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OVERVIEW

Established in 1996, we specialise in stage lighting and sound engineering design and configuration management for live performance in Hong Kong. With industry experience of 30 years, we have evolved robust technical capabilities in the design, integration and delivery of stage lighting and sound engineering services for events of different nature and scale. In 2025, we were the second largest professional sound, lighting, and stage design engineering service provider for events and concerts in Hong Kong with approximately 22.8% market share in terms of revenue.

As a provider of stage lighting and sound engineering design and configuration management services, we offer a comprehensive suite of services and accommodate the design in accordance with customer requirements as well as on-site environment. Our services include (i) advising on the technical feasibility of stage lighting and/or sound engineering design, (ii) identifying suitable equipment to achieve the desired effects, (iii) conducting on-site installation, (iv) providing technical support during events, and (v) performing post-event equipment dismantling. Customers may engage us for any individual service or a combination thereof, depending on their specific requirements. We address the diverse needs of our customers by delivering creative and technically robust configurations for a wide range of events, including large scale concerts, opening ceremonies, international sports events and variety shows as well as commercial functions events. Depending on the nature and scale of the events hosted by our customers, we provide services across venues in Hong Kong, such as AsiaWorld-Expo, Hong Kong Coliseum, Kai Tak Sports Park and the Hong Kong Convention and Exhibition Centre, along with function rooms of various hotels. We are generally responsible for the overall implementation of our customers’ lighting and/or sound effect concepts, which primarily include stage lighting engineering services and sound engineering services. During the Track Record Period, our customers generally engaged us for our provision of lighting and sound engineering services and over 94% of our revenue was derived from our provision of lighting and sound engineering services.

For our stage lighting engineering services, we develop stage lighting design concepts and advise on the types and specifications of lighting fixtures to realise our customers’ desired lighting effects. To help ensure satisfactory implementation and optimal performance, we also provide on-site installation and lighting programming services in accordance with our customers’ requirements. Our lighting engineering services typically encompass general lighting and special-effects lighting.

For our sound engineering services, we advise on the application and configuration of sound equipment having regard to the venue size and the requirements of the event. This is our incumbency to execute on-site commissioning to ensure acoustics quality with our design. Our sound engineering services typically utilise a public address (PA) system, which is a type of sound system technically used in spacious areas, venues and outdoor events, comprising power-amplifier controllers, sound mixer systems, microphones and loudspeakers to amplify voices and instruments under our execution of control panel.

We from time to time deliver stage lighting and sound engineering services to event organisers and industry participants. Through such participations, we also gain exposure to prevailing industry practices and developments. Leveraging our industry experience, well-trained workforce and established relationships with experienced suppliers, and supported by our ability to coordinate the deployment and integration of diverse equipment, we are able to offer customised stage lighting and sound engineering configurations to meet our customers’ specific requirements across different events. For further details, please refer to the paragraph headed “Our competitive strengths” below in this section.

Our revenue increased from approximately HK\$150.3 million for the year ended 31 December 2024 to approximately HK\$163.8 million for the year ended 31 December 2025. Our revenue decreased from approximately HK\$64.9 million for the five months ended 31 May 2025 to approximately HK\$50.0

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million for the five months ended 31 May 2026. Our profit for the year decreased from approximately HK\$13.3 million for the year ended 31 December 2024 to approximately HK\$9.3 million for the year ended 31 December 2025. Our profit for the period decreased from approximately HK\$4.6 million for the five months ended 2025 to approximately HK\$1.8 million for the five months ended 2026.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success:

Dedicated and experienced management team to deliver quality service with proven track record

We have a dedicated and experienced management team with extensive knowledge of the stage lighting and sound engineering industry, led by our founder and executive Director, Mr. Chan Muk Hing, and our general manager, Mr. Yeung Kwok Chu, Thompson. Mr. Chan has over 40 years of experience in the entertainment production industry, and begin his career as a sound engineer since 1984. Both Mr. Chan and Mr. Yeung possess substantial industry experience and insights. For further details, please refer to the section headed “Directors and senior management” in this document.

Our technicians receive on-the-job training from our experienced engineers. These training equip our technicians with the knowledge required to operate new equipment competently and safely and to meet our customers’ specific requirements.

In addition, we have built an experienced and capable senior management team with proven track record in the stage lighting and sound engineering industry, supported by a team of committed and well-trained technicians. Over the years, our executive Directors and senior management have developed close relationships with our major customers and suppliers, accumulated in-depth industry knowledge and remained abreast of industry developments and market trends. Such industry knowledge and our operational and management experience support the smooth execution and completion of our projects and enable us to offer our services on terms we consider competitive.

Our management team’s continued focus on professionalism and service quality has fostered a customer-oriented culture within the Group and underscores our commitment to meeting customer expectations.

We are an integrated stage lighting and sound engineering services provider

We provide an integrated service covering stage lighting and sound engineering services. This approach offers our customers a convenient operating model and, we believe, cost efficiencies, enabling delivery of tailor-made and comprehensive configurations for their projects. Our experienced management team works closely with engineers and technicians to deliver high-quality stage lighting and sound engineering services.

With our integrated service model, we manage and coordinate the various aspects of stage lighting and sound engineering configurations with the aim of meeting our customers’ requirements and project timelines. During the Track Record Period, over 94% of our revenue was derived from provision of stage lighting and sound engineering services. In particular, our revenue generated from such services for live concert accounted for approximately 79.6%, 75.5% and 74.7% of our total revenue for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively. We also provide stage lighting and sound engineering services for other events, including TV shows, press conferences and sports events, such as esports tournament. Subject to equipment availability, we also lease lighting and sound equipment to other service providers to optimise our equipment utilisation.

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We have long-term business relationships with our customers and subcontractors

We have established stable, long-term relationships with a diverse customer base comprising end-customers and intermediaries, including television and radio broadcasters, quasi-governmental organisation and event organisers. During the Track Record Period, majority of projects awarded to us were either granted directly by our recurring customers or referred to us by them. By maintaining close relationships with our customers, with support from our Directors, we are able to identify and promptly informed of potential business opportunities. During the Track Record Period, we completed 749 projects for a variety of events, including live pop concerts, TV shows, press conferences and sports events, such as esports tournament. By maintaining long-term and close relationships with our customers, our Directors believe we can better accommodate customer preferences and needs and obtain timely insight into market trends. This enables us to respond swiftly to emerging trends and facilitates the delivery of our services. For details, please refer to the paragraph headed “Our customers” below in this section.

We also maintain long-standing and collaborative relationships with our subcontractors. We maintain a network of subcontractors selected for technical competence, safety compliance and reliability, and we conduct regular performance reviews and maintain open lines of communication to ensure alignment with our service standards. Such established relationships enable us to scale resources in a timely manner for large or concurrent events, reduce onboarding time for new projects and control costs through negotiated commercial terms. We also maintain contingency arrangements with alternative subcontractors to mitigate capacity constraints, thereby enhancing our operational resilience, preserving service continuity and supporting the pursuit of new business opportunities. For details, please refer to the paragraph headed “Our suppliers” below in this section.

We maintain comprehensive storage of high-quality lighting and sound equipment

Our equipment can be classified into two principal categories, lighting equipment and sound equipment. Our equipment comprises a range of models and specifications generally from reputable manufacturers from various countries, including Germany and France. To accommodate diverse client specifications and execute projects of varying scales and complexities, we maintain a comprehensive and well-diversified inventory of technical assets, comprising high-performance speaker systems, power amplifiers, digital mixing consoles, general and specialised stage lighting units, musical instruments, and extensive supporting accessories.

Our Directors consider the breadth and scale of our equipment holdings a major operational strength. The variety and quantity of equipment enable us to meet diverse customer requirements, scale resources for large or concurrent events and reduce reliance on third-party rentals. We operate regular maintenance, replacement and inventory management programmes to ensure equipment reliability and availability, which supports service continuity, enhances customer satisfaction and strengthens our competitive position in the stage lighting and sound engineering market.

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OUR BUSINESS STRATEGIES

We plan to strengthen our brand as an integrated stage lighting and sound engineering services provider that delivers customised, innovative configurations for middle to high-end customers. To reinforce our market position and broaden our revenue base, we will implement the following business strategies:

Maintain and strengthen our market position by continuing to provide innovative configurations to our customers

As a provider of stage lighting and sound engineering and design and configuration management serving middle to high-end customers in Hong Kong, we strive to develop solutions that address more stringent customer specifications. Given the quality of our services, our capabilities in delivering tailored services over the years and our understanding of customer needs, supported by our client-based project approach and continual technology updates, we have established a reputation in the Hong Kong market. According to the Frost & Sullivan Report, our Group ranked second among professional sound, lighting, and stage design engineering service providers for events and concerts in Hong Kong in terms of revenue in 2025.

To meet evolving customer requirements for live pop concerts and other events and to keep pace with technological developments in stage lighting and sound engineering configurations, we intend to acquire new and advanced equipment. We believe such investments will enhance our operational flexibility, improve service quality and strengthen our long-term competitive position in Hong Kong. The upgraded equipment is expected to enable us to offer more customised and technically sophisticated solutions, support larger and more complex productions and reduce the need for third-party rentals, thereby improving cost control and response times.

We plan to allocate approximately [REDACTED]% of the [REDACTED] from our [REDACTED] for implementing the above strategies. For details, please refer to the section headed “[REDACTED] and [REDACTED]” in this document.

Expand our business in Greater Bay Area

Aligned with national planning, with policy support for the development of Guangdong Province and the Greater Bay Area, we intend to expand our business in the PRC by establishing an operating base in Guangdong Province to capture growth opportunities in the Greater Bay Area and increase our market share. We intend to set up an office in Guangdong Province, acquire lighting and sound equipment for local operations, and establish a new operating team, comprising senior management, project manager, engineers, production staff, sales and marketing staff, and administrative and finance staff. In this regard, we intend to recruit additional experienced employees at our Hong Kong office and second them to Guangdong Province to provide training and supervision to new hires, so as to maintain service quality and align operating practices with those of our Hong Kong office.

We believe that supplementing and strengthening our equipment base in Guangdong Province will support our business growth in the PRC and enhance our operational flexibility to meet increasing demand for provision of stage lighting and sound engineering services. Our presence in Guangdong Province is expected to enable us to undertake projects across the Greater Bay Area in a timely and cost-effective manner and to reduce the cost and lead time associated with transporting equipment from Hong Kong. In order to enhance our market penetration, we consider that establishing a strengthened operational foothold in the Greater Bay Area will allow us to respond more promptly to customer needs, broaden our client coverage in the PRC, and deepen our engagement with local market opportunities.

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We plan to allocate approximately [REDACTED]% of the [REDACTED] from our [REDACTED] for implementing the above strategies. For details, please refer to the section headed “[REDACTED] and [REDACTED]” in this document.

Strengthen our management and operational capabilities through savvy and expertise

We believe that our experienced management team is a key driver of our success. With decades of collective experience in the stage lighting and sound engineering industry, our leadership possesses deep insight into industry norms, evolving customer expectations, and the latest technological advancements. This enables us to deliver tailored, high-quality solutions that meet the increasingly sophisticated demands of discerning clients.

In addition to technical proficiency, our management team brings valuable knowledge in venue planning, licensing procedures, and compliance with safety and environmental regulations. This multidisciplinary expertise strengthens our ability to manage complex projects across diverse venues and ensures that our services meet both creative and statutory requirements.

To further support our growth and maintain service excellence, we plan to recruit additional high-caliber professionals across key functions, including project management, engineering, and technical operations. These new hires will strengthen our execution capabilities and ensure that we continue to meet the highest standards of service quality and safety.

We plan to allocate approximately [REDACTED]% of the [REDACTED] from our [REDACTED] for implementing the above strategies. For details, please refer to the section headed “[REDACTED] and [REDACTED]” in this document.

OUR BUSINESS MODEL

We specialise in stage lighting and sound engineering design and configuration management for live performance in Hong Kong. We are generally responsible for the overall implementation of our customers’ stage lighting and/or sound effect concepts, which primarily include (i) stage lighting engineering services and (ii) sound engineering services. During the Track Record Period, our customers generally engaged us for our provision of stage lighting and sound engineering services and over 94% of our revenue was derived from our provision of stage lighting and sound engineering services.

Stage lighting engineering services

Our stage lighting engineering services provides professional staging and lighting design using advanced lighting equipment and control panels to create tailored lighting combinations for different event requirements. Following an initial consultation with customers to ascertain their objectives and preferences, our technicians develop a detailed stage lighting design and select the optimal equipment for each event. We then demonstrate the proposed lighting effects to customers and refine the design as required. Technicians determine the appropriate positioning, angle, colour and type of lighting fixtures to achieve the desired atmosphere and visual impact for each occasion. We manage the full implementation process, including equipment setup, programming of control panels and on-site adjustments during rehearsals and performances, to ensure the stage lighting design is executed precisely and consistently.

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Sound engineering services

Our sound engineering services provides professional consultancy to achieve optimal sound for each event. We assess customers’ requirements and recommend the most appropriate sound engineering system to meet the specific needs of an event. We advise customers on the types and quantities of equipment to be used, including amplifiers, speakers, microphones and other sound devices, and provide guidance on sound coverage, volume levels, and the positioning and installation of equipment to ensure the best possible sound performance.

For each of our stage lighting and sound engineering services, we coordinate and monitor all technical aspects required for the delivery of our services, arrange for the production crew and scheduling of equipment, perform on-site equipment installation and pre-event inspection and testing of equipment, and participate in the event rehearsals before delivery of our lighting and/or sound engineering services. Our technicians will station at the event venue throughout the event to operate the equipment and provide technical support on an ongoing basis to ensure a seamless delivery of our services to customers.

During the Track Record Period, our revenue from provision of stage lighting and sound engineering services amounted to approximately HK\$147.7 million, HK\$161.2 million and HK\$47.5 million, representing approximately 98.3%, 98.4% and 94.9% of our total revenue, respectively.

Other services

In addition to our integrated project execution, customers may engage us for standalone services tailored to their specific operational requirements, which primarily comprise:

- **Coordination and technical support services:** provision of specialised lighting and acoustic design, technical coordination, on-site system monitoring, and deployment of technical support staff;
- **Equipment rental services:** rental of our lighting and sound equipment to event organisers, production companies and industry peers;
- **Rehearsal facilities services:** use of our dedicated rehearsal facilities to artists and production teams for pre-performance run-throughs and technical testing;
- **Sale and installation services:** direct sale of equipment, accompanied by customised system design, physical installation, integration, and operational testing; and
- **Other event support services:** provision and operational support of LED panel and special effect for image projection and laser, as well as, audience risers, where appropriate, third-party providers to deliver associated services as part of an integrated event services.

During the Track Record Period, revenue derived from provision of coordination and technical support services amounted to approximately HK\$0.8 million, HK\$0.7 million and HK\$ 2.0 million, respectively. Over the same period, equipment rental services contributed approximately HK\$0.8 million, HK\$0.4 million and HK\$97,000, respectively, while rehearsal facilities services generated approximately HK\$0.7 million, HK\$0.8 million and HK\$96,000, respectively. In addition, revenue from sales and installation services for lighting and sound equipment amounted to approximately HK\$47,000, HK\$0.6 million and HK\$0.3 million, respectively.

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Our revenue by types of services

During the Track Record Period, we generated revenue amounted to approximately HK\$150.3 million, HK\$163.8 million and HK\$50.0 million, respectively. The following table sets forth the breakdown of our revenue, gross profit and gross profit margin by our services for the years/periods indicated:

	For the year ended 31 December								For the five months ended 31 May			
	2024				2025				2026			
	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Provision of stage lighting and sound engineering services												
— Concert ⁽¹⁾	119,630	79.6	18,546	15.5	123,652	75.5	15,221	12.3	37,379	74.7	5,440	14.6
— Ceremony ⁽²⁾	18,805	12.5	1,558	8.3	23,105	14.1	2,619	11.3	5,214	10.4	780	15.0
— Others ⁽³⁾	9,307	6.2	3,423	36.8	14,395	8.8	4,986	34.6	4,901	9.8	1,581	32.3
Sub-total	147,742	98.3	23,527	15.9	161,152	98.4	22,826	14.2	47,494	94.9	7,801	16.4
Others ⁽⁴⁾	2,519	1.7	1,137	45.1	2,653	1.6	1,336	50.4	2,539	5.1	1,748	68.8
Total	150,261	100.0	24,664	16.4	163,805	100.0	24,162	14.8	50,033	100.0	9,549	19.1

Notes:

- (1) Primarily represents concerts held at major venues in Hong Kong, including AsiaWorld-Expo, Hong Kong Coliseum, Kai Tak Sports Park and the Hong Kong Convention and Exhibition Centre. Our customers may engage us for concert tours across Hong Kong, Macao and the PRC. If we are involved in concert tours in Macao and the PRC, we generally engage subcontractors in Macao and the PRC for stage setup, installation and dismantling, while our technicians are deployed to oversee the installation process. During the Track Record Period, (i) our revenue from concerts performed in Macao amounted to approximately HK\$10.8 million, HK\$15.1 million and HK\$1.0 million, representing approximately 7.2%, 9.2% and 2.0% of our total revenue, respectively; and (ii) our revenue from concerts performed in the PRC amounted to approximately HK\$4.3 million, HK\$9.1 million and HK\$3.5 million, representing approximately 2.9%, 5.6% and 6.9% of our total revenue, respectively. For details, see “Our process — Execution phrase” in this section.
- (2) Primarily represents opening ceremonies, music award ceremonies, festival parades and religious and cultural assemblies.
- (3) Primarily represents TV shows, press conferences and sports events, including esports tournament.
- (4) Primarily represents our provisions of (i) coordination and technical support services, (ii) equipment rental services, (iii) rehearsal facilities services and (iv) sale and installation services for lighting and sound equipment.

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OUR PROJECTS

Our customers engage us for our services on a project-by-project basis. During the Track Record Period, the majority of our revenue was generated from our provision of stage lighting and sound engineering services in concerts and ceremonies. For the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, our revenue generated from provision of lighting and sound engineering services in concerts and ceremonies accounted for approximately 92.1%, 89.6% and 85.1%, respectively.

The following table sets forth the breakdown of the number of projects for the years/periods indicated:

	For the year ended 31 December		For the five months ended 31 May
	2024	2025	2026
Number of opening projects	1	4	3
Add: Number of new projects	332	308	109
Less: Number of completed projects	<u>329</u>	<u>309</u>	<u>111</u>
Number of ongoing projects as of the end of the year/period	<u>4</u>	<u>3</u>	<u>1</u>

The following tables set forth our top five revenue-generating projects during the Track Record Period:

For the year ended 31 December 2024

Project	Venue/Location	Revenue HK\$'000	As a percentage of our total revenue %
A 16-day concert by a group of Hong Kong artists	AsiaWorld-Expo Arena, Hong Kong	25,882	17.2
A large-scale international festive parade celebrating Chinese New Year	Public Event Route, Hong Kong	10,318	6.9
A 7-day concert by a Hong Kong artist	AsiaWorld-Expo Arena, Hong Kong	10,213	6.8
A 6-day concert by a Hong Kong artist	Hong Kong Coliseum, Hong Kong	5,285	3.5
A 10-day concert by a Hong Kong artist	Studio City Event Center, Macao	4,940	3.3
		<u>56,638</u>	<u>37.7</u>

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For the year ended 31 December 2025

Project	Venue/Location	Revenue HK\$'000	As a percentage of our total revenue %
A 9-day concert by a Hong Kong artist	AsiaWorld-Expo Arena, Hong Kong	12,239	7.5
A 3-day concert by a Mainland Chinese artist	AsiaWorld-Expo Arena, Hong Kong	8,140	5.0
A 5-day concert by a Hong Kong artist	AsiaWorld-Expo Arena, Hong Kong	7,482	4.6
A 3-day concert by a Hong Kong artist	AsiaWorld-Expo Arena, Hong Kong	5,215	3.2
The grand opening ceremony and inaugural large-scale entertainment event of a flagship sports and leisure complex	Kai Tak Stadium, Hong Kong	5,095	3.1
		<u>38,171</u>	<u>23.4</u>

For the five months 31 May 2026

Project	Venue/Location	Revenue HK\$'000	As a percentage of our total revenue %
A 10-day concert by a Hong Kong artist	Hong Kong Coliseum, Hong Kong	11,083	22.2
A 7-day concert by a group of Hong Kong artists	Hong Kong Coliseum, Hong Kong	6,050	12.1
A 2-day concert by a Hong Kong artist	AsiaWorld-Expo Arena, Hong Kong	3,700	7.4
A 3-day international sports tournament	Kai Tak Stadium, Hong Kong	2,844	5.7
A 3-day large-scale religious and cultural assembly	Kai Tak Area, Hong Kong	2,491	5.0
		<u>26,168</u>	<u>52.4</u>

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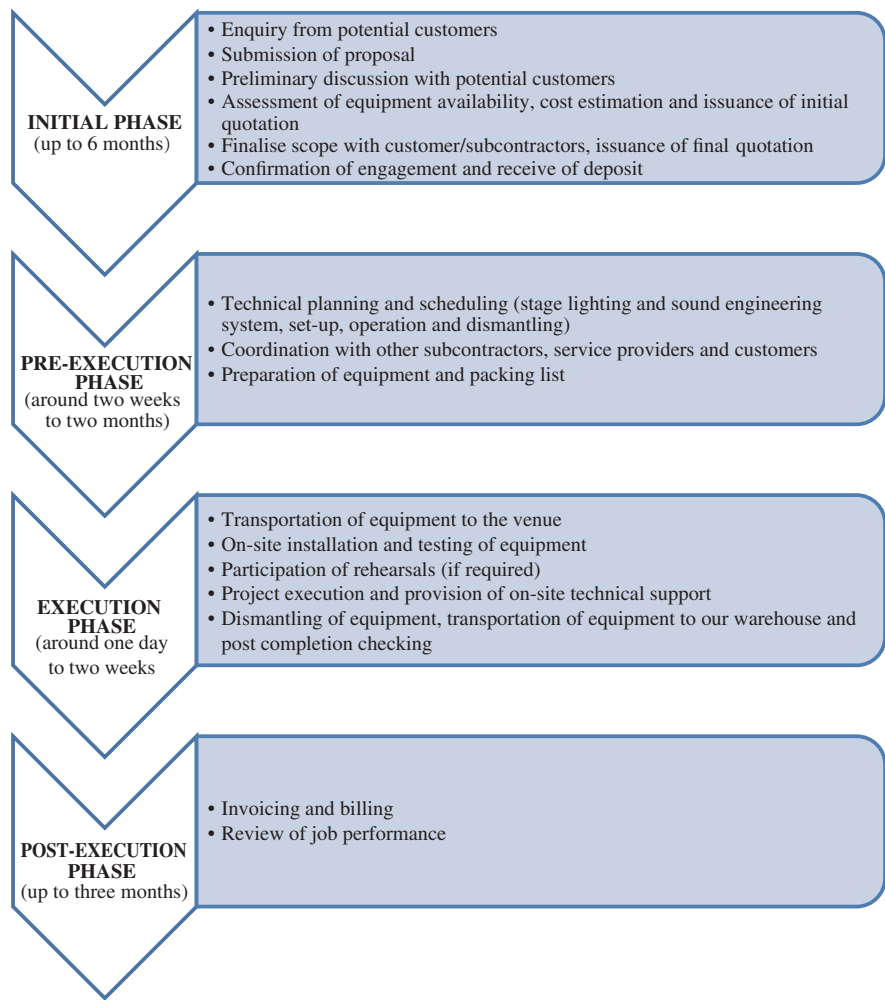
We are engaged by customers on a project-by-project basis and, unless otherwise agreed, there are no long-term agreements between our Group and our customers. Contracts entered into between customers and us generally set out, among other matters, the contract price, contract period, type and scope of work, payment terms and insurance arrangements. The principal terms typically include:

Location and event name	The event name and location of the project at which our works are to be carried out.
Period	The period within which the project is to be completed, from the agreed commencement to completion and dismantling; extendable by mutual agreement.
Scope of work	The type and scope of services to be provided, including design advisory, onsite set up, operation, dismantling and related coordination.
Equipment list	Types, specifications and quantities of lighting and sound equipment to be provided or installed.
Delivery schedule	Target dates and time windows for equipment delivery, set up, rehearsals, event operation and dismantling.
Pricing	Contract sum and any itemised fees (for example, equipment rental, manpower, transportation, rigging, surveyor report).
Credit terms and payment	<p>Deposit and balance arrangements; invoice timing; credit period; accepted payment methods.</p> <p>For the initial deposit, an amount between 15% and 60% of the quotation sum is normally payable by the customer upon acceptance of the contract. For the final payment, we usually issue a final invoice to the customer within one week of completion for the balance. A credit period of 30 days is normally granted, and payment is usually settled by cheque or bank transfer.</p>
Logistics & transportation	Responsibility for transportation, customs (if any), and any equipment delivered by customers or other equipment rental companies.
Insurance	<p>Responsibility for venue insurance and third-party liability; subcontractor personnel insurance.</p> <p>In general, our customers are responsible for procuring appropriate venue insurance and third party liability insurance. Each subcontractor maintains insurance covering claims and compensation in respect of its personnel.</p> <p>For further details, please refer to the paragraph headed “Insurance” below in this section.</p>
Termination	The compensation to us for cancellation after signing the contract.

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OUR PROCESS

The following diagram illustrates our business and revenue model for stage lighting and sound engineering services. The processes and timelines may vary from project to project, depending on customer requirements and the duration of the project.



Initial phase

Enquiry from potential customers

We generally receive customer enquiries by telephone. Our senior management and our project manager will conduct an initial discussion to obtain a preliminary understanding of the request and key project details, including proposed timing, venue, customer’s preliminary ideas or requirements on stage lighting and/or sound engineering for desired effects, type and number of equipment and indicative budget. During the Track Record Period, a limited number of our projects were secured through tendering. For the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, our revenue attributable to tender projects were approximately 1.5%, 1.5% and 4.3% of our total revenue, respectively.

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Submission of proposal

Preparing a proposal requires analysing the project requirements and compiling cost data, also the availability and suitability of our equipment and manpower. Each proposal must be reviewed and approved by our management. Customers will assess our proposal and determine our appointment as stage lighting and sound engineering services provider.

Preliminary discussion with potential customers

We may convene a concept meeting with customers to understand their preliminary ideas for lighting and/or sound engineering for desired effects. During the meeting, we may request additional information to clarify the desired effects and the equipment specifications required to achieve them. Where appropriate, we may undertake a site visit to assess the venue’s specific characteristics and constraints. We advise customers on the technical feasibility of their proposals and develop preliminary, customised solutions to achieve their intended outcomes. We evaluate and recommend the equipment necessary to achieve the proposed effects and, where appropriate, consult with suppliers regarding feasibility and availability. If required, we may demonstrate the proposed lighting and/or sound effects by means of computer-based simulation or live demonstration. Certain customers may provide us directly with their proposed lighting and/or sound engineering for desired effects and, where applicable, a list of required or preferred equipment, for our review and coordination.

Assessment of equipment availability, cost estimation and issuance of initial quotation

We assess and determine, drawing on our expertise, the lighting and sound equipment required to implement the customised scope and service proposed to customers. We also check the availability of the required equipment and personnel for the project period with reference to our scheduling of other projects to ensure we have sufficient capacity to execute the project and enables us to identify whether third-party services (such as ad hoc personnel and rental of equipment) are required for project execution.

In determining our fee quotations, we take into account, among other factors: (i) the type and quantity of lighting and sound equipment required; (ii) the project duration; (iii) the level of personnel required for on-site installation, operation and dismantling; (iv) logistics and transportation costs; and (v) the expected costs of third-party services. Our initial quotations are indicative and subject to change depending on the final scope, availability and venue requirements.

Finalise scope with customer/subcontractors, issuance of updated quotation

Before issuing the final quotation, we confirm the final scope with the customer and relevant subcontractors; the final quotation reflects (i) the programme name; (ii) the project duration and schedule; (iii) the types and quantities of lighting and sound equipment required; (iv) service fees and payment terms; (v) insurance arrangements; (vi) labour requirements; and (vii) logistics (transportation and, where applicable, accommodation) having regard to the project location. Unless otherwise specified, quotations are valid for 25 days from the date of issue for customer review and negotiation. Any subsequent change to the scope or terms (for example, a modification to the stage design) may result in a revised service-fee quotation.

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Confirmation of engagement and receive of deposit

Upon the customer’s final confirmation and execution of the quotation, a deposit, typically between 15% and 60% of the total quotation amount, becomes payable. A receipt is issued upon payment. Any changes after execution will be treated as variations and may require adjustments to fees, schedule and resources.

Pre-execution phase

Technical planning and scheduling (stage lighting and sound engineering system, set-up, operation and dismantling) and continuous coordination with other subcontractors, service providers and customers

Following confirmation of engagement, we prepare the stage lighting and sound engineering system plans and other technical plans and develop the schedule for set up, operation and dismantling. We maintain ongoing coordination with relevant subcontractors, service providers and the customer. Where appropriate, we provide a detailed project execution plan to help ensure orderly implementation of the project. We may hold further meetings with the customer to discuss execution arrangements, finalise the customised scope and confirm the detailed requirements for project execution. If required, we may demonstrate the finalised customised scope by computer-based simulation or live demonstration to illustrate the intended lighting and/or sound effects. Depending on the customer’s requirements, we would engage surveyors and/or registered structural engineers (“RSE”) to inspect the installation works. Upon completion of their inspection, they would issue a survey report and/or a RSE’s certificate to the customer. We are required to submit such report and/or certificate to the venue for their review and approval prior to commencement of works.

Preparation of equipment packing list

For projects where we deploy our lighting and sound equipment, our project manager prepares an equipment packing list with reference to the executed quotation specifications. Our warehouse team then picks and packs the equipment accordingly and records equipment movements in our inventory system.

Execution phase

Transportation of equipment to the venue

The transportation of equipment to the venue is arranged in accordance with the agreed delivery schedule once venue availability is confirmed. In Hong Kong, we would engage designated logistics companies with experience in conveying bulky equipment and maintain a panel of qualified companies and agencies for such transportation. For projects in Macao and the PRC, transportation between the venue and any designated equipment rental company is, in most cases, arranged by our customers; where requested, we engage domestic logistics companies to perform such services.

On-site installation, testing of equipment and participation in rehearsals

For projects in Hong Kong, upon arrival of the equipment at the designated venue, on-site installation is carried out under the supervision of our technicians in accordance with the approved stage diagram. Installation generally takes approximately one to ten days, depending on the complexity and schedule of the project. For concerts held in the PRC and Macao, we may engage subcontractors to recruit local workers to assist with set up, installation and dismantling, and we deploy our technicians

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(and, where appropriate, a project manager) to oversee the installation process. Following installation, we conduct several rounds of lighting and/or sound engineering system tests to ensure the respective equipment are in good function.

We also attend customer rehearsals, where applicable, to validate set-ups, make any necessary adjustments and support the smooth execution of the project.

Project execution and provision of on-site technical support

To achieve the intended stage effects, our technicians are stationed at the venue during rehearsals and the event to operate the lighting and sound equipment and to provide technical support, troubleshooting and fault rectification. Where requested by the customer, designated technicians operate the mixing consoles and lighting control panels during rehearsals and the live show. The project manager, supported by senior technicians, oversees the overall operation, coordinates with the venue and other contractors, manages ad-hoc change requests, and maintains an incident and performance log.

Dismantling of equipment, transportation of equipment to our warehouse and post completion checking

Upon completion of the project, our technicians dismantle the equipment and arrange delivery back to our service centre for inspection of any damage or malfunction. The project manager supervises and coordinates the dismantling process to help ensure it is performed in an orderly and safe manner. If any equipment is found to be defective or malfunctioning, it is isolated for further inspection and a determination is made as to whether it can be repaired in house or should be returned to the relevant supplier for repair and maintenance. Records of defects, repairs and replacements are maintained for follow-up and continuous improvement purposes.

Post-execution phase

Invoicing and billing

We issue an invoice to the customer after completion of the project. Invoices for services rendered are generally payable upon presentation. In the ordinary course of business, we may extend credit to customers that we assess to be recognised or creditworthy.

Review of job performance

After project completion, our management and technicians may review the performance of our services with a view to enhancing procedures, service quality and operational efficiency for future projects, where appropriate.

Sale and installation of lighting and sound equipment

We provide comprehensive sale and installation services for stage lighting and sound engineering systems to sizeable customers on a project basis. Our services are delivered through a structured process comprising:

Needs assessment and site survey — We conduct a detailed assessment of customer requirements and perform a site survey to evaluate venue characteristics and constraints.

Preparation of equipment specifications and bill of materials — We develop technical specifications and compile a bill of materials reflecting the agreed performance and reliability criteria.

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Procurement advisory — We provide procurement guidance by recommending equipment that satisfies agreed performance, reliability and budget parameters, or assist customers in acquiring their preferred brands and models.

Delivery, installation, cabling and rigging — We manage logistics and carry out delivery, installation, cabling and rigging in accordance with venue requirements and applicable safety standards.

Testing and commissioning — We perform system configuration, testing and commissioning, including acceptance checks against the agreed criteria.

Handover and after-sales support — We complete formal handover, provide basic operator training and arrange warranty and after-sales support.

Where required, we coordinate related third-party works, including electrical and structural services, and ensure that all installations comply with relevant regulatory and safety requirements.

Other services

Occasionally, and subject to equipment availability, we lease our lighting and sound equipment on standard commercial terms, principally to other stage lighting and sound engineering services providers. This practice optimises equipment utilisation and contributes to revenue generation while preserving priority for our own project commitments.

Customers may also use our rehearsal studio for concert rehearsals, subject to availability and the applicable booking terms. Bookings are accepted on an hourly or daily basis, subject to a minimum booking duration and within specified operating hours. The studio is provided with a basic configuration suitable for rehearsals. Additional equipment and technical support are available upon request at an additional charge. Users are required to comply with house rules and venue safety guidelines, including capacity limits, noise control and protection of fixtures. Where applicable, a booking deposit and a security deposit are payable and refundable in accordance with the booking terms.

OUR CUSTOMERS

During the Track Record Period, our customers were mainly production houses, entertainment companies, event organisers and event contractors located in Hong Kong. We also provided sale and installation of lighting and sound equipment and related services to our customers. For each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025, the total revenue attributable to our five largest customers amounted to approximately HK\$87.5 million, HK\$82.8 million and HK\$31.5 million, representing approximately 58.3%, 50.6% and 63.0% of our total revenue, respectively, while the total revenue attributable to our largest customer for each of the same years/period amounted to approximately HK\$53.9 million, HK\$41.4 million and HK\$14.2 million, representing approximately 35.9%, 25.3% and 28.3% of our total revenue, respectively.

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The following tables set forth certain information about our five largest customers during the Track Record Period:

For the year ended 31 December 2024

Customer	Type of service	Year of commencing business relationship	Revenue HK\$'000	As a percentage of our total revenue %	Credit terms and payment method
Customer Group A ^(Note 1)	Provision of stage lighting and sound engineering services, equipment rental services and rehearsal facilities services	2022	53,918	35.9	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
Customer B ^(Note 2)	Provision of stage lighting and sound engineering services	2009	10,321	6.9	50% deposit upon confirmation, 50% balance payment to be paid after completion of the show by cheque
Customer Group D ^(Note 3)	Provision of stage lighting and sound engineering services	1997	9,281	6.2	50% deposit upon confirmation, 50% balance payment to be paid within 30 days after the last show date by cheque
Customer Group G ^(Note 4)	Provision of stage lighting and sound engineering services and rehearsal facilities services	2014	7,868	5.2	50% deposit upon confirmation, 50% balance payment to be paid after completion of the show by cheque
Customer H ^(Note 5)	Provision of stage lighting and sound engineering services	2021	6,158	4.1	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
			<u>87,546</u>	<u>58.3</u>	

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For the year ended 31 December 2025

Customer	Type of service	Year of commencing business relationship	Revenue HK\$'000	As a percentage of our total revenue %	Credit terms and payment method
Customer Group A ^(Note 1)	Provision of stage lighting and sound engineering services, equipment rental and rehearsal facilities services	2022	41,414	25.3	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
Customer Group D ^(Note 3)	Provision of stage lighting and sound engineering services and rehearsal facilities services	1997	14,383	8.8	50% deposit upon confirmation, 50% balance payment to be paid within 30 days after the last show date by cheque
Customer H ^(Note 5)	Provision of stage lighting and sound engineering services	2021	9,538	5.8	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
Customer Group G ^(Note 4)	Provision of stage lighting and sound engineering services and rehearsal facilities services	2014	9,365	5.7	50% deposit upon confirmation, 50% balance payment to be paid after completion of the show by cheque
Customer E ^(Note 6)	Provision of stage lighting and sound engineering services	2025	8,140	5.0	50% deposit upon confirmation, 50% balance payment to be paid before show date by bank transfer
			<u>82,840</u>	<u>50.6</u>	

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For the five months ended 31 May 2026

Customer	Type of service	Year of commencing business relationship	Revenue HK\$'000	As a percentage of our total revenue %	Credit terms and payment method
Customer Group D ^(Note 3)	Provision of stage lighting and sound engineering services	1997	14,170	28.3	50% deposit upon confirmation, 50% balance payment to be paid within 30 days after the last show date by cheque
Customer J ^(Note 7)	Provision of stage lighting and sound engineering services and rehearsal facilities services	2019	6,023	12.1	50% deposit upon confirmation, 50% balance payment to be paid within 30 days after the last show date by cheque
Customer Group A ^(Note 1)	Provision of Stage lighting and sound engineering services, equipment rental and rehearsal facilities services	2022	6,021	12.0	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
Customer K ^(Note 8)	Provision of stage lighting and sound engineering services	2025	2,819	5.6	50% deposit upon confirmation, 50% balance payment to be paid within 30 days after the last show date by cheque
Customer L ^(Note 9)	Provision of stage lighting and sound engineering services	2025	2,491	5.0	50% deposit upon confirmation, 50% balance payment to be paid before show date by cheque
			<u>31,524</u>	<u>63.0</u>	

Notes:

- (1) Customer Group A represents a group of companies that operate under common control/ultimate ownership and/or share centralised procurement and event management decisions for media production and artiste operation and principally engaged in the production and broadcasting of television and video content, artiste and talent management, live performance and concert production, music publishing, and record distribution.
- (2) Customer B represents a quasi-governmental organisation responsible for promoting Hong Kong globally as a premier travel destination, coordinating mega-events, and enhancing visitor experiences.
- (3) Customer Group D represents two private companies incorporated in Hong Kong that are operate under common control by the same management, principally engaged in the provision of media and entertainment services, artiste and talent management, music production and publishing, live event and concert production, and film distribution.
- (4) Customer Group G represents two companies that operate under common control/ultimate ownership and principally engaged in the provision of media and entertainment services, including film and television production and distribution, concert and live performance production, music publishing, artiste management, and event organisation in Hong Kong and Macao. One of the leading Chinese language entertainment group in the PRC.
- (5) Customer H represents a company incorporated in Hong Kong with limited liability. Customer H is principally engaged in the organisation, promotion, and technical production of live music concerts, theatrical performances, and entertainment events, as well as event management and entertainment project execution in Hong Kong.
- (6) Customer E represents a limited liability company established in the PRC principally engaged in the organisation of cultural and artistic events, concert tour production and management, performance hosting, and entertainment project planning in the PRC.

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- (7) Customer J represents a private company incorporated in Hong Kong, principally engaged in the provision of entertainment and event-related services.
- (8) Customer K represents a limited liability organisation in Hong Kong principally engaged in the promotion, organisation, and management of rugby activities and events. The organisation oversees rugby development programmes, coordinates domestic and international competitions, and provides training and support services for players and clubs in Hong Kong.
- (9) Customer L represents a limited liability organisation in Hong Kong principally engaged in the promotion and coordination of Buddhist activities. The organisation provides a platform for member societies, organises religious and cultural events, and supports the development of Buddhist education and community services.

To the best of our Directors’ knowledge and belief, none of our Directors, their respective close associates, or any Shareholders who owned more than 5% of the share capital of our Company as of the Latest Practicable Date had any interest in any of the five largest customers of our Group for each of the years/period during the Track Record Period. To the best knowledge and belief of our Directors, all our Group’s five largest customers for each of the years/period during the Track Record Period are Independent Third Parties.

As of the Latest Practicable Date, the length of our business relationship with each of our five largest customers in each year during the Track Record Period ranged from approximately 1 to 29 years. Our Directors believe such relationships stem from our customers’ recognition of our service quality, and our capabilities in provision of stage lighting and sound engineering services. Our Directors further believe that such relationships contribute to customer loyalty and support continued engagement with our Group.

We generally grant customers a credit period of not more than 30 days, having regard to factors including the length of our business relationship and their historical payment records. For new customers, we ordinarily require payment of a deposit and settlement on a cash on delivery basis. Customers primarily settle invoices by cash, cheque or bank transfer.

For the year ended 31 December 2025, we completed two projects for Customer I with an aggregate contract sum of approximately HK\$5.5 million. As of 31 May 2026, we have received payments of approximately HK\$1.4 million, representing approximately 25.2% of the said aggregate contract sum. In March 2026, Customer I commenced winding-up proceedings by way of a creditors’ voluntary liquidation. Consequently, we recognised an aggregate loss after considering the special provision of approximately HK\$4.1 million in respect of these two projects.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material payment defaults or bad debts that had a material adverse effect on our financial condition or results of operations.

PRICING STRATEGY

Our pricing is determined on a cost plus basis and is set project by project. In establishing the price scale for a project, we take into account, among other factors:

- the scope, scale, duration and complexity of the project;
- the estimated types and quantities of lighting and sound equipment required;
- the level of personnel needed for set up, operation and dismantling;
- the requested completion date and programme constraints; and
- any specific customer requirements, venue conditions and expected third party costs.

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When preparing quotations, we make reference to our past records and, where appropriate or necessary, obtain quotations from subcontractors and suppliers, including for equipment rental, logistics and other ancillary services.

We determine a markup over estimated costs project by project. The markup may vary by project, having regard to factors such as project size and complexity, lead time, risk allocation, warranty and after sales obligations, and prevailing competitive conditions. Prices are subject to confirmation of the final scope. Any subsequent changes to scope or assumptions will be treated as variations and may require adjustments to fees, schedule and resources.

CREDIT POLICY

We may grant credit terms of up to 30 days, having regard to factors including the length and quality of past dealings and business relationships, the customer’s historical payment record, and the customer’s background and credit standing. We have implemented credit control policies and procedures designed to verify the existence and accuracy of customer balances and to manage receivables so as to minimise credit risk. Our accounting personnel review accounts receivable on a regular basis, monitor ageing and outstanding amounts, issue monthly statements to customers, and follow up on overdue balances. Any amounts outstanding for more than 30 days are escalated to the Directors and senior management for review, who will consider appropriate measures, including adjustments to credit terms for future projects and collection actions in accordance with our procedures.

SALES AND MARKETING

In deliberating of our long establishment in the industry and also our extensive experience, we do not actively rely on advertising or marketing activities to generate business. Customers generally approach us directly. In the view of our Directors, this reflects prevailing industry practice in which customers place greater emphasis on a service provider’s track record and execution capability than on promotional activity. Our Directors believe that we have established a reputation through maintaining high service quality over the years, and that referrals from existing customers constitute an important source of new enquiries. Accordingly, we have not placed significant reliance on advertising or marketing campaigns as market promotion.

Our Directors also believe that maintaining service quality, including the timely handling of customer enquiries and structured relationship management, supports customer retention and contributes to a continuing pipeline of new clients and project opportunities.

Seasonality

During the Track Record Period, our services experienced relatively stable demand across the year. We have not observed any material seasonal patterns, and our revenue has been broadly stable on a year-round basis.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily comprised (i) lighting and sound equipment suppliers; (ii) lighting and/or sound equipment rental companies; (iii) warehousing and logistics service providers; and (iv) subcontractors providing stage engineering, LED electronic display screen and shadow illumination effects and ad hoc personnel services. Our suppliers generally grant us a credit term within 30 days. Certain suppliers receive advance payment from us. During the Track Record Period, we mainly settled payments with our suppliers by cash, cheque and bank transfer. During the Track Record Period, we did not experience any significant adverse fluctuations of the prices of our lighting and sound equipment.

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Relationship with our suppliers

We have maintained long-standing working relationships with our suppliers. Our Directors consider that we were not reliant on any single supplier during the Track Record Period, as we generally sourced from more than one supplier for each major category of goods and services. Given our expertise and experience in providing stage lighting and sound engineering services, we engage subcontractors, where appropriate, to undertake complementary or labour-intensive tasks, including show production support, video and stage engineering, transportation of equipment, stage set up and dismantling. Our Directors believe that this approach is cost-effective and operationally efficient, as it avoids maintaining an overly large full-time workforce, enable us to focus resources on our core technical competencies, and provides flexibility to scale capacity in line with project requirements.

Selection of our suppliers

In assessing our suppliers, we take into account, among factors, including but not limited to, quality of products and/or services, track record, reputation in the industry, the duration of our business relationship, the experience of our cooperation, business scale, and pricing. Our Directors believe that these selection criteria, together with the supplier quality control measures we implement, help to minimise the risk of procuring substandard equipment. Please refer to the paragraph headed “Quality control” in this section for further details of our supplier quality control measures.

With respect to our subcontractors, we maintain business relationships with a network of subcontractors. In assessing whether to engage or continue working with a subcontractor, we take into account, among other factors: (i) recent performance on our projects; (ii) the existence and adequacy of a quality assurance system appropriate to the job requirements; (iii) the sufficiency of resources and technical skills to meet the specific scope; and (iv) possession of requisite licences and registrations for engineering works. For each engagement, we select subcontractors having regard to prior experience, technical skills, current workload, price quotations and historical work quality. Subcontractors are independent contractors and are neither our employees nor our agents, and we are not a party to the employment arrangements between subcontractors and their personnel. We periodically assess the performance of our subcontractors and service providers and evaluate the continuation of our business relationships with them based on past performance. During project execution, our project managers meet with the engaged subcontractors and closely monitor work progress and performance against the programme, specifications, and safety and quality requirements.

Principal terms of engagement

Suppliers: In respect of the procurement of goods, we generally enter into transactions on an order-by-order basis by issuing purchase orders for each procurement, rather than entering into long-term agreements. Credit terms granted by our suppliers generally range up to 30 days, or require settlement immediately upon delivery.

Subcontractors: In respect of services provided by our subcontractors, we are customarily required to pay an advance deposit amounting to 50% of the aggregate quotation value upon execution of the relevant quotation. The remaining balance of the contract price is payable in accordance with credit terms typically up to 30 days offered by the subcontractors.

During the Track Record Period, we did not enter into any long-term agreements with our suppliers. Arrangements with our suppliers were entered into on a project-by-project basis.

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For each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025, the total cost attributable to our five largest suppliers amounted to approximately HK\$45.9 million, HK\$63.1 million and HK\$16.4 million, representing approximately 36.5%, 45.2% and 40.6% of our total cost of sales, respectively, while the total cost attributable to our largest supplier for each of the same years/period amounted to approximately HK\$14.7 million, HK\$23.7 million and HK\$7.1 million, representing approximately 11.7%, 17.0% and 17.5% of our total cost of sales, respectively.

The following tables set forth certain information about our five largest suppliers during the Track Record Period:

For the year ended 31 December 2024

Supplier	Services/goods provided to our Group	Year of commencing business relationship	Cost HK\$'000	As a percentage of our total cost of sales %	Credit terms and payment method
Supplier Group A ^(Note 1)	Equipment rental services, structural setup of audience risers, and the subcontracting of manpower	2008	14,693	11.7	Following completion of the show by bank transfer
Supplier B ^(Note 2)	Equipment rental services	2017	10,647	8.5	7 days following the completion of the show by bank transfer
Supplier Group C ^(Note 3)	Equipment rental services	2013	7,015	5.6	30 days from the invoice date by bank transfer
Supplier D ^(Note 4)	Stage and backdrop construction services	2012	6,832	5.4	30 days following the completion of the show by bank transfer
Supplier E ^(Note 5)	Subcontracting of manpower	2022	6,703	5.3	30–60 days from the invoice date by cheque
			<u>45,890</u>	<u>36.5</u>	

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For the year ended 31 December 2025

Supplier	Services/goods provided to our Group	Year of commencing business relationship	Cost HK\$'000	As a percentage of our total cost of sales %	Credit terms and payment method
Supplier Group F ^(Note 6)	Equipment rental services and the subcontracting of manpower	2023	23,717	17.0	30 days from the invoice date by bank transfer
Supplier Group A ^(Note 1)	Equipment rental services, structural setup of audience risers, and the subcontracting of manpower	2008	13,031	9.3	Following completion of the show by bank transfer
Supplier B ^(Note 2)	Equipment rental services	2017	10,765	7.7	7 days following the completion of the show by bank transfer
Supplier D ^(Note 4)	Stage and backdrop construction services	2012	9,518	6.8	30 days following the completion of the show by bank transfer
Supplier E ^(Note 5)	Subcontracting of manpower	2022	6,034	4.3	30–60 days from the invoice date by cheque
			<u>63,065</u>	<u>45.2</u>	

For the five months ended 31 May 2026

Supplier	Services/goods provided to our Group	Year of commencing business relationship	Cost HK\$'000	As a percentage of our total cost of sales %	Credit terms and payment method
Supplier Group A ^(Note 1)	Equipment rental services, structural setup of audience risers, and the subcontracting of manpower	2008	7,070	17.5	Following completion of the show by bank transfer
Supplier Group F ^(Note 6)	Equipment rental services and the subcontracting of manpower	2023	4,407	10.9	30 days from the invoice date by bank transfer
Supplier G ^(Note 7)	Equipment rental services	2025	1,740	4.3	50% deposit 3 days upon confirmation and 50% balance paid before show rehearsal by bank transfer
Supplier B ^(Note 2)	Equipment rental services	2017	1,625	4.0	7 days following the completion of the show by bank transfer
Supplier D ^(Note 4)	Stage and backdrop construction services	2012	1,580	3.9	30 days following the completion of the show by bank transfer
			<u>16,422</u>	<u>40.6</u>	

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Notes:

- (1) Supplier Group A comprises two companies established in Hong Kong and the PRC, respectively that are under common control by the same ultimate shareholder. In Hong Kong, Supplier Group A is principally engaged in the provision of engineering solutions, equipment procurement, and technical support services. In the PRC, it is primarily engaged in the provision of exhibition design, display setup, and event organisation services.
- (2) Supplier B represents In Technical Production Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in the provision of visual display solution services and equipment rental.
- (3) Supplier Group C comprises Stage Tech Limited and Sparkle Special Effect Limited, which are incorporated in Hong Kong that are under common control by the same ultimate shareholder. Supplier Group C is principally engaged in the provision of stage engineering solutions, stage structural setup, and special effects services (including pyrotechnics, laser displays, and visual stage effects) for live performances and events.
- (4) Supplier D represents a company incorporated in Hong Kong with limited liability, which is principally engaged in the provision of event flooring and structural production services.
- (5) Supplier E represents a company incorporated in Hong Kong with limited liability, which principally engaged in the provision of media production, digital visual content creation, and multimedia technical support services for live events and exhibitions.
- (6) Supplier Group F comprises a group of companies established in Hong Kong and Macao that are under common control by the same ultimate shareholder are under the same group of management, with the overall management, strategic direction and day-to-day operations being exercised by substantially the same group of individuals. Supplier Group F is principally engaged in the provision of event production, stage engineering, technical setup, and specialised hardware installation services in Hong Kong and Macao.
- (7) Supplier G represents 德峰演艺工程(廣州)有限公司 (Defeng Performing Arts Engineering (Guangzhou) Co., Ltd.)*, a company incorporated in Guangzhou with limited liability, principally engaged in the provision of stage engineering and entertainment production services.

To the best of our Directors’ knowledge and belief, none of our Directors, their respective close associates, or any Shareholders who owned more than 5% of the share capital of our Company as of the Latest Practicable Date had any interest in any of the five largest suppliers of our Group for each of the years/period during the Track Record Period. To the best knowledge and belief of our Directors, all our Group’s five largest suppliers for each of the years/period during the Track Record Period are Independent Third Parties.

ENTITIES WHICH ARE OUR CUSTOMERS AND ALSO OUR SUPPLIERS

According to the Frost & Sullivan Report, it is not uncommon for market participants, particularly event contractors and suppliers, to act as both customers and suppliers to one another. During the Track Record Period, certain of our customers were also our suppliers, and vice versa, primarily due to the following business arrangements:

Equipment Rental: To optimise resource allocation, we lease our lighting and sound equipment to certain customers. Conversely, in instances where our own equipment is fully utilised or when specific technical specifications are required, we may lease specialised equipment from these entities to fulfill our project requirements.

Subcontracting and Technical Service Integration: While we specialise in stage lighting and sound engineering services, we may subcontract ancillary services, including stage engineering, LED electronic display screens, and shadow illumination effects, to our subcontractors. Conversely, providers specialising in stage and other event services may engage us for our specialised technical expertise in stage lighting and sound engineering services to complement their own service offerings.

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Our Directors confirm that these dual-role relationships are typical in the industry and that all such transactions were conducted in the ordinary and usual course of business, on an arm’s length basis, and on normal commercial terms.

During the Track Record Period, to the best knowledge, information, and belief of our Directors, one, nil, and nil of our five largest customers was also our suppliers for each of the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively. For the year ended 31 December 2024, we primarily provided stage lighting and sound engineering services to Customer Group A, which accounted for approximately 35.9% of our total revenue contributed by Customer Group A. During the same period, Customer Group A provided emcee services to us for a ceremony, representing approximately 0.2% of our total cost of sales.

During the Track Record Period, to the best knowledge and belief of our Directors, 2, 2 and 2 of our five largest suppliers were also our customers for each of the year ended 31 December 2024 and 2025 and five months ended 31 May 2026. The following tables set forth certain information about our five largest suppliers were also our customers during the Track Record Period:

For the year ended 31 December 2024

<u>Supplier</u>	<u>Services/goods provided to our Group</u>	<u>Service provided by us</u>	<u>As a percentage of fees paid to entity of our total cost of sales</u>	<u>As a percentage of revenue contributed to our total revenue</u>
			<u>%</u>	<u>%</u>
Supplier Group A	Equipment rental services, structural setup of audience risers and the subcontracting of manpower	Equipment rental	11.7	0.04
Supplier D	Stage and backdrop construction services	Equipment rental	5.4	0.01
			<u>17.1</u>	<u>0.05</u>

For the year ended 31 December 2025

<u>Supplier</u>	<u>Services/goods provided to our Group</u>	<u>Service provided by us</u>	<u>As a percentage of fees paid to entity of our total cost of sales</u>	<u>As a percentage of revenue contributed to our total revenue</u>
			<u>%</u>	<u>%</u>
Supplier Group F	Equipment rental services and the subcontracting of manpower	Equipment rental	17.0	2.0
Supplier Group A	Equipment rental services, structural setup of audience risers and the subcontracting of manpower	Sale of equipment	9.3	0.1
			<u>26.3</u>	<u>2.1</u>

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For the five months ended 31 May 2026

Supplier	Services/goods provided to our Group	Service provided by us	As a percentage of fees paid to entity of our total cost of sales	As a percentage of revenue contributed to our total revenue
			%	%
Supplier Group A	Equipment rental services, structural setup of audience risers and the subcontracting of manpower	Equipment rental	17.5	1.6
Supplier Group F	Equipment rental services and the subcontracting of manpower	Equipment rental	10.9	2.1
			<u>28.4</u>	<u>3.7</u>

INVENTORY

During the Track Record Period, we maintained a low volume of basic lighting and sound equipment for sale. This reflected our strategic focus on project operations and service provision rather than large-scale trading activities, while ensuring that we had sufficient inventory to meet customers’ needs and support our business development.

EQUIPMENT

Our equipment can be broadly grouped into two categories: (i) lighting equipment and (ii) sound equipment. Such equipment is stored at our warehouse in Hong Kong.

Lighting equipment

Our lighting equipment primarily comprises Par 64 lanterns, profile lanterns, moving lights, followspots, dimming systems, lighting consoles, and special effects equipment, alongside stage lighting infrastructure including rigging systems, lighting truss systems, and related accessories. Our lighting technicians programme and operate the lighting control consoles to manage multiple fixtures simultaneously and to deliver the intended lighting combinations for different cues and scenes. To implement the lighting design, the technicians control dimmers and adjust the intensity, position, angle, colour and direction of light in accordance with the production requirements.

Sound equipment

Our sound equipment comprises loudspeakers, audio power amplifiers, microphones, mixing consoles and ancillary items, including cables, headphones and equipment stands. A mixing console is an electronic device used to combine, route and control audio signals, including levels and tonal balance, from sources such as microphones and playback devices through signal processors and power amplifiers to the loudspeakers. Our sound technicians operate the mixing consoles during rehearsals and events to configure, balance and adjust the system to achieve the intended results. Where appropriate,

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sound engineering system is coordinated with stage effects and production design. To support the delivery of comprehensive sound engineering services, we also owns musical instruments, including drum kits, percussion instruments, synthesisers, digital pianos, guitar amplifiers and bass amplifiers.

Equipment utilisation rate

We maintain a wide range of lighting and sound equipment to meet the diverse requirements of our customers. Equipment is procured having regard to a number of factors, including anticipated orders, project requirements, developments in lighting and sound technologies and our assessment, based on industry experience, of market reception to the effects produced by the equipment. We own over 5,000 pieces of equipment. Given the large number and the diverse nature of such equipment, it is not feasible or practicable to quantify or disclose a detailed utilisation rate. The utilisation rate of individual items cannot be clearly defined, as different or combinations of equipment are deployed depending on the specific requirements of each project and customer. Accordingly, it would be difficult and not meaningful to present an accurate utilisation rate in general. Furthermore, it is not practicable for us to maintain a full account of the daily or hourly usage of each individual piece of equipment.

Useful life and average age of equipment

The following tables set forth estimated useful lives, years of services and estimated remaining useful lives for our lighting and sound equipment as of 31 May 2026:

	<u>Estimated useful lives</u> (Years)	<u>Average years of service</u> (Years)	<u>Estimated average remaining useful lives</u> (Years)
Lighting equipment	8.2	6.9	1.3
Sound equipment	9.5	7.3	2.2
Weighted average ^(Note)	9.2	7.2	2.0

Note: The weighted average useful lives, years of services and remaining useful lives are calculated with reference to the net book value of the respective equipment as at 31 May 2026.

Repair and maintenance

We maintain a team of technicians who perform repair and maintenance on our lighting and sound equipment to help ensure operational reliability. Our Directors consider that conducting repair and maintenance in house enables us to address technical issues promptly without undue reliance on third party manufacturers or service providers. Such supports the efficient and flexible delivery of customised services to customers.

Our technicians also inspect equipment before deployment and after completion of each project to help ensure that the equipment is in good working order for subsequent use. For of our supplier and equipment quality control measures, please refer to the paragraph headed “Quality control” in this section.

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WAREHOUSING

As of the Latest Practicable Date, we had one leased warehouse located in Kwai Chung, Hong Kong, with a gross floor area of approximately 18,348 sq. ft.. We rented the property for our warehouse from Independent Third Parties. Our warehouse is primarily utilised for the storage, safe-keeping, and logistical management of our lighting and sound equipment, which constitute major assets for our operations.

During the Track Record Period, certain equipment, primarily our lighting truss system, was stored in Kam Tin, Hong Kong, for which we incurred storage fees payable to Supplier Group A. Such storage fees amounted to approximately HK\$0.5 million, HK\$0.5 million and HK\$0.2 million, respectively.

Our warehousing arrangements are designed to ensure that such specialised equipment is housed in secure, climate-controlled environments to preserve functionality and extend asset life. Our warehouses are strategically situated to enable timely distribution and deployment of equipment to venues and project sites across Hong Kong.

TRANSPORTATION AND DELIVERY

We are responsible for arranging the transportation of equipment to designated venues in Hong Kong. In this connection, we engaged 12 logistics service providers, all of whom are Independent Third Parties, to provide transportation services during the Track Record Period. These logistics service providers possess extensive experience in handling specialised lighting and sound equipment, ensuring that such assets are transported with care, precision, and adherence to industry standards. Their expertise includes the use of appropriate packaging, and secure loading. The logistics service providers are responsible for insuring against the risk of loss of or damage to our equipment while in transit.

For projects in Macao and the PRC, we may also transport certain equipment from our service centre in Hong Kong to the performance venue. In such cases, insurance may be procured by the customer in accordance with the project requirements.

We charge customers all relevant transportation fees for equipment delivered to the venue, including the costs of recruiting domestic part time workers to assist with installation and dismantling. Customers are also responsible for the accommodation, travel and meal expenses of our crew.

For the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, logistics fees paid to logistics service providers amounted to approximately HK\$2.4 million, HK\$2.7 million and HK\$0.9 million, respectively.

QUALITY CONTROL

Quality control is a cornerstone of our business operations, as we firmly believe that maintaining the highest standards of service quality is essential for our long-term success and growth. We have implemented a rigorous quality control measure throughout our business processes, from supplier management to project execution.

BUSINESS

Key aspects of our all-stage quality control system are as follows:

Quality control on procurement of equipment: We procure stage lighting and sound equipment and spare parts from approved, reputable suppliers. Suppliers are selected by reference to defined criteria, including product quality, track record and reputation within the industry. For details of our supplier selection criteria, please refer to the paragraph headed “Our suppliers” above. We perform incoming inspection and testing on equipment prior to acceptance of delivery to confirm that it is in satisfactory condition and fully functional, and any non-conformities are raised with the supplier for replacement or rectification.

Quality control on selection of subcontractors: We maintain established working relationships with a network of subcontractors and engage suitable parties on a project-by-project basis. In assessing whether to include or engage a subcontractor, we consider, among other factors, recent performance on our projects, track record and references, etc.. For details of our subcontractor selection criteria, please refer to the paragraph headed “Our suppliers” above. Our project manager and senior technicians monitor progress and workmanship on site and assess performance against specifications and method statements. We periodically assess the performance of our subcontractors and evaluate the continuation of our business relationships with them to ensure that they continue to meet our standards and requirements. Subcontractors are independent contractors and are neither our employees nor our agents.

Quality control over equipment rented from our suppliers: We maintain and periodically review our suppliers to help ensure the procurement of high quality equipment and services. Our executive Director, Mr. Chan, and our senior management, Mr. Yeung, oversee the quality of equipment provided by suppliers to confirm fitness for use in our projects. We also carry out incoming inspection upon delivery and conduct checks before project execution. Where any item is found to be defective or not up to standard, we request replacement from the supplier.

Quality control of the equipment at our warehouse: We maintain ongoing quality control measures for equipment stored in our warehouse to ensure safety, durability and operational reliability. Following procurement, equipment is typically stored in protective cases to safeguard against damage. Our technicians conduct regular maintenance and inspections to identify potential defects. These measures facilitate timely troubleshooting and repair, thereby reducing the risk of malfunction during project operations and supporting the continuity of service delivery.

During the project execution phase, we implement a series of quality assurance measures to ensure the smooth operation of equipment and the safe delivery of services:

Operating procedures and training: Our experienced engineers provide on-the-job training to technicians, ensuring proper operation of equipment and adherence to safety protocols.

Supervision: The project manager and designated technicians remain on site throughout execution to monitor and supervise technical work, thereby ensuring that tasks are performed correctly and safely.

Rehearsals and system checks: Multiple rounds of rehearsals and system tests are conducted to verify equipment functionality and confirm that all components of the stage lighting and sound engineering system are properly connected and synchronised.

Contingency and back-up: A sufficient quantity of spare components, together with a back-up power system, is maintained on site to address unforeseeable technical issues and minimise disruption.

These measures collectively safeguard the reliability of our services and ensure that project operations are executed to the highest professional standards.

BUSINESS

During the Track Record Period, we did not receive any material claims or complaints about the quality of our services.

COMPETITION

According to the Frost & Sullivan Report, the Hong Kong market for professional sound, lighting, and stage design engineering services is moderately fragmented and competitive. It is estimated that there are more than 50 companies operating in the broader AV rental and technical production space, ranging from small operators focused on corporate events, weddings, and basic rentals to mid-sized firms handling exhibitions and mid-scale productions. However, the segment capable of delivering large-scale concerts, stadium-level productions, such as those at Kai Tai Sports Park, and major MICE events is much more concentrated. It is estimated that only 10-15 players possess the necessary scale, extensive equipment inventories, including large speak arrays, advanced lighting rigs, heavy rigging systems, and LED solutions, experienced technical crews, rigging expertise, and a proven track record with high-profile international and local events.

According to the Frost & Sullivan Report, the top five professional sound, lighting, and stage design engineering services providers for events and concerts accounted for approximately 70.0% of market share in terms of revenue in 2025. In 2025, we were the second largest professional sound, lighting, and stage design engineering service provider for events and concerts in Hong Kong with approximately 22.8% market share in terms of revenue.

For further details regarding the competitive landscape, entry barriers, and overall live entertainment and events industry in Hong Kong, please refer to the section headed “Industry overview” in this document. In particular, the major entry barriers to the stage lighting and sound engineering services market include, among others, the following:

Substantial capital is required to upgrade and replace existing equipment

The stage lighting and sound engineering services industry is highly capital-intensive, requiring substantial upfront and continuous investment. To sustain competitiveness and market share, comprehensive high-quality professional equipment must be deployed per the latest evolution of cutting-edge equipment, premium audio-visual equipment to ensure execution quality and safeguard customer satisfaction. New entrants face significant financial hurdles, not only in accumulating the initial capital required for procurement but also creating significant capital demand for continuous upgrades and stringent quality control measures, meanwhile, it is necessary to keep abreast of the latest developments in respective equipment and prevent obsolescence.

Technical expertise and skilled personnel

Successful entry into the market necessitates a dedicated team of highly skilled technicians and engineers capable of designing, installing, and operating complex, multi-sensory technical systems under demanding real-time conditions. Experienced personnel with strong technical competence are highly sought-after across the industry. Established players maintain a distinct advantage through institutionalised training programmes and the retention of senior technical staff, whereas new entrants often lack the operational infrastructure to attract, train, and retain a sufficient qualified workforce.

BUSINESS

Operational track record and brand reputation

Project owners and institutional clients heavily prioritise reliability, corporate reputation, and a proven track record when awarding high-profile or large-scale staging contracts. Because execution failures can cause severe disruptions to live events, clients naturally prefer established service providers with a demonstrated history of successful project delivery. New entrants, lacking a recognised brand name and a historical portfolio of completed projects, may face considerable difficulty in building initial customer trust and securing new projects.

Supplier and subcontractor networks

Securing preferential access to global equipment supply chains and reliable ancillary service providers is essential for timely and cost-effective project execution. Leading market players have spent years cultivating deep relationships with reputable manufacturers, authorised distributors, and specialised subcontractors, subject to ongoing monitoring and oversight. New market entrants struggle to secure comparable commercial terms, priority access to new equipment lines, or reliable subcontracting support, leaving them vulnerable to higher procurement costs and operational bottlenecks.

We believe our competitive edge is attributable to several key factors, including (i) strong brand recognition and a leading position in the stage lighting and sound engineering services market, (ii) well-established and stable relationships with our major customers and suppliers, which are crucial for maintaining our market presence and securing recurring projects, and (iii) an experienced and dedicated management team that provides strategic vision and operational excellence. Our Directors anticipate that these competitive strengths will be further reinforced and enhanced through the implementation of our business strategies. Please refer to the sections headed “Our competitive strengths” and “Our business strategies” above for further details. Coupled with our competitiveness and the expected increase in demand for professional stage lighting and sound engineering services in Hong Kong, our Directors believe we will be able to maintain our market position notwithstanding the increasing competition in the industry.

BUSINESS

AWARDS AND RECOGNITIONS

We received awards and recognition relating to our services, significant examples of which are set forth below:

<u>Year of grant</u>	<u>Awards/Recognition</u>	<u>Issuing authority/institution</u>
1997	Certificate of Appreciation for Participation in Hong Kong Reunification Celebration (參與慶祝香港回歸活動感謝狀)	Association For Celebration of Reunification of Hong Kong With China
2002	Recognition for Contribution to the World Cup Gala Event (貢獻及參與有線電視2002世界杯嘉年華感謝狀)	i-Cable Television Limited
2002	Chinese Club Band Battle 2002 (華仁會流行音樂節2002)	EPS Music
2008	“Sing Pao” Districts Connecting Hearts Charity Fortnight Gala (成報區區心連心慈善雙周晚會)	Sing Pao Newspaper Company Limited
2016	Best Stage Performance Partner Award (舞台演出最佳合作伙伴獎)	HARMAN Professional Solutions China
2026	Certificate of Appreciation	dBTechnologies

EMPLOYEE

As of 31 May 2026, we had 27 full-time employees in total, all stationed in Hong Kong. The following table sets forth a breakdown of our employees by function as of the same date:

<u>Function</u>	<u>Number of employees</u>	<u>% of total employees</u>
Management	2	7.4%
Project management and supervision	4	14.8%
Engineers	10	37.0%
Sales	1	3.7%
Warehouse	2	7.4%
Finance and administration	8	29.7%
Total	27	100%

BUSINESS

Our success depends on our ability to attract, retain and motivate qualified personnel. We generally recruit our employees from the open market through the placement of recruitment advertisements. We endeavour to attract and retain personnel who are appropriate and suitable to serve the needs of our Group. We continuously assesses the availability of human resources and determines whether additional personnel are required to support the ongoing development of our business. This approach enables us to maintain a workforce that is aligned with our operational requirements and strategic objectives.

Given the high technical requirements of our project operations, we provide on-the-job training to our technicians with the objective of developing their skills to meet our standards and customer requirements. In addition to offering opportunities for on-the-job training, we ensure that our technicians remain informed of recent developments in stage lighting and sound engineering system technologies as well as changes in operating procedures. These measures collectively enhance the technical competence of our workforce, ensure familiarity with the latest industry practices, and support the delivery of reliable and high-quality services to our customers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or any labour disputes with our employees which have had or are likely to have a material effect on our business.

Work safety and environmental matters

We have established safety guidelines to provide our front-line staff with the necessary information concerning workplace safety measures. In addition, we implement regular back-up procedures for our computer systems to minimise the risk of data loss. The use of emails is restricted to business-related activities, and internet access is limited to work-related purposes, thereby reducing exposure to potential security risks.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material claims for property damage or personal injuries by our employees under the employee's compensation insurance policies.

Our Directors also believe that the industry in which we operate is not a major source of environmental pollution and that the impact of our operations on the environment is minimal. Please refer to the paragraph headed “Environmental, Social and Governance (ESG)” in this section for further details.

INSURANCE

We maintain in a provident fund scheme registered under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong. In addition, we maintain a comprehensive suite of insurance policies, including (i) employees' compensation insurance covering liabilities for death, injury or disability of employees under relevant employment laws in Hong Kong, (ii) public liability insurance covering liabilities for third-party bodily injury and/or property damage arising from accidents attributable to our Group or our employees in the provision of services, including supply, installation, dismantling, loading and unloading of equipment and accessories, (iii) property all risk and business interruption insurance covering physical loss or damage to our equipment, accessories and office contents, as well as additional expenditure incurred as a result of business interruption caused by loss of or damage to insured property, and (iv) commercial vehicle insurance covering our lorries used for logistical arrangements against third-party legal liabilities. This combination of employee benefits and insurance coverage provides protection for our workforce, customers and assets, while supporting the continuity and resilience of our operations.

BUSINESS

Depending on the circumstances and nature of a specific concert or show, we will determine on a case-by-case basis the need to obtain additional insurance coverage, such as contractor all risk insurance, and we will review our insurance requirements regularly to ensure adequate protection is maintained.

During the Track Record Period and up to the Latest Practicable Date, we have not made or been the subject of any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

In compliance with applicable laws, regulations, and commercial practices in our industry, we maintain all mandatory insurance policies. Our Directors believe that our insurance coverage is adequate and is in line with the industry practice.

RESEARCH AND DEVELOPMENT

During the Track Record Period and as at the Latest Practicable Date, we did not engage in any research and development activity.

PROPERTIES

As of the Latest Practicable Date, we did not own any properties and we leased all of the properties from Independent Third Parties. As of the Latest Practicable Date, we leased two premises in Hong Kong, with a total GFA of approximately 25,728 sq.ft. As of the Latest Practicable Date, all of these leases will expire within one year. Our Directors believe that there is no legal impediment for such renewals. We primarily use the properties for office premises and warehouse.

As of 31 May 2026, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 8.01A of the GEM Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Documents from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may from time to time become a party to various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no unresolved litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our business, financial condition or results of operations.

BUSINESS

Non-compliance

Land use

Incident and reasons

During the Track Record Period, AHM is a tenant of a property located at Workshops 1–9, 4th Floor, Kenning Industrial Building, No. 19 Wang Hoi Road, Kowloon (the “**Property**”), which is used as its studio and office and is also the Company’s principal place of business in Hong Kong. The said usage may not fall within the “industrial or godown purposes” permitted under the Conditions of Sale, the Occupation Permit and the deed of mutual covenant (“**DMC**”) governing the building in which the Property is situated (the “**Building**”).

The Building restricts its use to industrial or godown purposes, and the Occupation Permit correspondingly designates the relevant floors as “workshops with ancillary accommodation for non-domestic use”, while the DMC imposes an industrial/godown user restriction. The Lands Department may be of the view that our current use of the Property may constitute “a change in use of buildings” and, therefore, be a breach of the Conditions of Sale, the Occupation Permit and/or the DMC.

Legal consequences and impacts

Under section 25(1) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) (the “**BO**”), a person intending to make a material change in the use of a building must give the Building Authority one month’s prior notice; failure to do so is an offence under section 40(2), punishable by a fine at level 6 (HK\$100,000) and up to two years’ imprisonment. Under section 25(2), the Building Authority may make an order for the discontinuance of an unsuitable use within one month of the order; non-compliance without reasonable excuse is an offence under section 40(1B)(b), attracting an initial fine, imprisonment, and a daily fine for continuing default. Section 25(3) deems a material change of use to occur where the relevant building works would have contravened the BO, or where plan approval could have been refused under section 16(1)(g). Beyond these statutory penalties, such a breach would also constitute a breach of the Conditions of Sale, Occupation Permit and DMC (entitling the Government to re-enter the Property) and would separately constitute a breach of the tenancy agreement entitling the landlord to bring a contractual claim against us, our exposure is not limited to statutory penalties under the BO but extends to potential forfeiture of our tenancy and contractual liability to the landlord.

As advised by our Hong Kong legal counsel, the risk of enforcement action being taken against us in respect of the above non-compliance is relatively low, having regard to: (i) us having not received any warning letter from the District Lands Office (“**DLO**”), nor is any warning letter registered against the Property at the Land Registry; (ii) under the Government’s risk-based enforcement policy, priority is given to breaches involving public safety risks; (iii) the Building is situated within an “Other Specified Uses” annotated “Business” zone under the applicable Government policies currently in force, such that we would, as a matter of law, be entitled to apply to the Lands Department for a waiver to regularise our use of the Property, with a cautiously optimistic prospect of success. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice, order or warning from the Building Authority, the DLO, or the landlord alleging any breach of the Conditions of Sale, the Occupation Permit, the DMC or the tenancy agreement, nor had we been subject to any prosecution, administrative penalty or claim in connection with the use of the Property. Based on the above, our Hong Kong legal counsel is of the view that the likelihood of prosecution under the BO, re-entry by the Government, or a contractual claim by the landlord arising from our use of the Property is extremely low and minimal.

BUSINESS

Tax filing in Macao

Incident and reasons

During the Track Record Period, AHM failed to file taxes in Macao, as required under the relevant Macao laws and regulations. Such non-compliance incidents occurred primarily due to AHM being unfamiliar with the tax laws in Macao.

The main business activities of AHM in Macao include contracting concerts and events, providing lighting and audio equipment rental services, on-site equipment installation advisory services and technical support.

For the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, the aggregate amount of tax payable to the Macao government is MOP131,178, MOP247,488 and MOP6,677, respectively.

Legal consequences and impacts

According to the relevant Macao laws and regulations, we may be liable to pay (i) administrative fines for the late filing of taxes in Macao; and (ii) the total amount of tax payable to the Macao government, as calculated under the relevant Macao laws and regulations.

According to Article 37 of the Industrial Contribution Regulation, any person who carries out any industrial or commercial activity without having submitted the form M/1 at least 30 days before the probable starting date of the said activity shall incur a fine of MOP200 to MOP100,000.

Where there are inaccuracies, omissions and/or lack of completeness in the income tax declarations (i.e., declarations of engaging in industrial or commercial activities and deriving income therefrom) filed with the Financial Services Bureau in Macao, Article 64 of the Income Tax Regulation imposes the following administrative penalties:

- generally, the punishment is a fine of MOP100 to MOP10,000; or
- for aggravated offences, the punishment is a fine of MOP1,000 to MOP20,000.

“Aggravated offence” refers to offences committed by taxpayers who knowingly breach their duty to disclose. In determining whether or not an offence qualifies as an “aggravated offence”, the Financial Services Bureau in Macao will usually take into account the offending taxpayer’s past conduct, including their tax filing track record, duration of the offence, whether or not there was any concealment of accounts, etc.

To prevent recurrence, we have enhanced our internal control measures over tax governance in Macao. These measures include: (i) incorporating Macao tax compliance requirements into the tax management policies and procedures, with guidance on filing obligations for income earned in overseas jurisdictions; (ii) designating responsible personnel to monitor Macao tax filing and obligations; and (iii) establishing a financial closing checklist that includes verification of tax compliance status for overseas business activities.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any administrative penalties.

BUSINESS

As of the Latest Practicable date, the Group has rectified the above non-compliance by (i) making a business registration; and (ii) retaining an accountant qualified to practise in Macao to make the relevant tax filings with the Financial Services Bureau in Macao. Our legal advisers as to Macao laws advised that, according to Article 68 of the Income Tax Regulation, the administrative fines imposed will be reduced by half if offenders make voluntary disclosure of their breach. We will fully comply with the relevant Macao laws and regulations.

LICENSES, PERMITS AND CERTIFICATES

There is no specific licensing requirement for conducting our Group’s business in Hong Kong, other than the general requirements applicable to carrying on business, such as obtaining a business registration certificate. As of the Latest Practicable Date, our Directors are not aware of any circumstances that may result in material difficulties in renewing such licences, permits or certificates as are generally required.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we have two registered trademarks in Hong Kong. We had also made an application for the registration of two trademarks. As of the Latest Practicable Date, our Directors believe that there is no legal impediment for the renewal of the above patents and trademarks. For details, please refer to the paragraph headed “Appendix IV — Statutory and general information — B. Further information about the business of our Company — 2. Intellectual property rights” in this document.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material dispute or legal proceedings in relation to alleged IP infringement. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not been the subject of any adverse finding in an investigation or audit by any government authorities in respect of infringement of any IP of third parties or sale of counterfeit products that had a material adverse effect on our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Overview

The stage lighting and sound engineering industry operates at the intersection of technology, infrastructure and public safety, making effective ESG management fundamental to sustaining long-term business resilience and stakeholder trust. Our Group recognises that its operations have direct and indirect environmental and social impacts across the project lifecycle, encompassing stage lighting and sound engineering design, procurement, installation, maintenance and end-of-project management.

Our ESG strategy is built upon a foundation of robust governance, proactive environmental management and meaningful social contribution. To meet the requirements of the ESG Reporting Code as set out in Appendix C2 of the GEM Listing Rules (the “**ESG Reporting Code**”), we have formulated our comprehensive ESG Policy. We actively fulfil our corporate social responsibilities, monitor ESG risks associated with our operating practices, and implement a range of measures to promote sustainable development across different areas. These efforts aim to balance the long-term interests of our stakeholders and contribute to a healthy and sustainable ecosystem for society.

BUSINESS

ESG Governance

We are committed to maintaining high standards of corporate governance, ethical conduct, and accountability. ESG considerations are integrated into strategic planning, risk management, and daily operations.

ESG governance structure

We have implemented a three-tier ESG governance structure that involves personnel across various levels of our organisation:

The Board:

- holds ultimate responsibility for our ESG strategy, oversight, and compliance with the GEM Listing Rules;
- approves our ESG policy, strategy, objectives, and key performance indicators;
- oversees the identification, evaluation and management of ESG risks;
- reviews ESG performance and progress annually; and
- ensures compliance with the ESG Reporting Code.

Senior management:

- responsible for ESG risk identification, policy formulation, and performance monitoring;
- implements our ESG initiatives and operational action plans;
- coordinates data collection and internal controls over ESG information; and
- conducts regular assessments of ESG risks and opportunities.

Working group:

- executes ESG initiatives, collects key metric data, and prepares sustainability disclosures; and
- implements on-site engineering activities in compliance with applicable safety, environmental, social and compliance requirements.

ESG risk management

ESG risks have been incorporated into our overall risk management framework and integrated into our enterprise risk assessment process. A comprehensive ESG risk identification and assessment is conducted annually, during which the management analyses and evaluates the likelihood and impact of potential risk items.

We identified material ESG issues through ongoing engagement and communication with stakeholders. Key areas and corresponding mitigation approaches include:

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Environmental:

- **Climate impact:** proactively manage climate-related impacts through the adoption of energy-saving practices and operational contingencies;
- **Carbon emissions:** monitor scope 1, 2 and 3 of greenhouse gas (“GHG”) emissions and implement practical initiatives such as energy-saving measures and fleet optimisation to improve operational efficiency; and
- **Energy efficiency:** optimise energy utilisation and reduce energy consumption during our on-site and warehouse operations.

Social:

- **Occupational health and safety:** maintain safety management systems and risk-control measures to reduce workplace hazards and safeguard employees;
- **Product and services responsibility:** implement quality assurance procedures and complies with relevant safety standards to minimise produce-related incidents;
- **Supply chain and business ethics:** engage, monitor and evaluate with suppliers and subcontractors to promote responsible business practices; and
- **Customer satisfaction:** maintain engineering and technical services through quality delivery and responsive service.

ESG goals and targets

To fulfil our environmental responsibilities and support the sustainable development of our business operations, we are committed to implementing a range of environmental protection and social responsibility measures. In response to the material ESG issues identified above, we have set the following future goals and targets.

Environmental:

- **Climate impact:** reduce carbon emissions in alignment with the HKSAR’s direction on carbon neutrality;
- **Carbon emissions:** achieve reduction of scope 1, 2 and 3 of GHG emissions intensity by 5% year-on-year, and achieve long-term operation on decarbonisation; and
- **Energy efficiency:** achieve 60% or above of new projects adopt energy-efficient stage lighting and sound engineering solutions in coming five years.

Social:

- **Occupational health and safety:** target of zero fatal accidents annually;
- **Product and services responsibility:** target of zero product safety incidents;
- **Supply chain and business ethics:** assess critical suppliers and subcontractors on environmental, safety and ethical standards; and

BUSINESS

- Customer satisfaction: maintain high levels of customer satisfaction for stage lighting and sound engineering services.

Environmental

Our environmental impacts mainly arise from our office operations, warehouse activities, fleet transportation, and on-site engineering works. We aim to reduce our environmental footprint by promoting energy-efficient technologies, advancing low-carbon solutions and adopting circular resource practices.

We strictly abide by the environmental laws and regulations in Hong Kong applicable to engineering works, electrical installations, product safety and waste handling. We have developed internal compliance systems and policies to monitor compliance with these requirements.

Climate-change management

We are exposed to both short-term and long-term climate-related impacts and are committed to mitigating them by reducing GHG emissions, enhancing energy efficiency, and embedding climate considerations into procurement, project planning and risk management processes.

Through ongoing stakeholder engagement, systematic assessment of our business conditions, and with reference to the recommendations of Task Force on Climate-related Financial Disclosures (“TCFD”), we have preliminarily identified the potential physical and transition risks of climate change on our operations and financial position and evaluated our mitigation measures, covering the following areas:

Risk type	Risk description and impact	Risk mitigation measure
<i>Physical risks</i>		
Acute	<p>Typhoons and storms:</p> <ul style="list-style-type: none"> • Typhoons and severe storms may create hazards for outdoor work that increase accident risks. • Logistics and engineering works may be disrupted due to typhoon or “red/black rain” warnings, affecting project schedule. <p>Heavy rainfall and floods:</p> <ul style="list-style-type: none"> • Electrical equipment may be damaged, while outdoor cabling, connectors, and power distribution boards are highly vulnerable, causing electrocution hazards. 	<ul style="list-style-type: none"> • Outdoor engineering works shall be suspended when Tropical Cyclone Warning Signal No. 3 or higher is in force. • Adopt flexible project scheduling and allocate buffer time for peak typhoon seasons. • Temporarily take down installed equipment during heavy rain and floods, subject to weather conditions and safety assessment
Chronic	<p>Long-term temperature rise:</p> <ul style="list-style-type: none"> • Lighting fixtures, amplifiers, LED electronic display screens and power distribution units may overheat rapidly, damaging equipment. 	<ul style="list-style-type: none"> • Install shading covers to reduce direct sunlight and heat exposure to equipment.

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Risk type	Risk description and impact	Risk mitigation measure
	<p>Gradual increase in humidity:</p> <ul style="list-style-type: none"> High humidity may accelerate wear and tear on stage lighting and sound equipment and degrade their components faster, reducing equipment lifespan and increasing maintenance costs. 	<ul style="list-style-type: none"> Use dehumidifiers and ventilation systems in storage warehouses and studios.
<i>Transition Risks</i>		
Compliance	<p>Tightening carbon reduction regulations:</p> <ul style="list-style-type: none"> Tightening regulations and mandatory ESG reporting may impose high compliance costs 	<ul style="list-style-type: none"> Maintain compliance monitoring and implement the ESG Policy to keep pace with evolving environmental regulations.
Operation	<p>Rising energy costs:</p> <ul style="list-style-type: none"> Electricity tariffs may increase due to decarbonisation of the power grid and higher demand for cooling, raising long-term operating costs for warehouses, studios, and large-scale event setups. 	<ul style="list-style-type: none"> Power off equipment when not in operational use. Optimise equipment operating hours to avoid prolonged use during non-essential periods and avoid unnecessary activation of equipment.
Technology	<p>Technical and equipment obsolescence:</p> <ul style="list-style-type: none"> Rapid innovation in energy-efficient stage lighting, digital signal processing, and low-power sound systems may render older equipment obsolete, posing higher capital expenditure to keep up with market expectations and regulatory efficiency standards. 	<ul style="list-style-type: none"> Identify high emission or high energy use equipment for early disposal or trade-in for efficient fixtures.
Supply Chain	<p>Higher expectations for sustainable procurement:</p> <ul style="list-style-type: none"> Corporate and government customers may increasingly require demonstrating sustainable procurement practices. Non-compliance may reduce eligibility for large-scale events or long-term contracts. 	<ul style="list-style-type: none"> Encourage to cooperate with vendors with verified environmental credentials. Include sustainability criteria in annual supplier’s performance evaluation.

BUSINESS

Emission management

We are committed to managing our GHG emissions and major air pollutants as part of our low-carbon transition. We have adopted a range of practical measures and will continue to implement a series of initiatives aimed at enhancing energy efficiency and lowering emissions across our operations.

Greenhouse gas emissions

Our GHG emissions arise primarily from activities associated with our stage lighting and sound engineering operations:

- Scope 1 emissions are generated from the consumption of vehicle fuel used for transportation of equipment and on-site engineering services;
- Scope 2 emissions are attributable to electricity consumption at our office and warehouse facilities; and
- Scope 3 emissions mainly comprise business travel undertaken by employees and outsourced logistics services required for logistics.

Our GHG emissions and respective emission intensities, classified by scope 1, scope 2 and scope 3 during the Track Record Period, are set out below:

GHG Emission (Unit)	Year ended 31 December 2024 Volume	Year ended 31 December 2025 Volume	Five months ended 31 May 2026 Volume
Carbon Dioxide (CO ₂)	(kg)	(kg)	(kg)
Scope 1 (CO ₂)	19,570	14,434	3,990
Scope 2 (CO ₂)	33,017	40,025	15,391
Scope 3 (CO ₂)	42,985	38,250	8,311
Total emission	95,572	92,709	27,692
Total emission intensity (/employee)	4,345	3,708	1,026

Air pollutants emissions

Our operations generate a limited amount of air pollutants, primarily arising from the use of vehicles for transportation of equipment and on site project activities. Air pollutant emissions mainly include nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM), which are associated with fuel combustion during vehicle operation. Given the nature of our business, air pollutant emissions remain relatively low and are confined to transportation related activities.

Noise pollution

Our operations generate noise during audio system calibration, on-site installation, audio play and use of vehicles for transportation of technical equipment. These activities are generally short-term, project-specific, and conducted within controlled environments such as studios, indoor venues, or designated event sites. As most engineering work takes place indoors or within enclosed areas where acoustic control measures are already in place, noise impact on the surrounding community is minimal.

BUSINESS

We strictly complies with relevant regulatory requirements, including the Noise Control Ordinance (Cap. 400), and adopts a series of operational practices to minimise noise disturbance. Such practices include but are not limited to:

- Equipment testing and calibration are scheduled during appropriate hours;
- Sound-absorbing panels or portable acoustic curtains are deployed during high-volume testing;
- Vibration-damping mats are used beneath heavy or low-frequency equipment; and
- Headphones or isolated monitoring booths are utilised for tuning and calibration where practicable.

Resource management

Our long-term success relies on responsible conservation of our key resources, particularly energy. To reduce environmental impact while supporting sustainable and resilient business growth, we are committed to enhancing technical knowledge, improving operational efficiency and embedding conservation practices across daily operations.

Energy consumption

Energy use is a material environmental impact for our operations. Electricity and fuel are the primary resources consumed across our activities, and their efficient use is essential to reducing our environmental footprint and supporting sustainable business performance.

Electricity and fuel saving measures include but not limited to:

- carrying out regular maintenance to ensure equipment operates at optimal efficiency;
- applying energy-efficient air-conditioning systems and ventilation optimisation in offices and warehouses;
- monitoring of electricity usage patterns to identify reduction opportunities;
- implementing route planning and load consolidation measures to optimise transportation and reduce unnecessary delivery; and
- encouraging employees to use public transportation for business travel where practicable.

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Our electricity and fuel consumption and respective consumption intensities during the Track Record Period are set out below:

<u>Energy Consumption</u>	<u>Year ended 31 December 2024 Volume</u>	<u>Year ended 31 December 2025 Volume</u>	<u>Five months ended 31 May 2026 Volume</u>
Electricity	(kWh)	(kWh)	(kWh)
Purchased	86,887	105,328	40,503
Total energy consumption	8,045	5,929	1,622
Total energy consumption intensity (/employee)	3,949	4,213	1,500
Fuel	(Liter)	(Liter)	(Liter)
Diesel	2,292	1,738	638
Petrol	5,753	4,191	984
Total fuel consumption	8,045	5,929	1,622
Total fuel consumption intensity (/employee)	366	237	60

Packaging Materials and Consumables

We consume various materials in our operations, including staging and rigging components such as truss structures, steel fittings and stage panels, as well as production consumables and packaging materials like gaffer tape, cable ties, protective coverings and wrapping materials. We manage the resources through reuse practices and waste-reduction measures to minimise environmental impact.

Social

We have identified several social-related risks associated with our daily operations, including occupational health and safety, supply chain management, product and service responsibility, and anti-corruption. We place strong emphasis on workplace safety, product reliability, and responsible supply chain practices to safeguard the well-being of our employees, customers, and the wider community.

Employment and labour practices

We maintain comprehensive human resources policies and procedures to support strong governance and ensure compliance with statutory and industry requirements. Covering areas such as recruitment, equal opportunities, remuneration and benefits, working-hour arrangements, leave administration, workplace safety, technical competency and professional conduct, these policies are reviewed regularly to remain effective and aligned with regulatory and stakeholder expectations.

Our employment practices are designed and implemented in accordance with the relevant labour-related laws and regulations in Hong Kong, including but not limited to Employment Ordinance (Chapter 57 of the Laws of Hong Kong); Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong); Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong); and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

We are committed to equal employment opportunities and to building a diverse workforce, with a focus on hiring local talent. We provide all employees with a fair environment for career development and strictly prohibit any form of discrimination.

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During the Track Record Period, the gender profile of the workforce continued to show improvement, reflecting steady progress towards achieving gender balance. The age distribution has also become increasingly youthful, indicating a healthy trend of talent rejuvenation. The overall composition of the workforce by gender, age group and grade is summarised below:

Number of Employees	As at 31 December 2024 (person)	As at 31 December 2025 (person)	As at 31 May 2026 (person)
Total	22	25	27
Gender Distribution			
Female	5	8	10
Male	17	17	17
Age Distribution			
Below 30	1	1	3
30 to 50	7	9	9
Above 50	14	15	15
Grade Distribution			
Senior Management	1	1	2
Middle Management	7	8	8
Technical Staff	10	11	11
General Office Staff	4	5	6

Our employee turnover rates for the years ended 31 December 2024 and 2025, and the five months ended 31 May 2026 were 23%, 4% and 4%, respectively. Turnover remained low while our team expanded steadily in line with business growth, demonstrating the effectiveness of our talent retention framework.

Occupational health and safety

We follow applicable health and safety legislation in Hong Kong and maintain safe working conditions for our employees, contractors, customers and venue visitors. Operations are carried out in accordance with, among others, Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong); and Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

We maintain a comprehensive safety management system through structured risk assessments and defined operating procedures. Ongoing monitoring is carried out through regular site inspections, performance reviews, incident reporting mechanisms and compliance checks to ensure that safety standards are consistently upheld across all our operations.

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Key safety control measures include, but are not limited to, the following:

Safety Area	Key Control Measures
Rigging, Heaving Lifting and Structural Safety	<ul style="list-style-type: none">● Prepare detailed stage floor plans, rigging plans and operation schedules;● Perform mandatory load calculations, lifting testing, structural verification, and safety inspection; and● Obtain RSE certification before installation.
Electrical and Equipment Safety	<ul style="list-style-type: none">● Install temporary power distribution only by Registered Electrical Worker; and● Conduct portable appliance inspection and testing for all electrical equipment by Registered Electrical Worker before use.
Subcontractor Safety Management	<ul style="list-style-type: none">● Engage prequalified subcontractors based on competence and certifications;● Provide mandatory pre-site safety briefings or induction for personnel, including subcontractors, where it is required by venue safety requirements;● Deploy onsite safety officers for performance and large-scale events; and● Monitor subcontractor performance through the works.

We maintain employees’ compensation insurance to safeguard against workplace injuries and occupational incidents, including those arising from warehouse logistics and on-site technical works.

During the Track Record Period, no major work-related fatalities or severe injuries were recorded. One minor work-related injury occurred during the year ended 31 December 2024 involving an employee injured on site. The injury resulted in 29 lost working days and was fully settled under our employees’ compensation insurance coverage.

Supply chain management

We have established a comprehensive supplier management framework. In assessing new and existing suppliers and subcontractors, we evaluate key criteria including brand reputation, industry experience, quality performance, valid operational licences, and safety certifications, requiring all products and technical services to comply with applicable local and industry standards.

During the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, we engaged 220, 213 and 117 suppliers respectively, with over 95% in each period located in Hong Kong.

Product and service responsibility

We maintain systematic quality control measures to ensure that our engineering works comply with applicable safety regulations and recognised industry standards. These measures include comprehensive project planning, safety logistics, pre-installation testing, on-site commissioning, and post-project performance reviews.

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Equipment is thoroughly inspected and tested, with valid RSE certifications obtained prior to deployment to client venues to ensure operational reliability and safety. All electrical and mechanical works are executed by Registered Electrical Workers in compliance with guidelines issued by the Electrical and Mechanical Services Department (“**EMSD**”).

We adhere to the Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong), fulfilling statutory obligations to exercise reasonable care and skill, perform services within a reasonable timeframe, and deliver outcomes consistent with agreed contractual terms.

We respect intellectual property rights and comply with the Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) and other applicable intellectual property legislation. All proprietary materials, software, and creative assets used in our engineering projects are managed in strict compliance with legal requirements.

Anti-corruption

We maintain zero tolerance for bribery, fraud, and corruption in compliance with applicable laws and regulations in relation to anti-corruption and anti-bribery, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong); the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong); and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

We have established comprehensive anti-corruption policies as part of its commitment to integrity and responsible business practices, strengthening its overall governance framework. These policies cover, among others, the following:

- annual anti-corruption training for employees;
- an independent whistleblowing mechanism with a confidential reporting channel; and
- mandatory conflict-of-interest declarations from vendors and employees to ensure transparency and uphold ethical business conduct.

During the Track Record Period, no legal proceedings regarding corrupt practices were brought against our Group or our employees.

Outlook and Prospect

We place strong emphasis on ESG management and recognise that effective ESG governance requires continuous refinement. Following our [REDACTED], we intend to enhance the quality of our qualitative and quantitative disclosures in our annual ESG reports in accordance with the reporting principles of materiality, quantitative measurement, balance, and consistency under the ESG Reporting Code.

Looking ahead, we will continue to monitor our environmental performance, operate under a sustainable development framework, adopt resource-efficient practices, and review our ESG strategy to deliver long-term value for our stakeholders.

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INTERNAL CONTROL AND RISK MANAGEMENT

We recognise the importance of internal control measures in ensuring our ability to deliver stage lighting and sound engineering services efficiently, reliably, and in line with customer requirements. To this end, we have implemented a comprehensive set of internal control policies to regulate and govern our business operations. These include major procedures and processes covering sales and accounts receivable, purchases and accounts payable, project management, fixed asset control, financial statement reporting and disclosure, procurement and subcontracting, and internal audit policy, all of which provide sufficient guidelines for our employees and standardise work procedures for quality control.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to (i) review our compliance, accounting policies and financial reporting procedures; (ii) supervise the implementation of our internal audit system; (iii) advise on the appointment or replacement of external auditors; (iv) liaise between our internal audit department and external auditors; and other responsibilities as authorised by our Board. For the qualifications and experience of the committee members, please refer to the section headed “Directors and senior management”;
- organise training sessions for our Directors in relation to the ongoing obligations, duties and responsibilities of directors of publicly listed companies under the Companies Ordinance, the SFO and the GEM Listing Rules and the Directors are fully aware of their duties and responsibilities as directors of a listed company in Hong Kong;
- appoint a compliance adviser pursuant to Rule 6A.23 of the GEM Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the Listing Rules and all other applicable laws, rules, codes and guidelines;
- adopt various policies to ensure compliance with the GEM Listing Rules, including, but not limited to, risk management, connected transactions and information disclosure;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks; and
- establish a set of emergency procedures for responding to major quality-related issues as well as health and safety incidents.