2024 to approximately 15.0% for the year ended 31 December 2025. The improvement in gross profit and gross profit margin was mainly attributable to (i) increased sales volume; (ii) enhanced cost management and production efficiency; and (iii) improved stability of raw material supply following the strategic cooperation with subsidiaries of Anhui Conch Cement Company Limited, which supported better procurement planning and cost control.

## **Selling and Marketing Expenses**

Our selling and marketing expenses increased by approximately RMB0.2 million, or approximately 5.7%, from approximately RMB3.5 million for the year ended 31 December 2024 to approximately RMB3.7 million for the year ended 31 December 2025.

## **Administrative Expenses**

Our administrative expenses increased by approximately RMB1.6 million, or approximately 5.2%, from approximately RMB30.7 million for the year ended 31 December 2024 to approximately RMB32.3 million for the year ended 31 December 2025. The increase was mainly attributable to higher professional service expenses incurred during the year.

## **Annual Results**

The Group recorded a net profit of approximately RMB5.7 million for the year ended 31 December 2025 as compared to the net loss of approximately RMB11.0 million for year ended 31 December 2024.

The turnaround was mainly attributable to increased revenue resulting from improved demand for PHC piles and commercial concrete products amid the gradual recovery of infrastructure-related activities in Nantong and surrounding regions. Revenue growth was particularly supported by improved performance in commercial concrete products during the year.

In addition, the commencement of strategic cooperation with subsidiaries of Anhui Conch Cement Company Limited enhanced raw material supply stability and supported improved production planning and cost management. Together with disciplined order selection and continued implementation of cost control measures, the Group's gross margin and overall operating performance improved during the year. During the year, the Group also recognised a reversal of impairment loss on financial assets as a result of improvements in ageing profile and collection of receivables.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2025, the Group employed 51 full-time employees and 201 outsourced workers (2024: 49 full-time employees and 127 outsourced workers). The total staff costs incurred by the Group for the year ended 31 December 2025 were approximately RMB14.3 million (2024: approximately RMB15.2 million).

We generally recruit our employees through online recruitment platforms, and outsourced workers are provided to us by an employment agent. Our employees and outsourced workers are remunerated according to their job scope, responsibilities and performance. We pay our employees directly and we pay the employment agent for services rendered by the outsourced workers. Our employees and outsourced workers (indirectly through the employment agent) are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group provided employers' liability insurance including work injury and medical insurance to both our employees and the outsourced workers.

Share options may also be granted to eligible employees of the Group and other eligible participants.

Our employees and outsourced workers received different training depending on their respective department and the scope of works. The trainings are provided internally on a regular basis. Typically they are required to attend trainings relating to our quality control, environmental, health and workplace safety policies.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's overall funding and treasury activities are currently managed and controlled by the Directors. The Directors closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements.

The Group maintained cash and bank balances of approximately RMB56.0 million as at 31 December 2025 (2024: approximately RMB6.0 million).

As at 31 December 2025, the Group's borrowings amounted to approximately RMB64.5 million (2024: nil). The Group closely monitors its interest rate exposure (if any) and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the year ended 31 December 2025. Gearing ratio is calculated based on total borrowings divided by the total equity as at 31 December 2025. As at 31 December 2025, the gearing ratio, calculated as total borrowings divided by total equity, was 0.3 (2024: nil).

As at 31 December 2025, the current ratio (current assets/current liabilities) was 1.9 (2024: 1.9) and the net current assets amounted to approximately RMB93.0 million (2024: approximately RMB74.1 million).

The ageing analysis of trade payables and the profiles of borrowings are set out in notes to the consolidated financial statements of the 2025 annual report to be published by the Company.

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

On 18 January 2024, Shanghai Yuanxintai Investment Management Co., Ltd\* (上海圓芯泰投資管理有限公司), an indirect wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Taizhou Jingyi Gelan Technology Co., Ltd\* (台州精藝格蘭科技有限公司), an independent third party, to acquire 3,021,500 shares, representing 5% of the issued share capital of Zhejiang Erg Technology Joint Stock Co., Ltd. (浙江爾格科技股份有限公司) (“**Zhejiang Erg**”) at a consideration of RMB15,107,500, which is principally engaged in the research and development, production and sales of cooling systems for renewable energy power generation, power generation and distribution and other devices. Further details are disclosed in the announcement of the Company dated 18 January 2024. The acquisition was completed on 29 January 2024.

As at 31 December 2025, the fair value of the Group’s interest in Zhejiang Erg is approximately RMB16,094,000, representing approximately 5.0% of the Group’s total assets. There is RMB516,000 unrealised gain recognised during the year. No dividend was received from the Group’s investment in Zhejiang Erg during the year. The Group’s investment strategy for significant investments is to identify investment opportunities with growth potential and risk-adjusted return for our Shareholders, while also seeking opportunities for strategic cooperation. The future prospects of the Group’s investment in Zhejiang Erg will depend on various factors, including but not limited to political, economic, financial, risk factors and market conditions that are specific to the industry in which Zhejiang Erg operates.

Save for the above, the Group did not have any other significant investments with a value of 5% or more of the Group’s total assets, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2025.

## **CAPITAL COMMITMENTS**

As at 31 December 2025, the Group did not have any significant capital commitments in respect of acquisitions of property, plant and equipment (2024: nil).

## **CONTINGENT LIABILITIES**

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

## **PLEDGE OF ASSETS**

As at 31 December 2025, the Group's buildings of approximately RMB12,126,000 (2024: nil) and land use rights of approximately RMB10,456,000 (2024: nil) were pledged as collateral for the Group's banking facility.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have plans for material investment or capital assets as at the date of this announcement.

## **PROSPECTS**

Looking ahead to 2026, while uncertainties in the macroeconomic environment and industry competition remain, the Board remains cautiously optimistic about the Group's future development. The Group will continue to monitor infrastructure development opportunities in Nantong and neighbouring regions, deepen cooperation with key partners, optimise its supply chain system and further enhance cost control capabilities. At the same time, the Group will refine its product mix, improve operational efficiency and gradually increase the proportion of higher value-added products, with a view to strengthening profitability and enhancing resilience.

The Board believes that the Group's strengthened operational foundation and established cooperation framework provide a sound basis for pursuing sustainable and steady development, thereby supporting the creation of long-term value for shareholders.

## **ENVIRONMENTAL PROTECTION**

The Group is highly aware of the importance of environmental protection and is committed to supporting environmental sustainability. Being a PHC piles, concrete and ceramsite concrete block manufacturer in the PRC, dust, waste water, noise and different sorts of pollutants are generated during our production processes.

The Group has not noted any material non-compliance with all relevant laws and regulations in relation to its business, including air and noise pollution, discharge of waste and water, health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimise unnecessary waste. In addition, discussion on the Group's detailed environmental policies and performance are contained in the environmental, social and governance report of the Company for the year ended 31 December 2025 to be published by the Company.

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

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements and has compliance procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. The Group's operation is carried out in the PRC while the Company itself is incorporated in Cayman Islands and listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Cayman Islands and the PRC.

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

## **RELATIONSHIP WITH STAKEHOLDERS**

The Group recognises that employees, customers and business partners are key to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company offers a fair and safe workplace, promotes diversity to our staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also devotes ongoing efforts in providing adequate training and development resources to the employees.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfies the needs and requirements of the customers. The Group has established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. We reinforce business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

## **KEY RISKS AND UNCERTAINTIES**

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group. The list below is not exhaustive and there may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

### **Market Risk**

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

### **Interest Rate Risk**

The Group's interest rate risk arises from borrowings. All borrowings of the Group are at variable rates, which exposes the Group to cash flow interest rate risk. The Group closely monitors its interest rate exposure and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the year ended 31 December 2025.

### **Foreign Exchange Risk**

Operations of the Group were mainly conducted in Renminbi ("RMB") and Hong Kong dollars ("HK\$"). At 31 December 2025, the Group's major non-RMB denominated assets and liabilities included property, plant and equipment, cash and cash equivalents and other payables, which were denominated in HK\$. Fluctuation of the exchange rate of RMB against HK\$ could affect the Group's results of operations.

The Group currently does not have a foreign currency hedging policy, and manages our foreign currency risk by closely monitoring the movement of the relevant foreign currency rates.

The Directors do not consider the foreign exchange rate risks as material to the Group and therefore, did not carry out any financial instruments such as forward currency exchange contracts to hedge the risks.

## **Liquidity Risk**

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

## **Operational Risk**

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

## **Investment Risk**

Investment risk can be defined as the possibility of losses relative to the expected return on any particular investment. A key feature of the investment framework to balance risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

## **Manpower and Retention Risk**

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

## **CORPORATE GOVERNANCE**

The Company's shares (the "**Shares**") have been listed on the Stock Exchange since 18 December 2019. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. Save as disclosed below under the section headed "Chairperson and Chief Executive Officer" of this announcement, the Company has complied with the code provisions as set out in the CG Code during the year ended 31 December 2025 (the "**Reporting Period**"). The Company will continue to review and enhance its corporate governance practices, and identify and formalise appropriate measures and policies, to ensure compliance with the CG Code.

### **CHAIRPERSON AND CHIEF EXECUTIVE OFFICER**

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairperson and the chief executive officer should be separate and should not be performed by the same individual. Ms. Wong Han Yu Alice is currently the Chairperson of our Board and the chief executive officer, who is responsible for overall strategic planning and business direction and management of the Group. Having considered the nature and extent of the Group's operations, Ms. Wong Han Yu Alice's in-depth knowledge and experience in the industry and familiarity with the operations of the Group, and the fact that all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering advice on independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Ms. Wong Han Yu Alice taking up both roles of the chairperson and chief executive officer. As such, the roles of the chairperson and chief executive officer of the Group are not separate pursuant to the requirement under code provision C.2.1 of the CG Code.

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

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

## **AUDIT COMMITTEE**

The Audit Committee has three members comprising Mr. Lai Chun Yu (Chairman), Mr. Wong Kit Wai and Ms. Wong Siu Yin Rosella, all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the reporting year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

## **DIVIDENDS**

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

As at the date of this announcement, the Board was not aware of any Shareholders who had waived or agreed to waive any dividends.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events subsequent to 31 December 2025 which would materially affect the Group's and the Company's operating and financial performance as at the date of this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the annual general meeting of the Company (the “AGM”) to be held on Friday, 5 June 2026, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 1 June 2026.

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

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

By order of the Board

**Tailam Tech Construction Holdings Limited**

**Wong Han Yu Alice**

*Chairperson, executive Director and chief executive officer*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Ms. Wong Han Yu Alice (the chairperson and chief executive officer), Mr. Wong Chiu Wai and Ms. Jiang Yin Juan; the non-executive Director is Mr. Wong Leung Yau; and the independent non-executive Directors are Ms. Wong Siu Yin Rosella, Mr. Lai Chun Yu and Mr. Wong Kit Wai.*

\* *For identification purpose only*