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RIDGE OUTDOOR INTERNATIONAL LIMITED

樂欣戶外國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2720)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Ridge Outdoor International Limited (the “**Company**” or “**Ridge Outdoor**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**” or “**FY2025**”), together with comparative figures for the year ended December 31, 2024 (“**FY2024**”). The Group’s annual results for the Reporting Period have been reviewed by the Company’s Audit Committee (the “**Audit Committee**”) and were approved by the Board on March 26, 2026.

Highlights

- During the Reporting Period, the Group achieved revenue of approximately RMB662.5 million, representing an increase of approximately 15.5% compared to 2024.
- During the Reporting Period, the Group’s total cost of sales was approximately RMB476.3 million, representing an increase of approximately 13.2% compared to 2024.
- During the Reporting Period, the Group recorded a gross profit of approximately RMB186.2 million, representing an increase of approximately 22.0% compared to 2024.
- During the Reporting Period, the Group recorded a gross profit margin of approximately 28.1%, representing an increase of 1.5 percentage points from 2024.
- During the Reporting Period, the Group’s profit was approximately RMB73.9 million, representing an increase of approximately 24.4% compared to 2024.
- During the Reporting Period, the Group’s OBM business generated revenue of approximately RMB53.9 million, representing an increase of approximately 30.5% compared to 2024.
- The Company successfully listed on the Main Board of the Stock Exchange on February 10, 2026. After deducting listing expenses, the net proceeds from the listing amounted to approximately HK\$285.2 million.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Expressed in Renminbi (“RMB”))

	<i>Note</i>	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Revenue	3	662,471	573,463
Cost of sales		<u>(476,270)</u>	<u>(420,783)</u>
Gross profit		186,201	152,680
Other net income/(loss)	4	2,006	(1,038)
Selling and distribution expenses		(23,047)	(16,939)
Administrative expenses		(56,532)	(51,215)
Research and development costs		(5,314)	(3,538)
Impairment loss on trade receivables		<u>(157)</u>	<u>(123)</u>
Profit from operations		103,157	79,827
Finance costs		<u>(5,148)</u>	<u>(822)</u>
Profit before taxation		98,009	79,005
Income tax	5	<u>(24,138)</u>	<u>(19,600)</u>
Profit for the year		<u>73,871</u>	<u>59,405</u>
Attributable to:			
Equity shareholders of the Company		73,871	55,741
Non-controlling interests		<u>—</u>	<u>3,664</u>
Profit for the year		<u>73,871</u>	<u>59,405</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended December 31, 2025

(Expressed in RMB)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year		73,871	59,405
Other comprehensive income for the year (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Company		56	(12)
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>(196)</u>	<u>(31)</u>
Other comprehensive income for the year, net of income tax		<u>(140)</u>	<u>(43)</u>
Total comprehensive income for the year		<u>73,731</u>	<u>59,362</u>
Profit attributable to:			
Equity shareholders of the Company		73,871	55,741
Non-controlling interests		<u>—</u>	<u>3,664</u>
Total profit for the year		<u>73,871</u>	<u>59,405</u>
Total comprehensive income attributable to:			
Equity shareholders of the Company		73,731	55,698
Non-controlling interests		<u>—</u>	<u>3,664</u>
Total comprehensive income for the year		<u>73,731</u>	<u>59,362</u>
Earnings per share			
Basic and diluted earnings per share (<i>RMB</i>)	6	<u>0.74</u>	<u>0.56</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(Expressed in RMB)

	<i>Note</i>	December 31, 2025 RMB'000	December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment		36,637	37,521
Right-of-use assets		1,840	4,242
Intangible assets		921	413
Prepayments for property, plant and equipment		17	510
Deferred tax assets		7,952	8,507
		47,367	51,193
Current assets			
Inventories		123,238	122,035
Trade and other receivables	7	116,777	101,433
Cash and cash equivalents		55,707	65,673
		295,722	289,141
Current liabilities			
Trade and other payables	8	101,339	266,274
Contract liabilities		8,933	12,441
Bank loans		200,143	100,092
Lease liabilities		466	2,506
Current taxation		2,903	3,032
		313,784	384,345
Net current liabilities		(18,062)	(95,204)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2025

(Expressed in RMB)

	<i>Note</i>	December 31, 2025 RMB'000	December 31, 2024 RMB'000
Total assets less current liabilities		29,305	(44,011)
Non-current liabilities			
Lease liabilities		<u>879</u>	<u>1,294</u>
		<u>879</u>	<u>1,294</u>
NET ASSETS/(LIABILITIES)		<u>28,426</u>	<u>(45,305)</u>
CAPITAL AND RESERVES			
Share capital	10	356	356
Reserves		<u>28,070</u>	<u>(45,661)</u>
Total equity attributable to equity shareholders of the Company		28,426	(45,305)
Non-controlling interests		<u>—</u>	<u>—</u>
TOTAL EQUITY/(DEFICIT)		<u>28,426</u>	<u>(45,305)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

The Company was incorporated in Cayman Islands on July 17, 2024 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Group is principally engaged in the manufacturing and sales of fishing-related equipment.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on February 10, 2026.

Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

The financial information relating to the financial year ended December 31, 2025 that is included in this preliminary annual results announcement does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand yuan (RMB'000) which is the presentation currency. It is prepared on the historical cost basis except for financial assets measured as fair value through profit or loss which are stated at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to IAS 21, the effects of changes in foreign exchange rates — Lack of exchangeability issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing and sale of fishing-related equipment.

Disaggregation of revenue from contracts with customers by major products is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Recognised at a point in time		
Disaggregated by major products		
— Chairs, bedchairs and other accessories	324,529	290,743
— Bags	180,114	144,000
— Tents	152,841	131,054
— Others	4,177	6,735
	661,661	572,532
Revenue from other sources		
— Rental income	810	931
	662,471	573,463

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Group has determined that it only has one operating segment.

4 OTHER NET INCOME/(LOSS)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net realised and unrealised loss on derivative financial instruments	—	(3,375)
Net foreign exchange (loss)/gain	(384)	1,963
Interest income	2,488	152
Net loss on disposal of property, plant and equipment	(12)	(28)
Government grants	—	249
Others	(86)	1
	<u>2,006</u>	<u>(1,038)</u>

5 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Provision for the year	<u>23,583</u>	<u>18,682</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>555</u>	<u>918</u>
	<u>24,138</u>	<u>19,600</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

The applicable profit tax rate of the Group’s subsidiary incorporated in Hong Kong was 16.5% during the Reporting Period. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%. The subsidiary of the Group incorporated in Hong Kong did not have any assessable profits for the year ended December 31, 2025 and 2024.

The subsidiaries of the Group incorporated in Chinese Mainland are subject to the PRC Corporate Income Tax (“CIT”) at a statutory rate of 25%.

The subsidiary of the Group incorporated in the United Kingdom is liable to UK Corporation Tax at Small Profit Rate of 19% for the year ended December 31, 2024 and is liable to UK Corporation Tax of 25% for the year ended December 31, 2025.

- (ii) Under the PRC CIT Law and its relevant regulations, 100% additional tax deduction is allowed for qualified research and development costs for the year ended December 31, 2025 and 2024.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

The Group underwent and completed the reorganisation in November 2024 (“**the Reorganisation**”) and the Company became the holding company of the Group. Before the completion of the Reorganisation, the businesses were conducted through the fishing-related equipment division of Zhejiang Topsun Holding Group Co. Ltd. and its subsidiaries (together the “**Topsun Group**”) and various entities which are controlled by Mr Yang Baoqing, the ultimate controlling shareholder of the Group. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Reorganisation was determined assuming the Reorganisation had occurred since January 1, 2024.

	2025	2024
Profit attributable to ordinary equity shareholders of the Company (<i>RMB</i>)	73,871,000	55,741,000
Weighted average number of ordinary shares in issue or deemed to be in issue	100,000,000	100,000,000
Basic earnings per share (<i>RMB</i>)	0.74	0.56

(b) Diluted earnings per share

As the Company had no dilutive potential ordinary shares outstanding during the years ended December 31, 2025 and 2024, therefore the diluted earnings per share were the same as the basic earnings per share.

7 TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, net of loss allowance		
— third parties	99,365	87,443
— related parties	880	867
Non-trade receivables due from related parties	—	1,089
Other receivables and deposits	285	274
	<hr/>	<hr/>
Financial assets measured at amortised cost	100,530	89,673
	<hr/>	<hr/>
Prepayments for listing expenses	7,951	4,722
Other prepayments	1,633	595
Value-added tax recoverable	6,663	6,443
	<hr/>	<hr/>
	16,247	11,760
	<hr/>	<hr/>
	116,777	101,433
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	44,280	33,473
31 days to 60 days	19,836	28,478
61 days to 90 days	9,776	16,169
91 days to 180 days	26,315	10,032
181 days to 1 year	38	121
1 year to 2 years	—	37
	<hr/>	<hr/>
	100,245	88,310
	<hr/> <hr/>	<hr/> <hr/>

8 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables		
— third parties	66,092	76,107
— related parties	3,351	9,973
Non-trade payables due to related parties	—	155,392
Listing expense payables	8,635	6,766
Other payables	4,624	1,661
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	82,702	249,899
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Accrued payroll and other benefits	16,039	14,854
Other tax payables	2,598	1,521
	<hr/>	<hr/>
	18,637	16,375
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	101,339	266,274
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All trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	68,878	86,057
91 days to 1 year	565	18
1 year to 2 years	—	5
	<hr/>	<hr/>
	69,443	86,080
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9 DIVIDENDS

In July 2024, the board of directors of 浙江樂欣戶外用品有限公司 Zhejiang Ridge Outdoor Co., Ltd. (“**Zhejiang Ridge Outdoor**”), approved the profit distribution of RMB65,000,000 to 浙江泰普森實業集團有限公司 Zhejiang Hengfeng Top Leisure Co., Ltd., its then parent company of Zhejiang Ridge Outdoor. The dividend was paid in cash in September 2024.

Except for the dividends paid and declared by Zhejiang Ridge Outdoor mentioned above, no dividends were paid or declared by the Company and the other companies now comprising the Group for the years ended December 31, 2025 and 2024.

10 SHARE CAPITAL

The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on July 17, 2024. The initial authorised share capital of our Company was USD50,000 divided into 50,000 shares with a par value of USD1.00 each.

On October 18, 2024, each of the Company’s authorised shares with a par value of USD1.00 each was subdivided into 2,000 shares with a par value of USD0.0005 each. On the same date, the authorised share capital of the Company was increased from USD50,000 divided into 100,000,000 shares with a par value of USD0.0005 each to USD500,000 divided into 1,000,000,000 shares with a par value of USD0.0005 each.

As at December 31, 2025 and 2024, 100,000,000 shares of the Company with a par value of USD0.0005 each (totalling USD50,000) was issued and fully paid.

11 COMMITMENTS

The Group does not have material commitments as at December 31, 2025 and 2024.

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On February 10, 2026, the shares of the Company were listed on the Main Board of the Stock Exchange, where 28,205,000 shares were issued and subscribed at a price of HK\$12.25 each. The proceeds will be credited to the Group’s share capital and share premium accounts accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group achieved revenue of approximately RMB662.5 million for FY2025, representing an increase of 15.5% as compared to approximately RMB573.5 million for FY2024.

OUR BUSINESS MODEL

Our Company adopts a dual-driven business model: firstly, centered on original equipment manufacturer/original design manufacturer (“OEM/ODM”), we provide overseas fishing brands with one-stop supply chain solutions spanning across the entire process from product research and development (“R&D”) to manufacturing; secondly, supported by original brand manufacturer (“OBM”), we conduct localized market operations through our own brands.

After over 30 years of dedication, our Company has built a unique multi-category production and supply chain management system within the industry. In the highly fragmented fishing tackle industry, our Company possesses significant scale effects and core competitive advantages. Meanwhile, relying on the user recognition accumulated through OBM operations, as well as our market-validated engineering design capabilities, our Company can sustainably expand our product matrix, timely responding to emerging fishing technique trends and diversified regional market demands.

During the Reporting Period, the number of our Company’s product stock keeping units (“SKUs”) has exceeded 10,000. Our Company has consistently taken innovation and user experience as the core driving forces for development. In the future, we will continuously strategize the application of new materials, cross-boundary design integration, and the incorporation of technological elements, sustainably creating high-value products and quality user experiences for users.

OWN-BRAND BUSINESS (OBM BUSINESS)

Our Company’s brand business implements a strategy of multi-line layout and localized deep cultivation, precisely focusing on different regional and fishing technique demands.

Tailored for domestic anglers, our Company launched the “JUE DAI ZONG SHI (絕代宗師)” brand, focusing on creating high-quality leisure fishing scenarios, with a core coverage of wild fishing and Suspended Float Fishing user groups.

Meanwhile, Ridge Outdoor created the fashionable lure fishing lifestyle brand FINZ TACKLE, laying out a fast-growing segmented fishing technique track to better serve the young consumer groups. Its cultural and creative products, featuring emotional value and cultural attributes, are widely favored by anglers, effectively driving online secondary creation and topic dissemination.

The European market is operated under Ridge Outdoor's SOLAR TACKLE brand, focusing on the localized carp fishing demographic. During the Reporting Period, by introducing excellent industry talents and carrying out targeted localized marketing in the European region, our Company drove the brand's sales performance to achieve a 30.5% growth compared to 2024, further validating the forward-looking nature of our Company's localized sales strategy. In the future, by solidifying SOLAR TACKLE and concurrently building or acquiring additional fishing gear brands, our Company will gradually form a more enriched and comprehensive fishing gear brand matrix.

OEM/ODM BUSINESS

Capitalizing on our product portfolio, product design and development, supply chain and quality control, we offer outdoor fishing-related equipment brands with OEM/ODM solutions spanning across the entire process from product design to manufacturing. We have become a global leader in fishing-related equipment OEM/ODM solutions. The Company's core business region is Europe, and others include Chinese Mainland, North America, etc. Our core customers primarily include leading global fishing-related equipment brands such as Decathlon, Pure Fishing, Rapala VMC, FOX, NASH, Cipher, and Ardisam, with stable cooperative relationships. In 2025, the revenue share of the top 10 customers fell to 71.4% (a year-over-year decrease of 1.2%), while the number of high-quality mid-tier customers increased significantly. This was attributable to the gradually emerging effects of the Company's market expansion, steering our overall business structure towards a more balanced and sustainable direction.

In 2025, the Company successfully developed 23 highly strategically aligned new customers. Both parties have established a solid foundation for cooperation, and with business expansion, the procurement scale is expected to achieve significant growth in the future. The exploration of these new markets has further broadened the Company's sales network and injected new growth momentum into the continuous increase of revenue.

In terms of high-potential markets, we successfully acquired 13 new customers, with the development of regions such as South America being particularly outstanding. Although the initial cooperation scale is still being cultivated, regional market demand remains steady. With the deepening of cooperation and the upgrading of services, the potential for subsequent orders is promising.

Relying on advanced technologies such as digitalization and intelligence, we strengthened the control of key aspects in the high-end fishing rod industry chain, increased investment in R&D and production, and successfully developed nearly 20 new high-end fishing rod customers.

OUR PRODUCTS

We have cultivated a broad portfolio of fishing-related equipment and other products primarily encompassing (i) chairs, bedchairs and other accessories, (ii) bags and (iii) tents. We are committed to user experience and strive to provide professional and reliable solutions for rest, camping, storage, shelving and transportation. As of December 31, 2025, our product portfolio included over 10,000 SKUs of fishing-related equipment, covering fishing chairs, fishing bedchairs, rod pods, seatboxes, barrows, bivvies, brollies, fishing bags and landing nets, etc.

During the Reporting Period, the Group delivered over 1,700 new products, of which most projects achieved order conversions in the same year. This further demonstrates the Group's development efficiency and the accuracy of our market judgment.

SUPPLY CHAIN OPTIMIZATION

Our supply chain has achieved significant improvements in FY2025:

Plant area: As of the end of 2024, our total plant area was 51,375.71 sq.m. As of the end of 2025, the total plant area reached 63,804.12 sq.m., representing an increase of 12,428.41 sq.m.

Investment in new equipment: In 2025, 41 new units of equipment were put into operation, such as automatic fabric cutting machines, automatic welding robots, laser beveling machines, and deburring machines, improving safety, efficiency, and quality assurance to a certain degree.

Process improvements newly implemented in 2025: 1) Introduced new process equipment such as automatic iron welding, laser bevel cutting, automatic fabric cutting machines, and other smart equipment to enhance production efficiency and ensure manufacturing quality. Simultaneously, small automated equipment like port deburring machines, winding machines, and labeling machines were introduced to significantly improve key operational processes, which is expected to increase key operational process efficiency by more than 50%; 2) Focused on the optimization of special tooling and molds: completed the tooling of 140 sets of hardware molds and 88 sets of inspection tools, significantly improving hardware processing precision; 3) Reinforced the process technology department to systematically promote process improvements, submitting a total of 256 issues with a closed-loop rate of 81%, effectively urging continuous optimization in the upstream design phase. 4) Perfected the trial production process to identify and resolve potential issues in advance, substantially mitigating quality risks during the mass production stage; 5) Optimized the SOP (Standard Operating Procedure) for installation, completing the standardized preparation for 63 products to ensure clear guidelines on the production floor, thereby effectively enhancing the process execution of frontline employees and the stability of product quality; 6) Enhanced hardware quality: provided training for sample sealing inspectors and line leaders, established a new assessment mechanism to empower the team, exercised strict control over the production process to improve the first-pass yield rate, and handled abnormal issues timely and efficiently, thereby increasing the hardware qualification rate to 96.5%.

PRODUCT DESIGN AND DEVELOPMENT INNOVATION

Adhering to the core philosophy of “getting close to nature with technology”, the Group has continuously maintained highly active innovation capabilities and efficient delivery capabilities. Through data mining and analysis, we can quantitatively assess market demand, while superimposing real user interaction experiences to conduct rapid iteration and prototype optimization for innovative projects. It is particularly worth noting that the Group has perfected the establishment of a strategic partner information database for technology-driven development projects, providing a sustainable resource platform for the development of new electrified, intelligent, and cross-boundary products. In 2025, in the Company’s in-house R&D projects, more than half of the new products that have been successfully commercialized have incorporated the “three new” philosophy of “new materials, new processes and new technologies”. Over the past three years, we have achieved a proportion of new products exceeding 20% of our total revenue, further validating that our self-created business assessment system and project management system possess relatively accurate market value and technological barriers.

PATENTS

The patent application performance during the same period also further reflects our R&D capabilities. In 2025, the Company added 13 new patents in China, including 9 utility model patents and 4 design patents; as well as 7 new patents in countries or regions outside China, including 5 utility model patents and 2 invention patents.

OUR STRATEGIES

We intend to implement the following strategies to further develop our business:

- Holistically strengthen OBM operations, expand own brand portfolio and increase direct market engagement;
- Advance the continuous development of a full-category, well-structured product range to cover diverse scenarios;
- Expand global market reach and build new growth engines; and
- Continuously optimize the supply chain and improve digital operations.

OUTLOOK FOR 2026

Looking ahead to 2026, Ridge Outdoor will continue to explore full-category development pathways within fishing scenarios and integrate technology to enhance the fishing experience. On the one hand, relying on technological advantages such as the cross-disciplinary background of our own development team, the integration capability of our supply chain system, and deep user insights, we will consolidate our competitive advantages in the fishing-related equipment industry while making cross-category breakthroughs. On the other hand, accelerating the rapid expansion of the brand business, Ridge Outdoor will focus on the domestic market to customize a brand matrix suitable for local user habits, thereby building a localized ecosystem. We plan to achieve a multi-brand matrix sales model by 2030, forming a product matrix that covers multiple categories, diverse fishing techniques, and various tiers, providing more premium products and services for global users.

PRINCIPAL RISKS OF THE GROUP

Industry Competition Risks

We face intense competition in the fishing-related equipment industry. Although the Group already occupies a leading position in the fishing-related equipment industry, if market competition further intensifies, it could have a certain degree of impact on the Group's future revenue and profitability.

Supplier Management Risks

Although the Group has rigorous supplier selection criteria and a quality control system, we rely on the stability of our supply chain. Any loss or deterioration in our relationship with our key suppliers, or if suppliers fail to deliver as agreed, could adversely affect our business, financial condition and results of operations.

INTERNAL MANAGEMENT

Legal Compliance

To the best knowledge of the Directors and management, we are not aware of any non-compliance with laws or regulations that would have a material impact on the Group.

As part of our corporate governance practices, the Audit Committee regularly reviews and monitors the Group's policies and practices regarding compliance with legal and regulatory requirements.

Employees and Remuneration Policies

Talents have always been the most valuable resources of the Group. In terms of the remuneration system, the Group has established a full-value-chain and diversified incentive mechanism, forming a comprehensive remuneration system covering all businesses that includes basic salary, performance-based salary, short-term incentives, and medium-to-long-term incentives, which greatly stimulated the enthusiasm of various operating units and employees. The remuneration committee of the Company reviews such packages annually or when necessary. The Company also provides merit-based incentive scheme, which aims to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Group also provides regular training for its employees.

The Company has placed the executive equity incentive plan on its agenda and has currently initiated the formulation of the scheme, the details of which have not been finalized or confirmed as at the date of this announcement. The grant of award shares enables the Company to attract, motivate, and reward the grantees, encouraging them to work towards enhancing the Group's cohesion and long-term success. It also fosters a shared sense of mission and responsibility by aligning the interests of the grantees, the shareholders of the Company (the "**Shareholders**"), and the Company.

As of December 31, 2025, the Group had 1,002 employees (December 31, 2024: 901 employees). For FY2025, the Group's total staff costs were approximately RMB130.7 million (FY2024: approximately RMB110.0 million).

FINANCIAL REVIEW

Revenue

For FY2025, the Group's revenue was approximately RMB662.5 million (FY2024: approximately RMB573.5 million).

Breakdown of revenue by product category

	2025		2024	
	Amount <i>RMB'000</i>	%	Amount <i>RMB'000</i>	%
Sales of products				
— Chairs, bedchairs and other accessories	324,529	49.0	290,743	50.7
— Bags	180,114	27.2	144,000	25.1
— Tents	152,841	23.1	131,054	22.9
— Others	4,177	0.6	6,735	1.2
Rental income	810	0.1	931	0.1
Total	662,471	100.0	573,463	100.0

Breakdown of revenue by geographic region

	2025		2024	
	Amount <i>RMB'000</i>	%	Amount <i>RMB'000</i>	%
Europe	507,272	76.6	420,435	73.3
Chinese Mainland	91,686	13.8	87,446	15.2
North America	44,707	6.8	49,959	8.7
Others ⁽¹⁾	18,806	2.8	15,623	2.8
Total	662,471	100.0	573,463	100.0

(1) Others refer to Oceania, Africa, South America and Asia-Pacific (excluding Chinese Mainland).

I. Overall Revenue Analysis

The increase in revenue in 2025 was primarily attributable to: (i) relying on strong R&D and customization capabilities, the Company served core customers in expanding their product categories, which effectively drove revenue growth; (ii) market expansion efforts yielded results, with new markets and new customers bringing in revenue growth; and (iii) regarding the overseas own-brand business, through more resolute strategic execution, we translated our growing team capabilities into market achievements, which not only consolidated our market position but also realized rapid revenue growth.

II. Breakdown of Revenue by Product Category

Revenue of chairs, bedchairs and other accessories increased by approximately 11.6% from FY2024 to FY2025 primarily due to higher customer demand for high-value products such as electric barrows, high-end fishing chairs, and bedchairs, as well as the market recovery which boosted customers' enthusiasm for stockpiling.

Revenue of bags increased by approximately 25.1% from FY2024 to FY2025 primarily because (i) the procurement demand for bag products from certain core customers continued to rise, further expanding the order scale; and (ii) the successful expansion of new customers brought new business increments in the bag category.

Revenue of tents increased by approximately 16.6% from FY2024 to FY2025 primarily because (i) core customers launched innovative products that met market demand, where enhanced sales drove increased procurement; and (ii) sustained repurchases from existing customers resulted in steady order growth.

III. Breakdown of Revenue by Geographic Region

1. Europe: The proportion of revenue increased from approximately 73.3% in FY2024 to approximately 76.6% in FY2025, primarily due to the overlay of two factors. First, our cooperation with core European customers continued to deepen, and their recognition of the Company's product innovation and comprehensive service capabilities continuously improved, driving the growth of procurement orders. Second, the overseas own-brand business achieved breakthroughs in the European market, and its revenue growth further consolidated the important position of the European market.
2. Chinese Mainland: The proportion of revenue decreased from approximately 15.2% in FY2024 to approximately 13.8% in FY2025 mainly because, 1, revenue from the Chinese Mainland increased thanks to the Company's continuous exploration of new domestic markets and high-quality new customers; 2 the domestic market business is still in its nascent stage, and its growth rate was lower than that of other markets, which led to the decrease in the proportion of revenue from Chinese Mainland.
3. North America: The proportion of revenue decreased from approximately 8.7% in FY2024 to approximately 6.8% in FY2025 primarily due to frequent macroeconomic policy fluctuations, which increased the uncertainty of customers' procurement strategies.

Cost of Sales

For FY2025, the Group's total cost of sales was approximately RMB476.3 million (FY2024: cost of sales was approximately RMB420.8 million), representing a year-on-year increase of 13.2%. The increase was primarily due to the trend of increasing cost of sales in line with the increase in revenue.

Gross Profit and Gross Profit Margin

For FY2025, the Group recorded a gross profit of approximately RMB186.2 million (FY2024: a gross profit of approximately RMB152.7 million), representing a year-on-year increase of 22.0%.

For FY2025, the Group recorded a gross profit margin of approximately 28.1% (FY2024: a gross profit margin of approximately 26.6%), representing an increase of 1.5 percentage points from 2024. This increase was primarily due to (i) increased revenue from high value-added products; (ii) an increased revenue proportion from the brand business, which commanded a higher gross profit margin; (iii) the favorable price of core raw materials such as iron; and (iv) the Company's investment in new equipment and continuous process improvements, which enhanced production efficiency, thereby reducing the unit production cost.

Other Net Income or Loss

For FY2025, the Group's other net income was approximately RMB2.0 million (FY2024: other net loss of RMB1.0 million), representing a significant year-on-year increase. This increase was primarily due to a change in the strategy on use of derivative financial instruments in 2025 (being foreign exchange swap was conducted in 2024, resulting in a foreign exchange loss, while no foreign exchange swap were conducted in 2025).

Selling and Distribution Expenses

For FY2025, the Group's selling and distribution expenses were approximately RMB23.0 million (FY2024: selling and distribution expenses of approximately RMB16.9 million), representing a year-on-year increase of approximately 36.1%. This increase was primarily due to (i) increased promotion expenses resulting from strengthened sales and marketing efforts; and (ii) an increase in the number of marketing personnel following an organizational structure adjustment to match the business growth strategy.

Our selling and distribution expenses primarily consisted of (i) employment benefit expenses, which mainly represented wages and salaries paid to sales and marketing staff; (ii) advertising and promotion expenses, which mainly represented our business publicity expenses, exhibition expenses and traveling expenses to expand our business; and (iii) commission fees, which mainly represented the fees paid to intermediary service providers for identifying potential customers and facilitating our product sales.

Administrative Expenses

For FY2025, the Group's administrative expenses were approximately RMB56.5 million (FY2024: administrative expenses of approximately RMB51.2 million), representing a year-on-year increase of approximately 10.4%. This increase was primarily due to (i) an increase in total remuneration expenses driven by the introduction of external professional talent and an overall increase in headcount to support business expansion; and (ii) an increase in advisory and consulting fees, despite a year-on-year decrease in listing expenses.

Our administrative expenses primarily consist of employee benefit expenses, which mainly represent wages and salaries paid to administrative staff.

Research and Development Costs

For FY2025, the Group's research and development costs were approximately RMB5.3 million (FY2024: research and development costs of approximately RMB3.5 million), representing a year-on-year increase of approximately 50.2%. This increase was primarily due to (i) the expansion of the product portfolio and the application of new materials; (ii) increased investments in ODM, resulting in improvements in both the quantity and speed of new product launches; and (iii) the enhancement of the overall strength of the R&D team, including the introduction of external professional talent.

Our research and development costs primarily consisted of (i) employment benefit expenses, which mainly represented wages and salaries paid to R&D staff; and (ii) raw material costs used for product design and development.

Impairment Loss on Trade Receivables

For FY2025, the Group's impairment loss on trade receivables was approximately RMB157,000 (FY2024: impairment loss on trade receivables of approximately RMB123,000), representing a year-on-year increase of approximately 27.6%. This increase was primarily due to the corresponding increase in the total trade receivables at the end of the Reporting Period as the sales scale expanded, which concurrently drove up the total provision for impairment recognized under the expected credit loss model.

Finance Costs

For FY2025, the Group's finance costs were approximately RMB5.1 million (FY2024: finance costs of approximately RMB0.8 million), representing a year-on-year increase of approximately 526.3%. This increase was primarily due to the increase in bank loans required for business expansion, which correspondingly led to an increase in bank loan interest.

Income Tax

For FY2025, the Group's income tax was approximately RMB24.1 million (FY2024: income tax of approximately RMB19.6 million), representing a year-on-year increase of approximately 23.2%. This increase was broadly in line with the increases in revenue, gross profit, and profit before taxation.

Profit for the Year

For FY2025, the Group's profit was approximately RMB73.9 million (FY2024: a profit of approximately RMB59.4 million), representing a year-on-year increase of approximately 24.4%. The steady increase in profit for the year was primarily due to the aforementioned significant increase in revenue in 2025, coupled with the notable results achieved in cost and expense control resulting in steady improvement in the profit for the year.

Liquidity and Financial Resources

The Group's financial position remains robust and recorded a net operating cash inflow during FY2025. As at December 31, 2025, the Group's total cash and cash equivalents was RMB55.7 million (primarily denominated in RMB), representing a decrease of approximately 15.2% compared to the cash and cash equivalents of RMB65.7 million as at December 31, 2024. This decrease was primarily due to an increase in cash outflows from financing activities, particularly the early repayment of a RMB45.0 million bank loan (originally due in January 2026) before the end of 2025.

Resources of funding primarily come from operating cash flows and loans from financial institutions. These funds are used to meet daily operational needs, support the growth of core business operations, facilitate strategic investments, and optimize the debt structure. The Company maintains an adequate balance of cash and cash equivalents, retains unused bank credit lines, optimizes financing costs, and enhances its bargaining power with financial institutions.

Borrowings

	As at December 31, 2025 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>
Terms of repayment		
repayable on demand or within 1 year	200,143	100,092
repayable after 1 year but within 2 years	N/A	N/A
repayable after 2 years but within 5 years	N/A	N/A
repayable after 5 years	N/A	N/A
Total	<u>200,143</u>	<u>100,092</u>

As at December 31, 2025, all of the borrowings of the Group, denominated in RMB, bore interest at fixed rates. Of these borrowings, RMB150,119,000 were secured loans, which were secured by the land use rights and plant and buildings with the carrying amount of RMB573,000 and RMB29,780,000 as at December 31, 2025, respectively.

Contingent Liabilities

As of December 31, 2025, the Group had no material contingent liabilities.

Key Financial Ratios

The following table sets forth our key financial ratios as of the date indicated:

	As at December 31, 2025	As at December 31, 2024
Gross profit margin ⁽¹⁾	28.1%	26.6%
Net profit margin ⁽²⁾	11.2%	10.4%
Current ratio ⁽³⁾	0.9	0.8
Quick ratio ⁽⁴⁾	0.6	0.4
Gearing ratio ⁽⁵⁾	11.1	-8.5

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

- (2) Net profit margin is calculated based on net profit divided by revenue and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities. As of December 31, 2025, our current ratio was relatively low because our total current liabilities was relatively high due to the increase in trade and other payables in 2025.
- (4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities. As of December 31, 2025, our quick ratio was relatively low because our total current liabilities was relatively high due to the increase in trade and other payables in 2025.
- (5) Gearing ratio is calculated by dividing total liabilities at year end by total equity attributable to shareholders of the Company.

FOREIGN EXCHANGE RISK

Currently, the Company's operating revenue is primarily derived from overseas markets; therefore, significant fluctuations in the RMB exchange rate would have a certain impact on the Company's operating revenue. The Group is primarily exposed to foreign exchange risk arising from sales and purchases, which involve receivables, payables, and cash balances denominated in currencies other than the functional currency of the relevant transactions. The currencies involved in foreign exchange risk primarily include the U.S. dollar, Hong Kong dollar, British pound, and Euro. The Group manages its foreign exchange risk using foreign exchange forward contracts and foreign exchange option contracts.

PLEDGES OF ASSET

Save as disclosed in this announcement, as of December 31, 2025, the Group had no significant asset pledges.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for FY2025.

LISTING AND USE OF PROCEEDS

The Company's shares were listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on February 10, 2026 ("**Listing Date**"), with 28,205,000 shares issued. After deducting underwriting fees and related expenses, the total net proceeds from the Listing ("**Net Proceeds**") amounted to approximately HK\$285.2 million. As of the date of this announcement, there have been no changes to the proposed use of the Net Proceeds previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Company's prospectus dated January 31, 2026 ("**Prospectus**").

For details regarding the use of proceeds, please refer to the Company's annual report for FY2025, which will be published in due course.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

The Group had no significant investment (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2025) during FY2025.

Except for the plans disclosed in the "Future Plans and Use of Proceeds" section of the Prospectus, the Group has no specific plans to make significant investments or acquire major capital assets. However, the Group will continue to seek new opportunities for strategic investments and/or acquisitions to achieve its long-term growth strategy. For further details, please refer to the "Future Plans and Use of Proceeds" section of the Prospectus.

MATERIAL ACQUISITIONS AND/OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

During the Reporting Period, we did not engage in any material acquisitions or disposals of subsidiaries, associates, or joint ventures.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the basis of the Company's corporate governance practices.

As the Company's shares were not listed on the Stock Exchange as of December 31, 2025, the CG Code was not applicable to the Company during the year ended December 31, 2025.

In the opinion of the Board, the Company has complied with all the applicable code provisions as set out in the CG Code during the period from the Listing Date to the date of this announcement. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors and the relevant employees who would likely possess inside information of the Company.

As the Company’s shares were not listed on the Stock Exchange as of December 31, 2025, the relevant rules of the Model Code, to which the Directors were subject, were not applicable to the Company during the year ended December 31, 2025.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this announcement.

PURCHASE, SALE, OR REDEMPTION OF LISTED SECURITIES

During FY2025, the Company’s shares were not listed on the Stock Exchange. From the Listing Date up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold, or redeemed any of the Company’s securities listed on the Stock Exchange (including the sale of treasury shares). As of the date of this announcement, the Company does not hold any treasury shares.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Except as disclosed in this announcement and as described in the section headed “Listing and Use of Proceeds” above, no subsequent events have occurred between the end of the Reporting Period and the date of this announcement that would have a material impact on the Group.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established an Audit Committee in accordance with the Listing Rules and the CG Code to fulfill the functions of reviewing and overseeing the Company’s financial reporting and internal controls. The Audit Committee comprises three Directors, namely Mr. Yang Baoqing, Mr. Han Hongling and Mr. Ding Feng. Mr. Han Hongling serves as the chairperson of the Audit Committee. Mr. Han Hongling possesses the appropriate professional qualifications required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the Group’s audited annual results for the Reporting Period, as well as the accounting principles and practices adopted by the Group, in conjunction with the Company’s management and external auditors. It has also discussed matters relating to auditing, risk management, internal controls, and financial statements, including a review of the Group’s audited consolidated financial statements for the Reporting Period. The Audit Committee is of the opinion that the audited consolidated financial statements comply with applicable accounting standards and requirements and are adequately disclosed.

SCOPE OF WORK OF KPMG

The financial 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 December 31, 2025 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants (“**KPMG**”), to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 the auditor on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement has been published on the Company’s website (www.ridgeoutdoor.com) and the Stock Exchange’s website (www.hkexnews.hk). The Company’s annual report for the year ended December 31, 2025 (containing the information required by the Listing Rules) will be published on the aforementioned websites in due course and will be dispatched to the Shareholders as necessary.

By order of the Board
Ridge Outdoor International Limited
Lei Yang
Executive Director

Hong Kong, March 26, 2026

As at the date of this announcement, the Board comprises: (i) Ms. Lei Yang and Mr. Wu Guihua as executive Directors; (ii) Mr. Yang Baoqing and Ms. Wen Meixia as non-executive Directors; and (iii) Mr. Ding Feng, Mr. Han Hongling and Mr. Shu Yuanchao as independent non-executive Directors.